



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Thursday, April 23, 2009**

—

**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Thursday, April 23, 2009

The House met at 10 a.m.

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*Prayers*

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## ROUTINE PROCEEDINGS

● (1005)  
[English]

### GOVERNMENT RESPONSE TO PETITIONS

**Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC):** Mr. Speaker, pursuant to Standing Order 36(8) I have the honour to table, in both official languages, the government's response to eight petitions.

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### INTERPARLIAMENTARY DELEGATIONS

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC):** Mr. Speaker, pursuant to Standing Order 34(1) I have the honour to present to the House, in both official languages, the report of the Canadian NATO Parliamentary Association respecting its participation in the 2008 annual session held in Valencia, Spain, November 14 to November 18, 2008.

Pursuant to Standing Order 34(1) I have the honour to present to the House, in both official languages, the report of the Canadian NATO Parliamentary Association respecting its participation to the Parliamentary Transatlantic Forum held in Washington, D.C., December 15 to December 16, 2008.

**Ms. Yasmin Ratansi (Don Valley East, Lib.):** Mr. Speaker, pursuant to Standing Order 34(1) I have the honour to present, in both official languages, the report of the Canadian delegation of the Canadian group of the Interparliamentary Union concerning its participation at the Women and Work—Seminar for Chairpersons and Members of Parliamentary Bodies Dealing with Gender Equality and other committees addressing labour issues in Geneva, Switzerland, December 6 to December 8, 2007.

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### COMMITTEES OF THE HOUSE

#### PROCEDURE AND HOUSE AFFAIRS

**Mr. Joe Preston (Elgin—Middlesex—London, CPC):** Mr. Speaker, pursuant to Standing Orders 104 and 114, I have the honour to present, in both official languages, the 11th report of the

Standing Committee on Procedure and House Affairs regarding the membership of committees of the House.

If the House gives its consent, I intend to move concurrence in this 11th report later this day.

#### ACCESS TO INFORMATION, PRIVACY AND ETHICS

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the fourth report of the Standing Committee on Access to Information, Privacy and Ethics.

In accordance with the order of reference of Thursday, February 26, the committee has considered vote 15 under Parliament in the main estimates for the fiscal year ending March 31, and reports the same without amendment.

#### CANADIAN HERITAGE

**Mr. Gary Schellenberger (Perth—Wellington, CPC):** Mr. Speaker, I have the honour to present, in both official languages, the first report of the Standing Committee on Canadian Heritage in relation to the analysis of the arts programs that were cancelled in the summer of 2008.

[Translation]

#### INDUSTRY, SCIENCE AND TECHNOLOGY

**Hon. Michael Chong (Wellington—Halton Hills, CPC):** Mr. Speaker, I have the honour to present, in both official languages, the third report of the Standing Committee on Industry, Science and Technology on Bill C-4, An Act respecting not-for-profit corporations and certain other corporations.

\* \* \*

● (1010)  
[English]

### PEST CONTROL PRODUCTS ACT

**Ms. Denise Savoie (Victoria, NDP)** moved for leave to introduce Bill C-368, An Act to amend the Pest Control Products Act (prohibition of the use of chemical pesticides for non-essential purposes).

She said: Mr. Speaker, I am pleased this morning to introduce legislation that would establish a federal moratorium on the use of cosmetic pesticides as of Earth Day 2010.

*Routine Proceedings*

The moratorium would apply to the non-essential use of chemical pesticides in homes, gardens or hospitals, within 100 metres of waterways and on recreational facilities, such as parks and schoolyards where kids play, and on golf courses. It would be in place for all chemical pesticides until medical evidence of the given product's safety has been presented to Parliament and approved by a parliamentary committee.

When it comes to the health of Canadians and our children, the onus of proof should not be on the public to prove the products are dangerous but on producers to prove they are safe.

The bill was inspired by the extraordinary work of Victoria's Pesticide-Free CRD movement that advocates the reduction of pesticide use. I encourage it to keep up its efforts as we move in that direction.

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

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**ORGAN DONOR REGISTRY ACT**

**Mr. Malcolm Allen (Welland, NDP)** moved for leave to introduce Bill C-369, An Act to establish the National Organ Donor Registry and to coordinate and promote organ donation throughout Canada.

He said: Mr. Speaker, I think all members of the House understand the severe nature of the lack of organ donation in this country. We really need a national registry to ensure that folks who are waiting for an organ transplant will actually receive it and not lose that opportunity based on the fact that they did not know a donor was available for them because of the lack of a registry.

It is very difficult, obviously, for those families affected to make those decisions, especially the parents of young children. However, when they finally make the decision to do it, it is extremely troubling to know, at the end of all that process, that the transplant did not take place because no one knew the organ was available. That organ could have been used by another young person at that time, perhaps to continue living.

We need a national registry to ensure that all organs being willingly donated will actually find recipients and that both parties, the party that has made the sacrifice and the recipient, will be matched up and we will have a fruitful conclusion to a sad situation in one family's life and a positive one for the other.

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

**Ms. Yasmin Ratansi:** Mr. Speaker, I would like to seek the consent of the House to revert to reports from interparliamentary delegations. I missed one of my reports.

**The Speaker:** Is there unanimous consent to revert to presenting reports from interparliamentary delegations?

**Some hon. members:** Agreed.

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**INTERPARLIAMENTARY DELEGATIONS**

**Ms. Yasmin Ratansi (Don Valley East, Lib.):** Mr. Speaker, pursuant to Standing Order 34(1) I have the honour to present, in both official languages, the report of the Canadian delegation of the

Canadian group of the Interparliamentary Union respecting its participation at the annual parliamentary hearings at the United Nations headquarters in New York, United States of America, from November 20 to 21, 2007.

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**COMMITTEES OF THE HOUSE**

## PROCEDURE AND HOUSE AFFAIRS

**Mr. Joe Preston (Elgin—Middlesex—London, CPC):** Mr. Speaker, if the House gives its consent, I move that the 11th report of the Standing Committee on Procedure and House Affairs presented to the House earlier today be concurred in.

**The Speaker:** Does the hon. member for Elgin—Middlesex—London have the unanimous consent of the House to propose this motion?

**Some hon. members:** Agreed.

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

**Some hon. members:** Agreed.

(Motion agreed to)

\* \* \*

**PETITIONS**

## INCOME TRUSTS

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, pursuant to Standing Order 36 and as certified by the Clerk of Petitions, I am pleased to present yet another income trust petition sent to me by my constituent, Mr. Frank Pike, from my riding of Mississauga South.

Mr. Pike remembers the Prime Minister boasting about his apparent commitment to accountability when he said, "The greatest fraud is a promise not kept".

The petitioners remind the Prime Minister that he promised never to tax income trusts but that he recklessly broke that promise by imposing a 31.5% tax, which permanently wiped out over \$25 billion of the hard-earned retirement savings of over two millions Canadians, particularly seniors.

Therefore, the petitioners call upon the Conservative minority government to: first, admit that the decision to tax income trusts was based on flawed methodology and incorrect assumptions; second, apologize to those who were unfairly harmed by this broken promise; and finally, repeal the punitive 31.5% tax on income trusts.

●(1015)

## VOLUNTEER SERVICE MEDAL

**Mr. Tony Martin (Sault Ste. Marie, NDP):** Mr. Speaker, pursuant to the same Standing Order, I seek permission to present two petitions that have come into my office over the last few months. They are of extreme interest and importance to folks who serve in the interest of the public good in this country. The petitions are in support of the Governor General's volunteer service medal being introduced.

*Routine Proceedings*

The two petitions include a significant number of names of people from Sault Ste. Marie who support the creation of a new Canadian medal, the Governor General's volunteer service medal. It is not a UN or NATO medal, but a Canadian medal.

The petition has been circulating all across Canada and is gaining momentum as many Canadians are happy to see that something is being done to honour many veterans who have never been formally recognized or honoured for their service to our nation.

Since the beginning of March 1947, thousands of young Canadians have served for a number of years in the forces and have absolutely nothing to show for it. This medal would give them something to recognize that the country appreciates their efforts.

SRI LANKA

**Ms. Kirsty Duncan (Etobicoke North, Lib.):** Mr. Speaker, pursuant to the same Standing Order, I am pleased to present a petition from my riding.

The Sri Lankan Tamil seniors of Etobicoke call upon Parliament to urge the United Nations Security Council to send a special envoy to Sri Lanka to find a way to end the killing of innocent Tamil civilians; to rush humanitarian aid to displaced people in the war zone; to persuade the two warring factions, the Sri Lankan government and the Liberation Tigers of Tamil Eelam, to stop the war immediately and to bring them to the negotiating table to formulate a lasting peace solution under the guidance of the United Nations.

CITIZENSHIP AND IMMIGRATION

**Mr. Borys Wrzesnewskij (Etobicoke Centre, Lib.):** Mr. Speaker, pursuant to Standing Order 36, I would like to present a petition signed by over 40 constituents who remain very concerned that the government may proceed to deport the Tabaj family to Albania. This family fled to Canada after an assassination attempt on the life of Mr. Arjan Tabaj. During this assassination attempt, two other people were machine-gunned to death. Since the perpetrators still remain at large in Albania, the deportation of Mr. Tabaj, his wife, Anilda, and their three children back to that country would place in jeopardy the lives of this family.

As a result, the petitioners urge the Minister of Citizenship, Immigration and Multiculturalism to allow the Tabaj family to remain in safety here in Canada.

HOUSING

**Ms. Megan Leslie (Halifax, NDP):** Mr. Speaker, I rise today to present a petition in support of a national housing strategy.

The signatories of this petition are from Antigonish, a vibrant university town in the riding of Central Nova in Nova Scotia. The signatures were collected by Katherine Reed, a well-known anti-poverty advocate from the area.

They are calling for swift passage of Bill C-304, An Act to ensure secure, adequate, accessible and affordable housing for Canadians. They call for an increased federal role in housing through investments in not-for-profit housing, housing for the homeless, access to housing for those with different needs, including seniors and persons with disabilities, and sustainable and environmentally sound design standards for new housing.

Both the signatories and I look forward to the minister's response.

CANADA-COLOMBIA FREE TRADE AGREEMENT

**Mr. Malcolm Allen (Welland, NDP):** Mr. Speaker, I rise today to present a petition on behalf of signatories from across this country who are opposed to the Canada-Colombia free trade agreement. They want it to be put in abeyance until such time as human rights impacts and assessments are carried out and the agreement is renegotiated around the principles of fair trade, which would take environmental and social impacts fully into account while generally respecting labour rights.

As we know, Colombia is one of the most dangerous places in the world for trade unionists and human rights activists. In fact, since 1991, 2,200 of those people have been murdered.

At this time, the petitioners are seeking that the government not continue with the free trade deal with Colombia, that it put it aside until such time as we can guarantee the safety of those workers, leaders and human rights activists, and that it negotiate a fair trade deal, not a free trade deal.

\* \* \*

● (1020)

#### QUESTIONS ON THE ORDER PAPER

**Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC):** Mr. Speaker, the following questions will be answered today: Nos. 35 and 74.

[*English*]

Question No. 35—**Ms. Chris Charlton:**

With respect to the City of Hamilton's legal action against the government over the environmental assessment of the Red Hill Creek Expressway: (a) what is the amount of money spent by the government on this action to date; (b) what is the current status of the legal action; and (c) which documents filed with the court from either party can be accessed by the public and made available?

**Hon. Jim Prentice (Minister of the Environment, CPC):** Mr. Speaker, the Canadian Environmental Assessment Agency has provided the following response:

a) The cost of the work done by the Department of Justice on this litigation up to the end of December 2008 is about \$690 300. Other departments do not track their time so it is not possible to estimate the cost incurred by other federal departments involved in the litigation. However, the vast majority of the cost incurred by the federal government is linked to the work undertaken by the Department of Justice.

b) The current status of the court case and any documents filed by either party are publicly available from the Ontario Superior Court of Justice.

c) At this point in the process, none of the parties has commenced documentary disclosure.

*Business of Supply*

Question No. 74—**Mr. Sukh Dhaliwal:**

With regard to Western Economic Diversification Canada client relations: (a) does the department work from a project based or client based approach for project management related to grants and contributions; and (b) what risk management framework and client relationship management system does the department use, more specifically what are the processes implemented to better serve its clients?

**Hon. Lynne Yelich (Minister of State (Western Economic Diversification), CPC):** Mr. Speaker, Western Economic Diversification Canada, WD, works to improve the long-term economic competitiveness of the west and the quality of life of its citizens by investing in a wide range of initiatives designed to facilitate innovation, promote a competitive and expanded business sector, and support community economic development. The central vehicle to deliver on this mandate is grants and contributions' funding which WD manages using a project-based approach.

In managing projects, WD maintains a well-established risk management framework designed to ensure risks are identified, assessed and mitigated throughout the project development process. The system examines criteria such as materiality, profile, visibility, or reputation, project complexity, threats to and impacts of a project not delivering on results, and financial management. Risk assessments are conducted in the course of performing due diligence on projects, and are an integral part of the overall WD funding process.

While the management of grants and contributions at WD are project centered, WD strives to ensure that the delivery of programming is client focused and regionally oriented. To this end, WD has established programs and initiatives specifically tailored with defined objectives, such as the entrepreneurs with disabilities program, the francophone economic development organizations, and the mountain pine beetle community economic development initiative. Business services and programs are, for the most part, delivered by third parties such as the community futures corporations or the women's enterprise initiative. WD closely monitors third parties delivering services to ensure minimum performance standards are achieved annually.

WD measures client satisfaction on a regular basis through program evaluations, stakeholder consultations, and client satisfaction surveys. The results of stakeholder and client feedback are publicly available on the department's website at [www.wd.gc.ca](http://www.wd.gc.ca).

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[English]

#### QUESTIONS PASSED AS ORDERS FOR RETURNS

**Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC):** Mr. Speaker, if Questions Nos. 73, 80 and 81 could be made orders for returns, these returns would be tabled immediately.

[English]

Question No. 73—**Mr. Sukh Dhaliwal:**

With regard to Western Economic Diversification Canada, what are, in detail, all the projects funded or currently funded which are targeted for Vancouver's Downtown Eastside, from February 2006 up to now?

(Return tabled)

Question No. 80—**Ms. Jean Crowder:**

With regards to requests received by the government to consult with First Nations on projects, programs, policies or plans that impact either inherent Aboriginal rights or treaty rights: (a) since 2005, how many requests has the government received; (b) what was the date of each request; (c) what was the government's response to each of those requests; and (d) what was the date of each response?

(Return tabled)

Question No. 81—**Ms. Jean Crowder:**

With regards to on-reserve school projects, for each year between 1999 and 2009: (a) what projects have finished construction and were ready for occupation; (b) in what federal riding were each school built; and (c) for any of these schools, was there a press release sent out by the government to announce its construction or its opening and, if so, what were the dates of those press releases?

