



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Finance

FINA • NUMBER 070 • 1st SESSION • 41st PARLIAMENT

EVIDENCE

Tuesday, June 5, 2012

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Chair

Mr. James Rajotte

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• (1535)

[English]

The Chair (Mr. James Rajotte (Edmonton—Leduc, CPC)): I call this meeting to order. This is the 70th meeting of the Standing Committee on Finance. Our orders today are pursuant to the order of reference of Monday, May 14, 2012. We are studying the bill.

Colleagues, as you know, we dealt with parts 1, 2, and 3 yesterday at clause-by-clause consideration. We have part 4 to do this afternoon and this evening. We are therefore going to start with clause 170, as you see in front of you on your agenda.

I will just remind you that we will finish once we get to clause 753. We will go back to clause 1. At that point, we have, as prescribed by the motion, until 11:59 tonight for discussion on these clauses, at which point I will have to put all the votes on any outstanding clauses.

I thought, colleagues, it would be easiest to proceed in the way we proceeded in terms of our discussion of the bill. That was to do part 4 by division. I will identify the clauses for that division and then have debate over the division as a whole. Obviously, we have officials here if there are any questions by members. I think that's an easier way to proceed. I am strongly suggesting we do so in that measure.

I know we have the five-minute rule with respect to clauses, but I would ask members to allow me to be a little flexible with the timeline. I don't think we'll use five minutes per clause, but I think on one division we should allow a little more flexibility than five minutes if one party wishes to make a number of points. I will just remind you to make your points as best as possible to the clauses and the subject matter therein. I will obviously be as respectful toward colleagues as possible.

Therefore, I will start with division 1. Division 1 deals with measures with respect to the Auditor General of Canada. It includes clauses 170 to 204. I am looking for discussion.

I will go to Mr. Marston, please.

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Thank you, Mr. Chair.

Welcome back, Mr. Boissonneault.

Mr. Chair, when we first got the documentation on this, there had been a lot of discussion about the fact that old age security hadn't been talked about and that those changes weren't even raised in the last election. We looked at changes to employment insurance, and again, they hadn't been talked about, nor were the kinds of changes regarding the environment that are proposed in this bill.

However, the ones that jump out at me are the clauses that will remove the Auditor General's oversight from a number of agencies. The government members on this committee will tell us, and from their perspective it may be true, that the Auditor General offered up these changes. Perhaps he did, but he did so because he was told he had to cut a certain amount of money out of his operating budget. If it were not for the budget cuts by this government, I doubt very much the Auditor General would have offered up these changes unless he was put into that position.

It's clear the government is prioritizing significant budget cuts across the board in the areas I already talked about. They're making that choice in this case over the oversight of government operations and government accountability.

I'm one of the people who came into this House in the 2006 election. During that election we repeatedly heard from the opposition, which is now the government, about accountability and transparency. All of this certainly flies in the face of those proclamations in that election. They pointed their fingers toward the previous government about the things that were hidden, the mismanagement, the sponsorship scandal, and all of the things in that area, and said they were a significant problem. We agreed. Our party said there had to be more accountability.

When the Conservatives formed government, there was supposed to be a breath of fresh air in this place, but with this omnibus bill they are trying to ram legislation through our Parliament in a fashion that we've not seen. Yes, there have been large bills before, but never as comprehensive in the changes they were making.

The really serious part of this, and I've expressed this in my frustration here several times, is that this is happening without allowing Canadians to comment. It's happening without giving MPs the opportunity to undertake the due diligence necessary to thoroughly examine it and the implications, not only for today's citizens but for future generations.

I'm no expert on the environment. I'm not on this committee because I'm an expert on the environment. When those kinds of things are put before us, the EI changes I know something about, and OAS I would know something about, but the comprehensive changes are very challenging for all of us.

However, reducing and in some cases eliminating the oversight of the Auditor General over the operations of government, as I've already said, flies in the face of everything the Conservatives purported to represent when they were running in 2006. People at that time put their faith in them. Who would have thought that this type of thing would happen?

At this point I'm going to reserve to come back into the discussion. I'll allow other people to get in, because I need to sit back for a moment.

The Chair: Okay, thank you.

I have Mr. Brison on this point.

Hon. Scott Brison (Kings—Hants, Lib.): I have some other points on this.

I've actually participated in expenditure review processes as a minister and as a member of an expenditure review committee of cabinet. It's possible to be penny-wise and pound foolish, Mr. Chair. The reality is that investments in scrutiny and accountability and resources for the Auditor General or for the Parliamentary Budget Officer can yield significant savings to government. Reductions in these resources and commensurate reductions in scrutiny and accountability quite potentially will yield waste, because without that constant light being shone within any government, it's more difficult to ensure that respect is being given to every hard-earned tax dollar we receive in Ottawa.

I know the genesis of these decisions emanated from an expenditure review process whereby the Auditor General was told to come up with some savings. In that context, his office would have put forth areas that were deemed less of a priority than perhaps some other areas, but the reality is all of these areas are important. I'm going to go through some of these important agencies and councils and boards. It's not just a question of respect for tax dollars and ensuring good value for tax dollars. It's a question of performance. The vital oversight given and input garnered from these agencies is essential. The oversight by the Auditor General is important.

I think of something as essential as the Canadian Food Inspection Agency and issues around food safety. The idea of any move to reduce scrutiny of these agencies is penny-wise and pound foolish.

• (1540)

The Chair: Thank you.

We'll go to Mrs. McLeod, please.

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Mr. Chair, we all understand that the Auditor General does incredibly important work, but I think Mr. Marston indicated at the very beginning that it was the Auditor General, not the government, who deemed that these audits were unnecessary.

The other important feature is that in October 2011, there was a letter to the chair of the public accounts committee, NDP member David Christopherson, and at that time the Auditor General's office announced their intention to seek these amendments. At that time they also made a case in terms of why these amendments would eliminate audits of lesser importance.

Mr. Boissonneault, is that portraying accurately what happened? Was there a response from the committee?

Mr. Gordon Boissonneault (Senior Advisor, Economic Analysis and Forecasting Division, Demand and Labour Analysis, Economic and Fiscal Policy Branch, Department of Finance): I do know that a letter was submitted to the standing committee, as you said. I'm not aware of any response from the committee.

Mrs. Cathy McLeod: If the committee had any concerns, since October, 2011, they have had significant and ample time to respond to this issue.

The Chair: Thank you, Mrs. McLeod.

I have Mr. Marston, Monsieur Caron, and Ms. Nash.

I'll start with Mr. Marston.

Mr. Wayne Marston: Thank you again.

We have expressed our concerns. Beyond the point of accountability, it's the case for transparency that was made in 2006. You have to consider what happened with the G-8 slush fund to be very concerned.

We had very serious concerns when the government announced its intentions to cut the auditing powers of the Auditor General. We had additional concerns when the Conservatives refused to allow the Auditor General to testify before a parliamentary committee. It's one thing to receive letters, but it's quite a different thing for a person to give face-to-face testimony. We questioned at the time why they wanted to silence a person responsible for ensuring that taxpayers' money is spent properly. Again, this is an affront to the very things they have purported to stand for.

One wonders why the government seems so intent on taking away the Auditor General's powers. This is the single largest move to restrict accountability in Bill C-38. It is a broad reduction of the oversight powers of the Auditor General.

Let's think about the significance of removing the mandatory oversight of financial reporting by 12 agencies. I'll name them: the Northern Pipeline Agency; the Canadian Food Inspection Agency, and people will give testimony about their fears of what impact that could mean; the Canada Revenue Agency; the Canadian Transport Accident Investigation and Safety Board; the Canadian Institutes of Health Research, the Canadian Centre for Occupational Health and Safety; the Exchange Fund Account, which is under the Currency Act; the Natural Sciences and Engineering Research Council of Canada; the Social Sciences and Humanities Research Council of Canada; the Canadian Polar Commission; and the Yukon Surface Rights Board. The member for Yukon is sitting beside me and will comment shortly.

• (1545)

Mr. Dennis Bevington (Western Arctic, NDP): The Northwest Territories.

Mr. Wayne Marston: I was close. It's in the vicinity.

These cuts undermine a very critical role played by these trusted oversight bodies. I'm not suggesting in any way that there are problems with those particular bodies, but the Auditor General, that office, is intended to offer confidence to the Canadian people.

We had the CSIS inspector general and the National Energy Board, among many others.

The government is silencing institutional checks and balances on the government's ideology. From our perspective, we see that the government has an ideology that's contrary to what it said in 2006 about transparency and accountability.

The cuts call into question Canada's food inspection and public health regime by removing critical oversight powers of the Auditor General in relation to the Canadian Food Inspection Agency, all while providing an avenue and paving the way for opportunities to privatize a number of essential inspection functions. We heard from witnesses about their concerns about farming out the inspections. They were quite sincere.

The Auditor General does important work on behalf of all Canadians to ensure that taxpayer money is spent wisely. Why are the Conservatives shutting this down?

The Conservatives' cuts to the Auditor General's office will mean one thing, and that's less accountability. Back in 2006, that was one of the primary reasons the Conservatives were successful in defeating the previous government.

I've said that we have faith in those listed agencies, but from time to time faith gets violated, and from time to time people get caught doing things they're not supposed to do. When it comes to financial accountability, the person who catches them is the Auditor General.

You have to ask yourself how this aligns with the purported accountability and transparency the government says they represent.

The Chair: Thank you.

Monsieur Caron.

[*Translation*]

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Chair, I heard what Ms. McLeod suggested earlier. Yes, the Auditor General's office proposed those changes voluntarily and sent a letter to that effect. It even told the Standing Committee on Public Accounts in advance that it was going to voluntarily review those programs or audits. I was a member of that committee at the time.

But what is being left out of the story and what Ms. McLeod did not mention is that the Minister of Finance has himself sent a letter to the Auditor General or to his office asking him to comply as much as possible with the spirit of fiscal restraint, meaning the direction that the government was going to take. Therein lies the rub. We have reason to believe that the Auditor General would not have provided the list of programs or government agencies whose financial statements he would no longer audit, if the Minister of Finance's letter had instead suggested he carry on with the audits in the same way as before.

Clearly, if a letter from the Minister of Finance asks you to make changes—voluntarily, of course—and to conduct fewer audits, that is one thing. But getting a letter from the Minister of Finance asking you to conduct the audits as if the office were independent will have the opposite effect. The auditor is doing it independently, but at the suggestion of the Minister of Finance. We think that is problematic because parliamentary oversight organizations should be excluded from any government austerity measures. But that was not the case here.

• (1550)

[*English*]

The Chair: Okay. *Merci*.

I have Ms. Nash, and then Mrs. Glover, please.

Ms. Peggy Nash (Parkdale—High Park, NDP): Briefly, I want to also add my concerns to the changes in this bill that would eliminate the Auditor General's oversight to about a dozen agencies.

The Auditor General is, and has been, enormously respected and trusted by the people of Canada. That oversight is an important check and balance for government institutions and agencies that we rely on. The Auditor General is a source not only of fiscal accountability but of good common sense oversight to the way government operates.

I want to contrast the supposedly cost-effectiveness of removing the government's oversight with the Auditor General to the decision last fall by the government to spend \$90,000 per day to hire outside private consultants to advise the government on how to make these cuts. They were planning to spend, at that point, almost \$20 million to get advice on how to cut programs, services, and operating expenses in the federal government when we already have tools within the government to help the government do that.

I just have to say it's not a bad gig to get \$20 million to advise the government to lop off environmental agencies, privatize oversight, and privatize government operations. The question is whether Canadians are better served with this approach. I would argue that they are not.

This is, of course, something one would have to argue should not be in this omnibus budget bill, but in fact I know it's justified because, ultimately, any time you chop government services or programs, it affects the budget. However, this more properly should be discussed in terms of what are the appropriate oversight measures and checks and balances in the government, and have a broader discussion on that measure alone.

To see this solely within the context of balancing the books I think can be short-sighted, because if you remove checks and balances that were put in place to prevent problems, to prevent waste, to determine where there are inefficiencies, to determine where government could spend its money better, you could be penny-wise and pound foolish, as my dear departed granny used to say.

I don't think this is appropriate in this bill. I don't think it is an appropriate measure for proper oversight and accountability for Canadians, and for this reason we're opposing it.

The Chair: Thank you.

Ms. Glover, please.

Mrs. Shelly Glover (Saint Boniface, CPC): Thank you, Mr. Chair.

I want to start by thanking Monsieur Boissonneault for coming forward again.

Perhaps through you, Chair, I'm going to ask the official to respond to some of the comments made by the opposition.

First and foremost, it is in fact the opposition that has commented numerous times now—Ms. Nash, Mr. Marston—as to the respectability of the Auditor General and how respected and trusted the Auditor General is. It is in fact the Auditor General who made these recommendations, indicating that these are duplicative and unnecessary.

Is that correct, Monsieur Boissonneault?

Mr. Gordon Boissonneault: That is his interpretation. That's correct.

Mrs. Shelly Glover: So as a respected and trusted Auditor General—which is the way the NDP and in fact I believe Mr. Brison have demonstrated their faith in the Auditor General—I would question why they would now question that statement made by the Auditor General. But having said that, the Auditor General also made it very clear that because it's duplicative and unnecessary, it would be more efficient not to have to do them.

On top of all of that, there would be no loss of oversight whatsoever because there is still the audit of the government's summary of financial statements that would capture the information of departments and department-like organizations.

Is that not correct, Monsieur Boissonneault?

•(1555)

Mr. Gordon Boissonneault: That is correct.

Mrs. Shelly Glover: I am going to give you a couple of minutes just to explain once again to committee how there is no loss of oversight here and how the comments that are being made are perhaps because they're misinformed. But if you could just demonstrate that there is no loss of oversight because the Auditor General actually has some other tools in his or her tool kit, that would be much appreciated.

The Chair: Mr. Boissonneault, would you just comment on the oversight issue?

Mr. Gordon Boissonneault: Yes. Well, the Auditor General had put forward these proposals to eliminate these particular financial audits for these particular organizations in order to be in line with current government directives that financial audits are not undertaken for individual departments and department-like agencies.

The reason they are currently undertaken for these organizations is that the AG is specifically mandated to do so within the enabling legislation, but the proposals would remove that requirement. In the view of the Auditor General, he believes that the annual audit of the summary financial statements of the Government of Canada is sufficient oversight of the financial operations of these organizations.

Moreover, the performance audit function of the Auditor General will continue unchanged. These organizations, typically on a three-year cycle or so, are given a thorough performance audit by the Auditor General of Canada.

The Chair: Thank you.

Mrs. Shelly Glover: I just want to finish, if I may, Mr. Chair.

The Chair: Yes, sure.

Mrs. Shelly Glover: Having said all of that, Monsieur Boissonneault, I thank you for the clarification.

I would ask opposition members to seriously consider taking this respected and trusted Auditor General at his word and to not try to put words in his mouth or make assumptions about any potential reason this might have occurred, other than to take the reason he's provided at face value.

Those would be my comments.

Thank you, Chair.

The Chair: Thank you.

I have Mr. Brison on the list.

Hon. Scott Brison: Just on this, the reality is that the government is reducing the budget of the Auditor General. The Auditor General has to reduce oversight somewhere. This is where, given the choices, he has identified areas where he would remove his oversight.

I'm not attacking the Auditor General for doing that which he had to do, but it is a reality that it was in response to cuts to the Auditor General's office, and as such a reduction in oversight, scrutiny, and accountability of government on both a performance and a spending basis.

The Chair: Thank you.

Can I go to a vote, then, on...?

Mrs. Shelly Glover: Last comment, Mr. Chair.

The Chair: A last comment, Ms. Glover, please.

Mrs. Shelly Glover: I just want to put on the record for Mr. Brison's benefit that he actually has the cart before the horse. All departments and heads of departments were asked to submit 5% and 10% plans to find inefficiencies in their departments. It was only after these proposals were made that the government came up with the deficit reduction action plan decisions.

So again, Mr. Brison actually has the cart before the horse and is wrong when he says that's the way it happened, because in fact it happened the other way. The submissions were made and then we took the Auditor General's recommendations and accepted these as being duplicative, unnecessary, and ineffective.

The Chair: Thank you.

I have a growing list here.

Monsieur Caron, and then Ms. Nash, please.

[Translation]

Mr. Guy Caron: Like Ms. Glover, we should also state in writing that, before making his decision, the Auditor General received a letter from the Minister of Finance asking him to comply with the spirit of fiscal restraint that the government was going to enforce. That has certainly contributed to the Auditor General's decision to drop those 12 or 13 audits.

•(1600)

[English]

The Chair: *Merci.*

Ms. Nash, please.

Ms. Peggy Nash: I have just two points.

If every department and agency was asked in fact to prepare a list of cuts that they thought made the most sense for the government's plan to cut spending, then I have to ask again, what was the consultant doing for \$90,000 a day? Were they just compiling these lists of recommendations that civil servants had already compiled? I guess I'm contrasting the spending for this outside consultant with the austerity measures taking place within the government.

Second, if there weren't the government cuts, would the Auditor General have left this oversight in place?

I guess I ask Mr. Boissonneault that question.

The Chair: Mr. Boissonneault.

Mr. Gordon Boissonneault: Just to clarify, the Office of the Auditor General was not included in the formal part of the—

Ms. Peggy Nash: I understand that. He did it voluntarily.

Mr. Gordon Boissonneault: It was voluntary. The letter the minister wrote was to all heads of departments and agencies that were not included in the review, asking them to conduct an internal evaluation of their expenses and costs. The responses to those letters varied considerably.

So it's unclear to what extent the Auditor General was motivated by that letter or if he'd already done his own internal assessment.

Ms. Peggy Nash: Thank you.

The Chair: Just to follow up on Ms. Nash's question, you're saying that if the Auditor General had said, "I've reviewed our office's operations, and we are satisfied that all the operations conducted currently are satisfactory, are respectful of taxpayer dollars", if he had responded that to the government, the government would have said, "We appreciate that. We respect that."

Mr. Gordon Boissonneault: I can't speak on behalf of the government, but I can say that other organizations did respond in that manner.

The Chair: And the government accepted their...?

Mr. Gordon Boissonneault: Yes.

The Chair: Okay. Thank you.

We've had a good discussion here.

Can I call clauses 170 to 204—I suspect on division?

An hon. member: Yes, on division.

(Clauses 170 to 204 inclusive agreed to on division)

The Chair: Thank you.

Thank you very much, Mr. Boissonneault.

I will now go to division 2, which deals with life annuity-like products. This deals with three clauses, 205 to 208. I do not have any amendments for these clauses.

Does anyone wish to address this specific division?

Okay.

(Clauses 205 to 208 inclusive agreed to)

The Chair: It is unanimous.

I will now deal with division 3, which deals with PPP Canada Inc., clauses 209 to 213.

Monsieur Mai would like to speak to this division.

[*Translation*]

Mr. Hoang Mai (Brossard—La Prairie, NDP): Thank you, Mr. Chair.

Division 3 of part 4 of this budget implementation bill asks that PPP Canada Inc. be recognized as an agent of Her Majesty for its activities with federal agencies, including the provision of advisory services to departments on P3 capital projects. As a result, PPP Canada Inc. will act as a source of expertise on P3s for federal departments.

As you know, Mr. Chair, the Champlain Bridge is in my riding of Brossard—La Prairie. When we asked the witnesses questions, I was sort of taken aback, because the Minister of Transport made the famous statement "No toll, no bridge", and he also said that the project was going to be carried out according to the P3 model. Engineering experts have carried out some studies. One of those studies was the consortium BCDE study mandated by the federal and provincial governments and it looked at the various options for building the new Champlain Bridge. According to those studies, the construction costs for a bridge based on the P3 model would be higher than if the construction was funded by the public.

As far as we are concerned, PPP Canada Inc.'s objective is to convert everything into P3s. We also asked the officials from the Department of Finance some questions and they told us that no decisions had yet been made at the Department of Finance. So we have two versions.

The goal of this amendment is to convert everything into P3s. And since the NDP is not in favour of the P3 model overall, because we want a more thorough study to be done, we are going to vote against that division.

•(1605)

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

[*English*]

Mr. Adler, please.

Mr. Mark Adler (York Centre, CPC): Thank you, Chair.

I want to preface my response by saying what a magnificent job you're doing as chair of these hearings, the longest in two decades. I commend you for that.

I want to respond by saying that PPP Canada is a wholly owned subsidiary crown corporation and by order was made a parent crown corporation under the Financial Administration Act. At its incorporation, it was decided not to make PPP Canada an agent of Her Majesty.

This division aims at confirming that PPP Canada does not act as an agent of Her Majesty except for certain mandated activities. It is proposed that PPP Canada be recognized as an agent of Her Majesty for activities related to: one, the P3 screen on federal capital projects; two, the provision of advisory services to federal departments and crown corporations on federal P3s; and three, acting as a source of expertise and advice on P3s for departments and crown corporations.

In essence, this measure would better align PPP Canada's corporate structure with its activities related to its federal business line, including providing expert advice to federal departments.

Thank you, Chair.

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

Mr. Jean, please.

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

I wasn't sure about what I heard from the NDP member, Mr. Mai, because we heard evidence here that most of the P3 projects have come in under budget and have over-delivered more quickly. In fact, we heard from PPP Canada previously that taxpayers get very good value for money.

I just want to make sure that's on the record today, because it clearly came from the witnesses. We've seen it in the Edmonton ring road. We saw it in the Kicking Horse bridge. We've seen it in a lot of things in the last decade, where taxpayers get good value for money on P3 projects.

I'm not sure where his information is from, but I understand that what he's suggesting is that the price, or at least the projected price, may come in higher, but we have seen that the delivery, the actual delivery, is much more efficient for P3 projects than we see normally.

The Chair: Thank you, Mr. Jean.

[Translation]

Mr. Mai, the floor is yours once again.

Mr. Hoang Mai: Mr. Jean was generalizing. Perhaps that is not the case at the federal level, but in Quebec, there have been cost overruns in P3 projects. There have also been projects that took longer than anticipated. So it is not accurate to say that all P3s are efficient and within budget. Actually, it appears that taxpayers have to pay more. The fact is that there are cost overruns. When the auditing responsibility goes to the private sector, the follow-up is not as appropriate as if it were done by the public sector.

There is no need to go into ideology and say that everything should be done under P3s, as Mr. Jean said.

[English]

The Chair: *Merci.*

Can I call the question, then, on clauses 209 to 213?

(Clauses 209 to 213 inclusive agreed to on division)

The Chair: We'll now go to division 4, which is amendments to the Northwest Territories Act, the Nunavut Act, and the Yukon Act.

I have six amendments—three NDP, three Liberal—and if members are agreeable, can I have them speak to the issue generally and the division generally, and then we'll address amendments?

So we'll get a general discussion first, and then we'll deal with the amendments.

Mr. Bevington.

● (1610)

Mr. Dennis Bevington: Thank you, Mr. Chair.

I'm here today to speak to these particular amendments to the three acts. I think the committee should understand the nature of the three acts herein. These acts are actually the closest thing to being the constitutions of the three northern territories. In regard to public government across the Northwest Territories, these three acts outline the political rights of the people I represent, and of course the same applies to the other two jurisdictions.

So these acts are very important to the people of the Northwest Territories. They are actually the only thing that gives us a legislative assembly and anything approximating the political rights of every other Canadian and every other provincial jurisdiction. So when it comes to amending these rights, these acts, I think there's a need for a great deal of sensitivity on the part of the government as to what is being accomplished. These aren't simply the powers of the federal government; they are the expression of the rights of the people of the three territories.

So on what we've seen here, I can go back to the testimony given by the Deputy Minister of Finance of the Government of the Northwest Territories last year, before a similar committee, in speaking to another act, one that talked about borrowing limits. The history of borrowing—and the fact that there is anything within the NWT Act, the Yukon Act, and the Nunavut Act on borrowing—goes back to a time when the Northwest Territories, Yukon, and Nunavut could only borrow from the federal government. The maximum allowed to be borrowed was set by regulation of the Governor in Council.

Today, all borrowing in the Northwest Territories and the other territories is done through private market borrowing, just as every other province takes care of it. Every piece of borrowing that's done in these three territories is under the scrutiny of the same financial services that carry every other province in this country.

Three years ago, the GNWT position going into negotiations about raising the borrowing limit was that their preference—and this was stated by the deputy minister—was for the federal government to remove itself from any responsibilities for a borrowing limit or for any other matter therein. What we've seen here is that a government, such as the Northwest Territories government, for instance, has a Moody's rating that exceeds that of every province except British Columbia and Alberta. That testimony was given as well. So what we have here is a government that has very strong financial management policies and a government that is mature and takes care of its citizens.

But what we see in this act is a bill that is going to amend the NWT Act, the Yukon Act, and the Nunavut Act—and I'll speak to all three of them—and not simply for the aggregate of all borrowing, because the borrowing limit was already in the NWT Act and the Yukon Act and was set by the federal cabinet. So really, the new portions of this bill are on the conditions of borrowing. This is a very important consideration, because “conditions of borrowing” mean what constitutes or deems to constitute borrowing, and one of the largest debates in this category was over whether self-financing loans should be considered “borrowing” under the limit. In other words, if the Government of the Northwest Territories enters into borrowing that is going to return the cost of the borrowing to that government, should that be held as part of the borrowing limit?

This is a very important factor to us, because just as provinces have responsibilities to invest in their territory or their province, so do we. When it comes to the plan the Government of the Northwest Territories has to expand its hydroelectric system, where the estimated borrowing requirements for something that is going to be returned are in excess of the borrowing limit that has already been designated...in other words, it's virtually impossible for those plans to go ahead under these circumstances if the conditions for borrowing include self-financing loans under the limit.

•(1615)

We have a situation where the future fiscal capacity of the Northwest Territories to expand its services to provide opportunities to grow an area of 1.2 million square kilometres—an area that is considered by many people to be one of the new areas of economic strength for Canada—will perhaps be constrained by the conditions, the regulations, that are going to be set by a federal cabinet. It could be this federal cabinet, it could be the next federal cabinet.

Within that, within these amendments, we see no provisions for consultation, no guarantee to these separate governments that their conditions for fiscal capacity will have a considered point of view from the governments they represent.

This is really not appropriate. That's why both ourselves and the Liberals have put forward these amendments. To my mind, this is the very least that should be done to this bill. This is the very least, because it does give voice to responsible governments in the three northern territories in a fashion that should be there. I think most people of equal mind in this country would say that's the case, that this would be the least that should be provided to those governments. It's not there, so we're asking for that to be put in place.

It's simple. It won't upset this budget bill and it won't change the nature of the bill, but it will give some surety to those governments that they will actually be consulted, that they will actually have a chance to put their point of view about their borrowing capacity, about what they need to make their territories whole, in front of the federal cabinet before it makes decisions about that.

I think it's imperative for this committee to look at this not simply in a viewpoint of the political state of Canada, where a budget implementation bill is being fired through without amendments, but to think of it in terms of what this actually means to the people of the north.

It's a very simple thing to do. It sets us on a course that is a correct course. It sets us on a course that may bring us more equality with the rest of Canadians. As a person who's lived his entire life as a second-class political citizen of this country, I appeal to all this committee to respect us in the three territories, to give us our due.

And accepting these amendments would be simply that. It would not upset the financial state of the Government of Canada and it would not tie the Government of Canada to any particular course of action. It would guarantee that we have a voice, albeit a small voice, in a decision that is so important to the future of our three territories.

So I would ask that these amendments be accepted. I would say that the two amendments can be combined. They are for each act, they are similar, and they constitute a good and sensible compromise to what has been proposed here.

Thank you.

The Chair: Thank you.

I have Mr. Jean, and then I have Mr. Brison.

Mr. Brian Jean: Thank you, Mr. Chair.

I would speak against this. I understand how Mr. Bevington feels about this, but it's frankly unnecessary in order to put it into legislation. First of all, the territories approach the federal government for any change in classification, any change in borrowing limits, any change in relation to their financial position. They approach the Government of Canada and speak to it. Don't take my word for it. On May 24, 2012, the Minister of Finance for the Northwest Territories stated that

We worked collaboratively with Canada to secure an increase to our borrowing limit from \$575 million to \$800 million.

The Government of the Northwest Territories went on to state in a news release on March 15, 2012, and I quote again:

The increase represents the successful discussions between the federal Minister of Finance, the Honourable James Flaherty, and the three territorial Ministers of Finance about the definition and adequacy of the territorial borrowing limits.

It is very clear from the record and from what has been stated by all governments of the territories that there has to be consultation, and it would only make sense, because they actually approach the government based upon their own need in relation to the financing.

I would say as well to Mr. Bevington that the population base—and I know he's from a very large area, as I am in northern Alberta. Mine is much smaller than his, but we have a population of 43,000 in the Northwest Territories, 36,000 in Yukon, and 33,000 in Nunavut. The number of square kilometres that his constituents cover is huge, as is the case with my constituents in northern Alberta, but this arrangement is much the same as that of the municipal government in Alberta. For instance, in Fort McMurray, with all of our problems with infrastructure, etc., we had to approach the provincial government to ask for a change to our borrowing limit, which is the highest, I understand, of any municipality in Canada as far as percentage goes, because of the growth. But it's very common, and none of these discussions would take place without bilateral discussions between the different levels of government. It wouldn't make sense.

•(1620)

The Chair: Thank you, Mr. Jean.

Mr. Brison, go ahead, please.

Hon. Scott Brison: This amendment seeks the recommendation of the Minister of Finance after consultation with the Government of the Northwest Territories. It simply requires that there be consultation. But I think this speaks to a broader issue, which is the diminution and the demise of federal, provincial, and territorial engagement under this government, whether it is on health care or the effects of federal changes to EI on provinces.

Mr. Chair, you've been in the House for some time. For a lot of us who have been around for some time, there was a time, going back even further, when the role of the minister responsible for intergovernmental affairs was considered a very senior role. Former Prime Minister the Right Honourable Joe Clark was a minister of intergovernmental affairs under Prime Minister Mulroney. Stéphane Dion was a minister of intergovernmental affairs under Mr. Chrétien. They were well recognized and respected individuals.

Very few Canadians would be able to name the Minister of Intergovernmental Affairs in the current government, or recognize him in a police lineup. The reality is that he is like a minister without portfolio in the current government. There is no consultation. There is no engagement. And the fact that government members are averse to simply having a requirement for consultation with the Government of the Northwest Territories speaks to that diminution of this very important role.

The Chair: Thank you.

I would just remind members to make their arguments as well as possible with respect to the substance of the argument and to not cast aspersions on any parliamentary colleagues.

Mr. Brison, what you said about the minister was not acceptable.

Hon. Scott Brison: Just to clarify, I am not speaking about the minister. I am saying that he's a minister without portfolio in this government. That's not a reflection.... He has a car. He has an office. He has a staff. He just doesn't have a lot of work to do.

The Chair: You just proved my point actually. What I'm saying is I've asked members to make comments that are respectful of other parliamentary colleagues.

I'll go to Mr. Bevington.

Mr. Dennis Bevington: Well, just in response to Mr. Jean, I would not characterize the Government of the Northwest Territories as a municipality.

Mr. Brian Jean: I said it was similar.

Mr. Dennis Bevington: You know, when it comes to these regulations, which constitute borrowing....

I must remind you that the borrowing limit was set by the Government of Canada prior to this budget implementation bill. It really has nothing to do with what you talked about there, because it had already been accomplished.

This bill really speaks to the changes in the nature of borrowing, and that's where the concern lies. Right now about 40% of the

borrowing limit is taken up by self-financing loans, mostly through the public utility corporation in the Northwest Territories. The public utility corporation, which has a mandate to return a profit on the investments it makes, constitutes almost half of what the borrowing limit is within the Government of the Northwest Territories.

So the issue in terms of conditions of borrowing, whether the federal cabinet chooses to make self-financing loans part of that overall umbrella of \$800 million, is a very serious issue to people in my territory. We have enormous infrastructure expenditures for the future.

I can give a number of instances. In the Sahtu region of the Northwest Territories, there's the need for a road from Wrigley to Norman Wells. In the last year we've sold a billion dollars' worth of oil and gas leases in that region. Without the road being built, the cost of drilling a well in that region is extraordinarily high. We need to move ahead with infrastructure and development so that we can make our economy work for us. Without fiscal capacity within the system, that will simply not happen. We can't plan for it. We have to go cap in hand to somebody else for the opportunity to do the things that we see can return investment to us.

Now, very strongly, by not consulting the governments that are engaged in the work of building Canada, with money to do the work, with their own money, to do the work that they need to do for their people, you're simply....

This is missing the boat. And this is not just for this cabinet. When you pass these laws, they're for every other cabinet that follows, unless there's another amendment made.

So I would ask that these laws be made in a careful fashion that respects the ability of our governments in the three northern territories to be assured that they will be consulted before any changes are made to these very important functions of government. Fiscal capacity is the basis of responsible government.

•(1625)

The Chair: Thank you, Mr. Bevington.

We'll go now to the amendments.

I'll just highlight for members that we have six amendments—three NDP, three Liberal—dealing with clauses 214, 215, and 216.

In clause 214 we have NDP-40 and Liberal-3; in clause 215 we have NDP-41 and Liberal-4; and in clause 216 we have NDP-42 and Liberal-5.

If you look at the amendments, they're very similar with respect to the first part of the Liberal amendment. I'm not sure how the opposition parties wish to proceed.

If we deal, for instance, with NDP-40, one option is to just have the second part of the Liberal motion amended into NDP-40; or the opposition parties could decide to go with the Liberal amendments, because they include both (a) and (b).

Does that make sense to members?

Frankly, I think it would be easiest if we voted on the three Liberal amendments. That's my perception as chair, but....

Monsieur Caron.

[*Translation*]

Mr. Guy Caron: I would like to suggest that we start with the Liberal amendment, since it has an additional element compared to the NDP amendment. If it is rejected, then we can move to the NDP amendment.

[*English*]

The Chair: As I understand it, we have to start with.... If the NDP wants to move NDP-40, we have to start with that.

Ms. Nash.

Ms. Peggy Nash: We'll just go with the Liberal amendments.

The Chair: Okay.

(On clause 214)

The Chair: You don't have to read it, Mr. Brison, but I would ask you to move amendment Liberal-3.

Hon. Scott Brison: I move amendment Liberal-3.

The Chair: All those in favour of amendment Liberal-3?

(Amendment negated)

(Clause 214 agreed to on division)

(On clause 215)

The Chair: I will ask you to move amendment Liberal-4, Mr. Brison.

● (1630)

Hon. Scott Brison: Mr. Chair, I move amendment Liberal-4.

The Chair: All those in favour of amendment Liberal-4?

(Amendment negated)

(Clause 215 agreed to on division)

(On clause 216)

The Chair: Mr. Brison, you can now move amendment Liberal-5.

Hon. Scott Brison: Mr. Chair, I move amendment Liberal-5.

The Chair: All those in favour of amendment Liberal-5?

(Amendment negated)

(Clauses 216 and 217 agreed to on division)

The Chair: Thank you.

We shall move, then, to division 5, clauses 218 to 222.

Colleagues, I have no amendments for these clauses. Is there discussion on division 5?

I see no discussion on division 5.

(Clauses 218 to 222 inclusive agreed to on division)

The Chair: We shall move, then, to division 6. I have one amendment for division 6.

Division 6 deals with the social security tribunal and service delivery in clauses 223 to 281.

I'll have discussion.

Mr. Caron, please.

[*Translation*]

Mr. Guy Caron: Thank you very much.

Should I move the amendment first?

[*English*]

The Chair: Just because of the way we're proceeding, because we have so many clauses, I think we'd prefer it if we could have a general discussion, and then if you could move the amendment later.... Is that okay?

[*Translation*]

Mr. Guy Caron: That's fine.

The Chair: Okay.

Mr. Guy Caron: We find division 6 of part 4, clauses 223 to 281, problematic for a number of reasons.

There are currently four tribunals or boards of referees that respectively deal with employment insurance, old age security and the Canada pension plan, and the fourth is an appeal tribunal. Those four tribunals will be replaced by one mega-tribunal, the Social Security Tribunal. That is problematic in a number of ways. Let us note that, last year, there were more than 27,000 appeals for employment insurance and some 4,500 appeals for the Canada pension plan and old age security. So that's over 31,000 appeals overall.

Right now, 1,000 part-time members are on these various tribunals, 900 of which deal with employment insurance. In addition, there is already a backlog of 80,000 employment insurance claims in Quebec alone. And it does not seem to be going down, on the contrary. The current administrative challenges suggest that those tribunals will be in demand.

It is important to know that three people are currently on the employment insurance tribunals or boards of referees: one person appointed by management, one by the union and one by the government. Of all the tribunals or boards of referees that are being eliminated, I am most familiar with those dealing with employment insurance. The proximity of these tribunals is very important. For example, there is a tribunal in Rimouski that handles cases from across the Lower St. Lawrence region. People can come from La Mitis, Haute-Gaspésie, western Lower St. Lawrence region, including Témiscouata or Les Basques, and they will find a tribunal that understands their concerns and realities.

There is a lot of discussion about the reform recently introduced by the Minister of Human Resources and Skills Development, which we also find problematic. This reform will largely affect seasonal workers. The tribunals or boards of referees in areas like the Lower St. Lawrence region fully understand that reality. If we eliminate the structure of boards of referees or that of the tribunals for old age security and the Canada pension plan—which obviously does not affect Quebec as much—we run the risk of undermining the full understanding of regional realities, which these boards of referees could claim to have.

There will be a shift from 1,000 part-time members who sit on tribunals or boards of referees two or three times a week to only 74 full-time members. They will work full time, but their roles will be divided as of now, if we pass this amendment. They will have to decide on files dealing with employment insurance, old age security and the Canada pension plan, all at once. We will have full-time members, but they will not necessarily be able to absorb all the ramifications that are specific to the various issues handled by those tribunals.

I have talked to people, some of whom work in the administration of employment insurance, some on the union side and some on the management side, and they have some major concerns about that. Division 6, which has to do with the Social Security Tribunal, probably demonstrates best why this bill is problematic in its scope. We are talking about a major change, a major reform to a structure that has been around for decades, and we have barely had the time to address it, given that there are 753 clauses to go over. Some people have presented their technical expertise for about 10 to 15 minutes and they answered our questions about the technical aspects. But, since our time for the witnesses was limited, we were not able to get to the bottom of things.

•(1635)

As I said, that is a major reform of something crucial to the way social programs are run in this country. This issue should have been referred for further study to the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities. We are going to talk about it for a few minutes and that will be it. This will be passed with the entire Bill C-38, based on a single yes or no vote.

We honestly cannot vote in favour of those 58 clauses or so that have been presented to us, simply because we don't have any reliable indication of their potential impact. We have had very little data about how effective a tribunal like that can be, and how it would adequately address issues such as regional diversity, which are key to the success of programs, and of the tribunals and boards of referees that will deal with those issues. As a result, we would not be able to support an amendment like that in any way whatsoever. But we are still going to try to amend it so as to improve this bill, hoping that our friends in the government will give our amendment due consideration.

Unfortunately, I only have the English text.

[English]

I move that Bill C-38, in clause 224, be amended by adding after line 43 on page 201 the following....

I'll wait until after.

The Chair: Mr. Caron, we're going to have a general discussion, and then we're going to vote on clause 223. Then we'll move to clause 224, and I'll ask you to move it.

[Translation]

Mr. Guy Caron: Great.

[English]

The Chair: That's how I'll proceed.

I have the speaking list. I have Ms. Nash, Mr. Brison, Mr. Hoback, and Mr. Marston.

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

I guess I start from the question "if it ain't broke why fix it?"

An hon. member: It's broke.

Ms. Peggy Nash: Well, I would challenge you on that. I think there are major challenges, for example, with the employment insurance system and the fact that only about 40% of Canadians who pay into it get access to benefits when they need them.

Certainly in my area in Toronto, not much more than a quarter of the people who are unemployed get benefits. So it's not that there aren't problems with employment insurance. Certainly we need a good review of employment insurance to take a look at some of the regional challenges, to take a look at the hours system and how that can undermine people's access to EI, and to take a look at how effectively retraining programs are doing. We are in a rapidly changing society with a lot of challenges in our labour market. Employment insurance is an adjustment program to help Canadians adapt to a changing economy. It is an adjustment program, so it's not designed to support people forever and a day, but it's designed to be there when people need it.

We'll have a further discussion about EI when other changes come up. But first I want to get on the record that I don't know why we're making this change to this particular part of EI, which is about the social security tribunal. I haven't heard anyone asking for it. I haven't heard anybody who is involved in EI or OAS appeals ask for it. I don't know where this has come from.

I know there are many changes that should be made to EI, but I just don't see this as being one of them. I also want to echo what my colleague has said, that this should not be before the finance committee; it should properly be before the parliamentarians who sit on the human resources skills development committee for examination.

My colleague mentioned the number of appeals that get referred to the boards. I also want to make the point that almost 54,000 appeals were made in the 2010-11 year, but about half of them were resolved before a hearing because officials recognized there was an error, there was an oversight, or there was incomplete information.

One of the major challenges we're hearing about today from unemployed workers is the great difficulty in getting to speak to a real person. It used to be that you went into an office, you spoke to someone in the UI office, and you made your case. You talked to a person who knew your community and might have known you, and you could explain the situation. Now people are lucky if they can ever get through on a phone line. We've heard awful examples of people waiting for hours to get through on the phone line.

My point in raising this with respect to the social security tribunal is that rather than having these thousand part-time people, who represent labour and management across the country in the regions, who are there in the community, who people can go and speak to face to face—and they are encouraged to go and meet with them face to face—we're going to have these 39 people across the country. I'm very concerned about access and about people's ability to actually get face to face, even if it's only through Skype, with these folks, and about how long the wait time is going to be, because a lot of people who get laid off are living paycheque to paycheque. If that paycheque stops coming in...and we've seen so many workplaces across this country that have closed unexpectedly. People show up for work and the door is closed: no paycheque. Often you're owed back-pay. Often you're owed vacation. You're owed severance.

• (1640)

Then, when you go to apply for EI, if there's a problem, you have to wait. People can't pay their bills. So a speedy resolution... especially when we're finding that so many appeals are resolved quite quickly when people do get access to a real person to speak with who can resolve their complaint.

I want to say that I'm opposed to making this change, which, without adequate study, has the potential to further limit people's access to get their due justice when it comes to making a claim for EI and EI benefits. In a country that's changing as rapidly as Canada is, and with the global economic changes taking place, I think we owe it to Canadians to have a strong and effective labour market adjustment program that can help people when they get into difficulty through no fault of their own when they lose their jobs.

At a time when our economy is still so sluggish, and so many people are still out of work—our unemployment rate is still higher than it was before the start of the last downturn—it's the wrong time to make it potentially more difficult to get EI. If we're doing anything, we should be making strides to see how we can make people's lives easier as we go through this downturn.

I'll conclude my remarks there, Chair.

• (1645)

The Chair: Thank you.

Mr. Brison, please.

[*Translation*]

Hon. Scott Brison: Mr. Chair, I remember that, in the past, the Conservatives were against centralizing government operations, but in this case, they are the ones pushing for centralization.

[*English*]

The ironic part is that it doesn't just indicate a change in direction of government; in this specific case, the previous operation was cost-effective. It was efficient. The decisions, we were told by witnesses, benefited from and were informed by.... In fact, the decisions were made close to the people, to the industries and the regions being affected.

When you look at the overall job numbers in Canada, for instance, we do know that unemployment is almost two points higher than it was four years ago. But when you break it down by regions and by provinces, you recognize that almost 70% of the jobs created in

Canada last year were created in two provinces, Saskatchewan and Alberta. There's a balkanization of the Canadian economy. We're hemorrhaging jobs in Ontario, Quebec, the Maritimes.

So this is a time when a less centralized approach actually makes more sense and is even more essential. I find it not only a reversal of Conservative historic policy of being opposed to centralizing these types of decision-making bodies, but also, at a time when the nature of the work and the nature of the decisions being made require regional sensitivities because of the balkanization of the Canadian labour market and economy, I think this is a very wrong-headed decision.

The Chair: Thank you, Mr. Brison.

Mr. Hoback, please.

Mr. Randy Hoback (Prince Albert, CPC): Thank you, Chair.

I'm going to be very short and simple here.

You know, we hear this complaint from the NDP all the time about not enough time to go through this, but if they spent less time complaining about the fact and more time working, they'd probably get the work done.

I think it's a very straightforward process that we're seeing here in the social security tribunal. We're getting rid of duplication in the administration. We still expect the level of service to be more than adequate and to be professional and proper. We still expect that to happen. I don't think anybody else will say that it's not happening.

As you look at the government and our fiscal situation, and at the ability to make sure we balance our budget books by 2015, we have to look for efficiencies. We have to take advantage of new technologies that have come into play. In this case, if you look at the Internet and if you look at Skype, as Ms. Nash talked about, there are lots of new technologies in play where we no longer have to be face to face, necessarily, to hear an appeal.

Again, I'm not going to spend a lot of time on this. This is just the straight movement forward of making government more efficient yet still providing proper and efficient service, and saving the taxpayer money while doing it. It's very, very simple.

• (1650)

The Chair: Thank you, Mr. Hoback.

Do you have a point of order, Ms. Nash?

Ms. Peggy Nash: Yes.

Mr. Chair, as you know, we may have political disagreements, but in the spirit of wanting to go through this process—we have spent long hours together and we will spend long hours together going through this—I just have to say that I really don't appreciate Mr. Hoback lecturing us and implying that the NDP members on this committee are lazy because we have a different view—

Mr. Randy Hoback: I didn't say that—

Ms. Peggy Nash: You've said that we spend more time whining about work than doing the work. I find that offensive. I would really appreciate not being lectured by members on the other side. I'd rather just stick to the issues.

The Chair: Okay.

Mr. Hoback, do you want to address that?

Mr. Randy Hoback: Yes.

I never intended to call you lazy, and if I did, I apologize, but I don't think I did. What I was saying is that you're spending so much time complaining that you don't have enough time—

The Chair: “She”—comments through the chair, okay?

Mr. Randy Hoback: Sorry, Chair.

The members, the NDP in particular—and even the Liberals, to a lesser degree—are complaining so much about not having enough time to go through it, and that's what's eating up their time. It's eating up my time and the time of everybody else, including all the staff who are around here listening to them.

We've heard you complain over and over and over and over and over and over again about how you wish you had more time. Well, the reality is, just go to work. We'll get it done.

Thank you.

The Chair: Okay. Well, I think that's a matter of debate, so I will leave it as a matter of debate.

I guess I would just encourage members to argue on the points of the bill, obviously, and I would also remind members.... I know that members want to speak to all divisions and that in particular they want to speak to divisions near the end of the bill. At the rate we're going, we're not going to get to the end of the bill before 11:59 p.m., so I'll just give them some friendly advice. If we could be more laconic in our remarks, it would certainly help the chair get to the end of the bill.

Voices: Oh, oh!

The Chair: I have Mr. Marston, and then Mr. Caron again.

Mr. Wayne Marston: Thank you, Chair. I always appreciate the common-sense approach you use.

I'll ask the members on the other side if any of you have ever filed an EI claim and had it turned down and had to go through an appeal for yourself, or anybody you know. Because—

A voice: [*Inaudible—Editor*]

Mr. Wayne Marston: No. I'm asking the individuals—

The Chair: Members' comments through the chair, okay? They can ask the chair questions, but—

Mr. Wayne Marston: Through the chair, my point is that there is commentary here about the effectiveness and the need for change, and about why we would want it to be in another committee. Well, we can only work from the experiences that we've had as individuals.

In my case, I happen to have been in a position where I helped make the appointments for the labour people who are on tribunals, so

I have a sense of it. But if you haven't been there, if you haven't seen that in action and the problems that were there for the individuals....

Now, we're concerned that this change is talking.... It's going to have linguistic problems. It's going to have cultural differences for the people. There are not going to be enough people, as Mr. Caron has said before, and that's a serious concern.

But it's the EI definition of suitability of work that's going to generate appeals. That's going to have people who are going to have their applications set aside.... As for the jurisprudence that carries over from one tribunal to the next, from the CPP, the OAS, and the EI, that jurisprudence is going to take an amount of time for people to learn, because it has been condensed down so.

The loss of institutional memory from those people who were a part of these boards and were out there doing the best they could to sort through the EI appeals.... Not all EI appeals are justifiable. I will agree with that, and there's a case to be made that some of them need to be turned down, but it needs somebody with the competencies, the skills, and the history to be able to do that.

Now, we've had people allude to web-based.... Well, when you're unemployed, probably one of the first things you're going to cut is your access to the Internet. Also, are there going to be travel requirements for people? On video conferencing, if places are set up and individual communities have the capacity to do that, it may be something you can do.

I was part of the pre-budget hearings, and I don't recall anybody in the pre-budget hearings calling for these changes. Have we had testimony at this committee calling for these changes? No—because the system has been working in a reasonable degree. Does it need some fine-tuning? I doubt if there's a department in the government that couldn't stand some fine-tuning. We could probably agree on that.

But it needs to be put before the proper committee of the House where the critic areas are covered. Also, if you believe that the time allotted to this offers us a real opportunity to study the implications of the legislated changes in the various areas of this government's activities, I think you're mistaken.

Thank you.

• (1655)

The Chair: Thank you.

We'll go to Mr. Caron, and then Ms. Glover.

[*Translation*]

Mr. Guy Caron: I would quickly like to talk about two items. First, let me reiterate the importance of studying this amendment in greater depth, since it is related to Bill C-38 and since there are a great deal of negative effects or aspects that we will not be able to study in depth, including regional realities and local services.

I understand that the intent is to use videoconference and to be able to contact people from afar. There are currently 900 part-time employees who work at the employment insurance boards of referees. There are likely 300 boards of referees, given that there are three employees per board of referees. Let's say that we are now going to have 39 full-time employees. The City of Quebec would offer the service closest to Rimouski, for example, or to the Gaspé, Sept-Îles, or other cities in eastern Quebec. If the services are negotiated or provided out of Quebec City, people won't know if they are dealing with someone who understands the regional realities of a region other than Quebec. Those local services that were provided in all the boards of referees are going to disappear. We think that is a very problematic aspect that should have been looked at in depth.

There is another aspect. We have learned this during our work on the Standing Committee on Finance. This has to do with the difference between meeting with witnesses face to face or through videoconference. I am sorry, but as a member of Parliament, I have seen a big difference between asking questions when the witnesses were in Saskatoon, Toronto, Vancouver or Alaska, and when they were here, on site. The quality of the exchanges we had with people right before us was so much better. Actually, the responses were much more effective, animated and engaging than any of the other responses. And that is not a reflection on their work or their comments, but simply on the medium itself that cannot effectively render the desired message.

Heading in this direction will have an impact on people's lives. A decision like this can potentially alter the quality of their lives significantly. We cannot take this decision lightly. People can appeal a decision before a tribunal or a board of referees.

That is why I deeply regret that this division, not announced and not proposed during the prebudget consultations, as my colleague mentioned, is now included with the 56 divisions in part 4 of this bill. This is very problematic, and let me reiterate my wish to study this division separately, because it deserves to be studied thoroughly and independently, and we will not be able to do so here.

[English]

The Chair: *Merci.*

Ms. Glover, go ahead, please.

[Translation]

Mrs. Shelly Glover: Thank you, Mr. Chair.

My colleague Mr. Marston mentioned something I think is important.

[English]

I'd like, through you, Chair, to ask the witnesses to comment on it. He brought up the fact that institutional memory is important, and I agree with him, but in fact under the old system, institutional memory in part-time employees might actually be problematic, and in fact the new system, with full-time employees, might actually enhance institutional memory. That would be my take on it.

I'd like to ask the witnesses to comment on that. I'd also like to give the witnesses an opportunity, if they have heard anything that's

important to clarify, to take this opportunity to enlighten the members of the committee.

The Chair: Ms. Foster and Ms. Campbell, welcome to the committee. If you would like to address Ms. Glover's questions, please go ahead.

Ms. Sue Foster (Acting Director General, Policy, Appeals and Quality, Service Canada): Thank you.

With regard to the expertise of the panel members, it is expected that since they are engaged full time in hearing these appeals, they will become experts on not only the provisions associated with the programs they are hearing appeals on but also on the various different elements, for example, with employment insurance, the various regional differences in how the employment insurance program is designed to respond to those regional variations.

Right now we have part-time panels, who, although they do a wonderful job, are in and out of hearing appeals, depending upon the number of appeals and the location of appeals. There isn't always a constant flow of appeals to keep their knowledge fresh. We actually do annual information sessions. We do many of them each year across the country to make sure our board referee members are up to date with changes in the legislation, policy changes, and emerging jurisprudence. Under the new structure, the members of the panels who will actually hear the EI appeals at the first level will be hired as EI experts at the beginning.

• (1700)

The Chair: Ms. Glover.

Mrs. Shelly Glover: Thank you, Mr. Chair. That sounds actually quite beneficial, and really an improvement on what we have right now. It goes contrary to many of the things that were unfortunately said by Monsieur Caron in fact.

Nevertheless, I did want to make sure we gave you an opportunity to speak to those issues. Again, I think Mr. Marston was right, although hopefully that intervention will convince him the institutional memory is actually enhanced by the new system.

Thank you.

The Chair: We will see.

I will call clause 223 first.

(Clause 223 agreed to on division)

(On clause 224)

The Chair: I will ask Monsieur Caron to move his amendment.

[Translation]

Mr. Guy Caron: So I propose amendment NDP-43.

[English]

The Chair: You are moving NDP-43. Okay.

The chair has a ruling, as assisted by our wonderful legislative clerks.

Bill C-38 amends the Department of Human Resources and Skills Development Act by creating a new social security tribunal. The tribunal will hear appeals of decisions made under the Employment Insurance Act, the Canada Pension Plan, and the Old Age Security Act. Tribunal members are selected by means of Governor in Council appointments.

The amendment attempts to specify that where an appeal involves a disability benefit, the member of the tribunal must be a person who is qualified to practise medicine or a prescribed related profession in a province.

House of Commons Procedure and Practice, second edition, states, on page 766, and I quote:

An amendment to a bill that was referred to a committee after second reading is out of order if it is beyond the scope and principle of the bill.

Therefore, in the opinion of the chair, the introduction of the criteria of medical competency with regard to tribunal members is a new concept that is beyond the scope of Bill C-38 and is therefore inadmissible.

That deals with NDP-43.

(Clause 224 agreed to on division)

(Clauses 225 to 281 inclusive agreed to on division)

The Chair: I want to thank our officials for being here for that division.

We will then move to division 7, which deals with clauses 282 to 303, consolidation of privacy codes. I have no amendments for this division.

Does anyone wish to speak to this division?

(Clauses 287 to 303 inclusive agreed to)

The Chair: We'll then move to division 8, dealing with social insurance number cards.

These are clauses 304 to 314, and we'll start with Ms. Nash, please.

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

I want to again raise the point that there are many Canadians who will be disadvantaged by not having a physical card with their social insurance number.

I remember, as a kid, when I got my first job and I got my SIN card. I still have the same one today. You take care of it and you look after it. It's an important number that you carry with you, and it's an important piece of identification.

There are many Canadians who still do not have access to the Internet, and not everybody has the literacy or media skills to be able to keep track of this information online.

I think of my own community where there are a number of low-income people who don't have a driver's licence. It's an important piece of information for them. If it's only available online, they may not have access to it.

While I do think it's a great idea to have this information online for those for whom it will make their lives a lot easier, I think there are some Canadians who may fall between the cracks, for the reasons I've just mentioned.

• (1705)

The Chair: Thank you.

For further discussion, I'll go to Mr. Van Kesteren.

Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC): Mr. Chair, the SIN card was never supposed to be a form of identification. It was never an identity card, so it doesn't contain any of the security features. Those who apply for jobs or need to produce their SIN numbers aren't required to produce it physically. It's one of these things that has reached its full use, as far as necessity. As such, the government has recognized that it's no longer necessary to issue these cards. We will cease to issue and produce and mail the plastic cards.

The Chair: Thank you, Mr. Van Kesteren.

I see no further speakers on this division. Therefore, I will call clauses 304 to 314.

(Clauses 304 to 314 inclusive agreed to on division)

The Chair: We now move to division 9, amendments to the Parks Canada Agency Act, the Canada National Parks Act, and the Canada National Marine Conservation Areas Act. This deals with clauses 315 to 325.

I have Monsieur Mai, please.

[*Translation*]

Mr. Hoang Mai: Thank you, Mr. Chair.

I want to talk about division 9 of part 4, which removes the Parks Canada Agency's obligation to produce an annual corporate operations plan and the obligation of presenting an annual report on the agency's operations to be tabled before Parliament. It also changes the period between reports on the state of heritage areas and programs from two years to five years. We have another concern. Division 9 amends the act and increases the period between departmental reviews of management plans for national historic sites, national parks and marine conservation areas from five years to at least 10 years.

I am going to talk about my own personal experience. Unlike Mrs. Glover, I am not a police officer, but I was a scout when I was younger. I appreciated the parks a great deal, and they were part of my childhood. So parks protection is very important for me. In my former life, I wasn't a soccer mom, but I was a scuba diving instructor. Marine conservation areas are also very important to me. The period between departmental reviews, intended to inform the ministers about what action to take, is changing from five years to 10 years. A delay is also being added between the drafting of the report and the government's actions. I see a problem here.

If we really want to protect the environment, which is very important to me, we need to monitor what is going on in the parks and marine areas. Despite the explanations I've received, I don't think changing the period between reports from five to 10 years is fostering environmental protection.

Furthermore, the Auditor General will not receive an annual report from Parks Canada. That is really moving in the direction of a lack of transparency and accountability. Why remove that protection and attack the environment? The justifications I've received are not enough. That is why we will vote against division 9.

[English]

The Chair: We'll go to Ms. McLeod, please.

Mrs. Cathy McLeod: Thank you, Mr. Chair.

I regret to hear that what the NDP are going to be voting against are very practical and common-sense measures moved by the government regarding the requirements to report, and also the ability to really take care of our parks, especially in the remote areas.

Perhaps we could have Ms. Strysio say a few words about the measures and why we believe they're practical and commonsensical and will really continue to provide both that important management function and the protection of our parks.

• (1710)

Ms. Margaret Strysio (Director, Strategic Planning and Reporting, Parks Canada Agency): Within our planning and reporting framework for managing our parks and national marine conservation areas, we're looking at a ten-year strategic planning cycle with a five-year overall reporting cycle. We are moving to an annual engagement model whereby each year we'll be meeting with stakeholders—and we already do that—and we'll be continuing to meet on an annual basis with stakeholders in each and every park and site to ensure that there is accountability and to ensure that we're working on implementing the elements that are within the plan, rather than relaunching a whole new planning process every five years. So this will allow us to focus our resources on implementing the plans that are in place.

Mrs. Cathy McLeod: Thank you.

The Chair: Thank you, Ms. McLeod.

Mr. Mai.

[Translation]

Mr. Hoang Mai: As I said, my concern stems from the fact that we are not letting the Auditor General have this oversight. It isn't that I don't trust the Parks Canada Agency. I think the work it does is very good. But by reducing the Auditor General's budget, we are eliminating this aspect of accountability.

This isn't an attack, on the contrary; I love Canadian parks, but I think we gain by ensuring that everything is managed properly and that there is follow-up. We are talking about a corporate management plan that will have to be drafted not every five years anymore, but every 10 years. A gap is forming with respect to the review done by the minister or the department. Our concern has to do with that instead.

[English]

The Chair: Thank you. *Merci.*

Seeing no further members, I will then call clauses 315 to 325.

(Clauses 315 to 325 inclusive agreed to on division)

The Chair: We'll now go to division 10, which is clauses 326 to 349. This division deals with amendments to the Trust and Loan Companies Act, the Bank Act, and the Insurance Companies Act.

(Clauses 326 to 349 inclusive agreed to)

The Chair: We will now go to division 11, dealing with the Canada Mortgage and Housing Corporation. This is clauses 350 to 367.

Do I have any discussion on this?

Mr. Caron.

[Translation]

Mr. Guy Caron: Thank you.

The division on the Canada Mortgage and Housing Corporation can be split in two, even if they overlap depending on the clauses. This division deals with the oversight of the corporation. However, CMHC has expanded enormously since it started. It is really big, which is another concern for us. That's why we are going to support the clauses that focus on oversight, particularly those clauses that place the corporation under the supervision of the Office of the Superintendent of Financial Institutions. That seems logical to us, given that the superintendent is able to carry out that kind of supervision.

However, we are going to have to oppose certain provisions, particularly those that deal with covered bonds. It's an issue we consider very important; it has ramifications and consequences. Given the little time we have been given to address this issue and the impact that such a decision could have on the future of society, and on the situation of society and the government, in the case of real estate bubbles and economic crises in general, we cannot back these clauses. That's why, when we vote on clauses 350 to 367, we are going to divide our votes differently, depending on whether we are dealing with clauses to provide better supervision or clauses dealing more with the issue of covered bonds.

• (1715)

[English]

The Chair: You'll be voting differently on...so you'd like the clauses done—

Mr. Guy Caron: Clause by clause, yes.

The Chair: Okay.

I have Mr. Jean, please.

Mr. Brian Jean: Mr. Chair, on the CMHC, the government has to respond. It's all about financial stability, and the government has to respond. It's responded significantly in the immediate past—July 2008, February 2010, and January 2011—in respect of what's taking place with the world economic crisis as well as what's happening in our domestic market. As a result of that, we have to always be at the forefront of change and flexibility to make sure that the people of Canada have the best financial security in their CMHC-insured mortgages, which is obviously a very significant part of our borrowing structure in Canada. As a result of that, I think these changes are necessary.

As well, I think the government will continue to respond on a case-by-case basis as necessary, depending, of course, on the fluidity of the market and the continual need of Canadians to borrow, and also the security vis-à-vis the rest of the world economy.

As a result of that, I'm in support of these changes and think they're very necessary. As well, I would encourage the government to continue to do that and respond accordingly as is necessary, given the economy and the economic conditions of the rest of the world.

The Chair: Thank you.

I will now move to the votes.

Mr. Caron, do you want me to do each one individually, or can I—

Mr. Guy Caron: Do each one individually, yes.

The Chair: Okay.

(Clause 350 agreed to)

(Clause 351 agreed to on division)

(Clause 352 agreed to)

(Clause 353 agreed to on division)

(Clauses 354 and 355 agreed to sequentially)

(Clause 356 agreed to on division)

(Clauses 357 and 358 agreed to sequentially)

(Clause 359 agreed to on division)

(Clause 360 agreed to)

(Clauses 361 to 364 agreed to on division sequentially)

(Clause 365 agreed to)

(Clause 366 agreed to on division)

(Clause 367 agreed to)

The Chair: That's it for that division. Thank you.

We'll now go to division 12, which is clauses 368 to 374. This is the proposed Integrated Cross-Border Law Enforcement Operations Act.

I have Ms. Nash.

Ms. Peggy Nash: Yes. Thanks very much.

First of all, I just want to say that I don't think this should be before the finance committee. This is something that pertains to public safety. It's about our border operations and should not be before the finance committee. It really needs a very full debate and review, and we shouldn't be dealing with it here as part of an omnibus budget bill. It concerns us that this is in here when it doesn't have the possibility of proper oversight and accountability.

We have some unanswered questions about this provision. We know, for example, that there have been other initiatives in the past to create an integrated cross-border maritime law. The pilot program for Shiprider was in fact in Windsor, Ontario, and has now been expanded. This notion was originally introduced in the Commons during Bill C-60, and then it was introduced in the Senate as Bill

S-13. At that time there was no budget analysis available for this provision. It was just a framework, so we don't know at this point if there have been any cost analyses done for this.

While we believe that the notion is important that an agreement deal with common border issues such as illicit trade, trafficking, smuggling, terrorism, counterfeit goods, etc., it shouldn't be before the finance committee, and we really need to have more discussion and review and more information.

So we won't be supporting it at this time.

• (1720)

The Chair: Thank you.

Is there any further discussion?

Ms. Glover, and then Mr. Brison.

Mrs. Shelly Glover: Thank you, Mr. Chair.

I want to thank the witnesses who have appeared again today. This is a division that I care quite a bit about, and it's been discussed not only among caucus members as a whole, but we do have what's called the law enforcement officers' caucus, made up of 13 parliamentarians who are all former peace officers or police officers. Interestingly enough, all 13 are Conservatives. There aren't any other police officers in Parliament in any other party.

Nevertheless, when we spoke with them about this...of course, they have seen the challenges involved in trying to make sure that our borders are protected, that smuggling of contraband is addressed. This division has been worked on for many years. As Ms. Nash pointed out, it's been introduced a couple of different times, and sometimes through no fault of its own had to be put on the back burner because of elections and those kinds of things. Nevertheless, its importance is still significant.

I know a pilot project was launched, and I would like the witnesses to briefly address what was involved in the pilot project, and whether or not the pilot project was successful, which then led to the writing of this very important section of this bill.

The Chair: Who would like to address that?

Mr. Bolton.

Mr. Stephen Bolton (Director, Border Law Enforcement Strategies Division, Public Safety Canada): Thank you. It's a pleasure to be back here again.

I'll be speaking about the pilot. The RCMP would normally be the ones to speak to it, but I can speak to the results of the 2007 pilot in the Cornwall area because there were a number of notable successes there.

In terms of seizures for this two-month period in 2007, 1.4 million contraband cigarettes were seized and over 200 pounds of marijuana. The operation helped in the return of an abducted child. Numerous vehicles and vessels were seized that were being used by criminal bands. It had six direct arrests and contributed to 41 other arrests.

So for a relatively short period of time, relatively limited in scope, it was a quite successful pilot, as indicated.

Thank you.

Mrs. Shelly Glover: May I continue?

The Chair: Absolutely, Mrs. Glover.

Mrs. Shelly Glover: To reiterate, Mr. Bolton, how long was that pilot in place?

Mr. Stephen Bolton: Two months.

Mrs. Shelly Glover: I've been a police officer for 18 and a half years. That is an incredible record of success, which adds to the fact that we need to collaborate more. It would enhance the safety and security of our borders, etc.

I also know that witnesses have testified in support of this bill. Some aboriginal communities have been concerned about the smuggling of contraband and that kind of thing. I believe this will alleviate some of their concerns as well, particularly when they have suspects crossing their borders who are engaged in this kind of criminal behaviour, coming into their towns, bringing these illegal substances, these illegal drugs, into areas where their children, their grandchildren, their loved ones are being affected.

It is imperative that we proceed. I'm in complete disagreement with the NDP position that this needs to be studied further. It's been studied quite a bit. As Mr. Bolton has indicated, the results were extremely positive when a pilot was done. I think it's important that the committee move to support this unanimously. This is imperative to the safety and security of Canadians. I absolutely do not understand the position taken by the NDP on this, and I would suggest that they would want to support this unanimously, given the long history of study on it and given the success we've seen.

Thank you.

• (1725)

The Chair: Thank you, Mrs. Glover.

I have Mr. Brison, and then Mr. Caron.

Hon. Scott Brison: Mr. Chair, while it's true that the government introduced this division as stand-alone legislation, Bill C-60, back in 2009, they did not bring it forward for second reading and it was never debated in the House. The bill was reintroduced a year later as Bill S-13, but again, at the time it was not a priority bill for the government and it died on the order paper.

This is the first time these legislative changes have come up for debate in the House. It does require more consideration, and frankly, to say that these were considered under different legislation, under different parliaments in the past, does not reflect the reality that we do have a different Parliament, and the makeup of the current Parliament is quite different from the makeup of the last Parliament. We have new members of Parliament who have a fiduciary responsibility to oversee legislative changes.

It's not enough to say that we considered these in previous parliaments. The people spoke in the last election, much to my chagrin in some ways, but the reality is that a different Parliament was chosen by the Canadian people, and as such this Parliament—the current members of Parliament of all parties—has a responsibility to ensure full oversight. I think this is not enough, and that we ought to have engaged and enabled the members of the current Parliament to have more time as they do their jobs at the appropriate committees and to provide oversight on these legislative changes.

The Chair: Thank you.

Monsieur Caron.

[*Translation*]

Mr. Guy Caron: I have a question for the witnesses.

To begin, Mr. Zigayer, Mr. Bolton and Mrs. Glover, welcome again. As far as I remember, when we asked you questions the first time, you mentioned that the treaty had been signed some time ago, a few years, and that some attempts had been made to put it into law, whether it was through the Senate or the House of Commons.

Approximately how long ago was that? For how long has there already been at least a rough draft of the bill prepared already?

Mr. Michael Zigayer (Senior Counsel, Criminal Law Policy Section, Department of Justice): The treaty was signed in 2009.

Mr. Guy Caron: Yes.

Mr. Michael Zigayer: It was Bill C-60 that was subsequently tabled. I seem to think that a prorogation occurred just before that.

Mr. Guy Caron: That was in 2009.

Mr. Michael Zigayer: Then we were at the stage of completing the study of Bill S-13 in the Senate when there was the election last year.

Mr. Guy Caron: Thank you very much. You say that Bill C-60 came first?

Mr. Michael Zigayer: First came Bill C-60, then came Bill S-13.

• (1730)

Mr. Guy Caron: Do you think the provisions in bills S-13 and C-60 are much like what is in division 12 of the bill?