(Return tabled)

[English]

**Mr. Tom Lukiwski:** Mr. Speaker, I ask that all remaining questions be allowed to stand.

**The Deputy Speaker:** Is that agreed?

**Some hon. members:** Agreed.

## GOVERNMENT ORDERS

[English]

### BUSINESS OF SUPPLY

#### OPPOSITION MOTION—FINANCE

**Mr. Glenn Thibeault (Sudbury, NDP) moved:**

That, in the opinion of the House, the government should take action to protect consumers who are particularly vulnerable in tough economic times; and therefore, this House calls on the government to introduce, within 6 months, comprehensive legislation, similar to the Credit Card Accountability Responsibility and Disclosure Act of 2009 introduced by the Obama Administration in the United States, that would: (a) protect consumers from "any time, any reason" interest rate increases and account changes; (b) prohibit unfair application of card payments; (c) protect cardholders who pay on time; (d) limit abusive fees and penalties; (e) prohibit issuers from using a consumer's card history with another creditor to raise interest rates ("universal default" ban); (f) prohibit issuers from charging interest on debt that has already been repaid; (g) ensure that cardholders are informed of the terms of their account; and (h) protect young consumers from aggressive credit card solicitations.

He said: Mr. Speaker, I will be splitting my time with the hon. member for Welland.

It is with great enthusiasm that I present this motion to the House for debate. The motion is a call for the introduction of a credit card accountability, responsibility and disclosure act.

*Business of Supply*

The motion calls for immediate government action to protect consumers already hit by this recession from sky-rocketing credit card interest rates and fees.

The motion would introduce legislation similar to Obama's credit card accountability, responsibility and disclosure act 2009.

The New Democrats want the government to take action to protect consumers and small businesses from these confusing, misleading and predatory practices. New Democrats have always stood up for middle class families and small businesses, both groups who are suffering most in this economic downturn and with the current credit card practices.

The motion lays out an eight point plan that would protect consumers from the gouging they have endured over the last little while.

The first point of this proposal is the protection of cardholders from any time, any reason interest rate increases or account changes. The Canadian Community Reinvestment Coalition has repeatedly called on credit card companies to demonstrate that rate hikes are justified. In the Canadian regulatory framework no such requirement is in place.

We are not advocating that banks make public proprietary information that is part of a competitive marketplace, but we want a regulatory framework with teeth that can ensure effective protection through a process of independent auditing against arbitrary gouging.

Another point of the motion is to prohibit unfair application of card payments. Credit card issuers frequently offer short-term, lower rates to entice consumers to transfer credit from a competitor to credit cards they have issued. In the short-term this represents a savings. The problem is in the fine print and the short-term rates disappear quickly.

Further, as purchases are made customers will find that rates are applied differently within their account. Currently, the customer cannot choose to pay down credit with the highest rate. We are calling on the government to protect consumers by ensuring they have the choice that best suits them.

Credit cardholders who pay on time need to be protected. I have been hearing from people all across Canada who are outraged that even when they have a spotless credit history, they are getting hit with big rate increases.

A man from Victoria, B.C., has been a credit cardholder with a certain bank for over 20 years. Earlier this year he received a letter from his bank outlining important changes to his account. In the letter it stated that as of a little over a month later his interest would increase. This man was quite confused and rightly upset by this as he felt like he was being punished with an increase in the interest rate when he had done nothing wrong and there was nothing wrong with his credit. In fact, it was excellent.

This man, like hundreds of other Canadians, had done nothing to breach his agreement with his credit card company but was still being hit with a higher rate. The motion also calls on the government to limit abusive fees and penalties charged by credit card companies.

Credit card companies gouge consumers with many unreasonable fees and interest. They can charge over limit fees over and over again during one billing cycle. Also, we have examples of credit card companies enticing customers with an introductory 1.9% interest rate which can jump to almost 25% in two months should cardholders be even a day late on their payment.

We also want to prohibit card issuers from using a consumer's card history with one creditor to allow for interest rate hikes on another. Credit card companies can increase interest rates and terms for reasons unrelated to a card holder's behaviour on that card.

For example, if my neighbour pays his gas bill late, his credit card company can raise the interest rate on his credit card. Even if he is a day late, it could result in an interest rate hike without the card holder knowing.

● (1025)

How can these billion dollar companies justify hiking interest rates on a cardholder who is one or two days late on a payment by an additional 6% in some cases? I have heard of cases that hiked these rates even more.

If I get my credit card bill this month, and let us say this bill is about \$1,000 and I pay \$800 toward this bill, the next month the interest I am paying will be calculate on the \$1,000, not the \$200 remaining. Only in June would I pay interest on that \$200 as long as I did not put more expenses on the card.

Our motion calls on the government to prohibit issuers from charging interest on debt that is already paid. This is unfair and gouges consumers even further.

This motion also calls for ensuring cardholders are informed of the terms of their account. Most consumers are unaware that these new premium cards that are being sent to them, unsolicited in many instances I might add, are reducing the already small margins of profits made by local and small businesses. With charges of up to 4% on the total price of the sale instead of a flat transaction cost, businesses on the brink are being pushed closer and closer to the edge.

Our motion would ensure that cardholders are informed of the terms of their account and that it costs merchants more when using premium cards.

This motion also calls for the protection of young consumers from aggressive credit card solicitation.

*Business of Supply*

I have too many examples of students who work part-time jobs and are juggling minimum wage jobs who are being aggressively pursued by credit card companies to sign up for credit cards. These students need protection from the predatory practices of credit card companies that run aggressive mailing and marketing campaigns on their campuses.

Right now the average Canadian student debt among those who borrow and graduate from a four year program is already \$22,700. Credit card debt will only further burden these students.

Canada is not the only country focusing its attention on this issue. Renewed effort by governments in the United States and recent action in the European Union illustrate a global push to hold credit card companies to account for their fee practices. It is time our government focuses its attention on this matter as well.

In a poll conducted by the Canadian Federation of Independent Business, one in five consumers reported receiving unsolicited premium cards which come with higher interest rates. The majority of those who receive these high interest cards were the poor, elderly and least educated.

We cannot count on credit card companies to police themselves or to be concerned about the most vulnerable. That is our job. It is time government stepped in to help families in these tough times, which is why I am pleased to table this motion today in the House.

• (1030)

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I am pretty sure that today hon. members will be able to share their concerns about what is happening in the credit card industry.

With regard to the motion before us, I wonder if the member could advise the House of the parallels between what is being proposed in the motion and the Obama actions taken. As well, could he assure the House that under point a) in the motion where it refers to “protect consumers from ‘any time, any reason’ interest rate increases and account changes”, it is presumed that these account changes would in fact be abusive or unfair changes as opposed to any changes? I would only assume that such legislation prescribing that there be no account changes would be counterproductive.

**Mr. Glenn Thibeault:** Mr. Speaker, unfortunately I have a faulty headpiece at the moment and I did not hear the question in its entirety. I am going to switch the headpiece and hopefully the member can ask the question again, if the Speaker would allow that.

**The Deputy Speaker:** Nobody else is standing up, so briefly.

**Mr. Paul Szabo:** Mr. Speaker, briefly, there are two points.

One is with regard to the provisions in the Obama changes in the United States, and whether they are fully reflected in the motion before us.

Second is with regard to item (a) in the motion, which reads, “protect consumers from ‘any time, any reason’ interest rate increases and account changes”. It would appear that the intent of the motion could be interpreted that there be no changes permitted, whereas I would think the intent probably was that there be no account changes which would be adverse to the consumer.

**Mr. Glenn Thibeault:** Mr. Speaker, it is a great question and I am glad I was finally able to hear it.

Regarding the Obama administration's Credit Card Accountability Responsibility and Disclosure Act, we are reflecting very similar plans that we want here in Canada. We want to see how we can protect our consumers.

What we are talking about in item (a) is protecting consumers from any time or any reason interest rate hikes or account changes. We have seen many examples, and I mentioned a few of them. We have seen letters from individuals right across the country who are saying that they signed up for a credit card at an 18% interest rate and all of a sudden they were told that the account changed and they would be paying a 26% interest rate.

We want to ensure there are no account changes and no interest rate hikes that these the companies could do for any reason. I do agree with the hon. member.

• (1035)

**Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC):** Mr. Speaker, I listened very intently to the speech of my hon. colleague from Sudbury.

There was one thing that I would like to clarify. At the very beginning of his speech, he referred to the fact that members of the NDP have stood up for Canadians. We put provisions in budget 2009 that actually pre-empted a lot of what is suggested in this motion that this government should do. I cannot help but wonder why on earth his entire party voted against that. To their credit, the Liberals understood the value that was in our economic action plan and supported it. That is going forward. The money is going out for infrastructure.

There is one comment that I would like to ask the hon. member to clarify. He suggested that there is interest charged on credit cards even when they are paid off on time. I do not think that is an accurate reflection, but maybe I did not hear accurately what the hon. member said.

**Mr. Glenn Thibeault:** Mr. Speaker, first, what was in the budget was just more information about what is on the back of a credit card bill. There was no true legislation to protect consumers and that is why we are debating this motion today.

In relation to the parliamentary secretary's question, I was using the example of my own credit card bill. If I had a credit card bill of \$1,000 and I paid \$800 of that, \$200 would be remaining. I would have to pay the interest on the \$1,000, not on the \$200. We want to see limits that prohibit that type of gouging.

**Mr. Malcolm Allen (Welland, NDP):** Mr. Speaker, I would like to thank my hon. colleague from Sudbury for his leadership on this issue. He has been front and centre on this issue for quite some time. If my memory serves me correctly, he has asked quite a number of questions of the Minister of Finance about this very issue and the minister's response has been that he would write a letter. The Conservatives' action plan probably contains a copy of that letter. Clearly we want to see action on this critical issue of credit cards and the usurious fees and interest rates that Canadians are suffering under, not just this year when there is a huge economic downturn in the economy, but in the years leading up to it.



*Business of Supply*

Credit card interest rates pushing 20% are painful at the best of times, but they are simply outrageous when people are losing their jobs and facing real hardship. People in my riding of Welland are being hard hit by this recession. Soaring interest rate charges are trapping more and more families into a cycle of poverty. In times like these, hard-working families can quickly find themselves running credit card balances just to make ends meet. Unfair interest rates can blow that balance into a major financial burden that is extremely difficult for families to crawl back from, especially when people are losing their jobs or having the door to employment insurance slammed shut by the government's refusal to make the changes necessary for them to access the money they paid into that insurance program which was originally set up for that exact purpose.

Today Canadian households owe a staggering \$300 billion on credit cards and other high interest debts. That kind of debt can entrap the most hard-working families. One alarming result is that the average savings rate has dropped from 20% in the mid-1980s to barely 2% today. That is not nearly enough to retire on. The NDP is committed to renewing our call to cap credit card rates at five points over the prime rate in good times and indeed in bad. That is fair and affordable for the average family.

As has been touched upon, in the U.S. the new Obama administration has announced plans to protect consumers from unfair credit card practices. It is time for the Conservative government to be committed to protecting Canadians also.

I say that in the context of my region, which has the second highest unemployment rate in this country. Folks are using their credit cards to buy food. Quite a number of years ago we could not use a credit card at the grocery store. In fact, the best we could do was write a cheque, but in this day and age of plastic, most places do not want a cheque; they want a credit card. Folks are actually going to grocery stores to buy the essentials and necessities of life and they are using a credit card that they know has a balance with an interest rate that is simply driving them further and further into debt. They end up potentially being trapped in a cycle of poverty.

When I think about that, I have never used a credit card in the grocery store, but I have used it numerous times at major retailers. I have had that credit card for some 20 years. Like many other Canadians, I received a notification out of the blue that told me my credit card interest rate was going to be increased by 2.5%. There was no reason given. It was not that I had not paid my bill on time, or was late, or carried a balance forward for too many months. In fact, I do not carry a balance on that card and never have. Before that, I had been told by that company that I was one of its preferred customers because indeed I paid my bill on time. Now I am about to be penalized because I pay on time. It seems that when it comes to credit cards, we get penalized when we do not pay on time and we get penalized if we do pay on time.

In yesterday's press, Bank of Canada Governor Mr. Carney talked about where he thought he would see the Bank of Canada interest rate in the foreseeable future. I believe that the inter-bank rate is less than 1.5%, and the prime rate is somewhere around 4.5% depending on whether one is a preferred customer. Yet we see credit card rates at all-time highs of 19.5% to 20%. We understand there has to be a spread between the prime rate and the retail rate, but clearly when there is a spread close to 15% or 16% and in some cases 19% or 20%

for a retail credit card, that really is usury. It used to be in this country that those types of rates could not be charged, that it would be loansharking.

• (1040)

It seems to me that if we do not rein them in, we may want to call credit cards something else. They should be called debt cards, because that is what they trap folks in. They trap them into a cycle of debt. It is not about extending credit to people; it is about hooking them.

The credit card companies, through the banks and the other major financial institutions, have done a great job of ensuring that people get a card. The hon. member for Sudbury talked about how they trap young people. I have kids who are young adults now. They have grown up and have gone to university. They got their first credit card in the mail, unsolicited, just as they were about to leave high school. The cards showed up at our address, one after the other, for the three of them. I have twins who were born only three minutes apart. They got their cards on the same day. They did not ask for one. The cards did not come from the financial institution where they had their meagre savings accounts. It was not even their financial institution that sent them the credit cards thinking they might like to have a credit card. It was an altogether different institution that did not know them, but knew they were young people. The note that came with the cards indicated that as they head off to post-secondary education they may need a credit card. I would say that they did not need a credit card. What they needed was a good summer job to pay for that education.

Clearly, these companies have hooked young people, and they have hooked old people, in the sense of mature people like me, into using credit cards for their everyday existence. People are building up balances on their cards which at one time would be unthinkable. At one time, most folks had meagre amounts owing on their credit cards. Purchases were for \$50, \$60 and \$70 at a time. Now they are in the hundreds of dollars. This convenience card, as it started out to be, is now portrayed as a need, that we need to have one in our lives because if we did not have one, we would not be able to do the things we should be doing and purchasing the things that we need to have in the lives we lead in this society. Financial institutions have been given that ability to continue to hook consumers, to have them believe that the cards are absolutely essential.

For a long time my mother never had a credit card. She was in her fifties before she had one because she did not think she needed one. She thought she should just pay cash. She came from an era in which people paid cash for everything. She actually went to a store where she was encouraged not to pay with cash, but to pay with a credit card. When she said she did not have one, the store said it could get one for her, and the cycle begins.