Mr. Michael Zigayer: The essentials dealing with enforcing the treaty with the Americans is there, but a few changes were made here and there, and a big change was made in the sense that we removed a large part of Bill C-60 aimed at amending the Royal Canadian Mounted Police Act.

As for how the complaints were handled, that will be included in another bill.

Mr. Guy Caron: So what we have here is the spirit of bills C-60 and S-13, less a part that, it was felt, should be left for another bill.

Mr. Michael Zigayer: The spirit is there. Also, the purpose is to implement a treaty that was signed. This needs to reflect this treaty.

Mr. Guy Caron: Okay. Thank you very much, because your answers get to the heart of a major problem.

Mrs. Glover spoke passionately about the bill, and she said that it was absolutely essential. She spoke about it arising out of negotiations relating to a treaty that was signed previously and said that we absolutely had to put it into a budgetary bill.

Instead, I think that, to be able to study the bill appropriately—Mr. Brison raised a good point about this—we should present it separately, and absolutely nothing would have prevented the government, after the election in June 2011, to present it as one of its first bills, if it was so urgent and so important to do so. However, it chose to wait to have a budget implementation bill to put it in part 4 along with 55 other divisions.

Once again, we do not think this is acceptable. There is no impact, zero financial impact. As for the RCMP, I think it was clear in the testimonies that we heard. As for us, this is quite a significant matter of principle: this type of provision must be discussed and voted on separately.

[*English*]

The Chair: *Merci.*

We'll go to Ms. Glover, please.

Mrs. Shelly Glover: Thank you, Mr. Chair.

To my knowledge, there hasn't been a gap when there's not been an important government bill presented. In fact, we continue to try to push forward, which unfortunately has been delayed by opposition many times.

What I do want to say is that there's an agreement in place. Just because new parliamentarians are elected doesn't mean the work of government starts all over again. This is a ridiculous argument we've heard repeatedly. The agreement didn't end. We have an obligation under our perimeter security plan to move forward in a timely fashion. In fact, there is a deadline approaching: summer of 2012. There is a deadline approaching.

I'd like to ask perhaps Mr. Zigayer, Mr. Bolton, or Ms. Nares if you could comment on the deadline that's approaching. What would be the consequence of not delivering on the first deadline?

The Chair: Can someone speak to that?

Go ahead, Mr. Bolton.

Mr. Stephen Bolton: I would just say that yes, it is a commitment in the Beyond the Border action plan to ratify the treaty and have legislation there. In terms of the Beyond the Border action plan, there is a desire by both countries to meet the commitments in a timely fashion.

Mrs. Shelly Glover: I would further state that I personally think Canada would send some negative signals if we were not to meet our first deliverable. Once again, I reiterate how ridiculous the notion is that parliamentarians have to start the work of government, the work of previous parliamentarians, all over again and just disregard previous reports, previous treaties, previous signed agreements, etc., as if there were no government previously and no agreements with other countries previously.

This is an important measure that needs to be passed in a timely fashion. There's been extensive consultation and extensive study of this. I would suggest to the opposition members that they abandon this philosophy that even though there was lots of work done in previous years, no matter how long we go back, we want to start everything over again. Frankly, it just doesn't wash.

Thanks.

The Chair: Thank you.

I have Monsieur Caron, and then Ms. Nash.

[*Translation*]

Mr. Guy Caron: I will ask my question very quickly, and perhaps Mr. Zigayer can answer it.

Are there technical, logistic or legal reasons that would have prevented the government from presenting a bill in June or September last year that included the provisions that we are currently studying in division 12?

• (1735)

Mr. Michael Zigayer: I will answer in English this time.

[*English*]

That's not really a question I'm competent to respond to. Deciding when to introduce a bill is really a matter for the government.

[*Translation*]

Mr. Guy Caron: I didn't want to ask you if it should have been done. I just wanted to know if there were aspects that would have prevented the government from doing it, if it had chosen to.

[*English*]

Mr. Michael Zigayer: I mentioned a few minutes ago that we made some adjustments to the bill. There's a process element in getting approval to make a change in the bill. There's a process element that has to be considered. That means a certain amount of time was taken in developing the options for cabinet to consider. That may account for some of the time between the election, and ultimately the decision to introduce this as part of a larger bill.

[*Translation*]

Mr. Guy Caron: Mr. Chair, after listening to the answer we were just given, I think that, if the government was so pressed to have a bill containing this provision passed, with its consequences, and to respect the treaty and its deadlines, it could have easily tabled this bill previously. That way, we would not find ourselves in this current race against the clock that it, alone, is responsible for.

[*English*]

The Chair: *Merci.*

We'll go to Ms. Nash, please.

Ms. Peggy Nash: I just wanted to make the point, responding through you, Mr. Chair, to Ms. Glover, that what's not ridiculous is that this issue and this topic should be studied by the appropriate committee, with the appropriate members of Parliament and the appropriate witnesses, and should not be studied through the finance committee. I don't think that's at all ridiculous. I think it's the way a normal government would operate.

I just wanted to get that on the record.

The Chair: Thank you.

(Clauses 368 to 374 inclusive agreed to on division)

The Chair: I want to thank our officials for being here.

Colleagues, we've been going for over two hours. As your chair, I'm going to call a five-minute health break and suspend for a few minutes.

• (1735) _____ (Pause) _____

• (1740)

The Chair: I call the meeting back to order.

We are at part 4, division 13, and clauses 375 to 376 on the Bretton Woods and Related Agreements Act. I don't have any amendments on this division.

Do any colleagues wish to speak to this? No? Okay.

(Clauses 375 and 376 agreed to)

The Chair: That is unanimous.

I shall then move to division 14 and amendments to the Canada Health Act. This is one clause. Are there colleagues who wish to speak to clause 377?

Ms. Nash.

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

This clause would include a member of the RCMP as an insurable person under the provincial and territorial health programs. The RCMP would no longer be in the basic health care business but would continue providing supplemental health services, either directly or through a health insurance provider.

RCMP members currently enjoy better coverage than they would receive under the proposed changes. We see it as being a step backwards for the RCMP and we won't be supporting it.

The Chair: Thank you, Ms. Nash.

Ms. Glover.

Mrs. Shelly Glover: Thank you, Mr. Chair.

I disagree with the statement made by Ms. Nash. In fact, right now the RCMP pay taxes on a benefit that they're not even allowed to take advantage of.

If I could turn my attention to the witnesses, if you could explain what I just said so that members understand how it actually doesn't benefit them when they're not insurable because they're paying tax, it would be much appreciated.

• (1745)

The Chair: Mr. Jay, please.

Mr. Garry Jay (Chief Superintendent, Acting Director General, HR Workforce Programs and Services, Royal Canadian Mounted Police): Thank you, Mr. Chair.

The benefits actually are the same as they would be in the province. What we're asking for, or what has been asked for in the amendment, would result in the same basic benefits being provided.

Mrs. Shelly Glover: And the tax they pay on the provincial premiums...? Right now, they're not eligible for benefit. If Mr. Hutcheson wants to explain that...?

Mr. Jeff Hutcheson (Director, HQ Programs and Financial Advisory Services, Corporate Management and Comptrollership,

Royal Canadian Mounted Police): Yes. Currently the RCMP members pay the same taxes that any resident in the province would pay, and would continue to do so with this proposed amendment.

Mrs. Shelly Glover: But now they would be able to get benefit as residents.

Mr. Jeff Hutcheson: Yes, that's correct.

Mrs. Shelly Glover: Thank you.

The Chair: Is there further discussion, Ms. Nash?

Ms. Peggy Nash: I just want to get it on the record that in a recent meeting, Commissioner Bob Paulson said that the group that represents the Mounties expressed their "grave concerns regarding the potential clawback". So the Mounties have concerns about this.

Again, it's not something that's properly before the finance committee. It should probably be examined elsewhere, but because the Mounties themselves have expressed concerns, we're not going to support it.

The Chair: Thank you, Ms. Nash.

I see no further discussion.

(Clause 377 agreed to on division)

The Chair: Thank you, gentlemen, for being with us tonight

We will move to division 15, clauses 378 to 387, and amendments to the Canadian Security Intelligence Service Act. I do not have any amendments for this division, but I have Ms. Nash and Mr. Brison on the speakers list.

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

This is a change that would have an impact on the oversight of CSIS. Back in 2010 Public Safety Minister Vic Toews said that "The inspector general performs an important review function that supports me in my role as minister and ensures that CSIS is operating within the law and complying with current policies." Our view is that the minister was absolutely right in that statement, and therefore we do not support the removal of the oversight of the inspector general.

We heard testimony from Mr. Paul Kennedy, who came before this committee. Mr. Kennedy told us that he had 20 years of experience in the field of national security. He served as a senior Assistant Deputy Minister of Public Safety. He has been a crown prosecutor, and although his testimony was dismissed as wrong by members opposite, he was in fact very credible. I want to highlight some concerns that he raised.

Mr. Kennedy said that "due to their covert nature, security intelligence activities do not lend themselves to a traditional accountability model", nor can Canadians access information from CSIS in the same way they can from other government institutions. He also said that inappropriate behaviour by CSIS falls directly at the feet of the Minister of Public Safety.

Mr. Kennedy also said, and I quote:

The Minister of Public Safety presides over a vast portfolio which engages the services of some 40,000 public servants. It's impossible for him to know whether each individual is conducting his or her responsibilities in accordance with the law, operational policies, and ministerial directives and whether powers are being exercised in a reasonable manner.

He made a number of comments. I'll just highlight something else:

That office audits the investigative activity of CSIS at the case file level to ensure that it is in fact complying. The inspector general reports directly to the minister and provides assurances that matters are on course or provides a heads-up as to potential problems.

Now, we heard officials say that this was just duplication, that there were other organizations, there was another body that would handle this kind of review. But Mr. Kennedy said that is simply not true, that the other body is qualitatively different and the inspector general is the one who really represents the eyes and the ears of the minister when it comes to CSIS. Mr. Kennedy was very concerned about why this oversight would be removed, given the personal accountability that the minister has to this. He said that "...without such an office the minister would be blind and entirely at the mercy of the intelligence service. This is neither a reasonable nor a desirable outcome."

Lastly, he said that

...both the RCMP Security Service and CSIS have had more than their fair share of troubles...The financial cost of past missteps in the area of national security... measured simply in terms of commissions of inquiries...runs to the many tens of millions of dollars, and that's not counting the loss of public support.

The point is that if this is part of a cost-cutting measure, it is simply too high a price to pay in terms of loss of public confidence and potential higher costs down the road, given what Mr. Kennedy felt would be the inevitable problems that would arise due to lack of oversight of and accountability by CSIS.

So we're opposed to this change. The inspector general is not a large expense, but it is a valuable source of information for an organization that is by its nature secret but that Canadians still need to know is behaving according to the rules.

• (1750)

Thank you.

The Chair: Thank you.

Mr. Brison, Mr. Marston, and then Ms. Glover.

Hon. Scott Brison: I would add that this is a deeply irresponsible measure. It significantly reduces democratic oversight over Canada's spy agency.

To further quote Paul Kennedy—again, former chief legal counsel to CSIS and one of the foremost experts on security matters in Canada—he refers to this change as “sheer insanity”.

So we are opposed to these changes.

The Chair: Thank you, Mr. Brison.

Mr. Marston.

Mr. Wayne Marston: Thank you, Mr. Chair.

My other portfolio I have responsibility for in the official opposition is that of human rights critic. Just this last week, we had a report released by the United Nations committee on torture. Within that report, they were highly critical of the situation of CSIS involved with the Omar Khadr case in Guantanamo.

Now, those of us who are old enough remember what was termed by the media—I want to stress this, that it was by the media—as the

RCMP “dirty tricks squad” years ago, which was disbanded. And then you go back to Mr. Kennedy's assertion.

The RCMP and the police officers of our country for the most part are highly credible, responsible individuals, but there are people who make mistakes. When CSIS was formed, the inspector general was put in place for exactly the purpose of protecting Canadians and Canadians' rights. CSIS, in the case of Omar Khadr's interrogation when he was 16 years old in Guantanamo, created a highly questionable response. Of course, as I said, the United Nations has responded more recently to that.

Having oversight is crucial to protecting the rights of Canadians. Yes, there are situations where some of the information should not be made public. That's a reality of the work that CSIS does. On the other hand, that's all the more reason to have that person who is giving the kind of support to the minister that is necessary to guarantee the rights of every Canadian.

So I'm speaking strongly against this change on the basis of the potential for further problems in regard to the rights of Canadian citizens.

Thank you, Mr. Chair.

• (1755)

The Chair: Thank you.

We'll go to Ms. Glover, please.

Mrs. Shelly Glover: Thank you, Mr. Chair.

First off, I want to address the comments made by Ms. Nash about the minister.

The minister is fully supportive of this provision in the BIA, so much so that I dispute wholeheartedly any comments made by Ms. Nash about the minister relying on the inspector general as his eyes and ears. Of course the minister has at his disposal a number of very professional and very well-trained people and agencies who provide him with information on an ongoing basis.

Now, the key functions of CSIS are to provide a certificate to the Minister of Public Safety each year attesting to the satisfaction with the director of the Canadian Security Intelligence Service's report to the minister, and it conducts self-initiated reviews of CSIS activities. Okay. So all this legislation is doing is transferring that responsibility to SIRC, who already conduct self-initiated reviews of CSIS activities. Further, they also do investigations of complaints, which means they're actually doing more, but they're duplicating work that is being done in CSIS.

Through you, Chair, to the witnesses, have I encapsulated that duplication appropriately? And if not, would you please further explain the duplication that's going on presently?

The Chair: Mr. Hirsch.

Mr. Darryl Hirsch (Senior Policy Analyst, Intelligence Policy and Coordination, Department of Public Safety): I would say that's a good characterization of the duplication.

Mrs. Shelly Glover: Thank you.

Having said all of that, SIRC is in fact an arm's-length body, which provides more transparency?

Mr. Darryl Hirsch: That's correct.

Mrs. Shelly Glover: Furthermore, there is a savings. With the elimination of duplication, there is a savings, which of course was a priority for this government to make sure that we achieve.

Having said all of that, I see absolutely no reason whatsoever not to be proceeding with this legislation. I would hopefully suggest to the opposition members that they might reconsider their position, because it makes the best of sense. This is a broader organization, SIRC. It has a bigger mandate. It's arm's-length. There's more transparency. They're already doing this work. It's a win-win-win.

Thank you.

The Chair: Thank you, Ms. Glover.

Mr. Brison, please.

Hon. Scott Brison: I have a simple question for the witnesses. Who's the permanent head of SIRC at this time?

Mr. Darryl Hirsch: The chair has resigned, so one of the members is acting. I don't recall his name off the top of my head. The government is in the process of searching for a replacement for that person.

Hon. Scott Brison: At a time when we don't have a permanent head of SIRC, we are making these changes that will reduce oversight?

Mr. Darryl Hirsch: Along with the chair and the four committee members, there is a permanent bureaucratic staff. It's headed by an executive director, who is in the position now. She has almost forty years of experience, including many years within the security and intelligence community. She is supported by a staff of about 16 and they also have varying degrees of experience within the security and intelligence community.

The work is ongoing. I would characterize this as normal. A person has resigned. We need to fill the position and that job search is ongoing, but in the interim the review of CSIS activities is continuing.

Hon. Scott Brison: It will be filled at some point.

Thank you.

The Chair: Thank you.

We'll go back to Ms. Glover, please.

Mrs. Shelly Glover: I have a quick question for the witnesses. Who is the inspector general?

Mr. Darryl Hirsch: The inspector general has resigned. We have an acting member replacing her at this time.

Mrs. Shelly Glover: Pretty equal.

As a last question, who is the leader of the Liberal Party of Canada? No, interim. Sorry, never mind. Thanks.

The Chair: Okay. We go back to Mr. Brison.

Hon. Scott Brison: I assume, based on Ms. Glover's logic, that the government also intends to remove the position of the head of SIRC as well. To follow the logical corollary of her argument, the government.... We have an interim position in terms of inspector general, so I assume that will be following as future government legislation. It's logical.

The Chair: Thank you, colleagues.

Mr. Brison, you can put your name forward for the head of SIRC.

(Clauses 378 to 387 inclusive agreed to on division)

The Chair: Thank you very much.

I want to thank our officials for being here this evening.

We will now go to the Currency Act, which is division 16, clauses 388 to 389.

Mr. Martin, speaking to division 16, the Currency Act, to dispense with the penny.

• (1800)

Mr. Pat Martin (Winnipeg Centre, NDP): Yes, I would welcome that opportunity, Mr. Chairman. Thank you very much.

I am here sort of like going to the funeral for somebody you don't like just to make sure they're actually dead.

Some hon. members: Oh, oh!

Mr. Pat Martin: No, I'm not talking about you, Bev; I'm talking about the lowly penny.

I personally am relieved that the jig is up for the lowly penny. It's been an aspiration of mine for a long time. But I'm not here to praise the government or the minister quite so much; I want to qualify my remarks, if I may.

By way of introduction, I do acknowledge—in the same vein that a broken clock is correct twice a day, I suppose—that the government is doing the right thing in this regard. The penny has no commercial value. It costs more to produce than it's worth, and it doesn't circulate in the way currency is supposed to circulate. We all know it winds up under your bed in a cookie jar or an ice cream pail more often than not.

In fact the penny has been an expensive nuisance for as long as most of us can remember. People don't even pick them up off the street any more. If you give a handful of pennies to a homeless guy, you get the stink eye instead of a thank you.

Mr. Chairman, I was shocked to learn that there are 30 billion pennies in circulation currently; that's billion with a *b*. Every year, the Royal Canadian Mint has been minting one billion more. It's an absurd situation, given that they cost more to produce than they're actually worth. Last year—I suppose getting into the spirit of restraint—they only produced 500 million new pennies.

To begin with, I want to address people's potential fears about rounding. In other jurisdictions where they have reduced the lowest denomination, be it a penny or a centavo or a peso, they've introduced a rounding formula. The empirical evidence has been that it's revenue neutral. People need not be concerned that merchants will round up all the time, to the disadvantage of the consumer.

People should also realize that the rounding only takes place on the final total purchase. If you're buying 50 items or 20 items in the grocery store, you're not rounding each individual item; you're only rounding the total figure.

I think that's important for committee members to realize as they're recommending yea or nay on this clause. The general public doesn't have to be afraid of rounding. In those jurisdictions, it's determined to be revenue neutral.

What I want to criticize, and I think the committee members should be aware of this as a reservation, is that the minister only went half way. This clause, as I understand it, only causes the Royal Canadian Mint to cease production of pennies; it doesn't take pennies out of the currency of the realm. I guess I would ask for confirmation from the witnesses that this is in fact the case.

In other jurisdictions, when they've eliminated the lowest denomination they would give, say, a two-year grace period, to give people time to gather them up and cash them in. But after a certain period of time that coin is no longer accepted as currency.

Am I correct in that interpretation?

The Chair: Mr. Wright, please.

Mr. Ian Wright (Executive Advisor, Financial Markets Division, Financial Sector Policy Branch, Department of Finance): It's been a bit mixed across different jurisdictions. Some countries did remove what we call "legal tender status", so although redeemed or pulled out of circulation, one would continue to use the penny as the smallest denomination. Electronic transactions, cheques, debit cards, and those sorts of transactions would still be settled to the penny. That is correct.

Mr. Pat Martin: Yes. But if you show up at a store with a one-cent piece in Australia or New Zealand, the merchant doesn't have to take that as currency because they are no longer considered legal tender. They still price things to the one one-hundredth of a dollar, but if you try to use that penny, it's not recognized, right? Am I not correct? It's just a piece of metal.

Mr. Ian Wright: Even under the current laws as they stand now, an exchange between a retailer and a customer is a voluntary transaction. The retailer, even now, can refuse to accept as part of that exchange.... As I think you've seen when you go into some Tim Hortons and stores like that, they'll refuse to take \$50 bills or \$100 bills. We're not impacting upon that part of the exchange that's going on.

Legal tender is a rather narrow definition that looks at settlement of debts. It's the ability to put forward for payment for the settlement of a debt. We're not dealing, in this instance, with the more technical definition of legal tender.

• (1805)

Mr. Pat Martin: I think I understand. I think you're being unnecessarily complicated in your response. As I understand it, ten years from now you can still spend pennies if you so choose.

Mr. Ian Wright: That's correct. The intent is to maintain the value of the penny.

Mr. Pat Martin: That's right. That's what I'm critical of. I believe the penny should have been taken out of circulation altogether.

I also believe it should have been the one-cent piece and the five-cent piece, and that the lowest denomination should be the ten-cent piece and all coinage should be in multiples of ten—the 10¢, the 20¢, the 50¢, the one and the two.

I had hoped that when the minister modernized our coinage and our currency, he could have taken that obvious next step at the same time.

In praising the government for taking this logical step that could save the economy as much as \$130 million a year, when you factor in the manufacture, the handling, and the cost to the economy in lost productivity for counting out pennies at the cash register and keeping everybody waiting while these things go, I don't understand why we didn't go all the way and simply eliminate the penny as legal tender in this country.

Thank you, Mr. Chairman.

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

I have Mr. Brison, and then Ms. Glover.

Hon. Scott Brison: I agree with much of what Mr. Martin said, but I think part of what he said.... I say this as a friend and colleague of Mr. Martin. I don't want Canadians watching this to believe that this committee and its members are out of touch with the realities they face. Not all members were raised with the wealth and privilege that Mr. Martin is describing in terms of the profligacy that he describes of disposing of pennies in a wanton way.

There are places where I grew up—in Cheverie, Hants County, Nova Scotia—where my 88-year-old father continues to roll his pennies. He worked—I think it was 1945—for the Bank of Commerce. He was a bank manager for the Bank of Commerce when he started the habit of rolling pennies, and today, at the age of 88, he continues to roll his pennies.

So I would urge, Mr. Martin, if you have any extra pennies, please send them to Clifford Brison, Cheverie, Hants County, Nova Scotia, B0N 1G0, because my father and mother will gladly take care of them. They'll roll them, in fact; you don't even have to do that.

The Chair: And that's how he pays for his meals at Bâton Rouge.

We'll go to Ms. Glover.

Mrs. Shelly Glover: Thank you, Mr. Chair.

I want to take a moment to address this, because the penny is in fact made in my riding of St. Boniface. The folks at the Royal Canadian Mint there have done a fantastic job in moving toward implementing these changes, etc.

But I do want to say, with regard to taking pennies out of Canadians' pockets, as suggested by Mr. Martin, on this side we don't do that. We are encouraging Canadians, and I want to put this on the record, to consider donating their pennies to charities. That is why I think it's so important that we did not do away with the value of the penny, because Habitat for Humanity and women's heart health and all these charities are going to benefit from people who want to discard their pennies, such as Mr. Martin. It really is going to go to a good cause.

I'm taking this opportunity to encourage Canadians to donate their pennies to these charities, because they really are good causes and can use the extra money—Mr. Martin included.

Thanks.

The Chair: Thank you, Ms. Glover.

I have Mr. Jean and Mr. Van Kesteren.

Mr. Brian Jean: Thank you, Mr. Chair.

I want to say that even being part of the government, I, like Mr. Martin, with less opportunity to be boisterous and obnoxious, have been able to send many letters—

• (1810)

Mr. Pat Martin: You can hold your own at being obnoxious.

Mr. Brian Jean: Not as part of government, I can't.

Mr. Pat Martin: [*Inaudible—Editor*]

Mr. Brian Jean: I appreciate that, Mr. Martin. Thank you.

I would like to say that I have written several letters to the Minister of Finance to ask him to get rid of the penny. I think this is one of the best moves the government has done in this budget, simply because of the waste of time. As a retailer I've seen the tremendous waste of time and absolute inefficiencies of this, and to add to the government's agenda of productivity is a great move. I would commend Mr. Martin for coming on board for this before I was even on board.

I would like to say this is a great move by the government and a great move for Canadians in the area of productivity.

The Chair: Thank you, Mr. Jean.

We'll go to Mr. Van Kesteren, please.

Mr. Dave Van Kesteren: Maybe just to wrap up, I also want to commend Mr. Martin for his foresight on the penny. I just want to give him a little tip. If you collect pennies from 1996 and earlier, they're worth 3¢ a piece. You can make a little bit of extra money, and at the same time, you can get rid of those pennies, as well. It is 3¢ before 1996.

The Chair: Okay, thank you.

I'll go back to Mr. Martin.

Mr. Pat Martin: Thank you for those helpful comments.

In closing, we should point out that Canadians would be interested to know that pennies before 1996 were in fact, I believe, 98% copper. Today they're only 4% copper. They're 96% steel and other alloys, I believe.

If you can find a 1936 dot, don't throw it away, and don't use it as ballast in your boat. I think that one's worth a lot of money. It is 1936 with a little dot under the date. It is worth thousands of dollars.

Thank you, Mr. Chairman.

The Chair: Thank you, Mr. Martin, and good luck with your crusade against the nickel now.

(Clauses 388 and 389 agreed to)

The Chair: Thank you.

I thank our officials for being here.

We'll now move to division 17, clauses 390 to 410, Federal-Provincial Fiscal Arrangements Act. We have two amendments here.

We'll have our general discussion first. We'll start with Mr. Caron.

[*Translation*]

Mr. Guy Caron: Thank you very much.

First off, I would like to mention that, during the 2011 election, the Conservative government made only one promise about health care, which was to keep the increase in transfers at 6% per year.

This decision goes back on the election promise that the Conservatives made. We have discussed it and heard from witnesses who talked about the impact that decision would have. The two sides see that impact differently. We think that we need to think about health care. Furthermore, that's what the provinces are currently doing. The federal government could play a leadership role and try to gather together all the ideas in order to control health care costs. However, limiting the increase of the health care transfer to only 3% in the fourth year, in a non-negotiated and non-negotiable federal-provincial agreement, is a problem.

There is no magic formula. We cannot simply establish a 3% ceiling for increases in the funding of expenditures per year. There is no magic way of doing that. It is clear to us that this will mean reductions in services and, possibly, in insurable care in the health care systems of the various provinces, including Quebec.

It's unfortunate in several respects. In fact, year after year, and even today, the public health care system is probably the government system that is the most prized by all Canadians. Chances are that shortly, probably after the next election since this measure won't come into effect until about 2015, we will start to see the repercussions of this decrease in transfers, with respect to the federal government's promise during the election. At that point, we may see a decrease in the quality of health care and, possibly, the amount of insurable health care in the provinces.

During the consultations and testimonies, the government said that the provinces themselves had started decreasing their health care budgets. We are saying that, even if that is indeed the case, we mustn't put the cart before the horse. The provinces made the decision based on the signals the federal government sent them. Also, establishing ceilings without necessarily looking at the systemic nature of the growth in the cost of health care will be a problem for most of the provinces.

There is one other thing we have discussed very little in our discussions with the witnesses and officials from the department, and that is the fact that the non-negotiated and non-negotiable agreement that was announced will have different impacts depending on the province. When it comes to health care, at the end of 10 years, Quebec will have lost \$9 billion compared with what would have been provided in the previous agreement. Nova Scotia will lose \$157 million; British Columbia will lose about \$250 million a year, for a total of \$2.5 billion over 10 years; Ontario will lose about \$20 billion over 10 years. The impact on the provinces will be major and massive, and those provinces should have been around the table to discuss this matter, just like the government and the provinces should have been around the table to discuss the best ways to control the growth of health care costs. Obviously, I haven't mentioned Alberta. It's the only province that will come out ahead in this, with probably about \$11 billion dollars more over 10 years.

That aspect is fundamental to that decision, which was made by the federal government, pure and simple.

We were disappointed with another aspect. With respect to the Canadian Social Transfer, which affects social assistance and post-secondary education, among other things, this government decided to establish a growth ceiling of 3% per year until 2024. This corresponds roughly with the current cost of living. The problem is that, currently, we are supporting the provinces and contributing less to the funding of these programs than we did, in constant dollars, prior to 1995, when there were massive reductions in the Canada Social Transfer.

• (1815)

We are extremely disappointed that the government has gone back on its election promise to maintain an annual 6% rate of increase in transfers to the provinces and that it is showing no leadership in controlling the increase in health care costs. This is a very real problem: the costs are rising more quickly than the cost of living. There is also a desire to maintain the status quo in the Canada Social Transfer. That actually means that the government is providing less assistance to the provinces to fund those programs than it did up to 1995.

For those reasons, we are going to vote against most of the clauses from 390 to 410. My colleague here is going to move an amendment.

The Chair: Thank you, Mr. Caron.

[English]

We'll go to Mrs. McLeod and then Mr. Brison.

Mrs. Cathy McLeod: Thank you, Mr. Chair.

I think I'd like to perhaps just quickly repeat some things that have been said many times, both in the House and here at this table. The first is that only in the NDP's mind would an increase of 6% to 2016-17 be a decrease in funding. Also, there is a commitment thereafter for a baseline, an absolute minimum, of 3% but also potentially more.

Our government continues to maintain a commitment to a sustainable health care system.

It's always very interesting to me that we forget about jurisdictional issues—who's responsible for delivering the services

and actually what they're planning to do. Also, what some people have not noted is that within our government we've made other measures in terms of supporting Canadians with some of the challenges they have—things like the caregiver tax credit, lifting the medical expense ceiling on that just recently, and the \$100 billion announced for brain research.

It was interesting, you know.... The report came out today from the Health Council of Canada. We heard from one of our witnesses that the issue is not money; the issue is innovation. There are many countries that spend less money and have better outcomes. Clearly we can be doing things differently.

I think I'll just quote from Dr. Jack Kitts today:

Real progress is being made when comprehensive strategies with concrete targets are put in place.... An improved approach to goal-setting and performance measurement in the health care system will provide greater impetus to change and achieve higher levels of progress.

I would look at those comments and say they absolutely reflect the commitment our minister made in terms of how we're going to move forward in partnership with our provinces and territories to deal with one of the issues that's a big challenge and something Canadians clearly care about.

• (1820)

The Chair: Thank you, Mrs. McLeod.

Mr. Brison, please.

Hon. Scott Brison: Thanks, Chair.

The government's approach.... Again, this is another case where this government does not consult and engage provincial and territorial governments. The Minister of Finance basically said "My way or the highway". He laid this plan in front of the provincial and territorial governments and didn't engage in a meaningful way. This is why I will be moving an amendment later that simply requires that these clauses would come into force on a day to be fixed by order of the Governor in Council after the government has consulted with first ministers and aboriginal leaders on this division.

I'm certain that all members of the committee will support the amendment, since it simply requires that the minister meet with provincial, territorial, and aboriginal leaders on these changes, which will have a significant effect on the resources available, particularly at a time when we see a deepening of lines in terms of prosperity or lack of prosperity between Canadian provinces and regions and a bifurcation of the Canadian economy.

The Chair: Thank you.

Before I move to the amendment, I'll deal with clauses 390 to 392.

Go ahead, Ms. Nash.

Ms. Peggy Nash: Excuse me, Mr. Chair. Could we separate out clause 390?

The Chair: Yes, that's what I was going to do.

(Clause 390 agreed to)

(Clauses 391 and 392 agreed to on division)

The Chair: I will move to clause 393. That's where we have amendment NDP-44.

Ms. Peggy Nash: I move amendment NDP-44.

The Chair: Thank you, Ms. Nash.

I have a ruling on NDP-44.

Bill C-38 amends the Federal-Provincial Fiscal Arrangements Act to provide for the Canada health transfer growing at 6% for 2014-15, 2015-16, and 2017 and then growing in line with the equalization-sustainable growth track, which is based on a three-year moving average of nominal gross domestic product growth, starting in 2017-18.

The amendment seeks to amend the bill so that after March 31, 2014, the transfer formula will be “negotiated between the federal government and the government of each province and territory, in meetings that must begin within 90 days after this act receives royal assent”.

House of Commons Procedure and Practice, Second Edition, states at pages 767-768:

Since an amendment may not infringe upon the financial initiative of the crown, it is inadmissible if it imposes a charge on the public treasury, or if it extends the objects or purposes or relaxes the conditions and qualifications specified in the royal recommendation.

In the opinion of the chair, therefore, the amendment proposes a new scheme that seeks to alter the terms and conditions of the royal recommendation. Therefore, I rule the amendment inadmissible.

(Clause 393 agreed to on division)

(Clauses 394 to 410 inclusive agreed to on division)

The Chair: We have the next amendment, which proposes a new clause. This is amendment Liberal-6, and I ask Mr. Brison to move it.

• (1825)

Hon. Scott Brison: Mr. Chair, I move amendment Liberal-6.

The Chair: Thank you. That amendment is admissible.

(Amendment negated)

The Chair: We will now move to division 18, clause 411, the Fisheries Act. Is there any discussion on this particular clause?

Go ahead, Mr. Martin.

Mr. Pat Martin: Thank you, Mr. Chairman.

I suppose I am concerned that this regulatory change wasn't included in part 3 of the bill, where it would have been reviewed by the appropriate subcommittee, which is I presume why it's before this committee now. That subcommittee would have had the expertise and the background and the information on perhaps the other associated changes to the Fisheries Act.

I note that today press conferences were held. It's kind of appropriate we should be debating this now, because in response to the cuts to DFO that affected the Experimental Lakes Area of northwestern Ontario and the Freshwater Institute in my home riding of Winnipeg Centre, in fact press conferences were held in Vancouver, Edmonton, Winnipeg, and Ottawa on this very day to draw the attention of the public to some of these very regulatory changes we find in clause 411.

In the case of the Experimental Lakes Area, there has been a huge international hue and cry and outrage. I understand this has more to do with science and research than it has to do with regulation under the Fisheries Act, but I think the two really are linked in a way they can't be separated.

The question that's being asked and that the government should explain to us is what is the business case for eliminating some of these research facilities when they in fact have paid for themselves time and time again in the 40 or 50 years they've been in place?

This one particular example is \$2 million a year. They saved the Province of Manitoba \$400 million a year through one piece of research they did. Lake Winnipeg had all these algae blooms. They were worried about the phosphates and the nitrates going into that lake. It was going to cost \$400 million to eliminate them both. The research at the Experimental Lakes Area found it's actually counterproductive to eliminate the nitrates simultaneously and may even encourage more algae blooms. So they only went after the phosphates and saved \$300 million or \$400 million. The Baltic Sea copied them and saved 3 billion euros.

The dedicated work of 17 scientists in the Experimental Lakes Area at \$2 million a year has saved the world in terms of the freshwater resource and the costs of ensuring the integrity of our freshwater resources tens and hundreds of millions of dollars.

It's inexplicable. The public are kind of shaking their heads at some of the changes to the Fisheries Act and the elimination of the scientific research that's being done on our freshwater resources.

I can't support a clause that makes regulatory changes to the Fisheries Act, first of all because it has no place in the budget bill, and secondly, I think it's wrong-headed, it's counterproductive, and they can't even point to a business case.

It's more like they're trying to pre-emptively shoot the messenger. If they don't like the information coming out of scientific research, don't even wait until that research is done and then reject it, but do away with the research facility altogether. You know, what you aren't measuring you can't object to.

• (1830)

The Chair: Thank you, Mr. Martin.

I have Mr. Hoback and then Mr. Brison.

Mr. Randy Hoback: Thank you, Chair.

I want to speak to what actually is happening here.

Mr. Harrison, correct me if I have my facts wrong, but from what I understand, before 2006 it was a quite common practice that while they were going about their research and in their joint ventures or projects, they would take the catch and actually sell off the catch. Those funds would actually be used up. A court case in 2006 prevented the minister from doing that. This just allows the minister to basically accept the proceeds from the fisheries.

Is that correct, or would you clarify?

Mr. Nigel Harrison (Manager, Legislative and Parliamentary Affairs, Department of Fisheries and Oceans): I maybe wouldn't typify it quite that way. I guess prior to 2006 and the court appeal, the minister would maybe pay a contracting party with the proceeds of the sale of fish. In some cases it would just be allocating a quantity of fish such as this bill proposes, to carry out certain scientific research.

It wouldn't necessarily be the minister receiving the funding himself, but it may be funding that goes toward—

Mr. Randy Hoback: The project. It's a way of reimbursing the partners in the project.

Mr. Nigel Harrison: Exactly.

Mr. Randy Hoback: So it's a fairly basic legislative change that came about because of a 2006 court action. Is that correct?

Mr. Nigel Harrison: That's correct.

Mr. Randy Hoback: I think I'll leave it there, Chair.

The Chair: Thank you, Mr. Hoback.

We'll go to Mr. Brison, please.

Hon. Scott Brison: A case was made quite compellingly by the former Progressive Conservative Minister of Fisheries, Mr. Siddon, that these changes ought not be part of a budget bill.

This committee has not yet heard from witnesses, including those who make their livelihoods in the fishing industry, but a lot of changes were made to the Fisheries Act and governance that simply ought not to be part of this, so we can't blindly support these changes.

The Chair: Thank you, Mr. Brison.

(Clause 411 agreed to on division)

The Chair: We'll now move to division 19, the Food and Drugs Act.

I have Ms. Nash, please.

Ms. Peggy Nash: Briefly, Mr. Chair, on division 19, these clauses, as we understand them, would grant the Minister of Health the power to exempt products from the regulatory process, and we have concerns about the potential impact of this change. Again, you have to ask why this would be before the finance committee, as opposed to the health committee or some other committee, industry perhaps, but here it is before finance.

We think at a minimum the public should know when there is an exemption and when a product has been exempted by the minister rather than going through the full regulatory process. We're concerned that this is one more example where power is being shifted from a regulatory process with clear rules into the hands of one specific minister who has the power to skirt the rules for commercial interest.

So we will not be supporting this change.

The Chair: Thank you, Ms. Nash.

I have Mr. Van Kesteren, please.

Mr. Dave Van Kesteren: Thank you, Chair.

With the current system, when Health Canada needs to make a safety decision, it can take months and sometimes even years to implement. These delays limit access to innovation and safe products for Canadians and the targeted amendments will reduce delays and cut red tape. That's the reason the government has deemed this necessary.

I wonder if we could ask some of the officials to comment on that, what they have experienced in the past, and how this will make those necessary changes.

Mr. Lee.

• (1835)

Mr. David Lee (Director, Office of Legislative and Regulatory Modernization, Policy, Planning and International Affairs Directorate, Health Products and Food Branch, Department of Health): This is a precise characterization. There is no exemption in terms of what we do on the scientific basis. So as we look at things like food additives, important anti-microbials, or on schedule F, the same science is conducted, and then the rule is expressed much more rapidly and efficiently.

Mr. Dave Van Kesteren: Thank you, Chair.

The Chair: Thank you, Mr. Van Kesteren.

(Clauses 412 to 419 inclusive agreed to on division)

The Chair: Thank you very much for being with us here tonight.

We'll now go to division 20, amendments to the Government Employees Compensation Act.

I don't see anyone wishing to speak to this.

(Clauses 420 to 426 inclusive agreed to)

The Chair: We'll move to division 21, International Development Research Centre Act, clauses 427 to 431.

(Clauses 427 to 431 inclusive agreed to on division)

The Chair: We'll move to the Canada Labour Code, clauses 432 to 440, division 22.

(Clauses 432 to 440 inclusive agreed to)

The Chair: We'll move to division 23, which is clauses 441 to 444, the Fair Wages and Hours of Labour Act.

I have Mr. Martin.

Mr. Pat Martin: Thank you, Mr. Chairman.

I actually didn't realize that this was coming up at this point of the evening, but I am glad I'm here, because this is one particular clause I was—I don't think shocked is too strong a word—shocked to stumble across as I was going through the 425 pages of Bill C-38.

Actually, this huge transformational change is encapsulated in ten words in Bill C-38. Exactly ten words of a 425-page document say "The Fair Wages and Hours of Labour Act is repealed". That's it. Most of us missed it. I stumbled across it almost by accident, frankly. I'm sure that our researchers saw it, but they may not have realized the significance of this.

For 75 years, the Fair Wages and Hours of Labour Act has taken wages out of competition on federal contracts so that employers and contractors seeking to work for the federal government would win their contracts based on their skill, their productivity, their competitiveness, and their expertise in that area of work, not on their ability to find cheaper and cheaper labour. That was because somebody, in their wisdom, realized that it is really in no one's best interest to drive down the wages of ordinary Canadian workers. They also realized that especially in times of economic downturn, there is always some worker desperate enough to take a buck an hour less to put food on the table of his or her family.

It was wise. It was great wisdom in the 1930s that put this Fair Wages and Hours of Labour Act together, because it created a level playing field for both unionized and non-unionized contractors so that both would have the ability to win government contracts.

The federal government is a large consumer of construction industry services. Many contractors would wish to get into that game and be able to access government contracts.

I just can't understand, frankly, in whose interest it is to drive this down, unless there is a deliberate interest—I don't think it's paranoid to assume—on the part of the government to allow more temporary foreign workers to take more Canadian construction jobs.

Bear with me while I ask our expert witness some questions on this.

As I understand it, the fair wage schedules are set by the Minister of Labour. From time to time they're updated. There's a canvass and a survey of union and non-union sector wages, which are averaged out, sort of, and a prevailing wage in the area is set.

I'm a journeyman carpenter by trade. Let's say that the prevailing rate for carpenters in Winnipeg is \$20 an hour. When you're the contractor bidding on a federal government job, you have to put your bid together using that wage schedule, as set by the government. The act also says that you can't work a guy more than 48 hours without paying some overtime. What the act says is 48 hours, not 40.

Without that, you can post a job ad saying "Wanted—Carpenters, \$10 per hour". Nobody will apply. So within ten days you can get temporary foreign workers in, because the rules have just changed on temporary foreign workers.

The Winnipeg International Airport is a classic example. Eighty Lebanese temporary foreign workers came in and built the Winnipeg International Airport. They did the carpentry there, while the Canadian carpenters outside the fence looking in wished that they could get a job.

This will open the floodgates to temporary foreign workers. We should keep in mind that these temporary foreign workers aren't just individual guys sitting in Bangladesh getting foreign newspapers and looking at the want ads. They work for labour brokers. We call them labour pimps, international labour pimps. They have crews of guys they move all over the world.

These Lebanese guys who built the Winnipeg International Airport, their last job was in Latvia. They were in Latvia this week. They're in Winnipeg next week. They'll be in Geneva the week after that. They're moving them around through these labour pimps. It's

like trafficking. It's bonded servitude. They owe these labour pimps part of their salary. Now you can pay them 15% less than Canadian wages.

● (1840)

I know my question is a long one, Mr. Chairman, but frankly I'm horrified. This is my industry we're talking about here. It's destabilizing and driving down the wages.

No fair contractor will ever win another job working for the federal government, because the unfair employer is no longer required to pay fair wages. So in the unionized sector, the employer is going to have to go to his guys and say, "You've got to lower your wages, because I can't compete with these guys who are now allowed to pay peanuts or get temporary foreign workers. They're going to eat our lunch."

Is that completely crazy, or is that pretty much accurate, Mr. Giles?

Mr. Anthony Giles (Director General, Strategic Policy, Analysis and Workplace Information Directorate, Department of Human Resources and Skills Development): If I understand the question correctly, the link between temporary foreign workers and the Fair Wages and Hours of Labour Act as it is currently administered is simply not fair. There is no link at all. I'm not an expert on the temporary foreign worker program, so I can't comment on that aspect of your question that relates to temporary foreign workers. What I can say is that in the specific case of Manitoba, it already has legislation and regulations that regulate non-residential construction wages in that province. In the particular case—

Mr. Pat Martin: But not on federal projects, sir.

Mr. Anthony Giles: On all construction projects.

Mr. Pat Martin: No. I was a union leader in the province of Manitoba. Federal projects are federally regulated. I don't want to interrupt you, but that's just not true.

The Chair: Okay—

Mr. Pat Martin: I'm not finished my question. The question, then, is—

Mrs. Shelly Glover: Point of order.

The Chair: On a point of order, Ms. Glover.

Mrs. Shelly Glover: Mr. Martin is welcome to be here, but to say our witness is not telling the truth—

Mr. Pat Martin: No, I'm not. I said I disagreed with him. I'm not calling anybody a liar.

Mrs. Shelly Glover: You said "that's not true".

Mr. Pat Martin: Yes, well, I know what's true, and I think he's mistaken.

Mrs. Shelly Glover: You haven't been a union leader for 20 years, Mr. Martin. This is the official, who is much more familiar than you are with this legislation.

The Chair: Okay, on this point of order, Mr. Brison.

Hon. Scott Brison: Chair, whether or not I disagree with Mr. Martin's assessment of what Mr. Giles has said, I will remind Ms. Glover that she has on numerous occasions told witnesses that what they were saying was not true.

Mrs. Shelly Glover: Give us an example.

Hon. Scott Brison: Mr. Kennedy, when he appeared before the committee.

Mrs. Shelly Glover: I never said it wasn't true.

The Chair: Okay, Ms. Glover.

Hon. Scott Brison: Check the Hansard. You said what he was saying was not true.

The Chair: Through the chair, please.

Hon. Scott Brison: She has a sociopathic capacity to forget what she has said.

Voices: Oh, oh!

Mrs. Shelly Glover: Good God.

The Chair: All right, this is not a point of order.

Mr. Martin, whether he's correct or not, is entitled to say "that's not true". It's a matter of debate; it's not a point of order.

Mr. Martin, do you want Mr. Giles to finish his answer to you?

Mr. Pat Martin: Sure, if he's not finished, but I would like to ask for one further clarification.

• (1845)

The Chair: Okay.

Mr. Pat Martin: But we could let him finish first.

The Chair: Mr. Giles, do you want to finish your answer? Then Mr. Martin will pose a supplementary question.

Mr. Anthony Giles: I think I finished my answer.

The Chair: Okay, Mr. Martin.

Mr. Pat Martin: Believe me, I wasn't trying to be rude by saying I didn't think what you were saying was accurate. Maybe I could qualify by saying I don't think that's correct.

Just to connect the dots once again, or please help me connect the dots, in the absence of the federal Fair Wages and Hours of Labour Act, you can offer to pay a carpenter or a plumber or a pipefitter a wage as low as the provincial minimum wage. You can't offer a job at lower than that, but you could offer the provincial minimum wage.

In order to get temporary foreign workers, you have to demonstrate by way of posting an advertisement that there are no available Canadians to do the job. Therefore, a contractor could put an ad in the paper for carpenters wanted, \$10 per hour—because that's the minimum wage in Manitoba—and no carpenters would apply, believe me, especially at 48 hours a week at straight time. So in ten days you could get temporary foreign workers in and pay them 15% below the prevailing wage of \$10 per hour. That's another new change that was just made.

I don't think it's exaggerating to have the fear in my industry that it's going to drag down the wage schedule of the union and the non-union sector, and I just put it to you and ask what the rationale was on the part of the government to drive down the wages of Canadian workers. I always thought that a sign of a healthy economy was a middle class that was consuming. A well-paid, consuming middle class is a sign of a healthy economy.

I was in Washington recently and I saw a bumper sticker that said "At least the war on the middle class is going well".

Voices: Oh, oh!

Mr. Pat Martin: Well, that seems to be what's going on here. There's a war on the middle class. What do you have against fair wages? What government could possibly conceive of eliminating a bill that was called the fair wages act?

The Chair: Mr. Giles, I know you can't address the political aspects, but could you address the other aspects of that question?

Mr. Anthony Giles: As to the first part of your question, the very first part, I can confirm that you're right: in the absence of the Fair Wages and Hours of Labour Act, then a contractor bidding on a federal government contract would be obliged to meet whatever the provincial regulations happen to be, whether they're general minimum wage or specific to the construction industry.

As to the mechanics of seeking temporary foreign workers, again, I'm not an expert on that area, so I can't answer that part of your question.

The Chair: Okay, thank you.

We'll move to Mr. Adler, please.

Mr. Mark Adler: Thank you, Chair.

This discussion is getting a little tedious. It would be nice if the members opposite would just, at the very minimum.... I can understand they don't want to read the entire bill, but at a bare minimum they should have at least read the legislative summary. A lot of their questions would have been answered in very clear and candid language.

I want to preface my comments by saying that, clearly, the Fair Wages and Hours of Labour Act is not working. If Mr. Martin is correct and his talk of labour pimps and these workers who go around building airports on a weekly basis is true, then clearly the current legislative regime is not working and must be replaced.

Clearly this act, Mr. Giles, serves no useful purpose at the current time. It doesn't really play a significant role in protecting workers. The cost and the administrative burden of the legislation is really difficult to justify. Could you just comment on that for me, please?

Mr. Anthony Giles: I would have to agree with you there.

Just by way of information, the federal contracts for non-residential construction used to be over 10% of the whole market many years ago. They have now dropped to around 2%. So clearly the act has become less relevant over the years.

Mr. Mark Adler: Yes.

You indicated before that the construction industry falls under provincial jurisdiction.

• (1850)

Mr. Anthony Giles: Yes, it does.

Mr. Mark Adler: So that wouldn't even apply here, in our case.

Mr. Anthony Giles: I'm sorry, what wouldn't apply?

Mr. Mark Adler: What Mr. Martin was talking about before, in terms of construction, and his previous employ as, I don't know, a union boss or...?

Mr. Pat Martin: Journeyman carpenter, certified.

Mr. Mark Adler: But that doesn't apply to construction.

Mr. Anthony Giles: Generally speaking, the construction industry is covered under provincial jurisdiction. That's right.

Mr. Mark Adler: Yes.

Chair, I would just summarize by saying that repealing this act supports the government's commitment to job creation and long-term economic growth. I would expect the members opposite should really be supporting this if that would be their interest, creating jobs.

The Chair: Okay, thank you.

I have Mr. Jean, then Mr. Martin, and then Ms. Nash.

Mr. Brian Jean: I wasn't going to mention anything because I think this is a good step, but I just want to reassure Mr. Martin. I have employing people in northern Alberta for 30 years steadily, and I have recently had no other choice but to have one of my businesses get a temporary foreign worker. I can assure you that after eight months and being refused and having to go through another process, another application, it is not easy, first of all, even with proper market opinion. And it is not inexpensive. Quite frankly, I have found these temporary foreign worker solutions to be much more expensive than finding domestic people. The only difference is that they will stay with you longer because of the necessity of a contract and also because of the obligations you have on providing them with a room that is adequate.

I know that Alberta has quite stringent guidelines in relation to how temporary foreign workers are treated, how they're brought in, and what market and what businesses they can go to. But in no way at all are there pimps in Alberta, as he suggested, that I'm aware of, in dealing with these on a practical basis, on a consistent basis.

I do believe that I have one of the busiest immigration offices in the country—certainly in the top ten, I know that. So I deal with a lot of these, and my staff do, and in no way have we seen any of the suggestions Mr. Martin has come up with. In fact, it is the total opposite. They are not less expensive. In fact, I find they're more expensive. I would say they are 10% to 15% to 20% more expensive, including what we have to do for rooms and what we have to do for wages. It's not a cheaper solution by any stretch of the imagination.

The Chair: Thank you, Mr. Jean.

Mr. Martin.

Mr. Pat Martin: I just want to point out that the federal fair wage schedule takes care of anything under the Canada Labour Code. The Canada Labour Code conditions apply to the construction of prisons, military bases, anything to do with transportation, anything to do with wharves, Indian reserves, pipelines. Any pipeline that crosses a provincial border is covered by the Canada Labour Code, because they're not provincial.

It's kind of... You know, one of the most controversial major construction projects in the country right now is pipeline-building. It's just kind of convenient that we're eliminating the fair wage act

just in time to accommodate one of the biggest construction projects perhaps in North America. I think you can make a connection safely.

I'll give you another example, that of the pulp and paper mill in Gold River. You don't think the temporary foreign workers undermine local jurisdictional...? The poor guys lose their pulp and paper mill to a... China buys it; they're going to set it up there. The millwrights and everybody laid off there know every nut and bolt in the place, but they've brought in gangs of temporary foreign workers from Bangladesh to dismantle the pulp and paper mill. They're sleeping six to a hotel room. God knows what they're being paid; maybe nothing.

So there are 80 or 100 unemployed millwrights and carpenters and pipefitters and tradespeople standing outside the fence while temporary foreign workers are doing the last six months' worth of work at that pulp and paper mill.

It's happening all over the country—maybe not at a Quiznos or a Robin's Donuts or a Tim Hortons, but that's not what we're talking about here. We're talking about major construction projects that do work for these labour brokers, who move gangs of workers all around the world. We call them “labour pimps” in the industry. They undermine the local conditions everywhere they go.

We're opening the door to this by eliminating what was put in place to protect Canadian workers. I mean, it was Canadian taxpayers working on projects paid for by Canadian taxes, and they're getting screwed out of decent working conditions by the elimination of this fair wage act.

I'm a certified journeyman carpenter, and you're over there calling me a union boss. You guys love that. Yes, I represent working people. Working people voted for you, and you're undermining their fair wages.

• (1855)

The Chair: Comments through the chair.

Mr. Pat Martin: I don't think you're undermining anybody's fair wages—it's him.

Voices: Oh, oh!

The Chair: Okay. Thank you.

We'll go to Mr. Brison, please.

Hon. Scott Brison: I think the issue of temporary foreign workers is a complex one.

I can say, Mr. Martin, that I have actually spoken with...and Mr. Jean has made the point that in many cases, in fact, the cost of temporary foreign workers is actually higher than the cost of local. I think that in fact is accurate, in a lot of cases; my understanding is that it costs employers more.

There is a broader issue, and that is the emergence of a trend where we have jobs without people and people without jobs, and the need to close that skills gap within Canada. I think that speaks to, among other things, restoring the honour of trades, the dignity of trades. Part of it is cultural, part of it is public policy, but over a 30-year period we've seen a diminution in the dignity and honour of trades and a herding of everybody to universities as opposed to a recognition of the importance of trades and the need for tradespeople. It's one of the reasons why we need to have a more robust role for the federal government in the area of training and engagement of the provinces in that area.

I do think temporary foreign workers in some sectors actually play a very important role in terms of the production chain and the value chain. Furthermore, I know a number of employers who use them, and I do not see the conditions that... Perhaps there are cases where the conditions are really bad, but I've seen in fact, to the contrary, some very reasonable conditions, and beyond that, people who on an annual basis will work for Canadian employers and use that money to build homes in their home country and to really bootstrap themselves and help...

I know this is distinct from the cases you're describing, but in some cases they're taking jobs that could not be filled locally, where there were not Canadians who had either the desire or the skills to fill those. But I realize that's distinct from some of the cases.

I would just say that it's a complicated issue and one that requires more time. The training issue is an important one.

Thank you.

The Chair: We're getting into some interesting, good debates, but we're really stretching relevance with respect to comments on the clauses of the bill. I appreciate the debates; they're good debates. But I really think if we're going to get through this, we need to focus on the subject matter of the specific clauses in the bill.

Mr. Marston, is this essential to say at this point?

Mr. Wayne Marston: Well, I can say it at this point or at the next opportunity, whichever you want, Mr. Chair.

The Chair: Well, it's your choice.

Mr. Wayne Marston: Then I'll go now.

This gentleman beside me, the member for Winnipeg Centre, was elected six times by the folks he represents. What I find really a problem in this place, Mr. Chair—and I'll go through you and do my best to go through you—is the constant “labour boss/union boss”.... If you want to look at a labour boss, look at me. I was 28 years in the labour movement. I never lost a motion once. I was elected 14 times as president of the Hamilton and District Labour Council and president of my own local.

When we're chosen by our people to come here as elected representatives, each and every one of us deserves respect, and labelling and this kind of childishness is absolutely ridiculous.

The Chair: Okay. I appreciate that.

I will just respond as the chair and say that I have consistently asked members on both sides to show respect and to focus on the subject matter at hand, and to not stretch relevance to the point where

I'm wondering what the point is in relation to the bill we're discussing. I just encourage all members to stick to the clauses and the bill we are debating and to make their points.

My suggestion to all three parties is to get on the record and say “with respect to this issue, this is our position”. Each party can do that very succinctly, and we can move forward and have a vote on the clauses. People can register whether they support them or not and we can move forward.

That's my advice as chair. I can't enforce that. I can't impose that upon you as members of Parliament. I'm just seeking your approval in that method. Let's just put everything behind us, in terms of past comments, and move forward from there.

I will call clauses 441 to 444.

(Clauses 441 to 444 inclusive agreed to on division)

The Chair: We'll move to division 24.

I want to thank Mr. Giles for being here.

We'll do the Old Age Security Act, clauses 445 to 467. I have Mr. Marston on debate.

● (1900)

Mr. Wayne Marston: Thank you, Mr. Chair.

Quite regularly, we hear how the NDP votes against things, so I thought I would start off my comments by talking about the things we agree with the government on in this particular one, because we have a lot we don't agree on.

The changes in clauses 449 and 450 would allow the minister to waive requirements for applying for OAS. We think that's good. We also think that voluntary deferral, in clause 451, is good. Waiving requirements for applying for GIS, in clauses 454 and 457 to 459 and 460, again is reasonable.

Now, I'll go down a bit further in my notes here, and I won't go through item by item, because we will vote on those, Mr. Chair, but the clauses that we're against and the aspects that we're against—we have said all along that there's a fundamental disagreement between the opposition and the government parties on the need to change the eligibility for OAS. We don't think it's needed.

The parliamentary budget officer has said—and he's looked at this file—that yes, there's going to be an increase of \$39 billion to over \$100 billion. But he says in the commentary from the government, it doesn't talk about the growth in GDP. The OECD pension team looked at it as well. They didn't agree.

The first we heard about any of this, of course, was in Davos, with the famous speech—or infamous; it depends on how you look at it, Mr. Chair. It took us ages to find out from our finance minister that this change would be \$10 billion for the government. We knew it was going to be something like that because of the savings by holding people on disability for an extra two years, or holding people on welfare for an extra two years. It should be between \$6,000 and \$7,000, depending on your numbers, per year, per person, that you are going to save by transferring those costs to the provinces. Giving fairness to the finance minister, he said he'd try to cover those costs. We'll see how that goes.

But expert after expert has said OAS is sustainable. Even when they move it out to 2023, as they've done...it's not something that needs to be in this budget. If we're going to look at retirement security for seniors, and pensions, we need to take a holistic approach and look at everything that's out there. You look at OAS, GIS, CPP, and the private options. The PRPP that the government put in is not mandatory, so it's not going to accomplish anything. We're very concerned about that aspect and the fact that it's going to leave seniors and disabled people in poverty two years longer. The change will keep them from going to OAS and GIS, which gives them a modest increase to their monthly income. That's who you're hurting with this. It's not needed. It should be withdrawn.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Marston.

I have Mr. Jean and Mr. Brison.

Mr. Brian Jean: This is an issue that I identified 15 years ago as being a real live issue in Canada, as it has been in most western democracies. Demographics is the trend...most people are set on making money because of the growing population. Seniors are going from 4.7 million to 9.3 million over the next 20 years. That's almost a doubling of the population.

I can't say enough to Mr. Marston and others, that notwithstanding that the age is being changed, the reality is that Canadians are living longer, healthier lives, which means that 30 to 40 years ago, at 65, very possibly they were in need of social assistance and help from the federal government, but today it's a very different scenario.

My mum is 80 years old and very healthy. She is working full time—a spry young lady, I would call her. She just wrote a book and works at least 50 hours a week. She walked around India with me for two weeks and most of the time she was outrunning me.

This is not what took place 40 to 50 years ago in this country. People are much healthier, because we have such a great, generous health system, because we have a good system of taking care of our society. I think the reality is that the cost of the OAS program will increase dramatically. It will increase to such a point that it will not be sustainable, and we can see that by the numbers we have seen for years, which is that we are going to be in a situation, if we continue, that by 2030 there will be two taxpayers for every senior, down from what they are today, which is four, so a doubling of the burden on the same number of taxpayers, in essence. I think that is substantially more than it was 20 years ago; I think there were 8 or 10.

There's no question something needs to be done. I think most western democracies have done this, and they've done this because it's absolutely necessary. Anybody who doesn't see the writing on the wall is clearly playing politics, in my mind, and not dealing with reality.

• (1905)

The Chair: Thank you, Mr. Jean.

I have Mr. Brison, and then Mr. Van Kesteren.

Hon. Scott Brison: Thank you very much.

On this issue, the reality is that the OECD and the Parliamentary Budget Officer have said the OAS is sustainable in its current form,

65 being the age of eligibility. It's important to realize that while today it is 2.7% of GDP, at its peak in 2030 it will be 3.1%. This is manageable, and it's really important to realize that 40% of the people getting OAS make less than \$20,000 a year. These are the most vulnerable.

Mr. Jean's mum is a very active and healthy person. I've met her. She's a tremendous entrepreneur and a pretty remarkable person. My father worked until he was 82, and he was a pretty amazing person in that sense. But there are people who, either due to their health or the nature of their work...if you're in physical work, if you're working in a fish plant in a cold, damp environment in rural Newfoundland, if you are working on your feet all day, if you are a labourer, at 65 your body could be ready for a break, and I think it's important to realize that.

I have a question for Mr. Rodrigue, who appeared before us on a Thursday, quite late at night, a few weeks ago, I believe. I asked you for the information on the impact of this change on the fisc and you responded that you couldn't comment on that, it was a cabinet confidence, and I was able to refer you to section 69 of the Access to Information Act.

The next day, less than 24 hours later, I think it was in the afternoon, this information was provided, not to Parliament, but broadly as part of a press release. What changed in that period of time?

Mr. Bruno Rodrigue (Chief, Income Security, Federal-Provincial Relations and Social Policy Branch, Department of Finance): The government decided to release that information.

Hon. Scott Brison: But it was not a cabinet confidence at that time, though, on the Thursday night?

Mr. Bruno Rodrigue: I don't—

Hon. Scott Brison: I just wanted to make...and I appreciate very much your being here. I understand the difficult position you're being put in.

Thank you.

The Chair: Mr. Van Kesteren.

Mr. Dave Van Kesteren: Thank you, Chair.

I just want to maybe add a few thoughts about this particular issue. I was going back in my notes, and I recollect...I think it was a professor from the University of Toronto who we had in. I liked what he said, because often what we hear is a lot of opinion. And opinion is great. We all have our opinions, and often they're formed by some good information. But this particular gentleman quoted the OECD, and I think he quoted at the same time the International Monetary Fund. That basically reinforced what this government has said, which is.... And it's not rocket science. When you know that at one point there were seven people supporting one retired and that's going to shift to four to one and then three to one, the writing is on the wall.

I often marvel...and I wonder if the opposition is reading the paper and seeing what's happening in countries like Greece, and it's now coming to a crisis point in Spain—countries that haven't addressed this issue. We are being warned repeatedly by organizations that have no skin in the game, when there's no reason why they wouldn't give us a fair analysis, and they're saying the same thing: we have to make adjustments. This government has done this, and not in a cutting method or a draconian way. It's giving us ample time to give people an opportunity to prepare for these changes.

It just amazes me. This is something that is so clear, so absolute, that I can't understand why it's not being embraced by the opposition.

I just want to share Paul Martin's Red Book. The Liberals love to try to take the credit for some of the good things that are happening, and rightfully, Mr. Martin made some important changes. One of the things he says in his Red Book is:

The Canadian population is growing older—first, because our birth rate for the past three decades has been below replacement....

He is saying that we have to meet this demographic challenge. This is nothing new. This is something that has been debated for many years. This government has recognized that we don't want to go down the same path that countries like Greece and Spain and Italy and Portugal have gone down. We want to do the prudent thing, and that is to make adjustments but give people enough time so that they can prepare for those adjustments.

• (1910)

The Chair: Thank you, Mr. Van Kesteren.

Monsieur Caron, please.

[*Translation*]

Mr. Guy Caron: I would like to go back to the argument that we absolutely have to act now because it will be impossible for the cost increases to be assumed by the government or by all Canadians.

The information confirmed by the government was that the amount that will be saved by these measures in 2030 will be about \$10.8 billion. In 2030. In today's dollars, that means about \$6 or \$6.5 billion.

The GST reductions that the Conservative government has put in place since it was elected in 2006 amount to two per cent. As the government says, the GST has gone from 7% to 5%. That was a cost to the treasury. Each one per cent is between \$4 and \$6 billion, to be on the safe side. So the amount that the government is no longer collecting because of the two per cent reduction in the GST is between \$8 and \$12 billion. The government made the choice to reduce the GST by two per cent, costing the public purse between \$8 and \$12 billion per year. And yet it comes up with a plan, not announced or debated during the election campaign, that increases the age of eligibility for old age security, which will save \$6 billion per year in today's dollars.

Governing means making choices, and the Conservative government has made its choices. With the harmonized sales tax, it chose to give tax reductions for which our retired Canadians are going to have to pay by working two years longer. Someone who is 53 today will

receive \$12,000 less in old age security than someone who is 54 today, given that the change goes into effect in 2023.

So please do not tell me that the current program cannot be paid for by Canadians as a whole. As has been mentioned, the OECD has shown that it can. The Parliamentary Budget Officer said so too. The chief actuary of the Canada Pension Plan, who also looks after the books of the old age security program, has also shown that things can be adjusted without resorting to such draconian measures.

We completely agree with the need to deal with the question of demographic change. But this measure alone does not address the situation and does not represent an overall assessment of the situation. It is just one action in one of the programs that provides economic security for our retired Canadians. It simply scratches the surface of the larger problem we have to come to grips with.

In those terms, the argument that we cannot afford the program at the moment and that we absolutely have to increase the age of eligibility makes no sense, given the choices the government has made in the past.

According to the Chief Actuary of Canada, the cost increase of the program, as a percentage of the GDP, is about 1%. And that 1% is being used to justify taking away \$12,000 in income from people currently under 53, while those 54 or older can keep it.

Nothing has been done to convince the opposition, Canadians and Quebecers that this scheme is fair and appropriate.

That's it.

• (1915)

The Chair: Okay. Thank you.

[*English*]

Ms. Nash.

Ms. Peggy Nash: I just want to get on the record, once again, our concerns around OAS. Comments that we're going to end up like Greece if we don't make that change are absolutely ridiculous.

Quite frankly, the government can't have it both ways. They can't say the government is running the best financial management of any country in the world—which is not accurate—to claim credit for doing things well, and at the same time say that if this change isn't made, we're going to end up where the country is almost bankrupt. It's simply not the case.

I want to get in on the subject of what this is actually doing. At one point, one of the ministers commented that we're doing this because other countries are doing it. Canada's demographics are not the same as Europe's. Our country is aging, but less rapidly than many other European countries, and our finances are in better shape.

The reality is that this kicks in for people who are age 54 and younger. It means no one who is a senior today is affected, but for people who are 54 and younger, they're going to be affected. By the time this takes effect, it's going to be coming up to the peak of the demographics of the baby boom. After that, the cost of OAS as a percentage of GDP will decline. It's scheduled to go from about 2.43% of GDP in 2012, up to its absolute peak of 3.16% in 2030, and then it falls back to 2.35% in 2060. This is a demographic bulge. It's going to go up and it's going to go down again.

To cut the benefits, not for the baby boomers who are creating that bulge, but for the people who come after them, in my view exacerbates intergenerational inequity. Baby boomers had better access to jobs, to education, and they will have better access to OAS and pensions, but the people who come after them are going to have less of everything. I don't think it's right and I don't think it's necessary.

After asking several questions of the minister and the Prime Minister in the House of Commons, and asking officials, we were not told what the impact of this change would be. Everyone refused to give us numbers. Then, the day after we sit as a finance committee, a Friday afternoon before a long weekend, the numbers came out, and it's \$10.8 billion by 2030. In 2030, that's what the number will be.

What does that mean for people who are affected? OAS is just over \$6,000 a year, so for a couple, for two years, that's about \$25,000 out of their pockets. It's very significant for individuals. Yes, it's an issue we have to address, but this is not the right way to go about it.

This is not something the government campaigned on. We had an election a year ago. The government never mentioned it. It gets announced by the Prime Minister when he's with some of the wealthiest people in the world—an elite gathering in Davos. That's how the people who are going to lose \$25,000 found out they're going to be impacted by this.

The people who will be impacted most may have 10 years or more to prepare, but the reality for people at the bottom end of the income scale is that they're not going to be able to prepare because they don't have the wherewithal to put that kind of money aside.

● (1920)

For all these reasons, we think this is wrong. It's the wrong move. It's the wrong measure.

If you're looking for \$10 billion, you could maybe look at redrafting the military procurement and not pursuing the F-35s, where you were out \$10 billion in your costing, and put that money into the pockets of Canadians when they need it most, in their retirement years.

Thank you.

The Chair: Thank you.

[Translation]

Your turn, Mr. Mai.

Mr. Hoang Mai: Thank you, Mr. Chair.

Mr. Rodrigue, we were a little hard on you when you came here. That is typical of what is going on at the moment. This is not a personal attack: you had the information, but you could not provide it because the government did not let you. The next morning, the government provided the figure we were looking for.

Now that you are able to, can you tell us how much the government is going to save by changing the retirement age from 65 to 67?

Bruno Rodrigue: It will save \$10.8 billion in 2030.

Mr. Hoang Mai: Thank you for that information. We were very frustrated because we knew that you had it. This is a very concrete example of the government's lack of transparency. The Parliamentary Budget Officer has said that such a lack of transparency is unacceptable. Unfortunately, you provided a typical example of the way in which this government works. This is not a personal attack, and I thank you for providing us with the figure, because it is now on the record.