*Business of Supply*

In my estimation, there is not a real need to see that cycle continue in that form. We need to ensure that we limit the ability of the financial institutions to dangle that bait of convenience that really becomes the trap of high interest rates, and poverty for some, and a debt load that is now unmanageable for a great many Canadians across the country.

I am sure the banks are going to argue that these are really tough times and there are a lot of folks defaulting on the balances of their credit cards. Of course they are. If the banks had not driven the interest rate up to 19.5%, but had kept it at a reasonable rate, which would be somewhere around 9% to 10%, in fact people may have been able to handle the debt load, and perhaps eventually paid it off. What is going to happen is that debt is certainly going to accumulate.

As my colleague mentioned, yes, interest is paid on the \$1,000 even if a payment of \$800 has been made. It is in the fine print, and I defy anyone to try to read that fine print without a magnifying glass. Mr. Speaker, I know I am not supposed to demonstrate, but they are my glasses, and what I do with mine is that I actually move the bad lens over the good eye so that I actually can read that fine print because it is that difficult, even for me.

Ultimately this is about the protection of consumers who are saying to us that they are stuck, that they need our help. They have tried to negotiate. They have tried to argue. They have tried to get out from underneath the interest rate trap they are in with the credit card companies and financial institutions and the institutions will not let them out. We need to help those Canadians. I sincerely hope the members of this House will support this motion and make sure that Canadians, consumers, families, young people across this country, can get out from underneath the trap of credit card debt.

• (1045)

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, the issue of the spread in rates between what is charged by credit card companies and what the other traditional rates would be has been mentioned a couple of times now.

The member may very well remember that when a credit card was used many years ago, the merchant pulled out a pad of onion skin paper and flipped through the many columns of defaulted cards, and the costs had to be borne. The member would probably concede that there are some mitigating explanations.

I want to ask a question about one other feature of credit cards. If we are to address consumer spending and fairness, the member knows that credit card companies do not permit merchants to give cash discounts. In my view that is part of the problem, as the member said, of hooking people to credit card usage. There appears to be some latitude here.

People want to spend what they can afford to spend. To get a discount on the price for a cash payment would also be an interesting proposition to look at to amend the regime under which credit cards operate.

**Mr. Malcolm Allen:** Mr. Speaker, I remember the onion skin paper. In some stores in small towns in Ontario, especially where I come from, we still see that onion skin paper.

There was a list of defaulted cards at one time and there was a fee. I suggest that the fee the credit card companies charge small

businesses is overblown. If we let them creep into the debit card market, that fee will go even higher. Owners of small businesses in my riding tell me not to let this happen. They tell me that we need to talk to the credit card companies to ensure the fees are kept down, and we need to continue do that.

My hon. colleague is also right about the fact that at one time if people paid \$10 or \$20 in cash, they would receive a discount. Back then they were asked by the retailer if they wanted to pay cash or use credit. It was a phrase often heard at retailers and a discount was given for cash because retailers knew the cost to them.

That really is the hook. Not only have consumers been hooked, but so have businesses, to the point where people really do not want to deal with cash or cheque. They want to deal with plastic because it is easier to do transactions that way, yet we do not see a reduction in the cost to us because of the ease of the transaction.

It is all done electronically. As my colleague said, the onion skin paper is not seen any more except in a few places that I happen to visit. It is amazing technology. People can go here or there and yet they do not get the benefit of the reduced cost that the big financial institutions receive. That is a shame and it should be reversed.

• (1050)

**Mr. Glenn Thibeault (Sudbury, NDP):** Mr. Speaker, the member talked about the unemployment rate in his community.

As the consumer protection advocate for our party, people across the country have contacted me with their concerns about credit cards. One thing I have heard loud and clear is the fact that unemployed individuals use their credit cards, as I would say taking from Peter to give to Paul, while they wait for EI or for something else so they can ensure they put food on their table.

Could my colleague explain to me the impact this has on his constituents who need to use credit cards? What financial implication does this have on their families when the interest rates are skyrocketing?

**Mr. Malcolm Allen:** Mr. Speaker, in a nutshell, we are seeing increasing poverty in my community. Poverty in my region is higher than the average in Ontario, and it is going up not down.

With the crisis before us, we know the poverty rate will simply go higher. The type of debt load that those folks have to carry just means they will be in poverty that much sooner, that much longer, which will be that much more of a hardship for them.

**Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC):** Mr. Speaker, I appreciate the opportunity to provide the response on behalf of the government to today's motion.

I have to express disappointment at some blatant errors in the wording of the motion. Specifically the text mentions that Canada should adopt legislation similar to the credit card accountability, responsibility and disclosure act of 2009, introduced by the Obama administration in the United States. The NDP's push for Canada, which has the strongest banking system in the world, to junk its banking system model for that of another country is odd at best.

*Business of Supply*

I suggest the NDP listen to the words of Paul Volcker, chairman of President Obama's economic recovery advisory board. He envisions a U.S. banking system that, "Looks more like the Canadian system than it does like the American system". Better yet, I suggest the NDP listen to the words of President Obama, who stated:

—one of the things that I think has been striking about Canada is that in the midst of this enormous economic crisis...Canada has shown itself to be a pretty good manager of the financial system in the economy in ways that we haven't always been here in the United States. And I think that's important for us to take note of...

I would like the House to note that the credit card accountability, responsibility and disclosure act of 2009 was not introduced by the Obama administration. This is not some point of debate; it is a fact. It is a fact that is pretty easy to verify. Those at home watching and are near a computer should take a minute to Google it. They will find the act was introduced by the senator from Connecticut, Christopher Dodd. Mr. Dodd is not a member of President Obama's administration.

I also did a little research, and by "little", I mean about five minutes, which the member for Sudbury could have and should have done. I quickly discovered that Senator Dodd first introduced the bill in the 108th Congress on July 22, 2004. I believe he has reintroduced it every congress since. I do not have to Google to remember that it was not the Obama administration that was in power back then, but rather it was the Bush administration.

How and why is the member for Sudbury claiming a proposal that a Connecticut senator first introduced in 2004 during the Bush administration can now be called an initiative of President Obama's administration? It was not and it cannot be. It was just some sloppy research that is unbecoming of Parliament.

In essence, what we are debating today is basically an American senator's private member's bill. The senator informs us:

This bill has the support of a wide array of consumer advocates and labor organizations, including...Connecticut Public Interest Research Group, the Connecticut Association for Human Services...the National Council of LaRaza, the Service Employees International Union, and the U.S. Public Interest Research Group.

Indeed, Senator Dodd is pretty adamant that this bill, "Is what the American people and the people of Connecticut are demanding".

I bet people are wondering what all that has to do with Canada. Luckily for the Parliament of Canada and the people of Canada, according to the logic behind today's NDP motion, all of Senator Dodd's colleagues in the Senate who he mentioned, along with those American-based consumer advocates and labour organizations as well and the people of Connecticut, were kind enough to consider the impact and the effects the bill would have on Canada. This would be funny if it were not actually being debated in this Parliament in Canada.

Clearly, I suggest for the member for Sudbury that Senator Dodd and company did not talk to Canadians about his bill, and that means this bill was not designed for Canada's superior financial system.

Some will suggest that does not matter, that it is the broad intent of the proposals in the bill that matter. I respectfully disagree. I think it does matter. Canadians did not send us to Parliament to merely copy and paste legislation from another country, as much of a great neighbour as that country may be. Canadians want their elected

representatives and their federal government to develop legislation that takes into account their needs.

• (1055)

With all due respect to the Connecticut Public Interest Research Group and the Connecticut Association for Human Services, relying on consultations done with the groups that operate in different counties does not and cannot accurately reflect the needs of Canadians.

The motion is especially jarring because it essentially discounts and ignores committee hearings that are taking place or are about to take place in Canada's House of Commons and in the Senate and the recommendations or suggestions that those hearings could provide and replaces these with a made in Connecticut proposal. I would suggest that it is ill-advised to buy legislation off the shelf.

However, what can one reasonably expect from the NDP? When it comes to reflecting the needs of Canadian consumers and investors, the NDP members have gone beyond simply failing. They have been missing in action. They clearly have not been doing their homework. They have developed a pattern of voting against every major initiative that this government has brought forward to protect consumers, improve financial literacy or to help investors.

The most obvious example is today's motion, which claims the NDP wants legislation introduced to allow the government to protect credit card consumers. In fact, we already did that and the NDP voted against it.

Specifically, our economic action plan announced that our Conservative government would enact regulations to strengthen the disclosure requirements for federally regulated financial institutions that issued credit cards. This would allow consumers to benefit from clearer and simpler summary information on credit card application forms and contracts and from clearer and more timely advance notice of changes in rates and fees.

Catherine Swift, president of Canadian Federation of Independent Business, appearing before a Senate committee, lent her voice in support of such a change, explaining:

Who reads fine print? My son recently had a card. He hates it when I look into anything because it drives him mad, but I found out that he was paying 25-per-cent interest. I told him to cut the card up immediately...

That is one reason why we saw recommendations in the federal budget for consumers to be better educated on financial matters, and for more proactive dissemination of this kind of information. When consumers receive a long document with small print accompanying their credit card, I would argue not many people are looking out for their own interests. They end up paying a lot more money than they need to.

We are not done, though. We will also enhance consumer protection by limiting business practices that do not benefit consumers. For example, we will require a minimum grace period on new purchases made with a credit card and move to improve the debt collection practices of federally regulated financial institutions.

*Business of Supply*

As I mentioned, the changes that were proposed in the budget were significant. They were developed in Canada in response to needs and concerns of our Canadian market and applauded by public interest groups based in Canada, groups like the Public Interest Advocacy Centre, which noted “reaction to the fact the government is moving in this direction is a positive one”.

Again, did NDP members support any of these measures to protect consumers? No, they voted against them, a vote of opposition that they have yet to explain to Canadians. However, it does not stop there.

The pattern of opposition continues and extends to improving financial literacy to ensure Canadians have the knowledge to make informed financial decisions. Financial literacy, the ability to understand personal and broad financial matters, to apply that knowledge and assume responsibility for one's financial decisions, is becoming an increasingly vital life skill for Canadians.

We had recognized from the start of our government, and we have been actively supporting initiatives to improve it since.

Starting in budget 2007 and carrying on into budget 2008, our Conservative government made investments in new funding into the Financial Consumer Agency of Canada. I encourage all Canadians to visit its website at [www.fcac.gc.ca](http://www.fcac.gc.ca). This is very important in helping to improve financial literacy in Canada, but both times the NDP voted against that funding. The pattern continues.

• (1100)

In budget 2009 we made a decision to build on those previously mentioned investments by committing to an independent task force to work towards a national strategy on financial literacy. The task force will include representatives of business, education, volunteer organizations and academics and will be supported by a federal secretariat. I note for the member for Sudbury that this initiative, along with our government's broad efforts to improve financial literacy, was in fact praised by a member of the Obama administration.

Let me quote John Hope Bryant, vice-chair of President Barack Obama's advisory council on financial literacy, who said:

[The Prime Minister's] government has taken some important steps in this direction [of improving financial literacy].

In 2007, his government mandated that the Financial Consumer Agency of Canada begin addressing financial literacy matters. Funding was provided in the subsequent federal budgets.

However, in fiscal 2009, the Canadian government[']s...commitment to form an independent, multi-sector task force to develop a national strategy on financial literacy is the first step in a process that could help Canadians make better financial decisions.

He continued further:

It could also help Canadians better weather the economic storms that will inevitably blow through the global economy from time to time.

Again, despite the obvious benefits of such an initiative, the NDP voted against it. This appears more like the anti-consumer protection agenda of the NDP.

We see this also in the lack of support of a new national regulator to support consumers or investors of securities. This is an issue that many people often do not understand at first glance, but as it is

explained they quickly understand why improving Canada's securities framework is so vital.

We are an investing country, plain and simple. Canadians own RRSPs, equities, mutual funds and other investments. These nest eggs represent Canadians' financial future. However, investors in Canada are not protected to the degree that they deserve. Canada is the only industrialized country without a national securities regulator. Instead we have a patchwork of 13 separate securities acts and regulators, with no coordinated enforcement to maximize investor protection.

In the words of the National Union of Public and General Employees, an organization often aligned with the NDP:

Canada is practically the only advanced country without a national securities regulator. Instead, the regulation of corporate fraud and insider trading is left to ineffective provincial securities commissions, each seeming to vie with the others for the title of the weakest sheriff in town.

Another prominent organization that often sides with the NDP, the Canadian Union of Public Employees, has also declared that “Canada's securities...regulators have a dismal record...Canadians have been embarrassed...that regulation and enforcement of securities crime in Canada is so weak”.

No wonder people like Erin Weir, the United Steelworkers economist, has noted that he is “quite supportive of a national securities regulator...I do think it would be good to have”.

They understand that an improved, national regulator would strengthen both regulatory and criminal enforcement by focusing accountability, improving allocation of resources, and ensuring consistent sanctions and enforcement priorities.

No wonder the IMF declared:

Canada is currently the only G7 country without a common securities regulator, and Canada's investors deserve better.

Our Conservative government agrees with that, that Canada deserves better, and has been aggressively working on establishing that national securities regulator.

Where does the NDP stand? We guessed it. The NDP members continue in their pattern of voting against protecting consumers. What is worse, they seemingly have blinders on. They have demanded in a House of Commons vote that our government immediately abandon even considering the idea.

The NDP finance critic, the member for Outremont, ignoring the pleas of the labour organizations that I just spoke of, claimed Canada's patchwork system was “working fine”.

• (1105)

Let us review today's motion that is before us.

*Business of Supply*

The NDP wants to abandon Canada's banking model, ignore Canadian parliamentary committees currently undertaking studies on this issue, and adopt a Connecticut senator's private member bill from 2004 that they incorrectly believe was introduced by President Obama. All the while, the NDP continues to oppose every single initiative we have introduced to protect consumers and investors and to improve financial literacy.

I will let that record speak for itself and finish by quoting my dear colleague on the finance committee, the esteemed Liberal finance critic from Markham—Unionville, who said:

The fundamental point about the NDP is that those members do not understand economics. They never understood economics and they never will understand economics. In effect, the NDP is mired in a time warp in the 1960s...It has no vision...and no clue...which is why that party will remain a marginal protest party... The vast majority of Canadians want nothing to do with a party of economic Luddites, which is why that party is marginal, why it will remain marginal and why it is not taken seriously by the people of Canada.

**Mr. Glenn Thibeault (Sudbury, NDP):** Mr. Speaker, I am glad I can put two words together after those last few comments. I also want to thank the hon. member for giving me some research tips on how he found out about this bill. It is also talking about what we can do in Canada for Canadian consumers. I am going to offer some research tips to my hon. colleague.

Instead of googling, I suggest he maybe take a walk down Wellington Street to the Rideau Centre and talk to consumers who are paying with their credit cards and then realizing that they are being gouged with a 25% interest rate when they have to pay their bill. How about taking some research down to the local food bank and seeing families that are having to use the food bank because they are unemployed? Right now, their credit cards are maxed out as well because they do not have EI coming in. We talked about EI problems here earlier. That is some of the research I would like to see the hon. member doing as well.

In terms of being specific, I wonder why the hon. member has targeted consumers as being at fault for using a credit card and having to pay a high interest rate, that they should know better. Increasing the font from 12 to 14 is not giving anyone any more information. Maybe he can explain why his government seems to think it is consumers, not credit card companies, who are at fault for skyrocketing interest rates.

• (1110)

**Mr. Ted Menzies:** Mr. Speaker, earlier today I asked the hon. member for Sudbury if I heard him correctly when he suggested that interest was charged on credit cards even if the payment was submitted on time. Again he is assuming that all Canadians default on their credit cards. That is not a fact. The majority of Canadians pay their credit cards off on time.

However, our concern, as I referred to in my speech, is that we need to improve financial literacy in this country so that all Canadians understand that when they accept a credit card, there is a responsibility that comes with that card, as there is with anything. I am not sure whose fault it is, but we as legislators need to make sure we provide that education for Canadians so they understand that they do not have to possess a credit card that carries a balance at the end of the month.

If they are credit-worthy customers, they can go to their bank and get a line of credit. There is a charge because that is a service provided by our financial institutions.

One still needs a credit card to book a hotel room and flights. We understand that credit cards have become a piece of our lifestyle, but we do not have to pay interest on them.

There is some responsibility that comes with accepting a card. I agree with the hon. member that there needs to be more understanding. There needs to be more clarity, and that is exactly what we put in budget 2009: the ability for the Minister of Finance to increase financial literacy and make sure we have plain and simple information that goes out with that card so that people understand what their liabilities are and what the value of having that card is.

That is what we need to do. We do not need to overregulate Canadians to take away an option for access to financing and credit if individuals wish to use that. In this time of recession, we need to make sure that we provide every way we can to make sure that Canadians can continue to receive the financing they need to run their daily lives.

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, the parliamentary secretary certainly is correct in terms of public education, but that education, in my view, should also include information about how serious this problem has become. People are hurting. An hon. member earlier referred to the hook to draw people into this game and to suggest that a minimum payment is okay, not realizing that there is interest that the next month becomes compound interest, et cetera.

The parliamentary secretary, to get to the point of the question, is assuring Canadians that there are provisions in the budget so that the finance minister has the tools to do certain things. However, we have not heard or seen anything yet. Maybe the parliamentary secretary could assure Canadians that the government is in fact going to take action on this and do all the things he said would be done, before the end of the year.

**Mr. Ted Menzies:** Mr. Speaker, that is a good question. We have been working very seriously at this. We are putting in place, soon to roll out, the panel we were referring to that will provide advice not from Connecticut, not from the Obama administration or some other administration, advice for Canadians on how we need to improve literacy and awareness of the responsibilities that come with possessing a credit card.

I need to raise another topic that I did not have time to address in my speech: the fact that, before the budget, we went out and communicated with Canadians and asked them their opinions and what they needed in the budget. We heard back from one opposition party, but unfortunately, from the Liberal Party and the NDP we received no suggestions.

• (1115)

**Mrs. Joy Smith (Kildonan—St. Paul, CPC):** Mr. Speaker, I would like to thank the parliamentary secretary for his very insightful speech. I have some questions.

*Business of Supply*

Education is very important. Constituents in my riding of Kildonan—St. Paul have complained about the use of credit cards. People were surprised, because they did not have the education. Could the parliamentary secretary please expand on some of the financial products that consumers will be made aware of in a very clean, concise manner, and the roles and responsibilities of the Financial Consumer Agency of Canada and the impact that will have on consumers' daily lives?

In this busy world, I find that people need three or four seconds of education on some things because they are so busy running from place to place with all their roles and responsibilities as family members. This is extremely important. The financial literacy aspect of making sure constituents are aware of the financial products and what they are getting themselves into when they get a credit card is of paramount importance.

**Mr. Ted Menzies:** Mr. Speaker, I would like to take one moment to congratulate the hon. member for Kildonan—St. Paul for the hard work she has done on human trafficking and the passage of that private member's bill yesterday. We applaud the hon. member.

Let me refer to a couple of the items that were in budget 2009 specifically to do with consumer protection. As part of this process, we are planning on improving the disclosure requirements for credit cards, and limiting business practices that are not beneficial to consumers. Rather than going through this long-drawn-out motion from Connecticut today, we have actually stepped forward with what we feel is a much stronger, less regulatory and onerous process than what the NDP would suggest.

With regard to limiting business practices to only those that are good for consumers, we have already put in place the necessary legislation.

If I could speak very quickly to the Financial Consumer Agency of Canada, it is an unknown agency to most of us. It is very beneficial and I would encourage all Canadians to go to the website. There is great information there with which people can help protect themselves.

**Hon. John McCallum (Markham—Unionville, Lib.):** Mr. Speaker, I would like to share my time with my colleague, the hon. member for Nipissing—Timiskaming.

I noticed that my colleague, the parliamentary secretary, quoted some rather negative words from me on the NDP about Luddites or never knowing economics. I guess I cannot deny having said them but they sounded a little bit harsh. I am sure I had equally harsh words for the Conservatives.

However, I should at least clarify to the House that if I said those words about the NDP not understanding economics or being Luddites, those words were not intended to be directed to the provincial wing of the New Democratic Party, but solely to the federal wing, because the fact of the matter is that over the past decades, the NDP provincially has gained power and some provincial NDP governments have been very good. In fact, they have been rather like Liberal governments. We think of Gary Doer and Roy Romanow, excellent leaders with excellent economic policies.

Therefore, the ignorance on economics and the Luddite nature of thinking is limited to the federal branch of the party, and partly that is because the party has never had power. It is kind of circular. They have never had power so they are Luddites, and they are Luddites so they will never have power.

That being said, I would indicate that notwithstanding my comments toward the NDP, which were meant in a good spirit, the Liberal Party will nevertheless be voting in favour of the NDP motion.

It is not as if we agree with every word. In fact, much of it is misguided and much of it seems to rest on the false assumption that Canada is the same as the United States and that every problem in the United States, especially now that President Obama is in charge, is exactly the same and has the same solution in Canada. I can tell members that, as one who has worked in the banking sector for a little while, the Canadian banking system is radically different from the U.S. banking system, so solutions that are appropriate for the U.S. are not necessarily appropriate at all for Canada.

I suppose that is a quibble because we do think there are major issues and the NDP is raising some of these issues in its motion. There are issues surrounding credit cards, on interest rates, on information disclosure and on fees. We believe there needs to be greater clarity for consumers, more proactive disclosure, and greater protection for Canadians. Some of the issues are clearly important and we do think that some actions are needed.

● (1120)

[*Translation*]

That is why the Liberal Party has assumed the lead role with respect to inquiries before parliamentary committees, that is, not only the Senate committee but also the House of Commons standing committees on Finance and on Industry, Science and Technology. We will therefore hear the witnesses, examine testimony and reach our conclusions from those procedures. We shall see what the witnesses have to say.

[*English*]

However, we do know at this point that there are many complaints out there about the credit card system. We think a number of those are likely to be justified, so we in the Liberal Party have been pushing for the issue to be heard before parliamentary committees in both the Senate and the House. We will be listening to those witnesses with interest and based on that information draw our own conclusions.

Let me say a few words about why the American system is different from the Canadian system and why the measures that may be appropriate for the United States may not be appropriate for Canada. Canada has been characterized by our national banking system for many decades, whereas the United States has been characterized by a more dispersed banking system. Study after study has shown that credit card spreads and other spreads are indeed higher in the United States. Delinquency rates are higher in the United States.

*Business of Supply*

Canada has not had the same kind of subprime mortgage crisis. It has to some degree, but not nearly to the same degree as in the United States. In particular, our banks did not extend credit and get into complicated or risky derivatives, subprime mortgages to nearly the same degree as was the case in the United States, so it is largely for those reasons that our banking system has not been hit with insolvency and loan losses in the trillions of dollars, which we in this country have not seen.

I should also point out that the Conservatives cannot claim credit for the solidity of the Canadian banking system. I would argue that part of the explanation was the decision of the Chrétien government not permit mergers. Another part of the explanation is that we have had stronger regulation over many decades than was the case in the United States. So for all of those reasons we are fortunate to have a solid banking system in this country which, while certainly not universally loved, has performed much better than in the United States.

I say that to provide a little bit of perspective, but at the same time we are supporting the motion. We believe there are significant problems in the credit card sector that have to be addressed and that is what we Liberals are doing along with other parties. In committees we will be hearing witnesses, examining possible abuses, examining the possible need for greater clarity for consumers, greater protection for Canadians and proactive disclosure.

While we do not support every item in this NDP motion, we can support the spirit of it for the reasons I have given and for that reason the Liberal Party will be supporting the motion.

• (1125)

**Mr. Malcolm Allen (Welland, NDP):** Mr. Speaker, I thank my hon. colleague for his comments this morning and indeed deciding to become a Luddite since he has decided to support this motion. Perhaps there is a pair of Birkenstocks somewhere for him if we can find it.

When we talk about people in those terms, sometimes we should take great pride in that because when the other parties were musing about banking deregulation, which they seem to have forgotten in the midst of all this uncertainty, when the banks were talking about it, there were some parties in the House, certainly not New Democrats, who were really musing about letting that happen because that is where international commerce was headed and maybe we should look at deregulating the banks and letting them merge and letting American banks come into this country. New Democrats led the way and said that is not a good idea and we should not deregulate the banks. History has proven us to be correct.

Now, of course, the Liberals and Conservatives want to share in that joy. If we were to allow that to happen, we would be in a much greater disaster than we are today when it comes to the financial situation. Credit card fees would probably be that much higher and defaults even greater. If the member could comment on that, I would appreciate it.

**Hon. John McCallum:** Mr. Speaker, allowing that to happen reminds me of what Mr. Chrétien used to say, "If my grandmother was a bus". We can have all sorts of hypotheticals.

I guess the NDP would like to claim credit for turning down the bank mergers, but I would like to remind the hon. member that it was not an NDP government at the time in Ottawa but it was a Liberal government under Jean Chrétien that turned down the bank mergers.

I do not mind doing a bit of a *mea culpa* because 10 years ago I worked for one of those wannabe merged banks. I remember the attitude at the time. We wanted to kick butt. We wanted to grow up to be like City Bank, and we have seen what happened to City Bank.

The Liberal government did the right thing. It was not an NDP government that said no to bank mergers. It was a Liberal government that retained a solid regulation and resisted the trends that we saw south of the border for increasing deregulation of the whole financial system. It was for those reasons. The member can thank a previous Liberal government for the Canadian banking system remaining sound.

**Ms. Yasmin Ratansi (Don Valley East, Lib.):** Mr. Speaker, I would like to thank the hon. member for Markham—Unionville for his excellent analysis. I am glad we are not in the same position as the United States.

Within this economic environment, could the crisis have been avoided? For example, people access credit because they do not have jobs. Could the government that inherited the best economic record from the Liberals, an unprecedented surplus of \$13 billion, that inherited the lowest unemployment rate and the envy of the G8, have done better in protecting the jobs of today and creating jobs of tomorrow by investing in innovation and by ensuring that we protected jobs in the auto, forestry and manufacturing sectors? The government has closed the barn door after the horse has left.

I would like to have the member's analysis of how this could have been avoided because people only access credit cards and get into trouble when they do not have jobs.

Before the member answers, there are students from Woodbine Junior High School who have come to watch the debate.

• (1130)

**Hon. John McCallum:** Maybe that is unparliamentary.

**The Deputy Speaker:** It is unparliamentary, but it may not have been intentional.

**Hon. John McCallum:** Mr. Speaker, I thank my colleague for what is truly an excellent question. It is the best question I have heard in a long time.

I might begin by giving the House some hot news. Just minutes ago the Governor of the Bank of Canada said, "—the global recession has intensified...since the Bank's January Monetary Policy Report Update". I further quote, "—the recession in Canada will be deeper than anticipated—".

My answer to the member's question is, yes of course, the Conservative government could have done more. My time is limited but I will give the member just one example.

*Business of Supply*

Back in November of last year, when virtually all the industrial countries had already taken action to stimulate the economy and pumped billions into the economy, what did the Conservative government do? It came up with an economic update with negative fiscal stimulus, cuts in government spending, and other unrelated activities like attacking women's pay equity. The delay—

**The Deputy Speaker:** Resuming debate. The hon. member for Nipissing—Timiskaming.

**Mr. Anthony Rota (Nipissing—Timiskaming, Lib.):** Mr. Speaker, I am pleased to participate in this debate.

The NDP motion which we are discussing today calls on the Canadian government to establish comprehensive legislation similar to the Credit Card Accountability Responsibility and Disclosure Act of 2009 which was recently introduced by the Obama administration in the United States, although the parliamentary secretary claimed differently. He claimed that it was the Bush administration that introduced it. Only a Conservative would stand up and defend Mr. Bush, but that is his prerogative to do that. I just find that very interesting.

While I agree wholeheartedly with the need to protect Canadian consumers, particularly those who are most vulnerable in tough economic times, we must assess whether or not Canadians face the same threat that Americans do before determining whether or not to apply an American solution here in Canada. In other words, we cannot assume that what works south of the border will work here. While it would be foolish to object to protecting Canadian consumers from sudden interest rate increases and account changes, abusive fees and penalties and aggressive solicitation, it is yet unclear as to whether or not Canadians actually encounter exactly the same problems to the extent that American citizens do.

This is why we as Liberals have taken leadership on the issue by initiating three separate studies in order to make that determination. A study by the Senate committee on banking, trade and commerce is currently under way, and separate reviews by the finance and industry committees are set to begin in May. Each of these is designed to examine different elements of the credit card and debit card industries to determine what measures may be necessary in order to further protect Canadian consumers and merchants.

By taking a more broad-based approach, one that includes protecting merchants as well as consumers, the idea is that we as Canadian lawmakers would be much better suited to address the issues that currently face Canadians rather than simply applying a cookie cutter approach that worked in the United States. I might add that this legislation, although it looks very good, is unproven in the United States.

Here in Canada, for instance, consumer interest rates, late payment penalties and repayment terms are determined by banks and not the credit card companies themselves. As such, if we focus exclusively on the credit card companies and neglect the study of the banking institutions that actually establish the terms of the credit card account, then we would be doing a huge disservice to the Canadian public.