Mr. Van Kesteren often brings up the studies done by the OECD and the World Bank. I have a lot of respect for him and I know that he knows that the report deals with countries in general. Mr. Van Kesteren always says “in general”, but the Government of Canada asked the OECD to confirm that it applies specifically to Canada. Here is what the OECD concluded:

[English]

The analysis suggests that Canada does not face major challenges of financial sustainability with its public pension schemes.

There is no pressing financial or fiscal need to increase pension ages in the foreseeable future.

I'd invite you to look at the study and the report that is actually with the Department of Finance. It talks about OAS and GIS, and that there is no pressure; it is sustainable. When we have the number, which is \$1.8 billion in 2030, I'm not sure why the government is saying it's not sustainable and it's the end of the world.

Again, it's a question of choice. Clearly the government has made the choice that people living in poverty, especially the elderly, will have to work harder.

We've seen it from a lot of witnesses. We've seen how that will affect people and how bad it is, and how it affects the elderly and the poorest people. Basically, we're talking about the....

[Translation]

We are talking about the segment of the population that is most affected by this measure, that is the most vulnerable. It is a choice the government has made. I am happy that at least now we have the figures and that we can clearly see the government's decision and approach. It does things in secret and has to have its arm twisted before it provides any figures. It should have reacted, because the attack on Mr. Rodrigue was a little too much. The government looked quite bad: we knew that it knew the figures and that it was intentionally concealing them.

● (1925)

The Chair: Thank you.

[English]

Mr. Marston, and then Mr. Van Kesteren.

Mr. Wayne Marston: Thank you, Mr. Chair.

I want to say that I have a high regard and respect for the member for Chatham-Kent—Essex.

I even looked it up, just so I'd be clear. I believe that when you say the things you do, you actually believe that it's the case. But as the previous speakers have pointed out, we're taking \$10.8 billion away from seniors. There's a problem. Nobody is arguing that there's not something happening to the generations we're talking about. Agreed, it's \$39 billion to \$109 billion.

The hole in the government's view of this is very simple: when the numbers are looked at, they're not taking into account the projected growth in GDP between now and 2023. In essence, the government is saying they're not sure their economic policies are going to sustain the growth actually being predicted by the Bank of Canada. If we even got half the GDP growth predicted, this would be less than 1% of GDP. It would take 0.8% of GDP to cover this.

You talked about the need to address a challenge. We're saying to you that we should have looked at things in a more holistic view. There's no rush to be doing this. The reality is that when you take into account GDP growth, this is absolutely sustainable. That's why you have a divergence of opinion between the people who have looked at this—the OECD, the Parliamentary Budget Officer—and the side the government has taken their figures from. That's where your difference lies. The reality is that it's a difference in choice in how that gets addressed.

We're saying, quite simply, that taking two years of income away from seniors is hurting the wrong people. This is the wrong way.

When you look at the amount of taxation capacity that's been removed by this government—the change to the HST is roughly \$14 billion a year, the change to corporate taxation is roughly \$16 billion a year—that's \$30 billion of fiscal capacity to address this situation. When you look at banks and places like that that are giving their executives billions of dollars in bonuses, how do you square that circle? It can't be done. We have to make a better choice than this one.

The Chair: Thank you, Mr. Marston.

Mr. Van Kesteren.

Mr. Dave Van Kesteren: I suppose we could go around and around in circles. That's not my intention. I have the highest regard for the members across the way as well, and I firmly believe that they believe that's the right approach.

I would say this. The changes we are proposing will take place in 2027. There's ample time for people to get ready. I would even say, furthermore, that if we're wrong, that can be adjusted again. I'm willing to go to the people in Chatham-Kent—Essex, and when they ask me, "Dave, why did you make this change?", I will look them squarely in the eyes and say that it was because I wanted to make sure that when the time comes, when they retire, the funds will be there.

When we talk about those countries, Ms. Nash, with all due respect, their problems are with their bonds. They can't satisfy the bond buyers anymore. It's a great big IOU, and no one trusts that. It's the situation not only in those countries. It's the same situation in the United States. In this country, we want to make sure that the funds will be there and that those people who are ready for retirement will be able to expect to have those funds in place.

I know this is prudent. I know the reasons we are doing this are the right reasons. I believe, as you said, that I can look my constituents squarely in the eyes and tell them that we're doing this in their best interest. I believe that most of them will agree with the stand this government has taken, too.

The Chair: Thank you.

We'll have Ms. Glover, and then Monsieur Caron.

• (1930)

Mrs. Shelly Glover: Thank you, Mr. Chair.

I was actually hoping that I could convince you to move to the question. It's been quite a long time I've been hearing the same statements presented over and over again. My intervention is to encourage you, with the flexibility you've demonstrated and the long period of time that's been spent on this, to move to the next sections. Otherwise, we will not finish.

The Chair: I would very much like to move to vote on this. The reality is this will be a debate for the next four years and longer. We could debate it tonight until midnight. Members will make their points on both sides. I really would like to vote on these clauses if I can. I am asking if we can vote on these clauses and move on. It's up to the committee.

What I am trying to do is actually enable the parties to get all of their comments on the record, especially with respect to their amendments. The problem is, if we have another intervention, then the other side may say, "I am going to respond to that point", and then it just goes back and forth. That's the issue. I think both sides have stated their case. Ultimately, it will be a vote and the Canadian public will have to decide between the two sets of arguments.

Do you want me to do these individually?

Some hon. members: Yes.

The Chair: Okay.

(Clauses 445 to 448 agreed to on division sequentially)

(Clauses 449 to 460 agreed to sequentially)

(Clause 461 agreed to on division)

(Clause 462 agreed to)

(Clause 463 agreed to on division)

(Clause 464 agreed to)

(Clauses 465 to 467 agreed to on division sequentially)

The Chair: Okay. I want to thank our officials for being here.

Colleagues, I am going to take a second health break to allow members to stretch their feet.

Thank you.

• (1930)

_____ (Pause) _____

• (1940)

The Chair: I call this meeting back to order.

Colleagues, we are now at division 25, the Salaries Act, and this deals with clauses 468 to 472. I have no amendments for this division.

I have an amendment for the next division, which is the Seeds Act, but not for this one.

(Clauses 468 to 472 inclusive agreed to on division)

The Chair: Okay. We'll move to the Seeds Act, which is division 26, with clauses 473 to 475.

We have an amendment for clause 475, but I'll ask Ms. Nash to speak to the issue generally.

Ms. Peggy Nash: Just generally, Mr. Chair, again, the Seeds Act coming before the finance committee doesn't seem to make much sense, but here we are. We've not seen any analysis on the impact of the privatization of seed crop inspection, so we're not clear on what that will mean for Canadians—and Canadians expect us to do our due diligence, especially when it comes to food safety issues.

Our concern is that these changes open the door to privatization in food inspection, which is an important function that government undertakes now, and I think Canadians want to know that their government is ensuring their food safety. They don't want that to change.

So we're proposing, with our amendment, to add a paragraph just to prevent conflict of interest for privatized seed inspectors. I will move that.

•(1945)

The Chair: Thank you for your comments.

I'll go to Mr. Hoback, please.

Mr. Randy Hoback: Thank you, Chair.

Actually, the seed industry has been asking for this for quite a few years. What it does is it actually takes away the subsidization of the taxpayer on the audits that go on in the fields. That's the first thing it does. Second, it improves the efficiency and the service to the seed growers so they can actually get quicker approvals.

The CFIA did come before us and testify earlier on, and they basically clarified the fact that this has nothing to do with food safety. This has everything to do with regulating the actual seeds that farmers use to grow their crops. It's just a common sense move forward. Plus, they also told us that these inspectors will actually be trained by CFIA, so we can ensure that the inspectors who are going to the fields are trained by the CFIA, are monitored by the CFIA, and will do a great job.

An hon. member: Hear, hear!

Mr. Randy Hoback: Thank you.

The Chair: Thank you, Mr. Hoback.

Mr. Brison, please.

Hon. Scott Brison: Quickly, Mr. Chair, the government hasn't made a compelling case for rushing through this change, and in my opinion we've not heard from enough witnesses from the farm industry, so we're opposed to this.

The Chair: Thank you.

(Clauses 473 and 474 agreed to on division)

(On clause 475)

The Chair: I will ask Ms. Nash to move amendment NDP-45.

Ms. Peggy Nash: I move amendment NDP-45.

The Chair: Okay. I have a statement on NDP-45: it is admissible.

An hon. member: It is?

Ms. Peggy Nash: Hurrah!

The Chair: I wanted to put a happy face on that.

The legislative clerk got really nervous when I said that.

(Amendment negatived)

(Clause 475 agreed to on division)

The Chair: Okay.

Thank you, Ms. Barnes, for being with us here tonight.

We'll move to division 27, clauses 476 to 478, on amendments to the Statutory Instruments Act.

(Clauses 476 to 478 inclusive agreed to on division)

The Chair: We'll move to division 28, the Investment Canada Act, with clauses 479 and 480.

On this division, Ms. Nash?

Ms. Peggy Nash: With regard to the Investment Canada Act, in 2010 Parliament voted unanimously to pass an NDP motion identifying serious problems with the Investment Canada Act, committing the government to making specific improvements. But these proposed changes really don't live up to that promise. There has been great concern over the definition of net benefit to Canada. What does that mean when we have seen foreign investments authorized, takeovers carried out, jobs lost, technology moved out of the country, and BHP's high-profile attempt to take over Potash-Corp? There was no definition of net benefit to Canada, but the government opposed that takeover.

The only other time the government has stood up to a foreign takeover or foreign investment was in the case of MacDonald Dettwiler. It was the very first time this investment had been blocked. The company had launched very important RADARSAT technology. It was something the government had talked about as being essential to Canada's protection of the north, of the Arctic, and then within weeks there was an announced takeover of this company and sale to the largest American munitions manufacturer. The minister at the time, ultimately, in the face of significant public pressure, decided to block the foreign takeover.

The rules are not clear. They're sporadic, and there are many Canadians who do not feel the rules work in their interest, because affected communities have no say. There is no open, democratic process for people to have input into hearings when there's a proposed takeover. The people who are directly affected, who work for a company, have no opportunity to participate in hearings, and there are, as I said, no clear rules about net benefit to Canada.

The government here is making a very modest change, in the sense that merely having companies pay a fine in the form of security rather than cash really doesn't change the basic rules of the Investment Canada Act. That's just unacceptable for Canadians. We've had so many foreign takeovers and so many cases of people being thrown out of work, companies being closed down, and technology being taken out of the country.

We need foreign investment. We want foreign investment, but we need clear rules, clear accountability, a process that allows for democratic input, and a process that ensures that Canadian interests are protected. We don't see those things in the amendments that are proposed. They're very inadequate.

•(1950)

The Chair: Thank you.

I'll go to Mr. Adler, please.

Mr. Mark Adler: Thank you, Chair.

Nothing, really, that Ms. Nash says could be further from the truth. I know the NDP wants to return to the days of the Foreign Investment Review Agency. They pine for that time when jobs and investment were driven out of Canada.

We all know that foreign investment provides significant benefits to Canada through knowledge, capital access to new markets, and the creation of high-value jobs right across the country. Our government is committed to an open investment framework that encourages foreign investment in Canada as well as Canadian business investment abroad, while of course safeguarding Canada's interest.

The Investment Canada Act requires the review of significant foreign investments in Canada in order to ensure the investments bring a net benefit to our country. To help strengthen investor confidence, the government will introduce targeted improvements to the administration of the act in the interest of greater transparency while preserving investor confidentiality.

I would like to ask Mr. Peets if he could comment on the review mechanism in the Investment Canada Act and the guarantee that what we're dealing with here is a mechanism that will guarantee a net benefit to Canada.

Mr. Gerard Peets (Senior Director, Strategy and Planning Directorate, Department of Industry): What I can do is discuss the net benefit factors that are included in the Investment Canada Act. They're listed in section 20 of the ICA, and they include the effect of the investment on the level and nature of economic activity in Canada, including employment, resource processing, and utilization of parts, components, and services produced in Canada; the degree and significance of participation by Canadians in the Canadian business; the effect of the investment on productivity, industrial efficiency, technological development, product innovation, and product variety in Canada; the effect of the investment on competition within any industry or industries in Canada; compatibility of the investment with national industrial, economic, and cultural policies; and finally, the contribution of the investment to Canada's ability to compete in world markets.

•(1955)

Mr. Mark Adler: As you can see, Mr. Chair, they are quite stringent criteria when we're talking about net benefit to Canada. So I would once again say that what the NDP is saying could not be farther from the truth, and I would encourage them once again to read at least the legislative summary of the budget implementation act before they run off to any unfounded and unsound conclusions of their own.

Thank you.

The Chair: Thank you.

Ms. Peggy Nash: A point of order.

The Chair: A point of order, Ms. Nash.

Ms. Peggy Nash: I would like to ask Mr. Adler, through you, how he can possibly lecture us on whether or not we've read the legislation. Of course, we've read the legislation, and I don't appreciate his repeatedly lecturing us on the assumption that somehow (a) we have not read it or (b) we don't understand it. I just find that offensive.

The Chair: Okay.

I again just caution members to stick to the actual substance, put their arguments on the table, and move forward as quickly as possible here. That's my advice to all of you, for the thousandth time tonight, but not the last, I assume.

[*Translation*]

The floor is yours, Ms. LeBlanc.

Ms. Hélène LeBlanc (LaSalle—Émard, NDP): Thank you, Mr. Chair.

Thank you for letting me take part in this meeting.

The government has been promising for a long time to tighten up the Investment Canada Act. But it refuses to let Parliament do its job, which is to examine the proposed changes in an appropriate forum. The Standing Committee on Industry, Science and Technology has also asked that the Investment Canada Act be reviewed.

In 2010, the House passed Mr. Layton's motion to reform the Investment Canada Act. It included a commitment that public hearings would henceforth be part of the process of examining foreign takeovers. The process required public disclosure of the conditions attached to any foreign takeover, a transparent process for monitoring the performance of foreign entities and clear penalties in the event of non-compliance.

The motion recognized that the purpose of the act should be clarified in order to encourage new capital and job creation rather than the takeover of strategic resources. Last February, the Standing Committee on Industry, Science and Technology unanimously passed a motion that the committee undertake a review of the Investment Canada Act.

But the government is renegeing on its commitment to work with the opposition parties, investors and the communities and workers affected and is making changes to the act by way of regulations.

[English]

The government has long promised to fix the broken Investment Canada Act, but these changes will actually negatively impact communities and workers. The government is refusing to let Parliament consider the legislation and is instead slipping change in through regulation.

[Translation]

Even the current changes to the Investment Canada Act do not go far enough. Canadian companies are disappearing and, as has already been mentioned, the concept of net benefits to Canada has not yet been clearly spelled out. I believe that it would be appropriate to conduct an in-depth review of the Investment Canada Act in a suitable forum. The objective is for industries, workers and communities to benefit from foreign investment. If possible, conditions should be established in a positive way so that the foreign investments provide benefits for employment, for our communities and for Canada.

As you mentioned, Canada invests overseas. So Canada could certainly benefit from investments too. But they must have a positive effect, in the sense that they must establish long-term relationships that benefit communities, business and labour.

• (2000)

[English]

The Chair: Okay.

[Translation]

Ms. Hélène LeBlanc: Provisions dealing with Investment Canada have been included in this omnibus bill that has been submitted for study to the Standing Committee on Finance. But we feel that the Investment Canada Act needs to be studied in depth and that the review should be done by the Standing Committee on Industry, Science and Technology.

Thank you.

The Chair: Okay, thank you.

[English]

Is there any further discussion on this? No? Okay.

(Clauses 479 and 480 agreed to)

The Chair: Thank you, Mr. Peets.

We'll go to division 29, the Customs Act.

(Clauses 481 and 482 agreed to)

The Chair: We will go to division 30, clause 483, the Pension Benefits Standards Act, 1985. I have no amendments here.

(Clause 483 agreed to)

The Chair: Next is division 31, the Railway Safety Act, clauses 484 to 486.

On that division, Mr. Brison.

Hon. Scott Brison: Just on this point, we asked to hear from affected groups, such as the railway companies and the Federation of Canadian Municipalities, but due to the short notice they were not

available to appear before us. I point that out to again draw attention to the fact that the committee has not heard from some very important stakeholders on some of these changes.

The Chair: Thank you.

(Clauses 484 to 486 agreed to on division)

The Chair: Is that unanimous? Okay.

We'll move to division 32, the Canadian International Trade Tribunal Act, clauses—

Hon. Scott Brison: The last vote wasn't unanimous. It was on division.

The Chair: I thought it was on division, but....

An hon. member: It was on division.

The Chair: It was on division.

I'm now on division 32, and I have clauses 487 to 489.

Ms. Nash.

Ms. Peggy Nash: It's just that we don't really know what the implications are here of allowing the Minister of Finance to decide who the acting chairperson would be on the operations and the autonomy of the tribunal, so we're concerned that there are many measures in this bill that increase concentration of power in the hands of ministers, in the hands of cabinet. We're not sure of what the implications here, so we won't be supporting this.

The Chair: Thank you.

Is there any further discussion? No? Okay.

(Clauses 487 to 489 agreed to on division)

The Chair: Thank you.

We'll go to division 33, clauses 490 to 505. This is the International Centre for Human Rights and Democratic Development Act.

Monsieur Caron.

[Translation]

Mr. Guy Caron: Thank you very much.

This is a subject that greatly interests me. I asked the witnesses who made presentations a number of questions about it. I was also very interested in what was happening at Rights and Democracy and the saga that was going on there for a number of months, if not more than a year. The organization had earned its spurs, had established its credibility on the international scene in the geopolitical reality of 1988. That geopolitical reality has evolved, of course, but the organization has always managed to adapt.

There were a number of people in charge. I know that, in the House today, Ms. Laverdière mentioned Jean-Louis Roy, who was one of the organization's CEOs. I had the opportunity to meet him and have discussions with him. He confirmed that the organization continued to have a very good reputation until the arrival of a new board of directors, made up of people parachuted in by the federal government. That is when the problems started.

One of the witnesses, the chair of the board, said that the organization was badly run. When I asked him about that allegation, I reminded him that board members had asked Deloitte & Touche to do a management audit of the organization from 2005 to 2009. That was the period during which the management provided by Mr. Beaugregard and the staff of Rights and Democracy was alleged to have been bad. I told him that the report cost a little under \$1 million, as I understand it, an amount that represented the entirety of the consultations that the board of directors undertook.

The board of directors sat on the report for more than five months. The witness tried to convince me, with no success, that the report was devastating for Mr. Beaugregard's administration. If you read the report, you see that there was no evidence of poor administration in the organization. Anyone who has read the report, as I have, can see that clearly. Mr. Brown's arguments have done nothing to convince me of the opposite. I also recommend that the people watching us on television and who want to know more about this read the excellent series of articles that Paul Wells wrote for Maclean's magazine at the time. They provide a very good history and chronology of the situation.

It was after 2009, that is, after the appointment of the board members, that the problems really started and that Rights and Democracy began to skid out of control. Some staff members left and Mr. Beaugregard worked passionately and energetically to defend the organization for which he worked. But, at the end of the day, Rights and Democracy, a credible, worthy organization that represented Canada well on the international scene, gradually became nothing more than an empty shell.

Division 33 of Bill C-38 does away with the organization. I do not have to tell you that I find this to be regrettable in the extreme. We will remember Rights and Democracy as an organization that, for a very long time, had succeeded in projecting a very respectable image of Canada as a country that makes attempts at conciliation on the world stage. That image is gradually fading away. As a consequence, we are going to make a final gesture in this committee by voting against the proposed changes to division 33 that will eliminate Rights and Democracy for ever.

• (2005)

[English]

The Chair: We'll go to Ms. McLeod, and then Mr. Brison.

Mrs. Cathy McLeod: Thank you, Mr. Chair.

I think first, and perhaps most important, certainly from the government's perspective, is that Foreign Affairs and International Trade Canada and the Canadian International Development Agency are committed absolutely to freedom, democracy, human rights, and the rule of law around the world each and every day, and that's from our ambassadors and embassy personnel around the world to our staff at the headquarters here in Ottawa.

Certainly for some time we've known about the challenges of the International Centre for Human Rights and Democratic Development. They've been very well publicized, and to tell you the truth, quite frankly, after the testimony we heard from Mr. Braun, I was even more alarmed. I think there is certainly no question that there were significant challenges.

As the department looked to find efficiencies and savings, this seemed like a very appropriate time to look at the restructuring and to where we focus our efforts.

Again, the government absolutely supports moving forward on this particular piece of division 33.

• (2010)

The Chair: Thank you.

Mr. Brison.

Hon. Scott Brison: Mr. Chair, for 23 years Rights and Democracy was funded by Progressive Conservative and Liberal governments, and in the last several years by a Conservative government. During that time it did gain international respect for the work it did in institution-building in both rights and democratic development, but it did over the course of its history disagree with governments and did speak independently from time to time.

It is broadly felt that the defunding of this organization reflects this current government's desire to silence dissonant voices. This is troubling. It's consistent with the decision of the government to cut funding for KAIROS and other organizations that have received federal funding and support for a long time.

It is consistent with its attitude towards the Parliamentary Budget Officer and anyone internal to the government or in the NGO community, any group or organization that has the audacity to speak truth to power, or at least to express a different view.

I think it's important for any government to recognize that you don't simply fund the groups that agree with you. It's a responsibility of any responsible government.

The Chair: Thank you, Mr. Brison.

Ms. Glover, please.

Mrs. Shelly Glover: Mr. Chair, in the interests of trying to get through this very complex bill and after all these hours, I want to pass over the things Mr. Brison has said, the false allegations made against this government that he has portrayed. But I find it important to stand up for not only the government but the caucus members who work very hard to support very credible organizations that do not have the types of challenges that were present, unfortunately, in this very case.

I too would like to put on the record that Mr. Brison's spiteful comments are not appreciated and not true. This government will continue to support efforts to maintain human rights and democratic development around the world.

Thank you.

The Chair: Thank you.

I'll then move to the vote.

(Clauses 490 to 505 inclusive agreed to on division)

The Chair: Thank you.

We'll go to division 34, the Health of Animals Act, clauses 506 to 515.

(Clauses 506 to 515 inclusive agreed to)

The Chair: It is unanimous.

We'll move to division 35, the Canada School of Public Service Act.

(Clauses 516 to 524 inclusive agreed to on division)

The Chair: Thank you.

We'll move to division 36, which deals with amendments to the Bank Act.

Go ahead, Monsieur Caron.

[*Translation*]

Mr. Guy Caron: We don't have the amendment?

[*English*]

The Chair: I don't have an amendment.

The next amendment I have is for division 39.

Mr. Guy Caron: I just want to speak to it.

The Chair: Okay.

[*Translation*]

Mr. Guy Caron: This is something that concerns us a lot. We know that the Bank Act is federal jurisdiction, but some aspects of the act go into provincial jurisdiction in a complementary way. Consumer protection in banking, for example, is a provincial matter, complementary to the Bank Act. If we amend the preamble, as clause 525 in division 36 proposes, the spirit of the act would focus banking activities according to clear national standards, as Ms. Pearse confirmed when she appeared before us.

The Government of Quebec has come out strongly against this. I have in my possession a letter written to Mr. Flaherty, the Minister of Finance, by Jean-Marc Fournier, the Minister of Justice and Attorney General of Quebec in which, among other things, he expresses his concerns. The letter is dated April 19. Mr. Fournier questions one part of the bill that says that, in the national interest, it is desirable to provide for exclusive and national standards applicable to banking products and banking services. He is afraid that this might mean that all banking activity in the country would henceforth be regulated according to national standards. Mr. Fournier reminds Minister Flaherty that the two orders of government have complementary responsibilities in terms of regulating the activities of banks.

I know that the federal government previously ran into problems in its plans to regulate the financial sector and organizations like stock exchanges. So I see that there is a very clear danger of the federal government being challenged by Quebec over those provisions. At very least, before this change to the Bank Act is written, there should be consultations with the provinces in order to determine how they might react. No consultations of that kind have been held.

I see clearly that the government is going to come up against the same problems that it had in regulating financial institutions. That is why we are going to vote against that clause, in order to reflect the divided opinion and the lack of prior consultations that should have taken place.

●(2015)

The Chair: Thank you.

[*English*]

I'll go to Mr. Jean, please.

Mr. Brian Jean: Thank you, Mr. Chair.

It's a great news story. Our banks are doing great. This just introduces a little bit to make it a little bit better, so I'll be voting in favour of it, and I'm sure all of these people on this side of the table will be as well.

The Chair: Thank you.

(Clause 525 agreed to on division)

The Chair: Thank you.

We will go to the Corrections and Conditional Release Act, which is division 37, clauses 526 to 530.

Monsieur Mai, please.

[*Translation*]

Mr. Hoang Mai: Thank you, Mr. Chair.

The bill actually eliminates the requirement for the Parole Board of Canada to hold a hearing in cases of suspension, termination or revocation of parole or statutory release.

First, we must ask why this measure was not included in Bill C-10 and why it is included in the budget. There are few places that this omnibus bill does not reach. This is clearly a justice matter.

Unfortunately, we did not have the time to hear from many witnesses. We only heard from one. However, he is very qualified. His name was Michael Jackson; he has been in practice for 40 years, including in the area of human rights, which he teaches at the University of British Columbia. He is an expert in the rights of prisoners and of Aboriginals. In his opinion, the clause is unconstitutional. Let me read a part of his testimony in English:

[*English*]

Section 7 of the charter provides that everyone has the right to life, liberty, and security of person, and the right not to be deprived thereof except in accordance with the fundamental principles of justice.

He specifies:

What the bill does is abrogate that right. Thereafter, these reviews will be done by a paper review. The board is now also contemplating moving to a single member conducting this review by changing the regulations. You'll have one member of the board reviewing the case without the presence of the offender and making a... decision potentially to revoke parole.

[*Translation*]

The clause is already clearly unconstitutional, but then, in addition...

[*English*]

he further says that this will disproportionately impact aboriginal offenders.

[*Translation*]

I have read his brief. We received it yesterday or today. It goes quite far. He goes right to the point by saying...

[English]

C-38, by abolishing post suspension hearings, would extinguish the possibility of an elder-assisted hearing in the post-suspension context. In doing so, Parliament will be aggravating, not alleviating, the systemic discrimination referred to by the [SCC in Gladue and Ipeelee].

• (2020)

[Translation]

A witness, who specializes in human rights, is saying that not only is this bill anticonstitutional, but it is also an attack on aboriginal people. Once again, we are wondering why this bill is being studied in the Standing Committee on Finance and not in the Standing Committee on Justice and Human Rights. Why was this not included in previously introduced Bill C-10? I don't understand why the government wants to move forward. This further proves that the government prefers to send people to prison with its megaprison policy.

In addition, that approach does not help rehabilitate people. It has been shown that the Quebec system helps people rehabilitate so that they can be part of society. Yet this government is taking away those peoples' rights.

The Chair: Thank you.

[English]

We'll go to Mr. Hoback, and then Mr. Brison.

Mr. Randy Hoback: Thank you, Chair.

We just heard from witnesses about this last week. I think what the witnesses said is fresh in our minds. Plus we've also been through it with the department earlier on, a couple of weeks ago. I don't need to speak to this anymore. I think we should just go to the question.

The Chair: Thank you.

Mr. Brison.

Hon. Scott Brison: Mr. Chair, there's a real concern and question hanging over this. We've heard from witnesses warning us that this measure is unconstitutional. We've also received a written submission from the Canadian Bar Association, which stated:

The right to an in-person hearing before the Board is critical to the integrity and transparency of the parole process....

In our view, the proposed amendment will violate s. 7 of the *Charter*, namely, that "Everyone has the right to life, liberty and security of the person and the right not to be deprived thereof except in accordance with the principles of fundamental justice." ... This cannot be demonstrably justified as a reasonable limit on a constitutional right.

Once again, Mr. Chair, that is from the Canadian Bar Association, warning us that what we're about to pass is in fact unconstitutional.

The Chair: Thank you, Mr. Brison.

Are there further comments?

Ms. Glover.

Mrs. Shelly Glover: I just need to add, in response to the statements made...let's not forget that the board will retain the authority to conduct a review hearing for decisions where warranted. So where there are complex cases or other reasons, that option still exists. But most importantly—and this goes against everything Mr. Brison just said—the offender retains the same rights to appeal a PBC decision to the PBC's appeal division. That right still remains,

so nothing is taken away from the Constitution or the charter, because there are still provisions allowing that appeal.

Am I correct in saying that, Madame Brisebois?

Ms. Suzanne Brisebois (Director General, Policy and Operations, Parole Board of Canada, Public Safety Canada): Yes, you're correct.

Mrs. Shelly Glover: Thank you.

That's it.

The Chair: Thank you.

(Clauses 526 to 530 inclusive agreed to on division)

[Translation]

The Chair: Thank you, madam.

[English]

We will go then to division 38, which is clause 531, the Coasting Trade Act.

Ms. Nash, please.

Ms. Peggy Nash: Yes. It is bizarre that the Coasting Trade Act is before the finance committee. It makes no sense, and yet here we are debating seismic surveys in coastal waters—which should not be before the finance committee.

We just heard recent testimony on this. This clause would allow foreign or non-duty-paid seismic vessels to perform seismic activities on Canada's continental shelf without obtaining a coastal trade licence. These tests are conducted for oil exploration. We believe that government review and assessment of these activities is important.

We heard from Mr. Len Zedel, a scientist, who said "fish catch rates have been noted to decrease in response to seismic surveys". He said "The intention of the present legislation", this bill, "is to provide easier access for oil companies to seismic survey vessels, but if it has the desired effect, the concern is that you'll have more seismic survey operations" and consequently "significantly more environmental impact". He said it was the "cumulative" effect of these seismic surveys that he's concerned about. He believes there could also be impacts on the fishing industry, for obvious reasons, if fish are affected by the surveys.

So one could argue for greater control over the industry rather than less, to constrain and manage the impact—the industry meaning the seismic survey.

We also heard from Professor Richard Steiner, who said:

We know that impacts can go out to 50 or 60 kilometres on certain species...and the effects can be quite profound, particularly with continuous sound pulses over a long period of time.

Professor Steiner said that Canadian standards for seismic mitigation should be better, and that the Canadian and U.S. governments should "develop a bilateral agreement to make seismic mitigation and monitoring consistent across our borders".

The reason I'm quoting extensively from these scientists is that this is an issue that should have more study. Again, it's not properly before the finance committee. We believe it should be sent to the appropriate committee and be properly studied.

So we're not going to be supporting it.

• (2025)

The Chair: Thank you, Ms. Nash.

I'll go to Mr. Van Kesteren, please.

Mr. Dave Van Kesteren: Thank you, Chair.

Ms. Nash is right. We did have some excellent testimony in this regard on the Coasting Trade Act, and she is right that there was some testimony in regard to the sound and the impact of that. However, this act deals with something quite different, and that is the ability for vessels other than Canadian vessels to conduct tests. The testimony I heard—and I think the government side would agree with this too—is that although there are challenges, those challenges are being met. Those challenges are worldwide. The issue here is whether or not we will allow vessels other than those licensed in Canada only to do seismic testing.

I was looking for my notes, but if my memory serves me correctly, there's a very small number of vessels that currently are able to do this research. This would expand that and give our oil extraction companies a better opportunity to compete. This, of course, we know, is very important to places like Newfoundland and the other Atlantic provinces, for gas and oil exploration, and as such this is very important for the economy.

As I said, the testimony that I heard... Those two individuals who testified on the effects of sonar charging recognized, as do most people in the world, that there are effects, but we are working towards those things. The issue here again is the oil extraction and the need for other vessels to be able to do that.

I would further say, as a last point, that currently there are but two countries that limit seismic surveying to those ships that are licensed by their specific nations, Canada and Nigeria. Every other nation allows for other ships to come in, so we're just following that pattern.

Thank you, Chair.

The Chair: Thank you, Mr. Van Kesteren.

I want to ask our officials a brief question to follow up on these two sets of comments.

Professor Steiner had some very good testimony. He recommended that if we allow obviously foreign vessels into Canadian waters or off the shore of Canada, we ensure that Canadian laws and regulations apply to the ships in these waters.

Can one or both of you comment?

Ms. Louise Laflamme (Chief, Marine Policy and Regulatory Affairs, Department of Transport): In the case of programs that are under the offshore boards of Canada, yes, they have existing regulations that control emissions from seismic vessels. There are also other standards and practices applicable to other vessels, including those that are not part of the offshore board programs for

offshore development. Speculative seismic activity and non-speculative seismic activity are covered under existing regulations.

• (2030)

The Chair: They're both covered under existing regulations.

Ms. Louise Laflamme: Yes.

The Chair: That will not change, obviously, if a vessel is not Canadian.

Ms. Louise Laflamme: Nothing with respect to environmental or safety regulations changes.

The Chair: I appreciate that clarification very much.

(Clause 531 agreed to on division)

The Chair: We'll thank our two officials for that.

We'll then go to division 39, which is clauses 532 to 577.

I have an amendment for clause 538. I'll have Ms. Nash speak to the division generally.

Ms. Peggy Nash: We heard testimony on this. The testimony told us that this was not a major change taking place, because the special labour relations board did not hear many cases, so it was being folded into the CIRB.

The idea was raised, and we think it's important, that there not be a loss of expertise previously provided by the Canadian Artists and Producers Professional Relations Tribunal when cases are heard in the arts sector at the CIRB.

In response to a question, I believe the officials said this expertise would be made available. The information and jurisprudence would be transferred. But there's nothing explicitly on that in the bill. That's why we're proposing this change.

The Chair: Thank you for your comments.

Are there any further comments?

We'll have Mr. Adler, please.

Mr. Mark Adler: Thank you, Chair.

I want to say that the tribunal over the last five years has really seen a decline in its activity. In fact, since 2006, it's averaged a little over one application per year, with a sitting time of roughly one day per year.

In the spirit of efficiency and cost savings for the taxpayers, the government is proposing to transfer the functions of CAPPRT to the CIRB.

The Chair: Thank you, Mr. Adler.

(Clauses 532 to 537 inclusive agreed to)

(On clause 538)

The Chair: I will ask Ms. Nash to move NDP-46.

Ms. Peggy Nash: I move NDP-46.

The Chair: That amendment is admissible.

(Amendment negated)

(Clauses 538 to 577 inclusive agreed to on division)

The Chair: We'll go to division 40, the National Round Table on the Environment and the Economy Act, clauses 578 to 594.

I don't have any amendments here, but I have discussion.

We'll have Monsieur Mai, and then Mr. Brison.

[*Translation*]

Mr. Hoang Mai: Thank you, Mr. Chair.

Division 40 provides for the elimination of the National Round Table on the Environment and the Economy and the repeal of its founding legislation.