It is also worth noting that the proposals in the NDP motion which we are currently debating may not adequately address other concerns. For example, a recent poll commissioned by the Canadian

Federation of Independent Business revealed that over the past 12 months, no fewer than 22% of Canadian credit cardholders have received additional cards from companies such as Visa and MasterCard with features such as travel points and extra insurance.

Getting all this and not really asking for it really is a problem. People are being given stuff which they sometimes take. They think it is a great idea and they run with it. They think that because they got it, they deserved it. It really does impose a burden on people who would not otherwise have applied for it, or have done their homework and thought that they really could not afford it but they took it anyway. That is really where one of the issues lies. It is one of the problems.

There is also mounting evidence that the so-called premium credit cards are now being directed toward low-income, elderly and otherwise vulnerable Canadians. For many consumers, they often do not know that they are being charged higher rates until they actually receive their bills.

The concerns in the United States may not be the same as the ones here. When we talk about our banking system, we do have a nice solid banking system that works. We were not plagued by the subprime problem, as was mentioned earlier. Those are issues that all have to be taken into consideration when we are looking at the legislation.

The legislation is appropriate and it may work, but it may have to be modified in order to adapt to Canadian realities. I mention this because while the motion we are currently debating stipulates consumers should be informed of the terms of their accounts, there is nothing in it that would prevent credit card companies from offering cards and upgrades to those people without being asked. I mentioned this earlier.

• (1135)

While there may be some people who feel that regulation in the electronic payment industry could be harmful to Canadians, and that is always something that is out there, I believe the only way to determine this for sure is to take a comprehensive approach to the issue, rather than trying to implement a one-size-fits-all solution.

The NDP motion proposes that the U.S. legislation be applied in Canada. Canada's financial system is much stronger, as I mentioned earlier, than the United States' financial system. It is important to recognize that the problems consumers face with credit cards in the U.S. do not necessarily apply to all Canadians.

[*Translation*]

One of the problems I also see here is that, before the Prime Minister was in politics, he was opposed to what we had done with the banks. He wanted them to be able to do as they pleased. Now he boasts that we have a banking system here that is far better than anywhere else in the world. This leads me to wonder whether one can have confidence in a prime minister who changes his mind according to his circumstances, especially when something so fundamental is at stake. Before he entered politics, he wanted to take away all regulation of the banking system, and now he is congratulating himself on this system.



*Business of Supply*

So what are we to think of this Prime Minister? Is he serious? Does he say things just to get votes? These are questions Canadians need to ask themselves. Who will protect us from the credit companies or banks? Who will protect them as well? If they had gone in a certain direction, there would have been problems. We have to think of what this Prime Minister believes, and what the Minister of Finance believes.

[English]

My Liberal colleagues and I believe there are significant issues that need to be examined with respect to credit cards, such as interest rates, disclosure of information and fees for consumers and retailers.

While the Conservative Party's 2008 election platform pledged to protect consumers with stronger competition laws, it contained no mention of credit cards or their fees.

In the 2009 budget, the government pledged, without giving details, that it would move to limit “business practices that are not beneficial to consumers”, noting that one measure would be to require minimum grace interest-free periods on new purchases.

More recently, the finance minister announced the creation of an advisory committee on finance to “ensure the availability of financing to Canadian businesses and consumers to support the economy and encourage growth”. While the finance minister points to this work as an advisory board in response to questions about credit card rates and fees, it is unclear how the committee's mandate relates to specific issues like interest rates and interest rate increases, payment fees, account transparency and other issues listed in today's motion by the NDP.

My Liberal colleagues and I will continue to pursue the tough questions regarding credit card companies and financial institutions to ensure that Canadian consumers are well-informed and are being treated fairly.

I want to touch on one area that is very important, and that is the interchange fees that are charged to merchants. Fees can vary from one card to another. I think of a small merchant sitting there waiting for business. When there is a sales transaction and a card is used, he does not have the right to turn it down, yet those interchange fees are going to be charged to him. If one card charges 2% and another charges 6% or even more, it is very difficult for that small merchant to plan what his profits are going to be. I am not talking about just protecting the merchant here. That merchant provides jobs. Jobs are what we need in this economy. If we are not protecting that merchant from charges that he is not aware of, then we are killing jobs. This is something the government has to understand.

In order to ensure that consumers are protected, I strongly believe that more information is needed. Once these studies are completed, I think we can take a look at it and ensure that we have everything we need to help the average Canadian.

In the meantime, we will be supporting the NDP motion put forward by the hon. member for Sudbury, because we believe in protecting Canadians as much as possible. Each Canadian deserves to be protected when it comes to finance, safety or any other issue that we have rights to.

● (1140)

**Mr. Glenn Thibeault (Sudbury, NDP):** Mr. Speaker, there is one thing I would like to try to clarify. There has been a lot of talk about how this is an American bill, a private member's bill from the United States. First, as the parliamentary secretary was outlining, it is a private member's bill which does not exist in the United States. That needs to be clarified.

In relation to the speech from my hon. colleague from North Bay, let me read part of the motion:

That, in the opinion of the House, the government should take action to protect consumers who are particularly vulnerable in tough economic times; and therefore, this House calls on the government to introduce, within 6 months, comprehensive legislation, similar to—

This is not the same act that everyone was talking about earlier. It says “similar to”.

Why do the Liberals not think it is important to have a Canadian version of something that has potential to protect consumers? I would like to hear the member's comments on that.

**Mr. Anthony Rota:** Mr. Speaker, that is a very good question that deserved to be asked.

Within the next six months is a perfect time and it does work out. What I do not like is using a cookie cutter approach, taking something from the United States and implementing it in Canada. I want to make sure that was clear. Obviously, this would not be doing that. It would be taking the consultation that is being done in the finance and industry committees, as well as in the Senate, and making sure we conduct a thorough study. By knowing what is going on, we can better put together legislation that would protect Canadians while understanding what is true to us.

All too often what happens is we as Canadians get information or stuff thrown at us that was developed in different countries and we try to modify it. The fear I had and one of the things I wanted to make clear is that we not bring something forward that was developed elsewhere and put it in place here. It is something we have to develop as Canadians. We can use the foreign one as a model and ensure that we study and understand it and know what is working and what is not working.

One point I wanted to make is that down in the United States this is not a proven model. To say we will implement it is not the right thing to do. The hon. member was correct. What we need to do is take a solid look at what we have in Canada, put it together and make sure it reflects the reality of Canadians.

**Ms. Yasmin Ratansi (Don Valley East, Lib.):** Mr. Speaker, I would like to thank my hon. colleague for his thorough analysis.

We heard the member for Markham—Unionville quote the Governor of the Bank of Canada. With the deepening economic crisis and Canadians going through the recession, how would this help the people who need access to credit, for example, who need to put a roof over their heads or need money for food? How do we find relief for these people? I am sure we have all heard complaints from constituents who have lost their jobs that they do not have any money. How does this help protect those who are vulnerable?

*Business of Supply*

The government has spoken about the economic stimulus and that it will create jobs, but not a single job has been created. People need money and jobs. How does the hon. member think this will help the vulnerable?

● (1145)

**Mr. Anthony Rota:** Mr. Speaker, one of the main areas we are looking at as far as helping where the economy is concerned is small merchants who really do not know what interchange fees they are going to pay from day to day or from card to card. We need to make sure that the merchants are healthy. Merchants employ people. When people have jobs, they can purchase goods, feed their families, earn a living. That is what we want in Canada. We want people to be able to pay their bills and do it independently.

On the other hand, the member talked about the most vulnerable. One of the areas I think is most important is not to allow credit card companies to prey on vulnerable people by sending them cards they do not qualify for, sending them items they have not asked for or raising limits without having alerted them or asked their permission to raise them. People will often get letters from credit card companies congratulating them because their limit has been raised by \$1,000 or whatever. If people have not asked for it, should it actually be extended? That is the type of question we should be asking.

[Translation]

**Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ):** Mr. Speaker, I will be splitting my time with the member for Saint-Bruno—Saint-Hubert.

Obviously, a lot of people are worried about credit card usage fees imposed on consumers. I said “obviously” because right now, two committees, the Standing Committee on Finance and the Standing Committee on Industry, Science and Technology, are considering the matter and will be reviewing these issues very soon.

Also, witnesses are appearing before the Senate to air various points of view on a problem that consumers and merchants have known about for a long time, a problem that has gotten worse lately.

The New Democratic Party's motion talks about consumer protection, but the motion moved in the Standing Committee on Finance also mentions merchants, who are also important players, subject to a rather complex process for credit card usage. In a way, sudden fee increases hurt them too.

If this hurts merchants, in the end, consumers will wind up paying for it. That is why we agree that this motion should call on the federal government to adopt measures to better protect consumers, but we must not forget that merchants are part of the process too.

There is a lot we do not know. People do not know everything, and banks do not tell us everything about the credit card acquisition process and related regulations. It is complicated, and that is why people tend not to read all of the fine print in the contracts they sign.

Under the current system, an individual can acquire a credit card and use it to pay a merchant. The merchant then has to deal with a credit card company, such as VISA, as well as with what is known as an acquirer, which provides a data transaction system. Credit card issuers, often banks, are also involved.

Popular imagery always focuses on the huge profits that the banks have been making for years, but I think it is important to again point out the full context and consider the fact that a great deal of information and education must be provided about the credit card system, in order to fully understand who is making profits, how companies are able to increase them and why they do so.

We in the Bloc Québécois believe that the federal government must act. We therefore support the principle of this motion, so that in committee we may examine more closely the various issues we are dealing with today. However, although we support the principle, the federal government must definitely be extremely careful about respecting provincial jurisdictions and Quebec's jurisdictions if it takes any legislative action.

● (1150)

For example, since 1971, Quebec has had the Consumer Protection Act, which already provides a framework for the contractual agreements between credit card companies and consumers. If this motion passes and the federal government decides to go ahead with legislation, it will be important to respect Quebec's expertise and competence in this area. Furthermore, several incidents since 1971 have helped the Quebec government develop its competence in this area, which has even been recognized in a Supreme Court of Canada decision.

To analyze the overall situation, it must be seen in a very broad context. The current economic and financial crisis clearly shows that debt is a major problem in Quebec and in Canada. This situation is even worse for our neighbours to the south. Credit that was granted with very little background checking is what caused such massive debt and the current global crisis. This is prompting parliamentarians to have a look at the situation and think about what we can do to protect consumers and merchants.

We had some proof of that yesterday when the Bank of Canada once again reduced its key interest rate to 0.25%, which is an unprecedented low. For a long time, the spread between the Bank of Canada's prime rate and the rate financial institutions charge their clients who use credit cards has been far too great. Bank rates hover around 18% or 19%, or even 20%, when we now have a key interest rate of 0.25%. This is a disturbing problem that we must examine carefully.

Why are we allowing banks to continue to rake in such huge profits at a time when consumers are increasingly vulnerable? The marketing techniques used by banks—a Liberal member was just talking about premium credit cards—have once again compounded the problem of the appeal for certain consumers. In fact, many consumers consider the use of a credit card issued by a bank and associated with a given product a way of profiting from their purchases.

However, we know very well, with regard to the matter of credit cards, that banks issue them in the hope that the holders will not pay the full balance of their purchases within one month. That is where the banks make their huge profits. Consumers are not very well educated about that. There is also a lack of knowledge about the fees charged to merchants who, quite often, do not understand what they are being charged and why their fees increase.

Therefore, the Bloc Québécois supports this motion in principle but the government will have to exercise caution before going any further and be truly cognizant of the fact that there are other competent authorities in this matter, such as the provinces.

• (1155)

**Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ):** Mr. Speaker, I would like to start by saying that the NDP motion is a good initiative. It is good that we in this House are finally agreeing to debate the day-to-day problems people in our ridings are experiencing because of the economic crisis. Our constituents are being hard hit by this economic crisis, especially since they have been grappling with these problems for some time. Since the Conservatives came to power, many people in the manufacturing and forestry industries in Quebec have been laid off, and communities are reeling from those layoffs. People are getting poorer, and unemployment is on the rise. Obviously, this is having an enormous impact on household debt, especially for young couples.

I would like to talk about the NDP motion before I speak about the economic crisis and the solutions proposed by the Bloc Québécois. This is a well-meaning motion, and I would just like to remind this House what it is calling for:

That, in the opinion of the House, the government should take action to protect consumers who are particularly vulnerable in tough economic times; and therefore, this House calls on the government to introduce, within 6 months, comprehensive legislation, similar to the Credit Card Accountability Responsibility and Disclosure Act of 2009 introduced by the Obama Administration in the United States, that would:

Seven paragraphs follow, outlining the proposed measures. I will read the first one, which is important:

(a) protect consumers from “any time, any reason” interest rate increases and account changes;

This paragraph is very interesting, but it is the only one that does not encroach on the jurisdictions of the provinces, especially Quebec. Since 1971, Quebec has had a Consumer Protection Act that governs contractual agreements between credit card issuers and consumers. It is immensely important to respect Quebec's expertise and jurisdiction. As my colleague from Saint-Maurice—Champlain explained so well, Quebec's jurisdiction in this area may have been challenged, but it cannot change.

The other measures proposed in the motion introduced by the NDP member for Sudbury on this opposition day read as follows:

(b) prohibit unfair application of card payments;

(c) protect cardholders who pay on time;

(d) limit abusive fees and penalties;

(e) prohibit issuers from using a consumer's card history with another creditor to raise interest rates—;

(f) prohibit issuers from charging interest on debt that has already been repaid;

(g) ensure that cardholders are informed of the terms of their account;

(h) protect young consumers from aggressive credit card solicitations.

### *Business of Supply*

All of this falls under Quebec's jurisdiction.

It is true that debt is a major problem in this country. It is also true that the difference between the Bank of Canada's key lending rate and credit card interest rates has been growing. I will talk more about that later because that gap is widening: 0.25% and 25% is scandalous. It is true that the big banks and financial institutions are the ones benefiting. We are eager to see their quarterly statements. Not all of the items in the motion fall under federal jurisdiction, as I pointed out earlier. However, I would like to see the federal government take action within its jurisdiction in this matter.

For example, item (a) would be a good place to start. The federal government could consider linking credit interest rates to the Bank of Canada's key lending rate with reference to the criminal rate under section 347 of the Criminal Code, thereby doing a better job of synchronizing the cost of credit and the key lending rate. There are several ways to go about doing this.

• (1200)

One way is to determine in advance the difference between the Bank of Canada's key interest rate and what a credit card company can charge and express that difference as a percentage, a multiplier or a number. For example, there could be a maximum difference of 5% or two to three times the base rate. Currently, at 25%, the credit card interest rate is 100 times the Bank of Canada rate of 0.25%, which makes no sense. The current economic crisis is to blame for this situation, and we have to do something about it. In this Parliament, we can correct this situation.

This is a provincial jurisdiction. Quebec's Consumer Protection Act contains strict requirements governing all kinds of credit card contracts. For example, credit card issuers must send consumers an account statement that includes information such as the account balance, the date, the description and value of each transaction, the date and amount of each payment and the credit charges. This extremely precise and detailed information lets consumers make informed decisions.

Section 128 of the Consumer Protection Act states that “Where the merchant has indicated to the consumer the amount up to which variable credit is extended to him, the merchant shall not increase such amount unless the consumer expressly applies therefor.” In addition, consumers must be given 30 days' advance notice of all changes.

*Business of Supply*

Credit cards are very expensive at present, especially when issuers charge between 18% and 29.9% interest. I will not name these companies, because it is easy to find this information on the Internet. A rate of 29.9% is really excessive and outrageous, when the Bank of Canada rate is just 0.25%. This has to change. Of course, the credit card companies say that their rates are so high because their risks are high, but perhaps they should reduce their risks by tightening the requirements for extending credit.

This is not the first time the Bloc Québécois has been highly sensitive to the economic situation and its impact on consumers and citizens. In fact, the Bloc has brought forward a number of measures in that regard. One of the more recent ones was the action plan put forward on November 24. In this time of economic crisis, people really need help. This Parliament must adopt measures to help unemployed workers. In the November 24 action plan, the Bloc Québécois proposed realistic, specific and comprehensive measures.

A few years ago, my hon. colleague from Hochelaga introduced a bill in this House to prohibit banks from discriminating on the basis of social condition. That was another example of action taken by the Bloc Québécois. In addition, two months ago, my hon. colleague from Saint-Maurice—Champlain moved the following motion in committee:

That the Finance Committee conduct a study of the various debit and credit card transaction fees imposed on merchants as well as the standard and transactional practices that justify them and report its observations and recommendations to the House.

Credit card companies are still at issue, because they want to increase to 2% the fees they charge retailers when consumers use their credit cards. This is a terrible hidden fee for consumers. My hon. colleague from Saint-Maurice—Champlain wants the Standing Committee on Finance to take a very serious look at this matter. We hear a great deal of complaints from retailers.

I also moved a motion two years ago and four years ago, and I will move it again in this House. The motion would regulate bank fees.

• (1205)

I hope I have convinced my colleagues across the floor to vote in favour of this motion.

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Madam Speaker, I rise on a point of order.

I would like to draw the attention of the House to the following motion:

That, at the conclusion of today's debate on the opposition motion in the name of the member for Sudbury, all questions necessary to dispose of the motion be deemed put and a recorded division deemed requested and deferred until Monday, April 27, 2009, at the end of government orders.

**The Acting Speaker (Ms. Denise Savoie):** Does the hon. member have the unanimous consent of the House to move the motion?

**Some hon. members:** Agreed.

**The Acting Speaker (Ms. Denise Savoie):** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

(Motion agreed to)

**Mr. Daniel Petit (Parliamentary Secretary to the Minister of Justice, CPC):** Madam Speaker, through you, I would like to ask a question of my colleague about the motion before us for which the vote is deferred.

In the province of Quebec, as my colleague was saying, all these matters are covered in its Consumer Protection Act and contracts come under the Civil Code of Quebec. With a motion of this type, do we not run the risk, every time we mention consumer cases, of weakening Quebec's rights and laws? That is the approach used on occasion by the Liberal Party and the NDP, who are centralists, to weaken the rights of provinces. My colleague is correct in stating that laws already exist to protect consumers. They are laws that we voted for. We have a civil code.

Is my colleague prepared to reconsider how she will vote in order to protect Quebec laws and prevent the federal government from meddling in these laws?

**Mrs. Carole Lavallée:** Madam Speaker, that is music to my ears. Here we have a representative of the Conservative government rising in the House to ask that there be no intrusion in Quebec's areas of jurisdiction. I invite him to do likewise with all the other files of his government. I encourage him to protect the jurisdiction of Quebec and to support neither intrusion nor overlap. That is what I would ask of him.

That said, yes, the NDP motion infringes on Quebec's areas of jurisdiction. Of its ten or so items, there is only one that is correct. We know that the NDP is highly centralist, but the Bloc Québécois will vote in favour of this motion, particularly because of the first item, which calls for protection of consumers from "any time, any reason" interest rate increases and account changes.

This does indeed fall under the purview of this Parliament.

• (1210)

[*English*]

**Mr. Paul Szabo (Mississauga South, Lib.):** Madam Speaker, the motion calls for legislation to be introduced within six months. The member knows the process that a bill would have to go through. It is quite unlikely that such a piece of legislation would ever be dealt with by this place, at all stages, in both chambers, and be available to assist Canadians in time. That is a concern.

I want to ask the member's opinion about an additional approach, and that is the preventative approach which should be part of a comprehensive solution, which basically says that credit cards should not be used for credit, and which basically says, as is authorized in the budget for the government, to inform the public about the facts about how many people have been hurt, about the real costs, and about the risks that they take when they use credit cards for financing, and that they understand where they can get help.

This, in my view, is a way in which we can address the problems that people are facing now rather than months, maybe even years from now. I wonder what the member thinks about that.

[*Translation*]

**The Acting Speaker (Ms. Denise Savoie):** The hon. member for Saint-Bruno—Saint-Hubert has less than a minute for a response.

*Business of Supply*

**Mrs. Carole Lavallée:** Madam Speaker, I thank the hon. member very much for his question.

I repeat, this is a Quebec responsibility and everything here is already covered fully by the Quebec Consumer Protection Act.

Is six months not long enough for such legislation? From my experience here in this Parliament, where there is a will, there is a way. When something is identified as a priority, it gets acted on. I have already seen bills passed within a matter of weeks.

[English]

**Ms. Niki Ashton (Churchill, NDP):** Madam Speaker, I would like to share my time with my colleague from Windsor West.

I would like to begin by applauding my colleague from Sudbury and the work of the New Democrats in the House in bringing forward such an important proposition and calling for the introduction of a credit card accountability, responsibility and disclosure act. This is so important to us in our every day lives as Canadians in general, but even more important at this time of unprecedented economic downturn.

Basically, this act calls upon the government to protect consumers, protect Canadians who are going through a difficult and rough time, and ensure that their livelihoods are being protected. In many ways, it is modelled along the initiative that the Obama administration south of us took in introducing a credit card accountability, responsibility and disclosure act just some time ago. It was something that was heralded as very good news and very important in protecting American consumers. The question remains, why can we not see the same done here?

I would like to speak to this motion as the critic on youth issues. As a young person myself and the second-youngest person in the House of Commons, I speak in a place where not many people of my generation have the chance to speak. It is a tremendous honour to be here at my age and to represent the people of Churchill, one of the youngest regions in Canada. However, I also hold it very important to represent my generation and people of a similar age whose voices, in many cases, are not heard.

This bill seeks to protect all consumers. Particularly, it pays attention to the challenges and the need to look out for young people in our country. Among the many things this act would do, it would protect young consumers from aggressive credit card solicitations. This is in addition to dealing with interest rate increases and account changes, protecting card holders, and eliminating abusive fees and penalties. However, the particular attention to the situation facing young people is of utmost importance.

I want to paint a bit of a picture of the reality that many young people in Canada and around the world face today. We know that we live in the age of constant advertising and media, whether it is the Internet, television or whatever it might be. We are constantly faced with images of consumption and advertising encouraging all people, but especially young people, to spend their money. In many cases, these things might be useful. However, in many other cases, their usefulness is questionable.

The matter remains that consumption is very much an activity impressed upon young people. In recent years, we have seen the

promotion that we need credit cards in order to fuel that consumption, that young people will be able to achieve what they want and be happy by buying, and that this will be easily accomplished through credit cards. Watch the music channels and listen to the radio. All of these messages are readily there and specifically promoting the use of credit cards. Having gone through a couple of universities myself, I am aware of walking down the hallways and seeing numerous credit card companies approach students to take out credit cards and enter into a proposition that for many students is difficult.

Given that encouragement of consumption and the use of credit cards, we also have to see how that interacts with some of the other realities young people face. For example, many young people who are going to university or achieving post-secondary education are facing increased tuition fees. In many cases, they have to take loans out in order to pay off these tuition fees. The average Canadian student debt among those who borrow and graduate from four-year programs is \$22,700, an amount that for many students who either work part-time or may not be able to work at all is quite prohibitive.

● (1215)

We are dealing with increased tuition fees and an overall increase in the cost of living, which for many students is highly problematic. The New Democrats have called upon the Conservative government to deal with issues of access and support when it comes to post-secondary students.

I also believe it is important to protect our young people from credit card solicitation, but the abuse of credit card fees also interacts with the employment situation that many young people face.

We talk a great deal about the thousands of jobs that so many Canadians have lost from coast to coast to coast. We need to recognize that, in many cases, this means not only the loss of jobs for young people, but also there are no jobs for them. I see hiring freezes and layoffs in my area. In many cases companies are laying off young people, but they also are shutting down opportunities for them when they come out of our educational institutions and look for jobs.

Given the difficult employment situation that our young people face today, in addition to the constant encouragement of young people to take out credit cards and to be exposed to these difficult situations, is very unfair. We need the government to take leadership, not just looking at it in terms of protecting all consumers, but also the importance of looking ahead to the future and supporting young people in the challenges they are facing today, which in many ways differ from the challenges that other generations face.

I want to particularly point out that the employment situation will continue to be very difficult for young people in that we do not know when exactly we will come out of the economic recession. We recently heard the negative forecasts. The future appears quite grim for many young people. I hear it from peers of mine from university and from college. They say that they are getting an education, and they know that is right, but what kind of opportunities are they going to have?

*Business of Supply*

The difficult situation faced by many of the children of members here and many young people who work in our offices, who make government and our country work, needs to be recognized. The Conservative government needs to take action. It needs to listen to the voices of the House, the leadership that New Democrats have taken. The role of government is to stand up for consumers and to protect them.

I also want to note that young people are not in isolation from the reality that many of us face. Many young people are members of families and depend on them, which are equally finding themselves in very difficult situations as a result of the lack of regulation and unfair credit card rules.

For example, the Canadian household debt to income ratio in 2003 increased by 105.2%, which is incredible. We note that many young people depend on their parents or their families to help them get through their education or to help them get on their feet because they do not have that ability in many cases, and especially now.

It is beyond me to understand why any member would vote against something that not only stands to protect consumers, but, more important, stands to protect our young people and our future.

• (1220)

**Mr. Brian Masse (Windsor West, NDP):** Madam Speaker, one of the interesting things the member for Churchill highlighted was students' credit card debts. Could she comment on the compounding behaviour of student debt and interest rates?

For example, the Government of Canada borrows money at 0.25%, the Bank of Canada rate right now, for student loans, although the interest rate for students is higher. There is not only quite a significant difference in credit cards rates in the borrowing costs and what has to be paid back, but also the interest rates students pay for their student loans.

How does that affect students who are emerging into the economy so they can purchase homes, or cars, or get on their feet, get a job and progress? This is an important part of the debate today.

**Ms. Niki Ashton:** Madam Speaker, my colleague brings up an excellent point. The issue of student debt, which it seems only New Democrats raise in the House, is truly alarming. A few months ago, we understood that the student debt in Canada had increased over \$13 billion on the backs of current and former students. This is debilitating when it comes to students looking for jobs, which in this current economic market do not exist.

How will they pay off this kind of debt? Many of them are indebted to their credit cards and through different loan programs. That is why we need some proactive action to ease the burden that many students, young people and ultimately many Canadians face.

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Madam Speaker, I took great interest in my colleague's speech. I have been listening all morning and I have heard a very distasteful line being promoted by the Conservative Party. They are really the Cadillac Conservatives.

During the worst economic crisis in Canadian history, the Conservatives are blaming the people who are losing their jobs. They are blaming the people who are being ripped off. They say we need some financial literacy, as though the people who come into my

office, who are faced with usurious credit card rates, are somehow hicks and illiterates. The idea that if we help these people become smarter so they can become responsible, as though they were irresponsible in the first place, is absolute gall. The motion talks about protecting cardholders who pay on time, limiting abusive fees and penalties, prohibiting issuers from charging interest on debt that has always been repaid, ensuring that cardholders are informed of the terms of their account and protecting young consumers from aggressive credit card practices.

How can the Conservatives be so dismissive and out of touch with the reality of what average Canadians face right now, being ripped off by the banks and the credit card companies?

• (1225)

**Ms. Niki Ashton:** Madam Speaker, I thank my colleague for drawing attention to a serious lack of sensitivity and recognition of the extremely difficult situation many Canadians face. It is incumbent on all of us as members to touch base with the people that we represent. When we talk about Canadians, there is no doubt that many of them live in the ridings represented by Conservative members. They are looking for this kind of protection.

There is this idea that it is attributed to individuals as to why they are in a difficult situation. We know it is about supporting people who are paying on time. It is also recognizing that there are some sheer examples of abuse in this situation. There is also the need to recognize the difficult situation that people are facing in terms of loss of employment, or the situation that young people are facing as they are going into a job market that is beyond grim. We need the government to take action in this area.

The United States, where the economic situation is far worse than the one we face here, and for both of our countries it is getting worse, is taking the initiative to look out for the well-being of their citizens. Why are we not seeing the same thing here? The New Democrats are calling for that, and we hope we will get the support of all members of the House.

**Mr. Brian Masse (Windsor West, NDP):** Madam Speaker, I am proud to stand here as a New Democrat and call for a credit card accountability, responsibility and disclosure act to be created. It is important for us to do this. With the economy in its current state and as we look for solutions to get out of this, it will require a team effort. That team effort is government and business taking responsibility. We know the banks got off scot-free in all of this. It is time for them to come to the table and produce a fair and balanced approach to its borrowing practices.

*Business of Supply*

I want to go back to something that is really important. Back in 2003, John Manley, the Liberal minister who was known as the minister of everything because he had received so many portfolios, came to the House of Commons. He tried to negotiate with the parties to deregulate the banking system and make it more like the American system. I remember the debate quite well.

As a New Democrat, I opposed that. I give commendations to the Bloc members because they also opposed it. At the time, the Conservative Party/Alliance Party were excited about the issue and tripped over themselves to support it. If we had not stopped Mr. Manley and the Liberals, we would have had a far worse situation than we have today. Therefore, we did them a favour. We prevented the further deregulation and the creation a banking system similar to the American one.

The member from Winnipeg, who sits next to me, was quite active in that campaign and did a terrific job to ensure that people understood the issue. Canadians spoke loud and clear and said that they did not want that happen to our banking institutions.

Today we are starting to see what is happening. Over a series of time, there has been an effective marketing campaign to encourage people to sign up for credit cards, whether it be the retailers that offer credit card interest rates of up to nearly 30%, or the banks that offer up to 20% interest rates.