We must not forget that the round table plays the role of catalyst in defining, interpreting and promoting sustainable development principles and practice. One of the round table's roles is to conduct research and gather data from analyses on key issues related to sustainable development. Another one of its roles is to provide governments with advice on how to integrate environmental and economic considerations into their decision-making process.

The objective of the round table is truly to maintain a balance among the economy, development and the environment. In this case, we are all perfectly aware of the government's position. Legislation is being appealed and the National Round Table on the Environment and the Economy is being eliminated. This is a direct attack. In practice, they are saying that it is not important to obtain data or advice, or to determine what the environmental impacts are. They are opting for more ideological processes.

That is why the NDP is introducing an opposition motion in the House today. We are doing this specifically to stop the Conservatives from muzzling scientists and researchers. By setting aside all scientific analyses, the government is making more ideological decisions, often directed by lobbies. I think this is really appalling. There is not much more I can say about this, except that the government's decision in this matter is clearly unacceptable.

We have heard officials—even from the other side—say that they would hold discussions with environmental groups and listen to what they had to say about this. In other words, they would look for information elsewhere. However, we can see now that the Minister of the Environment is accusing environmental groups of money laundering and calling them radicals. Yesterday, a number of environmental groups and human rights organizations, along with thousands of individuals, gathered for a boycott. They wanted to show that, with Bill C-38, the government was going too far and taking away environmental groups' freedom of expression. We see that the same issue comes up in other parts of the budget, including those that concern charity organizations.

So we will vote against that part.

• (2035)

The Chair: Thank you.

[*English*]

We'll go to Mr. Brison, please.

Hon. Scott Brison: On this, the government is trying to create a false dichotomy that you can't have good environmental policy coexist with good economic policy. The reality is that more

progressive economic leadership understands that you must have both, particularly if you want to create the jobs of the future.

The national round table has provided strong leadership in public policy. Again, from time to time it has taken positions that disagree with any government of the day. For this reason it's being defunded and disbanded by this government. It's another attempt to eliminate any dissension or any voices with which the government disagrees.

The Chair: Thank you, Mr. Brison.

I have Ms. Nash, Mr. Caron, Mr. Jean, and Mr. Mai.

I'll go to Ms. Nash, please.

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

The National Round Table on the Environment and the Economy has been around since 1988. Its goal was to provide an independent body, an independent voice, not just as an advocate around the environment, but as a body that had the explicit goal of bringing together dissenting voices at a round table, a place where environmentalists, business, labour, academics, and all kinds of different parties—sometimes with very opposing views—could debate issues, hopefully work through issues, and thereby develop better policy. It has been an organization that has been a strong voice not just in bringing together research, but in promoting sustainable development solutions.

Mr. Mai has just said that there are these opposing views—pardon me, I think it was Mr. Brison—that you can have jobs or the environment and that somehow they're in opposition, when in fact you see successful economies around the world—like Germany, for example, which has been a leader in green technology—using the transition to a more sustainable economy as an economic development measure. You can see how successful they've been at that and how they've been exporting the products they create and exporting that technology.

The National Round Table on the Environment and the Economy has produced a number of worthy reports. It has been very active on the issue of water. It has recently looked at Canada and U.S. climate change policy, because of course we want to understand how we work together with our largest trading partner. Also, it has helped build solutions and opportunities for business to evolve by using more sustainable solutions.

But as an independent body, it has not always nodded in agreement with the direction of the federal government. In some cases, it has been critical, but it has also raised warning flags where there are problems. Just recently, the national round table had been saying publicly that delays in regulating greenhouse gas emissions mean that we're locking in old infrastructure for decades to come, and saying how we need to be looking at modernizing more energy-efficient infrastructure. By pointing the way to more helpful directions, these points are perhaps critical of the government but useful to the government.

It's a tragedy and I think a travesty to see this organization cut—eliminated. It's not a large budget, but it's a very useful addition to Canada's public debate. This is part of a government approach that tends to want to eliminate and defund voices and organizations that don't agree with it. It gives the appearance of being anti-science and anti-data, because when they disagree with data and when they disagree with science, they want to silence that science.

We've had a debate today with an NDP opposition day motion on the whole issue of scientific expertise and making sure that we preserve and protect the value of scientific and social science expertise. But much of what's happening through this omnibus budget bill and the other changes the government is making, whether it's cuts to Library and Archives Canada or cuts to the National Research Council, Statistics Canada, the National Council of Welfare.... We've seen so many examples of this.

•(2040)

I can only feel that the officials who work for the federal government must dread the data they come out with if it's at odds with the direction this government takes. I think this is just another example of a paranoid approach. The federal government doesn't want to engage in debate and dialogue and therefore come up with better solutions.

We're opposed to this. Again, it's another example of an item that should never have come before the finance committee. It should be before the environment committee, but here we are.

The Chair: Thank you.

Will this be new information, Monsieur Caron?

[Translation]

Mr. Guy Caron: Peggy Nash has already raised most of the points I wanted to discuss.

[English]

The Chair: Monsieur Caron.

[Translation]

Mr. Guy Caron: No. She has already talked about the points I wanted to raise.

The Chair: Thank you.

[English]

I have Mr. Jean, and then I have Monsieur Mai, who is going to make some new points that the chair has not heard before.

Mr. Jean.

Mr. Brian Jean: Thank you, Mr. Chair.

I'm sure my arguments will convince the opposition to vote for this particular thing.

In 1990, when I started my master's of laws in environment and I wanted to save the world, it was a much different place than it is today. We have computers. Through the Internet we have an unlimited amount of computer information on the environment and what's happening in other jurisdictions, and we're able to communicate with people freely and widely very quickly. So things have changed dramatically over the past 20 years. It's been a long time.

Peggy might want to listen to this. A friend of mine worked for the National Round Table on the Environment this year, did the water report, was a Conservative candidate two federal elections ago, and worked with the Conservative government for two or three years.

But clearly we have Environment Canada, which performs the function the national round table at one time was handy to do, maybe in 1988 and a few years after that. They do an excellent job reporting to the government, and we have a lot of environmental groups around the world that I would suggest provide a lot of information, more than we need at this stage. We have all the information necessary today that's instantaneously shared across the Internet.

I'm hoping Mr. Mai was convinced by that “wanting to put a Conservative out of work” argument. You didn't get that one? Okay.

I think this is a great division and I'm going to support it fully and heartily.

•(2045)

The Chair: Thank you.

Did he convince you, Mr. Mai?

Mr. Hoang Mai: I'm thinking about it.

[Translation]

I want to come back to the issue raised by Mr. Jean. If Environment Canada has done such a good job, it is difficult to understand why the government has made cuts in that department.

I will be brief. It is being said that the government is attacking those who do not share its opinion. However, the Minister of Foreign Affairs, John Baird, was very clear with regard to that. He said that the institution has become useless. The government has decided to eliminate the National Round Table on the Environment and the Economy because that agency was promoting a carbon tax.

The Chair: Thank you.

[English]

(Clauses 578 to 594 inclusive agreed to on division)

The Chair: Thank you.

Thank you, Mr. Hanson.

We will then move to division 41, amendments to the Telecommunications Act. This deals with clauses 595 to 601.

The Chair: Is there any discussion?

Monsieur Caron.

[Translation]

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

I used a good portion of my floor time at meetings with witnesses to explain as much as possible our reservations towards this provision that opens the door to foreign ownership for telecommunications companies—especially companies specializing cellphones—with less than 10% of the current market. We have raised several issues, to which we have not received responses we deem satisfactory when it comes to some of the potentially significant consequences.

We have often talked about small companies that hold 3% or 4% of the market. It was said that they could eventually be acquired by foreign companies and, 10 or 12 years down the line, reach anywhere from 12% to 15% of the market. If that were the case, if one of the current companies saw its market share go up to 12% to 15%, we would end up with two companies of similar size playing by two different sets of rules: one would have access to foreign capital and the other one would not.

That may seem like an exaggeration. We are talking about not only WIND Mobile or Public Mobile, but also Videotron, and potentially Shaw Communications, MTS and SAS Telecom. Those companies could eventually increase their market share—especially Videotron. Let's use the example of Videotron and Shaw Communications, should the latter enter the cellphone market because it already has the spectrum to do so. If those two companies, which own two of the four largest private television networks, were eventually acquired by a foreign company, there would be serious issues in terms of broadcasting and telecommunications legislations. I think that's one of the reasons why the government has been hesitating for such a long time. Consultations on that issue have been held for over two years. We cannot necessarily see those potential consequences. The people who have testified have not provided satisfactory responses.

I would like to briefly talk about risks. That was pointed out in a document on public security obtained thanks to the Access to Information Act. That document discusses national security issues—potential risks—stemming from the fact that our crucial telecommunications infrastructure is being opened to foreign ownership. Considering that whole decision—including decisions that will not be in the bill, but affect the next spectrum auction that should be held by the end of next year—we still think that the government should have leaned toward a formula that would have reserved spectrum for new entrants. If the goal is to improve competition, reserving spectrum is probably the best way to do that, instead of setting a cap as the government has done. That is why we cannot vote in favour of section 595.

However, I don't think our side will provide much opposition to sections 596 to 601, which aim to strengthen mechanisms that prevent telemarketing companies from calling people at home. We actually think it is a bit strange this is included in the same provision. We understand that the same legislation is being amended. Nevertheless, it is related to two extremely different issues. We will also vote against section 595.

• (2050)

The Chair: Thank you.

[English]

We'll go to Mr. Van Kesteren, please.

Mr. Dave Van Kesteren: Thank you, Chair.

I think the opposition would agree, though, that the do not call list is a very successful program, and one that Canadians rely on to protect them. This would allow the CRTC...so this is a good measure.

There are two things I want to talk about with this Telecommunications Act.

Number one...and I made the remark in committee when we had the witnesses in front of us. I said I remembered back in 2006, when I was first elected, that we studied this in Industry. Then our chair piped up and said it was 2003. So it was long before my time. This is something that has been beaten to death. We have talked about this and talked about this. Every time it gets to the threshold, it's like the jilted bride.

It just needs to happen.

The second thing is that this is all about competition. We need competition in this industry.

Canadians expect it. Furthermore, I think they demand it. Competition is the very best thing we could ever expect or ever work into our telecommunications industry.

This is a good act. This is something that's long overdue. It's not something new. It's not something that's been sprung on us. It's time to do this, and now is the time to do it.

Some hon. members: Hear, hear!

Mr. Dave Van Kesteren: Thank you, Chair.

The Chair: Both sides have explained themselves well.

Is there more? Okay, Monsieur Caron.

[Translation]

Mr. Guy Caron: There are two ways to encourage competition in this area. The first option is opening the doors to foreign ownership, and that's what the government has settled on. The other option is to reserve a block for new entrants at the upcoming spectrum auction, as was done in 2009 for advanced wireless services. The government could have gone with that option, which was successful and enabled new entrants to acquire the spectrum they needed to grow. It could have found another way to help those companies acquire capital other than allowing them to be bought by another foreign company, be it American or European. If the government were really consistent in its willingness to open the doors to competition, it should have reserved spectrum at the auction, but it decided not to do that. Therefore, I cannot accept that argument.

I wanted to raise another issue quickly. This has been debated at length. In addition, the publishing of the outcome of the consultation document from 2010 submitted by Mr. Clement—the Minister of Industry at the time—was pushed back twice because the government was not sure which direction to take. This issue is so complex that we are not sure where this specific recommendation will lead us.

I don't think enough consultations have been held. We must not forget that consultations have been held in the past, but the Parliament of the day had a completely different image. Based on what we know today, there will be other arguments, and other directions will be suggested for the consultation. I don't think that the intervention has changed anything at all.

Thank you, Mr. Chair.

[English]

The Chair: Mr. Van Kesteren, do you want to serve another volley back?

Mr. Dave Van Kesteren: I stand by what I said.

The Chair: Thank you.

Then I will call the question on clauses 595 to 601.

• (2055)

Ms. Peggy Nash: No, I want to separate 595 out, please.

The Chair: You want to break out the first one?

Okay. Shall clause 595 carry?

Mr. Guy Caron: On division.

(Clause 595 agreed to on division)

(Clauses 596 to 601 inclusive agreed to)

The Chair: Those carry unanimously. Thank you.

Thank you, Mr. MacGillivray. I hope you enjoyed the debate.

We are then going to division 42, clause 602. I don't have an amendment on this, but there is discussion.

Ms. Nash, and then Mr. Brison.

Ms. Peggy Nash: We discussed this when the officials came here earlier.

I just want to make the point that current provision in the law stems from a human rights complaint. The judge's decision on that complaint was that there had been systemic discrimination against women applying for non-traditional work. At the time, I believe it was at CN Rail. That situation was difficult to prove on an individual case, but collectively, in looking at the overall employment data of that company, it was clear that not only had women been underrepresented, but also that there were barriers that had, intentionally or unintentionally, discouraged women from working in those sectors.

I would argue that in many work environments, women have made great progress. There are women who have made breakthroughs in areas that are very non-traditional. Ms. Glover, for example, is an example of someone who has experience in an occupation that was, up until 10 or 15 years ago, very non-traditional—and still, the numbers of women in it are low compared to the overall hiring rate.

The purpose of the employment equity legislation was to oblige employers under federal jurisdiction, or those who take contracts at the federal level, to address systemic barriers to the hiring of women, people of colour, first nations people, and people with disabilities. I understand that this change does not affect employers under federal jurisdiction, but it would affect federal contractors, in that they would no longer be obliged to do the outreach and to report annually on what steps they have taken to comply with federal employment equity legislation as federal contractors.

Let's think about who some of these federal contractors are. They could be major aerospace companies, major auto companies, telecommunications companies, or IT companies—some of which may have an excellent record of hiring people from these four groups. But I would suggest that some still have a ways to go. Although some may have made progress, some, I would argue,

would not have made progress if there had not been the requirement to report on an annual basis.

While I would argue some things have improved for some groups in some occupations, there is still a long way to go. I think it is a step back when it comes to the defence of human rights, equity, and fair representation of all people in the workplace to remove the requirement for mandatory compliance and reporting that exists today for federal contractors.

So we are opposed to this change.

The Chair: Thank you.

Mr. Brison, please.

Hon. Scott Brison: I will speak to the impact on visible minorities and aboriginal persons. Aboriginal and first nations people are socially and economically disadvantaged as it is. I don't see the compelling arguments for reducing, diluting, or scrapping employment equity provisions for federal contractors.

• (2100)

The Chair: Thank you, Mr. Brison.

Mr. Adler, please.

Mr. Mark Adler: Thank you, Chair.

Ms. Nash, I have to say, I feel your pain, but I've got to tell you, this legislative amendment proposes to remove the burden for employers to prepare an employment equity plan under the FCP. Organizations winning federal contracts will still be required to meet their obligations with respect to employment equity, but this obligation will be made purely contractual and stipulated in contractual documents to be signed between the government and the employers winning the federal contracts.

Modernizing, of course, the operation of the federal contractors program will reduce the administrative burden on small and medium-sized businesses, and was a key recommendation of the red tape reduction commission.

I'd like to ask Mr. Child or Ms. Buchanan if they could speak to the fact that this will remove a lot of the administrative burden on small and medium-sized business so they can focus on job creation and long-term growth as opposed to being concerned about paperwork and meeting legislative criteria.

The Chair: Ms. Buchanan, do you want to speak to that?

Ms. Judith Buchanan (Acting Senior Manager, Labour Standards Operations, Human Resources and Skills Development Canada): Yes, it should reduce the burden on employers, as you indicated, by no longer requiring them to create a plan. They would still have other obligations to measure their workforce and to create programs that would increase the representation and create an inclusive and diverse workplace.

Mr. Mark Adler: Where they could focus on creating jobs.

Ms. Judith Buchanan: Yes. Well said.

Mr. Mark Adler: Thank you.

Thank you, Chair.

The Chair: Thank you, Mr. Adler.

(Clause 602 agreed to on division)

The Chair: I'll thank our officials for being here tonight.

I will move to division 43, which includes clauses 603 to 619, amendments to the Employment Insurance Act.

We have an amendment that deals with clause 605, so I'll ask for discussion on this division.

Mr. Marston.

Mr. Wayne Marston: Do you want to do the amendment first?

The Chair: Perhaps I can have the discussion first, and then I will

Mr. Wayne Marston: So you want the discussion on all the clauses first?

The Chair: Yes, if I could.

Mr. Wayne Marston: That's fine.

The Chair: Then I'll deal with clauses 603 and 604, and then I'll ask the NDP to move the amendment to clause 605.

Mr. Wayne Marston: Okay.

Well, clause 603 we're against.

Clause 604 allows for insurable earnings to be calculated in the best weeks, not just total weeks. Some regions will lose when the pilot program ends. Workers in all regions will benefit from the introduction of a best-weeks' calculation. If I understand that correctly, then we would be for that.

Now on clauses 605 to 619, not including the proposed amendment at this point, the government is asking Canadians to just trust the minister. From our side, we don't think the bill gives us enough detail in that particular area. Again, it's like looking at the Canada Pension Plan. The Canada Pension Plan is funded through the premiums that employers pay and the premiums that workers pay. EI is funded through Canadian workers in exactly the same way. It's an insurance program purchased by those two groups of people for when people are in crisis or if there's a layoff.

In some instances, particularly in the east coast provinces, there's a lot of part-time work, seasonal work, and you don't have the alternatives to turn to, so people have come to rely on unemployment insurance, as we used to call it, which is now called employment insurance. Now we're looking at the potential that a person who leaves one job will have to accept a 30% cut to take other employment in work that's outside of their field.

Earlier tonight we had Pat Martin here, who is a carpenter. I recall in the eighties there was a huge downturn in construction in Ontario, and we had something like a 63% unemployment rate in those skilled trades. Now you're saying to people they're going to have to give up the standards they're used to having.

You'll recall one of our witnesses, economist Andrew Jackson, who was here. He said:

In the high unemployment regions in Atlantic Canada and Quebec, there is something in the range of 10 unemployed workers for every job vacancy that's reported by employers.

He continued:

It would seem to us that we're very far from a situation where there are jobs going begging because of unemployed workers turning them down.

And that's what we hear from the government side: the implication that workers don't want to work.

He also noted that particularly

in the higher unemployment regions where wages are relatively low to begin with...obliging some subgroup of the unemployed to take significant wage cuts could further depress wages.

I think we're opening the door here to driving down the wages in those areas that are hard-pressed already

So we have a great number of concerns.

How's my time, Mr. Chair?

• (2105)

The Chair: I'm being flexible, but you're about three and a half minutes in.

Mr. Wayne Marston: That means I can say a little bit more.

The Chair: You have about 30 seconds left.

Mr. Wayne Marston: I'm from the east coast, but I'm not that slow, Mr. Chair.

The other economist who was here from the CAW, who gave us some good testimony, said that "most unemployed Canadians do not receive EI benefits" right now. The figure I've heard used is that there are 800,000 Canadians who are not even using it right now.

From his perspective, there's an enormous shortage of jobs, not a lack of work. There's not a lack of work ethic. That, in his opinion, explains the decline in the employment rate. So he was offering that "policies should be designed not to compel more labour supply but rather to support Canadian families in an era where there's a chronic shortage of jobs that dominates the outlook for our labour" capacity in this country for quite a while.

I believe that would use up most of my time.

The Chair: Thank you, Mr. Marston.

I have Ms. McLeod, and then Mr. Brison.

Mrs. Cathy McLeod: Thank you, Mr. Chair.

I certainly am going to make a general comment, and then I'll speak specifically to why we are not going to be supporting the NDP amendment, which I'm sure they'll be shocked at.

From our perspective, this is just proposing targeted, common sense changes to make EI a more efficient program that supports job creation and removes the disincentives to work. It really is targeted at supporting unemployed Canadians and to quickly connect people to jobs.

I think there's a lot of misinformation out there in terms of what this is going to be and what it isn't going to be.

The Minister of HRSDC announced the proposed definition for suitable employment, which is going to be based on six dimensions: personal circumstances, working conditions, hours worked, commuting time, wages, and type of work. When you take these together, they are going to ensure that Canadians look for and accept jobs that meet their skill levels while ensuring they are better off working than being on EI.

In spite of some of the information out there to the contrary, people aren't going to have to drive across the country to take a job in Fort McMurray, even though my colleague would love them to be doing that. If they're carpenters, they're not going to have to take a job that's significantly reduced. I think those dimensions are really important. These changes are going to apply to all Canadians, regardless of where they work and live. Previous labour market attachment and the use of EI would be taken into account to determine the type of work and wages to be considered when looking for a job.

Again, I have to say that this is a reasonable approach, and it really accounts for the need to adapt expectations in terms of employment.

I think some of the measures that I'm really pleased about, that I think are going to be well received by people, involve having regular information in terms of what's available, instead of what has been spotty information, and having it linked with temporary foreign workers. If there's a job 10 minutes away, do they know about it, and do they have an option to get that job perhaps before the employer has to look elsewhere, in the temporary foreign worker program?

Again, we perceive that these are going to be well-received, sensible, practical, common sense solutions, and certainly we'll be pleased to support this section and this division.

• (2110)

The Chair: Thank you.

Mr. Brison, please.

Hon. Scott Brison: One of the things that has surprised me about these changes, and the response to them, is that I'm not hearing simply from the workers who draw on EI seasonally because they're in seasonal industries. The people I'm hearing from are the business owners, who are incredibly concerned about the capacity for their businesses to survive with these changes.

I'm hearing from individuals like David Ganong of Ganong chocolates, as an example, from St. Stephen, New Brunswick. I'm hearing from people in manufacturing, and of course the seasonal industries: forestry, fisheries, and farming. I'm hearing from the tourism industry.

I spoke with Dennis Campbell, at Ambassadors, who told me that in his business the seasonal benefits from EI enable him to have access to people who are trained well, who return on an annual basis, who are part of his company's professional team and enable his business to be competitive. These will have significant impacts.

I'm also hearing from business owners who say they are expressing their concerns to the CFIB. We also heard from the CFIB, at committee, that they are hearing from members of the Canadian Federation of Independent Business who are in disagreement with the position of the CFIB.

Finally, we don't know yet on a granular basis what the impact will be on people and what the criteria of "personal situation" will be. Rural communities and places like the Maritimes or northern Ontario—rural communities across Canada—are struggling to survive.

Mr. Jean is disagreeing with me, but I represent a rural riding—

Mr. Brian Jean: You said "across Canada".

Hon. Scott Brison: I can tell you that rural communities in many parts of Canada are struggling to survive. These provisions could accelerate the depopulation, and in some cases the elimination, of rural communities in many parts of Canada. I think that is something we all have a responsibility to consider the repercussions of, and I don't think.... Again, we've not been given the specific criteria or what the impacts could be.

I think in the next couple of years, as those impacts are felt, it's going to create a very different landscape politically, potentially as well for Conservative MPs, representing some of those ridings in places like Atlantic Canada. That's what Conservative MPs are saying when you have quiet discussions with them. They're very concerned about these changes, and I suspect they're expressing them in the Conservative caucus, but they're not being heard.

The Chair: Thank you.

I have four speakers: Monsieur Mai, Monsieur Caron, Ms. Nash, and Mrs. McLeod.

[*Translation*]

Mr. Hoang Mai: Thank you, Mr. Chair.

I think it was Mr. Brison who talked about some industries being attacked. That will be an issue in places like Quebec. Mr. Caron talked about that at more length. There will be an issue with anything seasonal. A structure is being changed, and people with seasonal jobs are being told that, despite their training, they will have to find another job. Failing to do so will result in them receiving less money. They will have to accept a lower-paying job. The impact that will have is a genuine problem. Some industries have been mentioned in relation to that.

You can see that the whole omnibus bill is really reduction-oriented. The bill is trying to reduce anything that has to do with wages. It attacks pay equity. Witnesses have told us that the gap between the rich and the poor was widening. This phenomenon was already an issue for a number of previous governments. This type of bill contributes to the widening of that gap. This can be seen first-hand in the industry. It is structural. Industries that are already struggling and have to resort to employment insurance are being attacked. The government is now taking that tool away from those industries and forcing people to find other employment. Mr. Jean often says that everyone should go to their province, but I think that we sometimes forget the concrete side of things.

I want to come back to the government's lack of transparency. When the bill was introduced, we asked questions, but we received no answers. Now, the minister is giving us information, but only in snippets. That's why it is very difficult to determine what the exact impact will be. Regardless of that, we can already see that there will be some negative effects.

What is worrisome, in terms of the lack of transparency, is that we are always waiting for information, and when we do get it, it may be too late, since the decisions will already have been made. That once again has to do with a lack of transparency on the government's part. There is also a problem in terms of vision, given the fact that the gap between the rich and the poor is being widened. In addition, industries in certain regions of the country are being attacked. That's why the premiers of the Atlantic provinces have complained.

• (2115)

[English]

The Chair: We're stretching relevance again. I'm looking at the specific clauses here. I'd just encourage the three members left on the list to speak to these specific provisions in these clauses.

I will go to Monsieur Caron.

[Translation]

Mr. Guy Caron: Thank you.

Mr. Chair, there are a few specific elements I want to address, in particular the whole issue of suitable versus unsuitable employment. We are discussing what constitutes unsuitable employment, and the definition that goes with that. I am specifically referring to the announcement that the minister made 10 or so days ago. At that time, she defined what constituted suitable employment. It is entirely relevant for us to discuss those issues specifically and the announcement she made, given what we're talking about here.

I won't go on forever, since I don't want to repeat what Mr. Brison has already pointed out. Like the employers in his riding, those in my riding are the most concerned right now. They are considering paying employees to do nothing for two or three months during the off-season, just to make sure they don't lose their expertise. That is a real problem.

There are two things in particular I want to address.

The first is commuting time, which is one of the criteria the minister will use to determine whether employment is suitable or not. We're talking about an hour of travel time. In a bit city with suburbs, that may not seem all that unreasonable. In my riding, it would mean an unemployed worker living in Rimouski could be forced to accept a job in Rivière-du-Loup or Matane. That would require the person to travel 80, 90 or even 100 kilometres, meaning that, in order to take the job and not lose their benefits, they would have to spend \$75 to \$80 a week on gas to get to work in a neighbouring city. As I see it, some of the minister's conditions pose a problem.

There is another thing that poses a problem. I believe it was mentioned that the announced changes would result in lower wages or a downward trend in wages. Put yourself in the shoes of someone who loses their job. To keep your benefits, you would be forced to accept a relatively similar position at 70% of what you were making

previously. And then, if for some reason, you should lose that job, you would be forced to accept another at 70% of the 70% you were making originally. Impossible? No, in fact, very possible. It could happen to people with all kinds of skills and qualifications, especially seasonal workers.

Is that such an inconceivable scenario? Even the Minister of State (Atlantic Canada Opportunities Agency) (La Francophonie), Bernard Valcourt, said on a Rimouski radio station that, logically, it could happen, in his view. He also said that was the reason we have minimum wage legislation in the first place. When the government claims that this measure is intended to solve the labour shortage problem, I'd say they're taking Quebeckers and Canadians for fools.

Some regions do have a labour shortage. But the government's position on that issue is based on the assumption that those who are unemployed have the skills the available jobs require. I haven't seen any evidence that is the case, not a shred. The government hasn't even tried to prove it is true.

There is one last point I want to raise with respect to the proposed changes. Provisions that protect workers, the unemployed and, in a sense, employers are disappearing altogether. I am referring specifically to the definition of what constitutes unsuitable employment, which is left to the minister's discretion. The minister or the cabinet can single-handedly make all of these employment insurance decisions, without going through Parliament.

The government talks about flexibility, and yet it does not invest one cent in the program. Employers and employees alone contribute to the EI fund, and yet the government has the power to make virtually every possible decision on the EI system, without having to consult the members who represent employers and employees. So we have serious reservations over how this reform was presented. First it comes in the form of amendments, and second it was hastily announced by the minister, to counter the widespread criticism that it drew from the opposition and the public alike, criticism that is entirely legitimate. The government did not address those concerns, the concerns expressed by the people in my riding, be they employers or employees. The reality of rural life seems to have been lost on the government.

• (2120)

The Chair: Okay. Thank you.

[English]

Ms. Nash, please.

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

I really see these changes in the Employment Insurance Act as part of an overall approach by this government to depress wages in Canada. We heard Mr. Martin talk earlier about the impact of the elimination of the Fair Wages and Hours of Labour Act, which would undermine wages in the construction sector.

We certainly heard the minister announce in the House the change to the temporary foreign worker program, which would shorten the amount of time employers are required to search for Canadians to fill jobs. Then they can pay temporary foreign workers 15% less. There's no credible economist who believes that this will not depress wages in Canada.

Then we come to the EI provisions. They also will have the impact of depressing wages. The government would like to perpetuate the myth that somehow people aren't looking for work. In my city, in Toronto, fewer than 30% of unemployed workers even qualify for EI. And according to StatsCan, there are six unemployed workers for every job opening in Canada. So it's not as if people are not looking for work.

The reality is that we have a job shortage in this country. And we still have not regained the level of employment, in proportion to the population, that we had prior to the downturn in 2008. We still have elevated unemployment. So at the very time when there is a job shortage and an inability, for the majority of unemployed people, to even access EI, we're seeing a restriction on people's ability to get EI.

There's also the myth perpetuated by the government that somehow people have this EI dependency, as though it's substance abuse. Again, the reality is that most people don't even qualify for EI. Even among those who do, many qualify for just a very limited period of time. Remember that the maximum EI benefit is only 55% of a person's former wages. I don't know a lot of Canadians today who could take a 50% pay cut and think that somehow that's living high on the hog. Most people are living paycheque to paycheque. Personal debt is at an all-time high. While some employers might think that depressing wages has a short-term benefit, longer term it will be a net drag on the economy. It will slow the purchasing power of Canadians, and it will slow our growth if Canadians do not have purchasing power.

People may think that it is just people who lose their jobs who will be affected by the impact of these changes to EI, but the impact of depressing wages will affect all Canadians, or I guess 99% of Canadians. It will affect the ability of people in a variety of industries, not just in terms of making progress in improving their wages but in terms of even maintaining their wages and benefits. They will see that undermined by these changes to EI, because as we've heard from our colleagues here, the changes will force people, much more quickly, to take jobs outside their fields at a much lower rate of pay.

The current provisions describe what a suitable job is and what the job search needs to look like. It gives people time to adapt to unemployment so that they can find other jobs.

• (2125)

What's the point in a welder from New Brunswick taking a temporary job in the service sector when perhaps with a longer job search and a little more support, that person could go to Alberta and get a job in their profession, where there may be a shortage of welders at a given point?

It also seems very convenient, at a time when the government is pushing hard for a rapid expansion of pipeline building, an expansion in the energy sector, that hiring in this sector could be

at a lower rate of pay. We've heard several members on the opposite side complain not only about a shortage but the cost of wages in that sector. This could have the impact, especially with the cancellation of the fair wage act, of reducing the standard of living and the wages of people in that sector.

It's only a few clauses in the budget implementation act. The minister did not provide a lot of details. We had ministers providing conflicting details. It was only after a lot of pressure in the House and in the media that during a break week, when Parliament wasn't sitting, the minister felt compelled to release more details about these changes. The key point is that it does concentrate more power in the hands of the minister who can make subsequent changes without having to bring them to Parliament. That could mean the downward pressure on wages and on unemployed workers could grow even stronger in the months and years to come.

We're going to be voting against most of these clauses for the reasons I and my colleagues have outlined. It's something that not just unemployed workers but all Canadians should be concerned about.

Thank you.

The Chair: Thank you.

Mrs. McLeod, please.

• (2130)

Mrs. Cathy McLeod: Thank you, Mr. Chair.

Hopefully, this is my opportunity to summarize. Certainly there's obviously a very profound disagreement on both sides.

First, if Canadians are concerned about this particular issue, what they're concerned about is the misinformation the opposition is spreading in terms of what we're trying to accomplish. When they're saying that a welder is going to have to take this job at a reduced wage that's far removed from his community, it is creating that concern.

The bottom line is what we are trying to accomplish. The suppression is another piece of... I won't say what I think the suppression comment is.

Ms. Peggy Nash: Mr. Chair, a point of information or clarification.

The Chair: What is a point of information? Is it a point of order or not?

Ms. Peggy Nash: No, it's not a point of order.

The Chair: Then you can't interrupt Mrs. McLeod unless it's a point of order.

Ms. Peggy Nash: It's a point of order, I guess, then.

The Chair: I hope it's a point of order, then.

Ms. Peggy Nash: It's something I had just said.

The Chair: What procedure of the committee does the point of order apply to?

Ms. Peggy Nash: Perhaps it's a point of information. I withdraw it.

The Chair: All right. Thank you.

Mrs. McLeod.

Mrs. Cathy McLeod: I think the most important thing to remember is that for those who are unable to find employment, employment insurance will be there for them, as it always has been. At the same time, we know the minister is moving to streamline the temporary foreign worker program. That program is still going to be there. What we're strictly trying to do, again, is make some appropriate and common sense changes.

I know the officials have been waiting very patiently for a long time this evening.

Do you feel you have any technical information that's important to add to this conversation you've listened to?

The Chair: Do you want to speak to the clauses in the bill? I would benefit from that myself, frankly. Is there any information you want to provide to us this evening?

Mr. Mark Hodgson (Senior Policy Analyst, Labour Markets, Employment and Learning, Department of Finance): I think most of the discussion has focused on the possible effect of the clause in the bill that gives the Canada Employment Insurance Commission the authority to make regulations, but that's as far as this legislation goes. We wouldn't have anything to add to the discussion about the potential regulations that may follow should this bill be passed.

The Chair: Okay.

Ms. McLeod, do you have anything further to add?

Mrs. Cathy McLeod: Thank you.

I just have to repeat the line. For those who are unable for find employment, employment insurance will be there for them as it always has. I would really encourage the opposition to please not create a concern with misinformation that might be spread.

Thank you.

The Chair: Okay. We'll go back to Ms. Nash.

Ms. Peggy Nash: Yes. I would just like to clarify my comments for my colleague. I think I was perhaps misunderstood, because what I said was that it didn't make sense for a welder from New Brunswick to take a local job quickly, perhaps in the service sector, which did not use their skills as a welder. Perhaps if they had the support of EI to allow them to do a proper job search, they might prefer to go out west and find a job requiring their skill. Sometimes taking a quick job—perhaps with lower wages—out of one's skill area wastes the skills that one has. If that person had waited and perhaps looked further afield, they might have found a job in their skill area.

I just wanted to correct the record because I think the member opposite misheard what I had said and in fact said the opposite of what I had offered as part of the debate.

Thank you for allowing me to clarify that, Mr. Chair.

The Chair: Thank you.

I have Monsieur Caron, and then Mr. Hoback.