A number of practices are simply unfair. The credit card companies have made record profits over that time and they continue to make profits beyond the scope and pale of what people can even comprehend, because they are struggling to get by. It is time to take a reverse approach. Let companies have a profit, but it has to be fair and balanced. Let us redirect that income back into the economy as a stimulus and ensure we can settle people so they will not get further behind, which would help stimulate the economy.

We know the banking institutions are not doing that. We know the government is not releasing some of its programs and services in an expedient way. In fact, I was looking at some of the Industry Canada announcements, going back a couple of years ago. Money has never been spent, such as money for infrastructure, for example, the border infrastructure fund. There are many more examples.

One thing we could immediately do to alleviate some of the egregious attacks on consumers and their families is to put in a fair set of regulations. For example, I have a CIBC Visa card, which costs me \$200 a year. There is no reason why that charge should be allowed. Two hundred dollars is quite a bit of money. On top of that, the service that one receives does not warrant that charge. At least that should be examined.

The United States recognizes this. The Obama administration is moving forward with a package that is going to ensure a better sense of balance.

When I talk about balance, one of the worst things right now for those who use credit cards is if they do not pay off the full balance, they get charged the interest rate on the full balance. For example, if people have a \$500 credit exchange during the month and someone in their family gets sick or there is a crisis and they cannot pay back the full amount, they have to pay the interest on the full amount. That is unacceptable. It should be on the amount that is actually on

the card. Once again, that would put money into the pockets of people so they could buy groceries, or pay their landlord, or pay for heating or cooling, all those different things that are important essentials.

The community of Windsor West has had an unemployment rate of 10% for a number of years, yet the government during the election said that there was nothing wrong with the economy. We understood the warnings with the threats to the auto industry ages ago, with no help or assistance from the government.

• (1230)

Unemployment is now at 15% and even higher given that many people have given up even looking for work. We are trying to find our way through it. The government needs to be responsible here and look at retipping the scales a bit. The credit card companies and the banks cannot have such a big advantage. Canadian taxpayers have had to buy up loans from the banks and support their systems. Taxpayer money has to be injected into the market economy because the banks will not provide that.

I have a couple of examples. Even before this crisis, an auto parts supplier in the county of Essex was producing parts for the Ford Escort and selling very well and doing very well in the market. It had workers making \$12 or \$13 an hour, not a rich salary, and they had modest benefits. The company brought in automation. It had a good assembly rate and a good quality rate. It had problems because the banks, even before that, changed their borrowing practises on them just because they happened to be in the sector. It was not because they were bad customers or that they were looking at closing or having a problem with a particular vehicle at that time. It was because they could. The bank actually raised the company's interest rate to a point where it ate into its entire profit from what it was getting from Ford Motor Company to produce the vehicle parts.

The problem is that there was nothing in there that was really productive, whereas those workers were doing what they needed to do every day. I do not think \$12 or \$13 an hour is a wage that one could really say is a Canadian dream. It barely lets people get by. Meanwhile, the banks were undermining that successful venture.

When we look at this motion and we talk about prohibiting the unfair application of credit card payments, protecting cardholders who pay on time, limiting abusive fees and penalties, prohibiting issuers from using a consumer's card history with another creditor to raise interest rates, prohibiting issuers from charging interest on debt that has already been repaid, ensuring that cardholders are informed on the terms of their account, and protecting young consumers from aggressive credit car solicitations.

Those are reasonable things to do. I would add another one that I do not believe has been addressed today, and that is the issue of privacy and security of information.

*Business of Supply*

For those who are not aware, the CIBC has decided to outsource its credit card processing to the United States. That means that all our credit card information is now available through the Patriot Act to the Department of Homeland Security, the CIA and the FBI. All those organizations need to do is contact that credit facility and provide that information. They are not even allowed to tell CIBC that a person's information has been taken. As well, there is no process in place as to how our personal information is used within those agencies as to whether it is dispersed or scrubbed after an investigation is done.

The government, similar to the past one, has been remiss. We need to have an international treaty to protect privacy related to that and it has not done that. In fact, ironically, we have learned that even some Canadian government offices outsource some of their actual payment systems to the United States. That information once again leaves the country and becomes susceptible to the Patriot Act.

I want to go back to the economy right now. It is a fair and balanced approach when we start to look at the indebtedness of Canadians and what we could do to actually stimulate the economy. When we consider household debt right now, it is quite significant. It has gone up a number of stages over the last number of years, including that 84% of people have some type of a debt.

I would argue that this a very modest and responsible way to approach things. Everybody has to chip in right now to do the things that are necessary for our country to continue to exist and the middle class to flourish. The banks and credit card companies have an abysmal approach to lending practises that needs to be redirected. It is stimulus that will be good for many communities, as well as a local stimulus. We would stop a system right now that is counterproductive and, more important, is putting so many people behind at a time when they do not need to be.

● (1235)

**Mr. Paul Szabo (Mississauga South, Lib.):** Madam Speaker, the member repeats, I think, the sentiment of virtually all members here, which is that there is a problem and it must be addressed.

My concern is that the member is suggesting that this is a modest approach but that it can create some sort of stimulus. However, the motion calls for the government to introduce a bill within six months and then we would go through the whole process which could take over a year and may not even happen if we are interrupted by an election.

My concern raises the point that maybe we should also be talking about the need for the government to educate the public about the scope, the magnitude and the impact of the problem. We, the consumers, also have things that we could do to mitigate the impact because it is compounding all the other problems.

Maybe the starting point is to get Canadians to start thinking about the saying "credit cards should never be used for credit". If an individual needs a credit card to get credit, that individual is accepting the high interest rates when traditional bank loan rates are much lower. If an individual does not go to a bank to finance something that is required beyond the grace period of a credit card, chances are that it means that person has bad credit and should not be getting credit in the first place.

We all have responsibilities. I hope the member would agree that we must push the government to help Canadians start considering their personal circumstances.

**Mr. Brian Masse:** Madam Speaker, right now 22.2 million credit cards are being used in Canada, so the horse is out of the barn.

I would suggest that we amend the motion and make it less than six months. I have seen legislation move very quickly through the House. In fact, some legislation has moved through in a day.

I am very much in favour of those suggestions but we need to do something now. We need to ensure that this is not just about lecturing Canadians. The problem is already out there.

I want to point out something that is really important right now. The Bank of Canada rate is at .25% and it has said that it will remain there for the next year. Despite that, the bank rates and credit card rates have gone up incrementally. How is that even possible? That is criminal at best and ethically it is bankrupt. We need to ensure the banks and credit card companies are accountable. With a .25% borrowing rate, how can even put this product on the market in this day and age when so many people are suffering and paying higher rates than are morally and ethically acceptable?

● (1240)

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Madam Speaker, it has been absolutely fascinating listening to the Conservatives saying that Canada is protected because we have a wonderfully regulated system. They certainly do not want to protect consumers because that would be regulation.

The fact is that the Conservatives have opposed proper regulation of banks from the beginning. It is in their blood. They pretend that the dodging sub-prime mortgage crisis existed only in the states. It started to happen here in Canada because the government was deregulating the mortgage market and it was caught out. Canadian taxpayers now have to underwrite \$26 billion of toxic assets. Taxpayer money is now being used to backstop the banks.

However, when it comes to protecting citizens who are being preyed upon and penalized through all kinds of unfair predatory practices, the government's response is to blame the individual by saying that if they had been sharper they would have been more financially literate and that if they had taken responsibility for their own lives there would not be a problem.

The problem here is systemic. It is systemic abuse of individuals by the large banks and whenever they are in trouble they go to their friends and get a bailout while citizens are left high and dry.

Why does my colleague think the Conservatives continually have it in for average Canadians? Why do they continually cover any corporate abuse that happens in this country?



*Business of Supply*

**Mr. Brian Masse:** Madam Speaker, it is quite simple. This problem actually goes back to 1990 when Brian Mulroney's government rejected capping the interest rate. The Conservatives are protecting the fact that they were the ones who acted back in 1990. The Brian Mulroney government acted for itself, which is no surprise. That government said that if rates were capped it would have an adverse effect on consumers. The reality is that it has done exactly the opposite.

Once again, it goes back to the Mulroney era. It is no different than the stuff going on with Schreiber and everything else right now. There are a lot of problems with the Conservative Party and its history. It is interesting to note that Mulroney took a big cash settlement that we cannot even explain.

However, this problem goes back to the 1990s and the Brian Mulroney government rejecting this from the beginning.

**Mr. Mike Wallace (Burlington, CPC):** Madam Speaker, it is my pleasure to speak to the NDP motion today moved by the member for Sudbury. I have tremendous respect for him but he could have done a little better job in terms of researching the issue that he has brought in front of the House, particularly the way the motion is worded.

Part of the motion is factually incorrect. The credit card accountability responsibility and disclosure act of 2009 was not introduced by the Obama administration. It was introduced by Senator Christopher Dodd of Connecticut who is not a member of President Obama's administration. This is not that difficult to verify. The information is public and the member could have found out.

For us to have credibility when we talk about issues, we need to do proper research to ensure the information provided to the House is accurate. All we are asking for on this side is accuracy.

Instead of proposing something tailored for Canada, I find it ironic that the NDP is supporting a motion today that is a copy of a U.S. plan. There is not a day, not even an hour when NDP members are not up speaking and comparing us to America and saying that we cannot be doing things like the Americans are doing.

All of a sudden, however, they are giving credit to somebody else south of the border and applying it to the credit card system for consumers here in Canada that is not accurate and does not even reflect the Canadian experience. I am not sure why the NDP has proposed this today basing it on the American system, a system that it likes to criticize over and over again in the House.

In addition to that, the Senate committee on banking is conducting a review of the credit card situation here in Canada. I can say, from being on both the finance and industry committees, that both committees have plans in the very near future to review the credit and debit card system in this country. Why would there be a motion prior to getting information from all sides of the issue at the Senate committee and at the industry and finance committees?

Motions have passed in the committees and we on this side of the House have supported them. I am on both committees so I know that for a fact. A motion that passed at the finance committee was originally proposed by the Bloc member on that committee. We added to it and it became our motion. Our parliamentary secretary added some wording and broadened the study in order to allow us to

look at more issues dealing with credit and debit card issues in Canada.

I do not want anybody to forget that in our economic action plan, which was supported by the House, there is an indication that the finance minister will be looking at that issue. The finance minister told everyone in the House earlier this week to stay tuned because it was being worked on and it was part of the plan that was coming. Why would the NDP introduce this Americanized motion today without having all of that good information from all sides of the argument to see where we are going?

What we want to do is look at what is good for Canada and Canadians and not necessarily look at what is good for Americans, which is what this motion tends to do based on the way it has been presented: that we should look at what the American motion does for the American system, which is different.

Even more strange for me is that the NDP motion comes just weeks after its members voted against budget 2009 when we announced our intention to bring tough but fair new regulation on disclosure requirements for credit cards and to limit business practices that are not beneficial to consumers. What is more, we introduced the necessary legislation to allow us to proceed with these new regulations. and, as we know, the NDP voted against that.

● (1245)

The NDP has clearly shown itself, in my view, to be incapable of standing up for consumers in this case. The NDP members cannot claim one thing on one hand, and then in their actions do something different. I think that is a sad commentary on where we are today and why this motion does not make any sense to me and to my colleagues on the Conservative side.

On the other hand, as I mentioned, our Conservative government is taking significant and decisive steps to help Canadian consumers who use credit cards, steps which my fellow Conservative, the parliamentary secretary, outlined for members earlier today. I would like to address another aspect of the strategy to help Canadian consumers who use credit cards or other financial services or products improve their financial literacy.

Witnesses appeared at the industry committee and the finance committee to talk about financial literacy. Through no fault of their own in my view, it has not been a priority for Canadians to understand how the system works. There are organizations that will help. In my riding in the fall, because we only have one more break week to be back in the riding, I have committed to organizing a public meeting strictly on financial literacy. Experts in the field of financial literacy will talk to the people of Burlington to educate them, to give them the tools they need to make proper financial decisions.

### *Business of Supply*

We are living in an increasingly complex world of financial services and products, many of which have become much more difficult for the average consumer to comprehend. Based on my experience, there are a number of financial products that have been put together over the years which many of those who sell those financial products have a hard time understanding. The range of financial products on the market or available through our local banks has been rapidly expanding, not only in availability but in complexity. This makes it difficult for the average investor to fully understand the risks or the fees that are involved. In this environment, and in light of the economic volatility we face today, strong financial literacy is not a luxury; it is an actual necessity.

In the words of Toronto District School Board trustee, Josh Matlow, who is spearheading an effort to get financial literacy added to the elementary school curriculum:

The reason that we're in this economic crisis right now is that many North Americans and people around the world didn't have the economic literacy that they needed to understand how to use credit cards properly and how to read the details of mortgage contracts.

That is the issue I propose to focus on today. First, I would like to consider what financial literacy actually means.

Financial literacy involves the ability to plan for one's financial future. Understanding the basics is crucial. Financial literacy is essential for people from all walks of life, including: the teenager who is setting up his or her first bank account and is trying to determine the best way to reach his or her goals; the family trying to make ends meet while saving for the family's first home; the investor trying to understand the risks and returns for his or her investments, or the benefits of compound interest; and the senior who is entering the world of Internet banking and ATMs.

May I add, as we were discussing pension plans and how they work at finance committee, it is obvious that people need more education on their pension plans. A lot of people do not even look at them until after the age 50. They do not understand what their defined benefit plan is offering them or, if they do not have one, what they have to do to save.

Those are the kinds of issues we need to get to, to ensure that Canadians are well versed on what is appropriate for their lifestyle and their future. Whether it is a sophisticated investment or a simple savings account, today's financial world cries out for improved financial literacy.

• (1250)

Indeed, a recent survey of the Canadian Foundation for Economic Education, which has appeared before us, suggested that Canadians "feel ill-equipped to make many of the economic and financial decisions that they face in today's volatile economic climate". The survey also showed "troubling knowledge gaps among Canadians in basic areas of economic knowledge such as credit card interest rates and filling out tax returns".

In the words of the foundation's president, Gary Rabbior, "When you have four in 10 Canadians who cannot calculate 8% on \$1,000, and over 60% who do not know if their mutual funds held at financial institutions are insured, you are talking about a crisis of economic illiteracy". Clearly, financial literacy is an essential skill that should be developed early in life. After all, a country's financial

success is ultimately the sum of the financial successes of all of its households.

As Laurie Campbell, executive director of Credit Counselling Canada, has noted, "Two of the most fundamental things we need to learn as young people growing up are how to raise children and how to manage money. They are the most fundamental things in life". They are fundamental as young Canadians now have more exposure to financial dealings than ever before. They have bank accounts, debit cards, credit cards, cell phone contracts, and online banking contracts. As they enter college or university, many will have loans and perhaps the beginning of an investment portfolio.