[Translation]

Mr. Guy Caron: Ms. McLeod said we were spreading misinformation. That is not true. I am voicing the concerns

expressed by the people in my riding, employers and employees, who read the statements, who analyzed what the Minister of Human Resources and Skills Development said in her announcement. When she says that an EI recipient risks losing their benefits if they don't accept a suitable job in Matane, even though they live 90 kilometres away in Rimouski, then it is a fact. And to say that the EI program is staying precisely the same as it was before is false. When the minister made her announcement 10 days ago, it was very clear that the conditions for employment insurance would change completely.

I have yet to hear the government deny or refute what Minister Valcourt said about an EI recipient having to accept a job that paid 70% of their previous wage, or risk losing their benefits and, should they subsequently lose that job, having to accept yet another job at 70% of 70% of their original wage. That is the very reason we have minimum wage legislation. When a government minister makes that kind of statement—in other words, this measure would lead to declining wages—it's quite a powerful argument.

• (2135)

The Chair: Thank you.

[English]

I'll go to Mr. Hoback.

Mr. Randy Hoback: Thank you, Chair.

We've been through this how many times? I know that Ms. McLeod really explained the government position fairly well.

I come from Saskatchewan, and Mr. Jean comes from Fort McMurray in Alberta. If you look at what's going on out there, you will see the opportunity that we're missing because we don't have enough people. We see this over and over again.

Here's a real-life story from a couple of years ago of an employer who went out of Saskatchewan to find employees. That employer went into parts of Ontario looking for mechanics, but the potential employees would wait until their employment insurance ran out before talking to the employer.

It comes back to trying to find a balance in the proper programs, encouraging people to go back to work when there are jobs but still supporting them when there are no jobs. That's really what this legislation is doing. To distort this or to put fear into people's eyes or ears, that all of a sudden if they apply for employment insurance it won't be there for them, or they're going to have to take a job that doesn't meet their needs or requirements.... It's been blown out of proportion by the opposition so badly.

The reality is that this is just a rebalancing of employment insurance to make it what it is: unemployment insurance. It's to make sure that when there is a job, people actually take that job, instead of sitting there for 52 weeks or 42 weeks or 36 weeks—whatever the appropriate number of weeks is, depending on where they live. It's actually there to encourage people to get back to work, because when they go back to work, they create other jobs, and that spinoff effect results in more people being hired.

As I said, we need employees in Saskatchewan. We're sitting on an unemployment rate of 4%, which basically means that everybody's employed. I know that for Mr. Jean it's much the same in Alberta. We need people; there's no question about it.

So when there's talk about a work shortage, tell me where it is, because I don't see it in Saskatchewan. In fact, it's the opposite; it's a worker shortage. We've been working with the immigration minister. We've been looking at all sorts of ideas to help solve this. The reality is that changing employment insurance is one way to help solve this. The premier of Saskatchewan has stated that himself.

This is a positive change for the country as a whole. It needs to happen, and we need to get on with it. So I suggest we move to the vote now, sir.

The Chair: Well, I have three more speakers. I have a list that keeps growing. We have this shadowy figure that has crept into the room—it's called the straw man—and crept into this debate. I think we're sort of arguing against each other, but we're also arguing against what we think others are presenting.

I again will return to my main theme this evening, which is that we should do a division, members should state their positions and parties should put on the record where they stand, and we should vote on the clauses.

It's a good debate. It's an interesting debate. I am very much enjoying it. I think that at 10 o'clock on Tuesday night I may want to be doing something different, but it's a good debate. But I'm not really seeing the point of it—I guess that's it.

So I have three members: Ms. Glover, Monsieur Mai, and Mr. Jean.

Mr. Brian Jean: A point of order.

The Chair: A point of order, Mr. Jean?

Mr. Brian Jean: Yes. Your eloquent speech has convinced me. Take my name off the list.

Voices: Oh, oh!

The Chair: All right. Thank you.

Mrs. Shelly Glover: My name is on the list, but we can move to a vote.

The Chair: Okay.

Monsieur Mai, did my eloquent speech convince you to move to the vote?

Mr. Hoang Mai: It has.

The Chair: All right. Thank you. I appreciate that.

Now, because we have an amendment on clause 605, I will call clause 603.

(Clause 603 agreed to on division)

(Clause 604 agreed to)

The Chair: All right. That's unanimous.

With respect to clause 605, I will ask someone in the NDP to move amendment NDP-47.

(On clause 605)

• (2140)

Ms. Peggy Nash: I move NDP amendment number 47.

The Chair: Thank you, Ms. Nash.

I have a ruling with respect to NDP-47.

Bill C-38 amends the Employment Insurance Act by replacing subsections 27(2) and 27(3) with a modified subsection 27(2), which defines employment that arises as a result of a labour dispute as not being suitable. The amendment attempts to leave intact the original subsection 27(2) but replace subsection 27(3) with a provision stipulating a set of factors upon which workers are not to be discriminated against.

As *House of Commons Procedure and Practice*, second edition, states on page 766, “An amendment to a bill that was referred to committee *after* second reading is out of order if it is beyond the scope and principle of the bill.” In the opinion of the chair, therefore, the introduction of this list of factors is a new concept to clause 605 that is beyond the scope of Bill C-38 and is therefore inadmissible.

That deals with the amendment. I will therefore call clause 605.

(Clause 605 agreed to on division)

(Clauses 606 to 619 inclusive agreed to on division)

The Chair: Thank you.

I thank our officials for being here.

I'm actually going to take another health break, unless, Ms. Nash, you want to take the chair for 10 minutes...?

Ms. Peggy Nash: A break is fine.

The Chair: Do you want a break?

An hon. member: No.

The Chair: Well, I'm thinking of our staff and interpreters and everyone.

An hon. member: The interpreters are...[Inaudible—Editor]

The Chair: Yes, the interpreters are amazing.

I'll suspend for a few minutes.

• (2140) _____ (Pause) _____

• (2150)

The Chair: We left off at division 44.

I will therefore ask whether clauses 620 to 753 carry...

Just kidding, just kidding.

Voices: Oh, oh!

The Chair: I was just seeing if anybody was....

We are at division 44, which is customs tariff, clauses 620 to 625.

(Clauses 620 to 625 inclusive agreed to on division)

The Chair: We are now at division 45, the Canada Marine Act, clause 626.

(Clause 626 agreed to)

The Chair: We are at the First Nations Land Management Act, clauses 627 to 652, in division 46.

We have Liberal amendment 7 on clause 629.

We can have discussion—or do you want to move it, Mr. Brison?

Hon. Scott Brison: I move Liberal amendment 7. Again, it's important to—

The Chair: Sorry to interrupt, Mr. Brison, but you can speak to it generally first.

I'll deal with clauses 627 and 628. Then I'll deal with clause 629 and you can formally move your amendment.

But you can speak to the division generally now.

Hon. Scott Brison: Sorry, Chair, I can't hear you.

The Chair: I'll get you to speak generally to the division, and then when we get to clause 629 you can move it formally.

Hon. Scott Brison: Yes.

I think it's important to recognize that we have not heard a single witness at this committee from a first nations community. We had asked to hear from first nations groups, but they weren't available on such short notice. I believe we have a duty to consult with them, because they're of course very seriously impacted by some of these decisions.

I will move the amendment now, or...?

The Chair: Let me deal first with clauses 627 and 628.

(Clauses 627 and 628 agreed to)

The Chair: That was unanimous.

(On clause 629)

The Chair: Mr. Brison, you can now move Liberal 7.

Hon. Scott Brison: I so move, Mr. Chair.

The Chair: That amendment is admissible.

(Amendment negated)

The Chair: That is defeated: I count five in favour and six opposed.

(Clause 629 agreed to)

(Clauses 630 to 652 inclusive agreed to)

The Chair: Thank you.

We'll go to division 47, which has one clause only, clause 653.

(Clause 653 agreed to)

The Chair: We will go to division 48, which has two clauses dealing with the Canadian Air Transport Security Authority Act.

(Clauses 654 and 655 agreed to on division)

The Chair: We'll deal with division 49, clauses 656 to 681, the First Nations Fiscal and Statistical Management Act.

I have Monsieur Mai on this issue.

● (2155)

[*Translation*]

Mr. Hoang Mai: Thank you, Mr. Chair.

Division 49 amends the act and repeals provisions related to the First Nations Statistical Institute. It also authorizes the Minister of Indian Affairs and Northern Development to close out the institute's affairs.

The institute provides statistical information on first nations. Given the budget cuts at Statistics Canada, there is a problem when it comes to information. You need only think of the long-form census. In this case, there is no guarantee that the information affecting first nations communities will be collected, information that is crucial in order to have policies that promote first nations development. This is yet another example of the government's attack on science; that ties in to our motion today. The government does not believe in science-based information. For that reason, we are going to vote against this division.

[*English*]

The Chair: Thank you, Mr. Mai.

Ms. Glover, please.

Mrs. Shelly Glover: Thank you, Mr. Chair.

That's just absolute nonsense, and I'm quite surprised, given that it's aboriginal groups who actually support the government's move in this direction. In fact, the AFN supports this move. Chief Manny Jules supports this move.

The fact remains that this statistical management operation has not been operational and hasn't delivered any significant progress in supporting data or statistical needs of first nations at all. In fact, Stats Canada and the First Nations Information Governance Centre are doing the work that really could have been done otherwise by this organization.

Consultations have been held. We're moving forward. This is a good measure, not only because first nations support it and want to see this happen, but because it is a cost saving measure for an agency that really was not operational. The government will be proud to vote in favour of this very important section.

The Chair: Thank you.

(Clauses 656 to 681 inclusive agreed to on division)

The Chair: Thank you.

We'll therefore move to division 50. There are three clauses there on the Canadian Forces Members and Veterans Re-establishment and Compensation Act.

(Clauses 682 to 684 inclusive agreed to)

The Chair: Division 51. We have amendments to the Department of Human Resources and Skills Development Canada Act and repeal of the Department of Social Development Act.

I have Mr. Marston and Mr. Brison.

Mr. Wayne Marston: Thank you, Mr. Chair.

I want to begin by saying we're against this. We're surprised. The clause would eliminate the National Council of Welfare. We're deeply concerned about the government's dismissal of organizations that seem to provide the evidence base, in this case, for social policy.

We've looked with concern at environmental areas, where the government seems to struggle with evidence-based offerings from various scientists. They seem to struggle in other areas where evidence-based groups have supplied verifiable studies and verifiable information.

Ms. Glover will recognize this, that the modus operandi of the government, or at least what's suggested, is that they struggle—there's the long form census—with evidence that's provided by various levels of the scientific community.

We have a situation, and I think it's acknowledged around the world but it is in fact in Canada too, that income inequity is on the rise. I think the phenomena we've seen in the last 10 months to a year, the occupation groups in the U.S. and in Canada, represent the communities' sense of it. Whether they're right or wrong, we can argue and we can debate that, but there's a very real situation happening, and we need to understand for better or for worse why it's happening.

In Hamilton there's an organization called the Social Planning & Research Council of Hamilton. Locally, for years, we've depended on reports from that particular group. For example, in my community of 500,000 people, there are over 120,000 who live in poverty. The reason I talk about that relative to this is because that's the evidence-based material that we rely on in our community as we plan going forward.

So to see the elimination of the National Council of Welfare taking place is quite disturbing.

I'll cut it short there.

• (2200)

The Chair: Thank you, Mr. Marston.

I have Mr. Brison, Ms. Nash, and Mr. Jean.

Hon. Scott Brison: Mr. Chair, this follows the trend of this government with KAIROS, Rights and Democracy, the national council for the environment and the economy, and now the national round table on welfare—defunding evidence-based voices that from time to time present positions with which the government disagrees. The reality is that if you look at the budgets of these organizations and compare them with the amount of money the government spends on its propaganda machine in advertising, an unprecedented amount—in fact the government has spent over \$500 million on government advertising—you'll see that the priority for the government is not to encourage and listen to evidence-based policy but to promote an ideological agenda.

Again, they're bound and determined to go in this direction. This is another example at a time when a lot of Canadians are struggling, at a time when there's been a real gap between have and have not people in Canada, and at a time when Canadians are struggling under record amounts of debt. Low-income Canadians are really struggling with the growth in the cost of living. The idea of disbanding and defunding the National Council of Welfare seems almost incon-

ceivable for the government to do. We are strongly opposed to eliminating the National Council of Welfare, which did very good work, was non-partisan, and was independent in its analysis.

The Chair: Thank you, Mr. Brison.

Ms. Nash, and then Mr. Jean.

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

There are a disturbing number of cuts that this government is making to scientific and research organizations. The National Council of Welfare is of course just one. In this budget there are cuts to Library and Archives Canada funding, which is very, very significant: about 20% of the workforce will be eliminated, very seriously damaging our ability to keep libraries and archival material. We talk about the National Round Table on the Environment and the Economy. We see big cuts to Statistics Canada. We talked about EI a few minutes ago. In fact we're not even going to be able to get access to some of the data from EI. We're seeing the elimination of the Experimental Lakes Area in Ontario.

It's part of a disturbing trend. In some cases, I think maybe it is that bodies are producing information and reports that the government doesn't want to hear. In other cases, I'm wondering if they just don't appreciate the value of some of these institutions.

The National Council of Welfare was created in 1962 to provide research and information on poverty in Canada. It is the only source of pan-Canadian information on welfare incomes, providing a valuable tool to understanding and comparing welfare across provinces and jurisdictions. It also provides unique research into aspects of poverty, including first nations, Inuit, and Métis poverty, the cornerstones of successful anti-poverty strategies, and most recently the cost of solving poverty compared to the cost of failing to take action. We hear a lot nowadays about the social determinants of health and the impact that inequality has on health outcomes, not just for those at the bottom of the income scale but for all, and the reduced social outcomes that inequality creates. The National Council of Welfare was the only body in Canada that had the mandate to advise the Minister of Human Resources and Skills Development on poverty.

One of the major concerns Canadians have nowadays is the growing inequality in Canada, or the growing rates of poverty. We have seen with the Occupy movement young people concerned about growing inequality but also concerned about their diminished possibilities, with the difficulty getting a foothold in the workforce, with double the rate of unemployment for youth, and with the skyrocketing cost of post-secondary education. We spoke earlier about the erosion of OAS and the intergenerational divide that exacerbates.

The National Council of Welfare is more necessary now than ever. It is an important body—the only body that advises the Minister of Human Resources and Skills Development on poverty. Something Canada doesn't have that some provinces have and some countries have is a poverty reduction or poverty elimination strategy. For people who grew up in Canada, they are seeing the cohesiveness of a society that is more or less equal—

• (2205)

Mrs. Shelly Glover: Point of order.

The Chair: Ms. Glover.

Mrs. Shelly Glover: I am just looking for relevance, sir. It has gone on for quite a while, and it is not really relevant to the division. I am happy to hear how it is relevant.

Ms. Peggy Nash: I believe it's directly relevant. I am talking about poverty. We're talking about the elimination of the National Council of Welfare, Mr. Chair.

The Chair: As members well know, relevance is a pretty broad theme as applied by the Speakers in the House, and I apply it the same way here in the committee.

On this point of order, Mr. Jean.

Mr. Brian Jean: Mr. Chair, speaking of relevance and disturbing trends, I was just wondering if the members had a chance to look at their binder tab 51—part 4, division 51—which states that all powers, duties, and functions of the former Minister of Social Development are being added to the Department of Human Resources and Skills Development. Additionally, the National Council of Welfare continued under the Department of Social Development Act is being abolished because it's no longer necessary, because of course everything they had is now transferred to a different department, which is going to continue.

Really, that's the disturbing trend I see, Mr. Chair.

The Chair: That's a point of debate, Mr. Jean. You are next on the list, so you can make that up in your time.

Mr. Brian Jean: It's just if they had a chance to read that.

The Chair: Okay. I'm sure they'll find that helpful.

Ms. Peggy Nash: Thank you for that additional information.

As I was saying, those of us who have lived in Canada for some time or people who have grown up in Canada see a marked difference in the level of inequality today that didn't exist years back. Certainly to go out on the streets of any major city in Canada and see the number of homeless people, especially young homeless people, is quite disturbing.

The National Council of Welfare is a body dedicated to providing research and information not only on poverty but on anti-poverty strategies. To fold that requirement into the general responsibilities of HRSDC is a little rich at a time when the government is cutting back. Through this budget they've announced 19,200 jobs overall added to several more thousand jobs that will be cut that had previously been announced.

Part of the problem is—I raise this for Mr. Jean's benefit—that of course the Parliamentary Budget Officer and others have raised concerns that we can't even find out where many of these cuts are taking place because we can't get access to the information.

To that point, will HRSDC have the resources to be able to take on this added function when we know there were and are dedicated staff focused on the issue of poverty, doing research, focused on strategies? I think this is a big loss to the people of Canada. And to say it's a bureaucratic duplication, I don't buy that. I think it's a

huge step backwards at a time when we need this organization more than ever.

We're opposed to it.

• (2210)

The Chair: Did you want Mr. Johnson of the department handling those responsibilities to answer the question?

Ms. Peggy Nash: I could ask, maybe you could provide information the Parliamentary Budget Officer has been unable to get on the impact of budget cuts on HRSDC and how many jobs will be eliminated.

The Chair: The clause deals with the National Council of Welfare. I thought your question was can the department handle the research that's now being done by the National Council of Welfare?

Ms. Peggy Nash: But my point is if they are faced with layoffs and positions are being cut, I'm sure the officials will say yes, they can handle it, but we don't even know yet all the positions that are going to be eliminated.

The Chair: I thought you were asking a question. Am I incorrect in that?

Ms. Peggy Nash: No, unless he knows the numbers of people who are being cut in HRSDC. That would be my question.

The Chair: Okay.

I'll move on to Mr. Jean.

Mr. Brian Jean: Mr. Chair, I'd just like to quote out of the book provided to us by the department, in relation to the comments made by the opposition: "All the powers, duties and functions of the former Minister of Social Development are being added to the Department of Human Resources and Skills Development Act." That's all duties, functions, and powers, so it continues to be dealt with.

The Chair: Are you finished, Mr. Jean?

Mr. Brian Jean: Yes.

The Chair: Thank you, Mr. Jean.

Ms. Nash.

Ms. Peggy Nash: Just to follow up on that, then I guess I could ask if HRSDC will be given additional resources and funds to take on the work of the National Council of Welfare. Are additional resources being transferred?

The Chair: Mr. Johnson.

Mr. Stephen Johnson (Director General, Evaluation Directorate, Strategic Policy and Research Branch, Department of Human Resources and Skills Development): The Department of Human Resources and Skills Development, and in particular the branch in which I work, the Strategic Policy and Research Branch, has the capacity to undertake research and analysis in the area of poverty, including other areas. There are no plans right now to increase the resources of the branch, but this would certainly be part of the core mandate that the Strategic Policy and Research Branch sees.

The Chair: Do you have a follow-up, Ms. Nash?

Ms. Peggy Nash: Do you know if there are any cuts planned to staff at HRSDC in the policy research branch?

Mr. Stephen Johnson: Yes, there are.

Ms. Peggy Nash: Thank you.

The Chair: Mr. Caron, do you want to add something to this?

[Translation]

Mr. Guy Caron: Besides the argument that this work can be done by department staff, besides everything we have seen, with the National Round Table on the Environment and the Economy, Rights and Democracy and others, there is a difference in this case. At the end of the day, those were arm's length organizations, what we could call, in French, "paragouvernemental".

Those organizations had certain responsibilities and independence in terms of the research they conducted, and those elements would not necessarily be maintained if their work was done by the department, given the new procedure. I have absolutely no issue with the quality of the work done by department staff specifically, but the fact remains: first and foremost, they work for a minister. The people working at the National Council of Welfare or the National Round Table on the Environment and the Economy maintained a healthy separation from government, and that gave them more credibility.

That is why we are so concerned by the elimination of the National Council of Welfare and other such organizations the government has decided to do away with, organizations whose only fault was having opinions that quite often conflicted with the government's.

• (2215)

[English]

The Chair: Mr. Caron, can I clarify something? I may have misheard. I thought you said that these two organizations were non-governmental organizations.

Mr. Guy Caron: They are at arm's length.

The Chair: They are funded by the government?

Mr. Guy Caron: They are, but they are at arm's length in their functioning. They are funded by government, but they have a certain independence that government workers don't have.

The Chair: Thank you.

(Clauses 685 to 696 inclusive agreed to on division)

The Chair: Thank you, Mr. Johnson.

We will then go to division 52, clauses 697 and 698, the Wage Earner Protection Program Act.

(Clauses 697 and 698 agreed to)

The Chair: We go to division 53, repeal of the Kyoto Protocol Implementation Act. This is one clause only. I would ask if we could stick to a five-minute rule for this clause, since it's only one clause.

We'll hear from Mr. Mai.

[Translation]

Mr. Hoang Mai: As you pointed out, Mr. Chair, this is just one clause. And yet, it is an extremely significant clause with negative repercussions in many respects. The environment is one of the

reasons I got involved in politics in the first place. It's clear that since the Kyoto Protocol was adopted, governments have done little. I think we can all agree on that. But the decision to just drop everything is rather serious.

This is a smear on Canada's international reputation. We have seen the reactions. Whenever China comes up, my Conservative friends smile or even laugh. The fact remains that China said this decision went against international efforts, calling it very unfortunate. The UN condemned Canada's withdrawal from Kyoto. The Executive Secretary of the fourth United Nations Framework Convention on Climate Change reminded Canada that it had to tackle the problem and reduce its emissions. This does the exact opposite.

I would also point out that in Quebec, my province, the members of the National Assembly unanimously adopted the Kyoto Protocol and its implementation. Formerly a leader in the fight against climate change, Canada will have a blemish on its reputation. At the end of the day, that reputation was nothing more than an illusion, since the Liberals never accomplished much anyways. In this case, however, we're talking about a clear slap in the face, and that is very detrimental. I mentioned Quebec, which will indeed suffer some negative consequences. Quebec will have to work even harder on a strategy to be given distinct status in the post-Kyoto discussions.

Mr. Chair, you said this was a small clause, but its repercussions are serious, and that cannot be denied. In my riding, when you talk to young people or those concerned about the environment, you realize that people are truly appalled by this decision, they take it as a clear sign that the government has no intention of protecting the environment or even fulfilling its obligations. That is one of the reasons we are going to vote against this provision.

I could go on and on, Mr. Chair, but I will refrain.

• (2220)

The Chair: Thank you.

[English]

I just want to clarify, Mr. Mai. I didn't say it was a small clause. I said that in this division, there was only one clause.

I have Mr. Jean and then Mr. Brison.

Mr. Brian Jean: I, like Mr. Mai, got involved in politics in part because of this very thing. So we have something in common. I would like to speak very briefly on it.

I'm totally in support of this clause. I was on the environment committee for 18 months in 2004, when this was debated in part, and certainly I looked at the Kyoto Protocol in detail.

I can assure the member that transfer of wealth from developed economies to developing economies is not something that I think is helpful, especially when you consider that it's part of a protocol that represented somewhere between 40% and 50% of emitters, not even a true accounting of the major emitters—China, India, and the United States—which account, by themselves, for somewhere in the neighbourhood of 35% to 40% of emissions. They were not even in the Kyoto Protocol, nor were they going to be signatories in any way, shape, or form in the future because of what it was going to do.

I, like Mr. Mai, got involved to see the elimination of Kyoto. I'm very ecstatic to be part of this vote today, and I'm happy to see that Canada is withdrawing from it completely.

The Chair: Thank you, Mr. Jean.

Mr. Brison, go ahead.

Hon. Scott Brison: This sort of irresponsibility on the international level has in part resulted in our not being on the UN Security Council. The government has made a decision on this, but the reality is that strong environmental provisions and governance do not have to come at an expense to the economy. It's the government's decision to do this, and they won't listen to reason on it. The reality is that climate change today is as great a threat to the Canadian economy and environment as it was five or ten years ago. It hasn't changed. The government has made this decision, which I think has given us a black eye on the international stage.

The Chair: Thank you, Mr. Brison.

Mr. Mai, you have two minutes.

[*Translation*]

Mr. Hoang Mai: I want to respond to Mr. Jean. He may have gotten involved in politics because of the environment, but with a different purpose I would say; he was more interested in standing up for the interests of the oil companies. I can appreciate his position; they are in his riding after all. The purpose I had in mind was really to protect the environment for generations to come.

When the environment minister says the Kyoto Protocol is going to cost Canadians \$14 billion, he's missing some information. The environment minister, who is supposed to ensure that environmental protection measures are put in place, is making false statements. Government officials or anyone else will tell you that the exact cost is not known. His \$14 billion was pulled out of a hat and has absolutely no basis. It is nothing more than a scare tactic. The cost of doing nothing, however, is much higher.

I agree wholeheartedly with my leader about the problems and the need to internalize the costs associated with the environment. At this stage in the game, we are doing the exact opposite. The Kyoto Protocol is one of the ways to determine the costs generated by greenhouse gas emissions. The government isn't even considering the negative impact of global warming on the economy. It is acting out of pure ideology. I just want to wrap up by saying how utterly irresponsible that is.

• (2225)

The Chair: Thank you.

[*English*]

(Clause 699 agreed to on division)

The Chair: Thank you, Mr. Hanson.

We will then move to division 54, clauses 700 to 710, the Immigration and Refugee Protection Act.

We do have four amendments for clause 707. We'll ask colleagues to speak to it generally, and then we'll ask them to move the amendments when we get to clause 707.

Ms. Sims.

Ms. Jinny Jogindera Sims (Newton—North Delta, NDP): Thank you, Mr. Chair.

I would like to say that it's a pleasure to be here, but really, when I look at the time, 10:25 of an evening, I'm sure we can all think of a million things we would rather be doing.

It's causing me a great deal of concern that here we are at this very late hour discussing something very fundamental and critical, and that is an immigration issue that, for some weird reason, is buried in a budget, a budget that is so large that it's hard to fathom everything in it.

What's of greater concern is that this issue has never been discussed by the immigration committee. It has not been before us. We did everything we could to sever it out of this report so that we could take it to that committee and have an informed discussion.

What we're talking about here, Mr. Chair, is not just numbers. We're not talking about the deletion of 300 people, not only them, but their families who waited very patiently in a lineup. We're actually talking about 300 families. I want you to imagine how many people this is impacting, and here we are at 10:25 at the end of a very long process, and I'm not sure how much justice we can give this.

These are the people who played by the rules we made. They didn't make the rules; we made the rules. I've often heard the minister saying—Jason Kenney, that is—there are so-called queue jumpers in our immigration system, but here we are punishing people who have been waiting in line and playing by the rules. That is just so un-Canadian.

This morning I had an e-mail from one of these applicants from Hong Kong, and he actually asked me what was happening to the compassionate Canada he had heard so much about. He actually applied to come to Canada rather than the United States, and now, after five years, he's being told, delete button, you're gone. He's thinking he could have applied five years earlier and been settled in the States and not been through the kind of pain he has been through.

It was brought home to me that here we have a black eye for Canada across the world, whether it's in Manila, where there were demonstrations, whether it's in Hong Kong, whether it's in India, or whether it's in China. What these people are saying and what people in my riding and across Canada are saying is this is not the right way to go. This is just not fair.

By the way, Mr. Chair, there was a study done on the backlog point by the committee a few years ago, but let me assure you that not one person or one recommendation included hitting the delete button. As a matter of fact, the report is very, very clear. They put forward an array of ideas for eliminating the backlog, and there are three main options they did put forward, but not one of them was hitting the delete button. As a matter of fact, the report states that most witnesses recognized the government's legal obligation to process all applications.

Here we are in a budget discussion that is going to impact the lives of 300 families who waited patiently in a queue we put them in, and they were just waiting their turn to come to Canada. We're changing the rules on them.

I have to tell you that I've heard stories of families who make plans once they get in the queue, and they know they're going to come to Canada. I heard of a family who sold some of their assets in order to take English classes and put their son through a school in China because they felt he would be able to come here and assimilate a lot easier. There is a family in the Punjab who sold their land, and because of the cost of living they can't possibly buy back that land because it is now out of their reach.

I look at all of this, and I'm wondering what has happened to our sense of fairness. Even the committee that studied this issue earlier said that even when it came to ministerial instructions that are intended to alleviate the backlog, the perception of fairness prevails. The study actually goes on to say that terminating the applications of people who have been patiently waiting in the queue is a decision that cannot be made. That previous study accepted that this was not the way they could go, and here we are.

● (2230)

As a matter of fact, in that report the committee lauded the work done by the department to reduce the backlog to date, saying that the pre-February 2008 backlog for federal skilled worker applications had been reduced by half, two years ahead of schedule. That's on page 13, in case any of you are desperate for midnight reading tonight. It went on to say that the action plan for faster immigration marked a turning point in immigration application backlogs and progress toward backlog reduction. That's on page 23. Then why would the minister make such an unfair cut under these circumstances?

You look at what was in that report and the kinds of accolades that were given for the reduction, and then here we have a cleaver being taken and a very arbitrary date, 2008. Some of the other professionals and skilled workers who are waiting to come to Canada are saying things like "This year, it's 2008. We applied in 2010. Who's to say that a year down the road it won't be that anybody who applied before 2011 is gone?"

What are we doing to the pool of people we hope to attract to Canada in the future? What kind of an image of Canada are we projecting out there, that we would treat people in such a poor way?

We're a nation that is built by immigration. I'm a first-generation immigrant myself. I chose Canada to be my home. I applied for a teaching job. I came here. I thought it was going to be for a year or two, and I'm still here.

I love this country, but with the kinds of changes I'm seeing happening and the way we're starting to treat newcomers or potential newcomers with so little regard and so much disrespect, really, I would say we'll have many skilled workers out there wondering if Canada is really a place of fairness, of compassion, a place that is inclusive, where they want to come to raise their children, where they want to be part of nation-building.

I know it's very easy for those of us who live in Canada now. We think, "Well, they're not here yet. They're not Canadians. They have no rights." Canada has never had that kind of an approach towards our international relationships or the way we treat people in other countries. Recently, with Bill C-31, and now with this buried in a budget and left to debate at the very last minute so we can spend very little time on it and really not do a proper analysis of impact, here we are at this late hour, thinking—or not thinking—about the impact we are going to have on families.

There's another case I want to share with you here. There's a family in China, where they have, as we all know, a one-child policy. Upon hearing that they were on the wait list and that they were going to get to come to Canada soon, this family actually sold their apartment. It wasn't a house, but it was their home. They sent their child over here to study because they thought that would really help in the assimilation and would help in the transition. Both the parents, professionals, have been taking English classes and learning as much about Canada as they can. I'm sure they know far more about Canada right now, from what they write, than I did the day I arrived.

For these people, it's not just that we're deleting their application. We're actually deleting their dreams and hopes and aspirations of a home in Canada. I want all of us to imagine what it would feel like if you were in those shoes, if that happened to you. How would you feel? What sense of betrayal would you feel?

As I look at this, I keep hearing about bogus this, bogus that, queue jumpers. In the last week or two the House and my committee have been filled with rhetoric about queue jumpers.

● (2235)

I keep thinking that here are people—normal folk—in other countries who wanted to come to Canada, as I did. They wanted to come here to make this their home. We looked at their applications and said, "Great. Well done. We're going to put you in the queue. We're only letting in so many a year."

First of all, we didn't have to have that backlog; there was a way we could have been addressing it in a more aggressive manner. But then, out of the blue, we say to them, "You know what? We've changed our mind. If you applied before 2008, you're gone. We'll give you your money back."

We can send them back a cheque for the processing fees, but how do we give them a cheque for their hopes and dreams? How do we do that? How do we address the absolute feeling of betrayal they're feeling right now from Canadians—all Canadians?

I know the opposition has been very vehemently opposed to these steps, and we will continue to oppose them. At the same time, as I sit here, I'm thinking of the conversation those families must be having and the kind of burden we have placed on their shoulders.

I sometimes wonder how some people—not on this side of the House, but definitely across the way—will be able to sleep at night, knowing they are absolutely impacting the hopes and aspirations of people to whom we gave hope. We gave them those aspirations. We took in their applications, and we had them wait.

It should also be noted that the backlog has actually grown, and I would say deliberately grown, since the Conservatives came to office in 2006. If there were a real intention to address that backlog, those ways would have been found. They were suggested by the committee. Instead, that backlog was allowed to grow, so now, in a piece of legislation that is buried in a 400-plus-page budget.... I don't see what the budget has to do with immigration in this case.

Anyway, here we are. It's buried in the budget, and we're going to hit the delete button. That is going to impact over 300,000 families, not individuals. I just want you to think about the impact that is going to have, not only on that immediate family, but on all the extended families. Many of those people have relatives over here, and they don't like the way Canada is going.

Thank you.

The Chair: Thank you.

We'll go to Ms. McLeod, please.

Mrs. Cathy McLeod: Thank you, Mr. Chair.

I think I need to address one of the comments my colleague across the way made, and then I'll get into some specifics.

The question keeps coming up why we needed to hive this piece—this should have been hived, that should have been hived, this should have been hived.

We have been in government for a year, and we've had to make sure that debate was given reasonable timeframes. There are approximately 17 pieces of legislation that have been passed. We are looking at a critical situation in Canada, with the global crisis in Europe. We look at what's happening in the United States. What we've done is to take the whole-of-government approach, and the whole-of-government approach is the plan for jobs, long-term growth, and prosperity.

If we moved on 70 separate pieces of legislation, we would be here ten years from now. That is even with our government making sure there was absolutely reasonable time for debate, but perhaps making sure that what was said was relevant and didn't keep getting repeated.

I also have to make a quick note. I'm getting a little bit confused about the NDP policy. Right now we're talking compassion. I absolutely agree. This was a very difficult decision. The minister said that quite frequently. But a little earlier your colleague was expressing concern about roving gangs of Lebanese temporary foreign workers stealing jobs from Canadians. We're getting mixed messages from the NDP, and to be quite frank, it's not coherent.

I do have to correct something. I believe, and perhaps the officials can say, that the backlog has gone down in recent years. Could we briefly address that?

● (2240)

Mr. James McNamee (Deputy Director, Horizontal Immigration Policy Division, Department of Citizenship and Immigration): Yes, the federal skilled worker backlog, as was pointed out, was reduced by over 50%. This was the pre-February 27, 2008 backlog. The overall number of people awaiting a decision has reduced somewhat, but it's stayed relatively stable over the recent years.

Mrs. Cathy McLeod: Thank you.

What our government is doing, then, is we're taking a compassionate approach. How compassionate is it to wait six years or eight years for answers? What we need is a system that matches....

How compassionate is it to have people who come here, who don't have opportunities...? They come with skills, under a skilled worker program, and they're not given opportunities for employment. We have communities waiting for physicians. We need to create the efficiencies in this program.

Certainly it was a very difficult decision in terms of the federal skilled workers, but hopefully many of those people have the skills, and they will match, and they have the opportunity to reapply.

In the red tape reduction commission, as we travelled across the country, we heard across the country some of the challenges with the temporary foreign workers program. We listened. We are trying to adapt. We are making some changes. These are important changes for our immigration system, absolutely vital to Canada's future, to our economy. We can't wait for six years before we actually move forward on making these important changes.

Thank you very much.

A voice: Well said.

The Chair: Thank you, Ms. McLeod.

I have Ms. Nash, and then Ms. Glover.

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

Here tonight at the finance committee, after debating fish allocations, CSIS, and all kinds of other things, now we're debating the federal skilled workers program. I was very interested to hear my colleague say a few minutes ago that these specific changes have not been debated or brought to the immigration committee, yet here they are before the finance committee. I find that really quite strange for something that I would have thought for adequate debate would require the immigration critics from the various parties to have the opportunity to examine and debate this legislation, to make sure they hear the appropriate witnesses, and that there would be a thorough examination of this change.

She did say there had been some previous study about how to deal with the backlog, but absolutely no recommendation about simply hitting the delete button and eliminating close to 300,000 people by eliminating the backlog. What these changes propose is to delete all applications to the federal skilled worker program prior to February 27, 2008.

I have to say that if I'm in a lineup waiting for my turn, whether it's at the supermarket or getting on an airplane or a subway, to suddenly be told, after waiting as these people have, for four years, to forget it, you can't be considered, but someone who has come after you is going to be considered, is going to be accepted, I would find that unacceptable.

We do hear the minister talk about queue jumpers. Well, this seems to me to be queue jumping, because people who are applying later are going to be accepted earlier. It doesn't make sense. It seems to me like a real broken promise to the people who in good faith paid their money, invested time, energy, made plans, devoted their attention to trying to come to Canada because we were trying to recruit them.

Under the federal skilled workers program, we're trying to bring into Canada people who have the skills that we need in the Canadian economy. To keep these people waiting all this time and then to say retroactively that all of their applications are deleted seems like an incredible betrayal of them.

I've heard my colleagues say this is creating difficulties for us internationally, that our reputation is being affected because people feel that perhaps this is not a desirable country to come to if they cannot count on the process and clear rules being applied, that they can make an application and have a reasonable expectation—if they're in a queue—that ultimately they'll get to the front of that queue. It also seems like a dramatic shift in our policy, and it's difficult for people when the rules change in the middle of the game.

We talked earlier about the demographics in Canada showing that we have an aging population, not aging as rapidly as some countries, but we do have an aging population. Having an effective immigration program under which young skilled immigrants can come to Canada as part of our economic and social development is a positive for Canada. In fact, we're competing with countries around the world for skilled immigrants. Now, I know we have a big list of immigrants, but to change the rules in midstream and say that people who have been waiting all this time can never get here—there's no faint hope that they're going to get here—seems like a real betrayal and a confused policy.

● (2245)

In closing, I want to address my colleague's concern. She said there didn't seem to be coherence in the NDP approach to immigration policy.

Our immigration critic has joined our committee briefly, for these very few minutes we are discussing such an important change, and she has been very consistent on deleting the applications of 300,000 applicants to Canada under the federal skilled workers program. But I believe my colleague might have been referring to previous concerns expressed by a colleague about the elimination of the fair wage program and how that could combine with the temporary foreign worker program to create competitive issues because of the downward pressure on wages in Canada, if people brought in through the temporary foreign worker program undermine wages in the construction sector in Canada. I think that is where she has become confused. So I did want to just clarify that, because our immigration critic and our party have been very consistent and very clear on our position on the federal skilled workers program.

I just want to say that while the temporary foreign worker program has served a need, we think about people coming in under the temporary foreign worker program as working in the agricultural sector. Increasingly now, temporary foreign workers are in retail, in service, in manufacturing, and in all aspects of society, and there are people who have concerns that temporary foreign workers in Europe certainly have created balkanized communities and are not allowed to become integrated into broader society. There are people who feel that if people are good enough to come here to work in factories, on pipelines, in health care, and in the service sector, who come here without skills like my grandparents did, they should be able to find a way to become landed and bring their families and have more of a normal life.

The temporary foreign worker program is a whole other discussion. We've had some of that discussion here in the finance committee, but right now in the finance committee we're discussing the federal skilled workers program, and we have been consistent on both those elements of immigration policy.

Thank you.

● (2250)

The Chair: I will go to Ms. Glover.

Mrs. Shelly Glover: Thank you, Mr. Chair.

I will remind my colleagues that actually this section does include temporary foreign workers too, and I reiterate that I was quite offended by the comments made by Pat Martin with regard to roving gangs of Lebanese temporary foreign workers who are stealing Canadians' jobs. It is utterly atrocious to hear a parliamentarian speak of immigrants in such a fashion.

Nevertheless, I do have some questions for our wonderful guests, our witnesses who have waited all night to have a chance to speak. Rather than parliamentarians bantering back and forth with perhaps some inflated and exaggerated comments, I'm going to ask you why we are eliminating the foreign skilled workers backlog. Why?

Mr. James McNamee: Essentially the backlog, if not eliminated, will be around for many more years to come. There are plenty of skilled workers currently in the queue. The government has expressed a desire to move to a greater emphasis on meeting immediate labour market needs, the current needs of Canada, and this transition would take many years to happen. This action will facilitate that occurring much more quickly than otherwise would be the case.

Mrs. Shelly Glover: I just want to confirm something that was said earlier, because it wasn't quite clear. Our government has managed over recent years to reduce the FSW backlog, correct?

Mr. James McNamee: Yes.

Mrs. Shelly Glover: Correct. So that is in absolute contrast to what was said by Ms. Sims, who is the critic, who ought to know better than to say it has not been reduced, because the fact remains that it has in fact been reduced. And we further need to reduce the backlog so that we can actually put foreign skilled workers into the jobs that exist.

We have a labour shortage in many of our provinces. Would you agree with that statement, Mr. McNamee?

Mr. James McNamee: Yes, there are certainly acute shortages in many sectors and in particular regions of the country—for sure.

Mrs. Shelly Glover: Which is why we're so focused on making sure we deal with the backlog.

Now, the immigration unemployment rate is also a consideration. Do any of you know what the unemployment rate is for immigrants?

Mr. James McNamee: I would have to get back to the committee on that—

Mrs. Shelly Glover: Well, I know what it is. It's about 14%, which is almost double the average Canadian unemployment rate that we have right now, at 7.2%, which is concerning. So we want to make sure that whatever we do facilitates not just Canadians obtaining jobs, but that immigrants who come here with the hope and the dream of participating in the Canadian economy actually have an opportunity to feed their families and to live the dream they're living.

I can't disagree more with the NDP position that people from other countries look down on Canada. They may want to dis this country every opportunity they get, but I am proud of Canada.

I would suspect that each and every one of you sitting at that table, being that you work in this field, is proud to receive immigrants from other countries. Have you seen a decline in applications to Canada as a result of anything that has been done in the last year with regard to this bill?

Mr. James McNamee: No. Demand for immigration to Canada is high. It has been high historically, and there's no indication that it's subsiding in any way.

• (2255)

Mrs. Shelly Glover: In fact we have a problem with too many people wanting to come to Canada. In fact people from democratic countries would like to come and queue-jump by trying to come in under refugee policies and policies that really don't apply to them. Is that not so? We see some fraud, in other words.

Mr. James McNamee: Yes, there's certainly fraud.

Mrs. Shelly Glover: Yes. So this government is very concerned about making sure it's fair, it's transparent, and it works. This legislation is going to do that.

The nonsense that's being spewed by the NDP is absolute.... It boggles one's mind that they can make these kinds of statements.

Ms. Peggy Nash: Point of order.

The Chair: Point of order, Ms. Nash.

Ms. Peggy Nash: I think those comments are really out of line. I don't think they ought to be accepted when you talk about someone's point of view that you disagree with as “nonsense that's being spewed”.

Mrs. Shelly Glover: It makes no sense.

Ms. Peggy Nash: It's one thing to say you disagree, but to call someone's comments “nonsense that's being spewed”, you know... excuse me. I could respond in kind to things that you say, but I don't believe—

The Chair: Through the chair, through the chair—

Ms. Peggy Nash: —that's very parliamentary. I don't think people appreciate that approach.

I would just once again, sadly, through you, Mr. Chair, call the attention of members to the disrespectful language that's being used.

Mrs. Shelly Glover: “Nonsense” is not disrespectful.

The Chair: Well, I would just... I don't think that technically that's a point of order, but I would say to members again that I would just prefer it if they stated their position or their party's position, asked questions of officials, and put that on the record, and then let's have a vote on the issue.

Mrs. Shelly Glover: Point of order.

The Chair: On the same point of order?

Mrs. Shelly Glover: On the point of order.

The Chair: On the same point of order, Ms. Glover.

Mrs. Shelly Glover: Mr. Chair, in all fairness, that's exactly what I did. I asked the witnesses to clarify comments that did not make any sense, that had no factual basis to them whatsoever. They were, in fact, *nonsense*, which is not unparliamentary—

The Chair: Okay—

Mrs. Shelly Glover: To the point of order, Mr. Chair, to be very fair, the other side has accused this government of some terrible things. Not once have we used inappropriately a point of order to say that we're sick of being told that we're attacking poor people, we're attacking people who are unemployed, or we're attacking this or that. Not once has this side inappropriately used parliamentary procedure to try to get a point across.

So I would ask that you take that into consideration, Mr. Chair, when you make a ruling on this point of order, because I have been very fair. I've been very patient. This is not a point of order, nor is it unparliamentary to say that it was nonsense when it was based on non-factual evidence.

The Chair: Well, do you want to go further on this? I've already in fact said that it's not a point of order, technically. What I've done, though, is I've used the opportunity.... And Ms. Glover is right: there have been some strong accusations launched by opposition members against the government on certain issues. So what I was doing, frankly, was just asking all members to follow the practice of saying that here's an issue, here's where I stand, here's what I believe, and here's what our party believes, and to not try to launch an accusation across the aisle.

Ms. Glover, I didn't mean to say that it was one side or the other. I've seen things go across both sides tonight that I would consider disrespectful, frankly, as your chair. Again, I would just reiterate to everybody that if we could just get our own views on the record, ask the officials questions, and go to the vote, we'd all be much happier at the end of the day.

It's not a point of order, but I'm just using the opportunity to express my view as chair.

Ms. Glover still has the floor, Mr. Mai. Is this another point of order?

Mr. Hoang Mai: I was on the list to speak.

The Chair: Yes, I still have members on the list.

Ms. Glover, it's your turn.

Mrs. Shelly Glover: Thank you.

I did want to continue with officials with regard to the backlog once again. When we talk about the backlog, those who are affected by the elimination of their applications do have an opportunity to still be engaged in the process. Can you just explain for the committee how they are still able to engage in the process?

Mr. James McNamee: The termination of the applications does not prevent these individuals from reapplying if they meet the conditions of the other numerous programs, including the federal skilled workers program, which is still available to them.

• (2300)

Mrs. Shelly Glover: There may be a net benefit to them, which is what?

Mr. James McNamee: Under the current prioritized stream within the federal skilled workers program decisions are being made much faster, so if they're identified and if they qualify, the commitment is to process those applications within six to twelve months.

Mrs. Shelly Glover: Six to twelve months, as opposed to sometimes how long has it taken?

Mr. James McNamee: I believe the average is five to six years now for folks in the backlog.

Mrs. Shelly Glover: Thank you for clarifying those comments.

Thanks.

The Chair: Thank you.

I have three more NDP members, but the NDP has done a very thorough job. Do we need to have three more members add to their position on this?

I have Mr. Mai, Mr. Caron, and Mr. Brison. Mr. Brison has not spoken to this division. Then I have Ms. Sims.

I just ask you to keep in mind what I just said, and let's make it relevant to the clauses we're discussing and make it as brief as possible.

Mr. Mai.

Mr. Hoang Mai: When we initially started talking about it, we didn't know what the implications were overseas, and now I'm reading in that in Hong Kong there are protests, in China, and you mentioned India. So there are....

Obviously Canada's a great country. I was lucky to be born here. My parents are immigrants. But the implications that we have overseas are huge. I worked in Hong Kong in my previous life as a corporate lawyer over there, and a lot of people from Hong Kong came to Canada and are actually in my riding.

They knew about Canada. There was this hope, and I've been reading some stories. I won't go too much into details, because Jinny has mentioned some of the devastating stories, but we were seen as a country where law matters, and where you believe in the whole process, so people applied.

We mentioned the backlog. Some of the applications date back to 2003, so those people have put their lives on hold thinking that they would come here. And for some reason we decided that Canada does not need you. The government has mentioned needs: we don't need you; we need other types of immigrants, so your application no longer matters.

We mentioned fairness. I don't think this is fair. Seriously, I think if someone has applied.... We have to find solutions, but putting a delete button on this for me does not make sense. I think the officials mentioned \$130 million in terms of application fees, but when we ask the question about what would happen to people in terms of interest.... For people who live in China, the application fee is a fairly big amount, so there are a lot of things they could have done with that amount. They could use it. We're not paying back interest, we're not paying back lost opportunities, we're not paying back....

My question is to the officials, since you're here and you were patient enough to wait for us. I know you considered litigation issues. Was there any evaluation in terms of how much litigation would cost us in terms of having to pay back indemnities or how much it would cost?

Mr. James McNamee: I don't believe those costs were ever evaluated in terms of indemnities. It's a very difficult number to narrow.

Mr. Hoang Mai: Okay, but my understanding is that litigation issues were considered. Because definitely when we make a promise to someone and say that if they pay for their application we'll look at it and look at the merits, and then when they come back to Canada and ask the immigration department if everything is fine and their application is fine, and we tell them yes, it's fine, and they're on the waiting list, at the end of the day they might come back and say you guys told us this and I lost money, so I'll sue you.

From my understanding, the department has considered litigation issues, but what you're telling me is we have no clue about how much it would cost or how much litigation we'd have. Was there any small evaluation, a ballpark, or anything like that?

• (2305)

Mr. James McNamee: The department explored possibilities, and it is very difficult to assess what that ballpark is. It could be a very broad spread. It's difficult to say with certainty.

Mr. Hoang Mai: So the department did consider that there will most likely be litigation issues?

Mr. James McNamee: The department of course considered the litigation implications of doing this. Certainly one of those is, as you mentioned, being sued.

[Translation]

The Chair: Thank you.

Mr. Caron, you have the floor.

Mr. Guy Caron: I will skip my turn.

[English]

The Chair: Okay.

Mr. Brison, go ahead, please.

Hon. Scott Brison: We have concerns, and some of those concerns have been expressed. We heard from witnesses that this decision will negatively affect Canada's international reputation. But more broadly, we also heard some positive stories on immigration, particularly in Manitoba, where there's a much more open approach. Their cap on immigration is much higher than that of other provinces. We need more people coming to Canada and building their lives here. That's the reality, particularly in regions like mine, where we have a declining population and an aging demographic. I'm concerned about some of the changes and what it does to our capacity and to our brand as a country.

Beyond that, I'm also concerned about some of the messaging coming from the government. When Minister Finley went to Halifax a few weeks ago, the headline in the paper was "Immigration not the answer for fulfilling jobs". She said that rather than turn to immigrants, we should hire from within Nova Scotia. The reality is, there's no evidence that immigrants take jobs from our population here. Immigrants in fact create jobs, in many cases, for themselves and for Canadians who've been here a long time. That's the Manitoba example. The Manitoba example is that since the inception of its program, unemployment rates have actually decreased with significant massive immigration.

I'll use one more example. Part of politics is pedagogy, where we change people's minds. I think there is a perception in parts of the country that immigrants take jobs and actually increase the levels of unemployment. The evidence does not bear that out. A poll was done in Nova Scotia a couple of years ago that asked, "Would you support programs to attract and retain new Canadians to Nova Scotia?" Sixty-five percent of Nova Scotians said no. I disagree with that perception. However, Edmund Burke said that a member of Parliament owes his constituents not simply his work but also his judgment, and to sacrifice his judgment to their opinions is to do them a grave disservice. We have responsibility on both sides of the

House, from all parties, to change people's minds, not to affirm negative perceptions of immigration but in fact to work together to do more on this.

I am concerned about some of the messaging from the government that would create the perception that there's massive pressure on the Canadian immigration system by crooks. We have to be careful. Are there people who abuse the system? Absolutely. Do we have to be strong in our approach to them? Yes, but we also have to be careful not to contribute to or foster an attitude or a prejudice towards immigration and immigrants that is inconsistent with the economic dynamism that comes with new Canadians.

I am concerned about this decision, but more broadly, I would like to see us emulate the Manitoba model with provinces across Canada. I'd like to see us welcome many more immigrants than we're welcoming right now. It's important for our country to do that.

• (2310)

The Chair: Thank you, Mr. Brison.

I'll go back to Ms. Sims, and I will expect very new and relevant arguments to be put before the committee before we vote on the clauses.

Ms. Jinny Jogindera Sims: Thank you.

We have so little time. I'll try to make the best use of it that I can.

Currently, according to the information I have, we have approximately one million people in the skilled workers queue.

Mr. James McNamee: That would be approximately one million overall, in all categories.

Ms. Jinny Jogindera Sims: I'm talking about overall, one million.

Mr. James McNamee: Not just skilled workers, but every category—

Ms. Jinny Jogindera Sims: Okay, we have about one million.

Since the Conservatives came into office in 2006 there has been an increase of about 250,000 added as part of that million. That's the number that's been added. I got these figures from the ministry, so absolutely there has been an increase in the backlog. I'm not saying that some processing hasn't been done.

The other thing is that people can... I know I've heard this said many a time: "You know, we're going to hit the delete button in 2008, but people have options. They can reapply."

When you reapply, will you get to be at the top of the list, or do you get to be at the bottom of the list, if you qualify?

Mr. James McNamee: If you qualify, you go to the front, in essence, because you would be prioritized under the current set of ministerial instructions.

Ms. Jinny Jogindera Sims: What will happen then is that there will still be people who applied in 2009, 2010, and 2011 who will be ahead of you under the new category?

Mr. James McNamee: I could clarify that.

There are essentially only two substreams within the federal skilled worker program, those who applied before February 2008 and those who applied after. There has been a series of ministerial instructions issued, but from an operational perspective they're all treated as priority. The numbers are such that not everyone can be processed as expeditiously as we would like, but they're all prioritized, in essence.

Ms. Jinny Jogindera Sims: Thank you. You've just answered that question.

These 300,000 people who have been deleted, when they applied, their application was processed under criteria they can no longer use if they reapply, because when they reapply they will be processed using different criteria.

Mr. James McNamee: They would have to qualify under the current prioritization under ministerial instructions, so a priority occupations list, or having arranged employment.

Ms. Jinny Jogindera Sims: Thank you.

Once again, I want to reiterate that these people applied, playing by the rules of the day, and now we're hitting the delete button and we're saying to them, "Yes, you can reapply, but by the way, the rules have changed".

I do not think that is very fair. From that perspective, I don't think they are being treated in a very fair way. As you can see, the backlog has grown.

The Chair: Thank you, Ms. Sims.

As the chair, I want to address a couple of points. Some valid questions are being raised. In part, people are asking why this would be in a budget implementation act.

I would just refer members, for their own information, to the budget itself, pages 151 to 155, wherein these specific sections are dealt with. Particularly they may want to read pages 154 to 155, the "Federal Skilled Worker Fee Refund". I'll read a little bit from there for colleagues' edification.

The Government recognized the backlog for the [federal skilled workers program] ...several years ago and has taken actions to eliminate it through our 2008 Action Plan for Faster Immigration. Before the Action Plan was introduced, the backlog had swelled to over 640,000 applicants, many of whom faced wait times of up to seven years. Through the judicious use of measures introduced by the Action Plan, the backlog has been cut to less than 300,000 applicants since 2008—a reduction of more than 50 per cent. Wait times for new applicants are now closer to 18 months on average, with some applicants waiting as little as 6 to 12 months.

I'd like to compliment our officials for their work in doing this.

An hon. member: Hear, hear!

The Chair: I've hesitated in making a lot of statements on policy, but I for one, who am a member of Parliament now in my twelfth year, have seen thousands of immigration cases, and I applaud the department and the minister for taking this action, which is needed to move towards a faster and more responsive immigration system. I just want to very quickly put my own view on the record.

Some hon. members: Hear, hear!

The Chair: I think those points were relevant, but I appreciated the debate. It was a very lively one.

Before I go to the NDP amendments, which deal with clause 707, I will deal with clauses 700 to 706.

Ms. Peggy Nash: Can we split them?

The Chair: Yes, we can split them up.

(Clause 700 agreed to)

(Clause 701 agreed to on division)

(Clause 702 agreed to on division)

(Clause 703 agreed to)

(Clause 704 agreed to)

(Clause 705 agreed to on division)

(Clause 706 agreed to on division)

The Chair: So we've come to clause 707.

We have four NDP amendments. They are admissible. The issue is that they seem to be similar types of amendments. I'm not sure whether the NDP wants to introduce one of these, or two of these....

I don't know whether members have them in front of them. They are amendments NDP-48, NDP-49, NDP-50, and NDP-51.

Alternatively, we could move them all.

Against the better judgment of the legislative clerk, I will allow votes on all the amendments together. I'll let it be known that he advised me on it, but I will do this just in the interest of time.

So we will ask someone to move amendments NDP-48, NDP-49, NDP-50, and NDP-51.

Ms. Sims, do you move all of them?

• (2315)

Ms. Jinny Jogindera Sims: Yes.

The Chair: Thank you.

We'll do the vote.

(Amendments negated) [See *Minutes of Proceedings*]

(Clauses 707 to 710 inclusive agreed to on division)

The Chair: I want to thank our officials for being here, especially so late at night. We appreciate that very much. Thank you.

We are moving to division 55, Shared Services Canada, which deals with clauses 711 and 712. Is there discussion on this?

Ms. Nash.

• (2320)

Ms. Peggy Nash: There may be some good arguments to share some services. We know there are still some questions remaining around this.

In 2011 the government created a new agency, Shared Services Canada. They're charged with cutting the IT costs for more than 100 e-mail systems and more than 300 data centres in many federal departments. Their \$2-billion budget is about 40% of Ottawa's yearly \$5-billion in IT spending. So I do want to raise this.

There may be some real logic to consolidating some of these IT services. However, the Privacy Commissioner has warned that the consolidation may risk personal data. In particular, the spokesperson for her office has said:

We have underlined the fact that consolidating the email functions of so many federal organizations into one service could result in greater vulnerability for personal information.

The chief statistician, Wayne Smith, has warned that moving StatsCan's IT to Shared Services Canada may jeopardize the quality and confidentiality of the information it gathers.

So we have these questions. I guess I'll just ask Mr. Barr about this.

Thank you for being here so late. We really appreciate it.

Have you heard of these concerns about privacy? How is Shared Services Canada responding to the privacy issue?

Mr. Graham Barr (Director General, Transition Planning and Coordination, Shared Services Canada): Questions about privacy and cyber-security have come up. With respect to Statistics Canada, they will continue to manage their data holdings. Shared Services Canada is responsible for operating the hardware the data is stored on, but the ownership of the information resides with Statistics Canada.

The creation of Shared Services Canada does not change in any way the security and privacy policies of the Government of Canada. Any decisions that will be taken in the future with respect to the transformation of government e-mail systems will respect those policies and laws. Our new department takes very seriously the responsibility to protect privacy and security in accordance with the relevant legislation and the policies.

Ms. Peggy Nash: Thank you for clarifying that policy.

Could I just ask one subsequent question? I'm just wondering, what's the disconnect then with the Privacy Commissioner's office? Has there been communication with the Privacy Commissioner's office? They are still expressing concern about it.

Mr. Graham Barr: I wouldn't say that there's a disconnect with the Privacy Commissioner's office. In fact, that office and the Privacy Commissioner was one of the first groups we reached out to and engaged with upon the creation of Shared Services Canada. I think it's within the purview and the mandate of the Privacy Commissioner to raise issues around privacy, and it's important that she do so. We take that very, very seriously.

We're working closely with the departments that own the data as well as others, including the Privacy Commissioner, to make sure we do this right, we do it well, and we respect the privacy laws and policies that are in place.

Ms. Peggy Nash: Okay. Thank you.

The Chair: Thank you, Ms. Nash.

(Clauses 711 and 712 agreed to on division)

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

We will then move to division 56. This deals with clauses 713 to 753, the Assisted Human Reproduction Act.

(Clauses 713 to 753 inclusive agreed to)

The Chair: I see that as unanimous.

(Schedule 1 agreed to)

The Chair: Shall the short title carry?

We have to discuss the short title.

• (2325)

Mr. Wayne Marston: Yes.

The Chair: Is it the length of the title we're objecting to?

Mr. Wayne Marston: I actually made some notes, Mr. Chair.

The Chair: Okay. We'll go to Mr. Marston on the short title.

Mr. Wayne Marston: When we listen to this short title, when you hear "jobs, growth, long-term prosperity", on the face of that we would all just sit here and say if this were real, if this delivered, it would be good. But there are huge, huge questions about this. You've heard them from this side repeatedly, on how Bill C-38 goes well beyond tax and monetary measures. It makes major changes in dozens of policy areas, including the environment, natural resources, human resources. These shouldn't have been resident in a finance committee.

We've been clear. We should not have been asked to vote on legislation that grants cabinet the power to make far-reaching regulatory changes like the ones we've seen included in this bill. It is 400 pages. We've had the discussion back and forth that yes, there have been larger bills, but not as comprehensive as this one.

I want everybody who happens to be watching—and at this time I'm sure we have thousands of people watching—

Some hon. members: Oh, oh!

A voice: Insomniacs.

Mr. Wayne Marston: Well, this is scintillating, but I just want to remind people there's another bill to come in the fall. So if you take those bills together in the context of what they're trying to do....

So what is it about the bill that causes us to question the short title? First, the environmental overhaul doesn't belong in a budget bill. Government wants a one-project, one-review environmental assessment system. So it's repealing the Canadian Environmental Assessment Act and replacing it with the Canadian Environmental Assessment Act 2012. That type of decision doesn't belong with this committee.

Yes, the chair and others granted us a subcommittee to look at it, but it didn't belong here. It sets out time limits for the completion of reviews, and the minister will have the power to shut down a review panel if he thinks it won't finish on time. How can you say that belongs in a budget bill? The types of decisions—this type of decision in particular—the due diligence that is supplied by comprehensive experts who are from the environment field.... It's not in jobs, growth, and long-term prosperity. That's not a part of it. That has to do with our environment.

As for due diligence, again, when it comes to employment insurance reform, you have a definition of suitable work that has been controversial. It doesn't belong with the finance committee. It clearly belongs with the human resources committee, because they are going to have to wrestle with this. So again, that's one of the reasons we're not satisfied with this short title. And the budget doesn't give any details on the criteria that will be used in that particular term.

And how does a decision on removing oversight for the Auditor General belong here? The Auditor General will no longer be required to do annual audits, as we've seen listed here, in 12 agencies, including the Social Sciences and Humanities Research Council, the Natural Sciences and Engineering Research Council, the Northern Pipeline Agency. How does that belong here? How does that fit into the definition of the title that has been proposed by this government? It doesn't.

Where I come from, this is called putting the fox in charge of the henhouse. You have people making decisions without having the proper review. What does that have to do with jobs, growth, and prosperity? It has to do with the fact that you have power being consolidated with ministers at a level that has never been seen before, when these agencies have been removed. We can debate whether the Auditor General made this decision and moved it forward or whether the ministers did.

We've heard about the backlog in immigration and we've heard the stories that were told by the member for Newton—North Delta as she joined us here. That person, in her committee, would have been able to make compelling arguments against this legislation.

• (2330)

The Chair: Mr. Marston, we're at our five-minute time limit here. You're at about five now, and I'm really allowing you a lot of latitude on relevance.

Mr. Wayne Marston: Well, you've always been very generous to me.

The Chair: Yes. I mean, we are discussing the short title. You're making overall arguments about the bill.

Mr. Wayne Marston: From my perspective, I was making overall arguments about the fact that this doesn't belong in a—

The Chair: You think the short title should be expanded to include all of these...?

Mr. Wayne Marston: The title should have been different. We have a bill that's dealing with the environment, with employment insurance, and dealing with a number of different things that are not budgetary in nature.

We're talking about jobs and growth and prosperity. We don't see that link.

The Chair: I think we're stretching my generosity to its limit here.

Mr. Wayne Marston: I actually have two paragraphs to go.

The Chair: We're at five minutes.

Mr. Wayne Marston: I'm at the mercy of the chair.

The Chair: You know, there will be debate in the House on this, and there will be public debate.

Mr. Wayne Marston: I will look forward to the debate in the House.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Marston.

I have Ms. Glover next, please.

Mrs. Shelly Glover: Thank you, Mr. Chair.

I will abide by the motion and the five minutes. I thank you for that.

I want to start by saying that the short title is reflective of what's in the bill. Jobs, growth, long-term prosperity—all of those things cover what is in the bill, things that are necessary for Canadians to actually succeed, necessary for Canadians to continue to live in the best country in the world. We are not ashamed of that. We celebrate that, and we'll continue to do so.

When we look at how much time we've spent studying this bill in committee—aside from the private reflection, the phone calls, the private deliberations we've had in talking to stakeholders, etc.—we're talking about a study that went on for some 60-plus hours. This was the longest amount of time dedicated to a budget bill in over 20 years.

I believe we've done well in putting this forward.

I want to thank my colleagues across the way for coming and deliberating on it, and for sticking to the time limit that was set out in the motion agreed upon by the committee. I do acknowledge that, and I want to thank them for that.

I also want to thank the chair for his patience, his incredible patience.

Some hon. members: Hear, hear!

Mrs. Shelly Glover: Of course we wouldn't be here without our analysts, our clerks, and all of the fine folks who are sitting behind the chair.

Some hon. members: Hear, hear!

Mrs. Shelly Glover: Last but not least, the interpreters—God bless you. I don't know how you do this job. I can barely get through English at this time of night, let alone try to sort out two languages at the pace that we speak and argue and so on and so forth. So a standing ovation to our interpreters, who deserve our respect and our utmost gratitude. Thank you very much on behalf of at least this side, and I'm sure my colleagues agree.

Some hon. members: Hear, hear!

Mrs. Shelly Glover: In any event, my five minutes is probably almost done, but I do want to say that the government would like to see the short title stay, because it is reflective of what's in the bill.

Thank you again, Chair.

Thanks to everyone who stayed and took part.

The Chair: Thank you, Ms. Glover.

I have indications from Ms. Nash that she will speak for a couple of minutes on the short title, and then there will be no comments on the title. Once a couple of minutes are done on the short title, then we can go to the title, and we'll actually finish tonight.

Is that acceptable? It's the same amount of time, so....

• (2335)

Ms. Peggy Nash: We were just warming up.

Mr. Wayne Marston: Yes. I thought we could do this tomorrow night, just to repeat.

The Chair: Okay. You have two minutes on the short title.

Ms. Peggy Nash: I want to make the point—and I know we've all been at this for a long time—that the short title of the bill, about jobs, growth, and long-term prosperity.... My colleague mentioned that so many other things are rolled up in this bill that don't pertain to finance or economic issues.

I also want to make the point that through this budget and the budget implementation act we've heard about \$5.2 billion in cuts that the \$20 million private agency has recommended, 19,200 public sector jobs. The Parliamentary Budget Officer says that when you add up previously announced cuts, we're looking at cuts of \$10.8 billion and 26,800 jobs lost. That's 26,800 public sector jobs lost. These are services. These are programs Canadians need.

We've also heard the PBO and other witnesses talk about a drag on the economy. The point I'm making is that while the short title talks about jobs, growth, and prosperity, in fact the net impact of this budget implementation act will be the opposite: it will be a drag on our economy and it will slow our recovery. We have heard more witnesses talk about that.

I could go on about unemployment and about how between one in four and one in three of the net new jobs are going to temporary foreign workers, but I won't. I will save that for a speech in the House of Commons.

I think the short title of this bill has less to do with the reality and the impact of the bill and more to do with Conservative talking points. The two just don't add up. I really wanted to get that on the record.

Having said that, I want to thank the staff, the interpreters, the chair, and my colleagues for this time. It is unfortunate that we had to debate such weighty and substantive issues in such a rushed fashion.

Thank you, Mr. Chair, for allowing me that time.

The Chair: Thank you, Ms. Nash.

I had indications Mr. Jean wanted a short word.

Mr. Brian Jean: If nothing is permitted to be said on the long title, because that's where I was—

The Chair: No, you can.

Mr. Brian Jean: I was holding out for a minute on the long title.

The Chair: You want to do a minute on the long title?

Mr. Brian Jean: I really wanted to go on the long title.

The Chair: Shall the short title, which is the Jobs, Growth and Long-term Prosperity Act, carry?

Some hon. members: Agreed.

Some hon. members: On division.

The Chair: The short title carries on division.

On the title, Mr. Jean, briefly.

Mr. Brian Jean: Very briefly, Mr. Chair.

In a few days I will have been here for eight years. I've thoroughly enjoyed myself here, but I have to say that I disagree with Mr. Marston and Ms. Nash. I respect their positions, I truly do, as I do those of Scott Brison and the Liberal Party.

Clearly, in my mind, this is a budget that speaks right to the title itself. It is a title and a budget that deals with growth. In dealing with the environment it deals with growth and jobs. In relation to employment it deals with growth and jobs and the economy in relation to every page of the budget itself.

I think it's a great budget for Canadians and for our future. I'm very proud to stand behind it. I've been waiting eight years to do this.

On behalf of Mr. Hoback, I would like to say as well that this budget focuses on the economy like a laser. As I said, I think it's a great budget, and I'm very happy to be here to support this budget, including of course my favourite thing to see in the budget, which is, frankly, the elimination of Kyoto.

Thank you.

The Chair: Thank you.

Shall the long title carry?

Some hon. members: Agreed.

The Chair: Is it on division?

Ms. Peggy Nash: On division.

The Chair: It is on division.

Shall the bill carry?

Some hon. members: Agreed.

Some hon. members: On division.

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

Some hon. members: Agreed.

Some hon. members: No.

The Chair: Colleagues, I just want to echo what you said, which is I would like to thank all of our staff. I would also like to thank the finance department staff for organizing witnesses for us. I think that was very challenging.

Some hon. members: Hear, hear!

The Chair: We should point out that one of them actually came out of retirement to do all of this. That's really appreciated.

I want to thank all of our staff—our analysts, our clerks—who did such yeoman work. All clerks, all analysts, and *nos interprètes*, thank you for all your work. And thank you to all the staff who worked here. We appreciate it very much.

Colleagues, you won't be surprised to learn that we will not have a meeting on Thursday. I know you will all be very disappointed.

Thank you all.

The meeting is adjourned.

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