The world of finance is continually evolving and without strong financial literacy, it will be difficult for people to keep up. Without the ability to understand the financial products and services they use, consumers could wind up making unwise investment decisions or borrow well beyond their means and end up in a sea of debt.

By focusing on financial literacy, we can provide people with the knowledge to help keep their heads above water. When it comes to buying a house, for example, being financially literate means one may not have all the answers but at the very least would know the questions to ask, such as: what kind of mortgage can I get, what are my repayment options, what are the fees and taxes, how can I lower my payments, and can I really afford this?

Asking the right questions means understanding the true cost of borrowing. It means that knowing that the initial years of mortgage payments go toward servicing the debt, not paying down the principal.

Weak financial literacy could end up leaving people at a competitive disadvantage, unknowingly paying higher costs for basic banking transactions and short-term credit. They may face increased exposure to unregulated financial options and make themselves vulnerable to uninsured risks.

On the other hand, a greater understanding of financial information and increased financial literacy can result in better consumer choices, a larger and better market for their financial sector services and greater participation in capital markets. All that could translate into higher savings levels and decreasing indebtedness, making our economy even stronger. In study after study, the evidence is clear that the more we know financially, the more likely we are to save over the long term.

We have identified the issue: improving financial literacy. What about the solutions? We know the NDP does not have any, except maybe to call Senator Dodd in Connecticut to see what he is going to do with his bill. Luckily for Canadians, they have had the good sense in election after election never to have elected an NDP government federally.

*Business of Supply*

Our Conservative government, on the other hand, has actually come up with some made in Canada solutions, after consulting with Canadians, to encourage and foster improved financial literacy. I would like to share with the House what our government has done through the Financial Consumer Agency of Canada, the FCAC.

This agency, in addition to its mandate to look at financial institutions' compliance with the consumer protection legislation and regulatory requirements, also undertakes consumer education initiatives. In doing so, it develops plain language, unbiased and educational materials on a wide range of financial products and services, which are going to be sent to the NDP offices as soon as I am done speaking. For instance, the FCAC has also developed a mortgage calculator that quickly determines mortgage payments and the potential savings resulting from prepayments, and online tools that help consumers shop for credit card and banking packages suited to them.

• (1255)

Since 2006, our Conservative government has provided new support for FCAC to build on its mandate. For instance, in budget 2007 we provided significant new funding for FCAC to undertake financial literacy initiatives, focusing primarily on youth, and to support the sharing of information with other financial education providers across Canada. I remind the House that this was new funding that was not supported by the NDP. Why did the NDP oppose helping financial literacy with this new funding? The funding was used to develop a free web-based interactive tool, The City, designed to help young people acquire strong financial skills and explore financial situations in a risk-free setting.

We also helped jointly fund the organization of the Canadian Conference on Financial Literacy, which took place in Montreal in September 2008. This event brought together more than 260 representatives from the government and the private and voluntary sectors to discuss Canadian and international experiences in developing, delivering, measuring and evaluating financial literacy programs, products and services.

We heard here the Canadian perspectives on this issue about improving financial literacy in Canada, not solely what the American senator from Connecticut wants to do in his country. However, we were not done there. We did more. In budget 2008, our Conservative government once again took steps to improve financial literacy. We provided the FCAC with \$2 million in new ongoing funding to continue its work in that area and expand its research. Once again, I want to remind the House that the NDP voted against that.

This new funding has helped work toward the goal of significantly improving financial literacy among Canadians. For example, another free web-based interactive tool, The Money Belt, has helped provide financial information and tools to increase the basic financial knowledge of Canadians. This initiative provides an entry point to access various resources that teach the fundamentals of managing money. The Money Belt includes interactive tools on topics such as credit cards and bank accounts, combined with other financial tools.

Through FCAC, our Conservative government will continue to improve the financial literacy skills of Canadians in the long term through training initiatives and community partnerships. However,

we are not done. We are helping to foster better financial literacy in other key areas as well.

Building on investments in the two previous budgets, budget 2009, our economic action plan, announced the establishment of an independent task force to make recommendations on a cohesive national strategy for financial literacy. Our task force, to be launched in the near future, will include representatives of the business and education sectors, volunteer organizations and academics that will be supported by a federal secretariat. Its conclusions will allow us to take stock of where more work is needed and make a strong contribution to ultimately empowering Canadians to make wise financial decisions.

Public interest groups such as Social and Enterprise Development Innovations have heralded this announcement by noting:

The government's commitment to work with all sectors to develop "a cohesive national strategy on financial literacy" is a critically important component of any long term economic recovery plan in Canada. Financial literacy is an issue that matters to all consumers of financial services including lower-income Canadians. We applaud the Canadian government for its leadership on this issue.

As my time is almost up, I will conclude by mentioning a couple of things. In addition to our commitment to financial literacy, this government is also working to introduce programs to provide incentives for families to build a responsible and secure financial future. For instance, to ensure home ownership remains an effective and affordable way to save and build equity for the future, we have put limits on new mortgages backed by a government guarantee. This includes fixing the maximum amortization period for new government-backed mortgages to 35 years and requiring a minimum down payment of 5% for those mortgages.

• (1300)

There is more I could say. I have more pages of notes here, but the fact is that financial literacy is an important factor to make Canada a stronger place for our families in the future, and I am very happy to answer any questions on that matter.

*Business of Supply*

**Mr. Malcolm Allen (Welland, NDP):** Madam Speaker, I thank my colleague for his speech on financial literacy. Perhaps rather than being in the House giving a speech on financial literacy to those folks who actually need interest rate relief, he really should have been giving it to the friends in the Conservative Party who are actually in the financial institutions, because they have needed it in the last year. The meltdown we see across the globe in financial institutions is about financial literacy, is about folks who do not understand what they are doing. In fact, the major players in the banking industry, including Canadian bankers, have said they do not really understand what they did. So perhaps the hon. member should have started with them instead of lecturing consumers on how they need to have more financial literacy.

What Canadian consumers need, and need now, is rate relief on their credit cards, not how to be able to decipher the rate relief. They need true rate relief. I wonder if my hon. colleague would comment on the fact that, for consumers today who are choosing hydro, a roof over their heads and food, not web-based financial literacy skills, how indeed the Conservatives intend to give that rate relief through the web?

**Mr. Mike Wallace:** Madam Speaker, the fact of the matter is, in terms of financial literacy, it actually should start with the New Democratic Party. The previous NDP member who spoke talked about the 2.5% Bank of Canada rate, the overnight rate that is offered, for example, and why are the other rates going up. If NDP members had a sense of financial literacy they would understand, for organizations that loan money in this country, the overnight rate is not where they borrow money from the Bank of Canada. They would understand that is not what happens. They get their money, the cash that they lend out, from other organizations. The problem is global, not just in Canada. Those secondary markets that were providing cash to organizations that would then turn around and lend that money has shrunk, has gone, and they are not able to secure that funding.

When there is not the availability of a supply of cash to be used, that money becomes more expensive when they are able to attract it, which causes interest rates to change, which causes interest rates to go up.

I was on the finance committee when the banking organizations in this country testified, and I personally questioned them: Why would my credit rate go up by 2% when I have nothing to deserve that? They were able to give an answer that I did not necessarily agree with, but they have issues.

It is about literacy and understanding the system—

**Some hon. members:** Oh, oh!

**Mr. Mike Wallace:** You're back in the sandbox, I guess.

It is about understanding the issue. The question was about the credit card rates that people are paying and people using some of the tools, not all the tools but some of the tools we have funded, which the NDP has voted against, has not supported, has taken an action against by their votes.

We have tools available so people can better understand what is happening, so that they can make better decisions—

• (1305)

**The Acting Speaker (Ms. Denise Savoie):** The length of the answer should correspond approximately to the amount of time of the question.

The hon. member for Mississauga South.

**Mr. Paul Szabo (Mississauga South, Lib.):** Madam Speaker, I think all members are familiar with the motion, which has to do with some of the things that have been happening in the credit card industry that have been hurting Canadians. It includes increases in rates at any time without reason, no protection for the consumer, et cetera. The member said this motion does not make any sense to him or any of his Conservative colleagues. I guess that is what it really comes down to, and that is too bad, but that is their position.

My question, however, has to do with the balance of his speech in which he outlined, right back to 2006, all the computer-based, Internet-based financial literacy things that have happened, and also about home ownership and the like. It would appear the member makes a rash assumption. The people who have the problems we are seeing today may not have the money to have a connection to the Internet or a computer. Does the member not think it might be useful to communicate to some Canadians in a format other than through the Internet?

**Mr. Mike Wallace:** Madam Speaker, the member from the Liberal Party made exactly our point. He talked about why it does not make sense. It does not make sense to us when we have a study in the Senate, which is public information that the press is able to cover. Then we have a commitment on both the industry committee and the finance committee to study this and make it public.

The fact is that about 80% of Canadians have access to the Internet, so telling me that nobody has access to it does not make any sense. Exactly why the motion does not make any sense is because it is not placed at the right time. We do not have the information. We are about to study it at committee. It is being studied in the Senate. Why would the opposition be doing this today? It does not make any sense to us. It is not the appropriate time. We are trying to get the accurate information out so that Canadians can make proper decisions and parliamentarians can make proper decisions about what should happen in the future.

That is why the finance minister, in his economic action plan, gave the finance office the ability to take action, but we have to get the information first.

[*Translation*]

**Mr. Roger Pomerleau (Drummond, BQ):** Madam Speaker, I have listened carefully to my hon. Conservative colleague's remarks.

*Business of Supply*

Essentially, today's motion by the NDP, as it stands, is aimed at reducing the power the industry has at present to do as it pleases at the expense of the ordinary consumer. The people in the industry are permanently in contradiction with themselves in this system. On the one hand, they are the ones using every possible means of encouraging people to make consumer purchases and to go into debt, appealing to their emotions by bombarding them with advertising. We know very well that ads target people's emotions, not their intellect. On the other hand, they use every possible means to encourage people to make rational choices and not fall into the traps that have been set for them.

My colleague claims that the NDP, having never been in power, has no credibility in presenting this motion today. Does my colleague realize that the Conservatives will not be re-elected in the next election, nor for many decades of elections thereafter?

• (1310)

[*English*]

**Mr. Mike Wallace:** Madam Speaker, I want to thank my colleague from the Bloc Québécois who is asking this question. I found it interesting during the last election when his leader indicated he would never be Prime Minister of this country. In fact, it could be argued that party does not really care that much about Canada. They really care about their own little niche, perhaps, but they do not have any broader view of where Canada should go.

On this side of the House, the Conservative Party of Canada cares about every single Canadian. We care about every single Canadian's financial future. That is why, through our economic action plan, we are spending money getting the economy stimulated and making sure that we have our economy operating at a level greater than other countries around the world.

We are all facing a global economic downturn, but because of the actions that Canada had taken earlier, we are in better shape, and we will be in better shape coming out of the recession. We will come out of the recession faster. That is why it is important for us to talk to the financial sector. We are dealing with the credit and debit side, understanding what the issues are and making proper, informed policy that will be good for Canadians and their credit and debit system for years and years to come.

**Mr. Dennis Bevington (Western Arctic, NDP):** Madam Speaker, I am pleased to rise today to speak to the NDP opposition day motion. I would like to indicate that I am sharing my time with the member for Burnaby—New Westminster. I am sure he will have much to add to this debate in his indubitable fashion, as always, as our international trade critic, who understands the issues facing Canadians at home as well.

As I stand to speak about consumer debt and credit cards, I would like to put it in the context first of myself. I have to admit that I have never had any personal debt throughout my whole life. I have always operated on the positive side of the ledger. In later life when I finally obtained a credit card, I always made sure that the payments were made on time and that interest would not accrue. My wife was very diligent in ensuring that happened. I want to thank her today because her hard work in ensuring that our family remained out of debt has made it possible for me look forward to a good life in my retirement.

That is the message I want to deliver to all Canadians. What we have seen in this country and the world has been an explosion of debt over the last 25 years that has driven the economies of many countries into rack and ruin, but it has also driven Canadians and other consumers throughout the world into great hardship.

Yes, there are problems of financial literacy, as the hon. member from the Conservative Party pointed out, but there is a far more important issue. That is why the New Democratic Party can look south of the border now with some degree of confidence when we hear the new president of the United States and his new administration talking about new ideas to bring the American economy around. That is why we can look there and ask whether they have good ideas that we can pick up on.

Does the United States have ideas within its administration or Congress that Canada can take advantage of? In fact, in some instances we are probably able to move more quickly than the United States in putting forward legislation for change, and more likely in the future to offer up solutions to the United States. With the economy that exists now in North America, we have to understand that it is very integrated.

For us to take ideas from other legislators in this grand continent I do not think is inappropriate. We are going to be seeing more of that in the future from the New Democratic Party, because the President of the United States sounds more like a New Democrat than I have heard from anyone there before. There is someone in the United States who we can count on to provide us with advice. George Bush is not there anymore, whose policies and directions were totally repugnant to the New Democratic Party and to most Canadians and our supporters across the country.

This is a different time and we have the opportunity to pick up new ideas. The New Democratic Party right now is the mainstream of economic reason in this country.

I had the opportunity the other day to speak with John Rodriguez, who was the financial institutions critic for the New Democratic Party in the 1980s. What did he say? He said we fought long and hard against the Conservatives and the Liberals to ensure that the banks in Canada did not expand their scope beyond what needed to be; our financial institutions were kept in line. That work is playing out today.

For the party opposite or the Liberals to call us, in the NDP, Luddites is nonsense. We have been standing up for Canadians' financial security in Parliament the entire time that NDP members have been here. Whether there are five members or 30, we stand up for Canadians to ensure their interests come first and are protected. That is what we are doing here today with the introduction of this motion by the hon. member for Sudbury.

• (1315)

In this time, when we look to the future and at what people need in this country, do we need our consumers continuing their path of greater and greater consumer debt in this country? No, we do not. We do not need that. That is not good for Canadians. That is not going to work for Canadians.

*Business of Supply*

The fallacy of the extension of debt among consumers in Canada has come home to roost. It was apparent to every individual in this country. Why does the Conservative Party not recognize that the importance of these issues to consumers and to Canadians is paramount?

I really want to congratulate the member for bringing this motion forward. We need to bring sense back into the lives of Canadians. We need to take the institutions that provide them with financial resources and make them understand that their job is to ensure that their customers are well protected with their financial dealings with those companies.

The concept of a bank as being a secure and good place to get financial advice, to understand how to use credit and to ensure that the people who run the banks have the concern of their customers first are concepts that we have to go back to and that should drive the economy once we come out of this recession.

We do not want to look back two years from now and consider that nothing was really wrong with what we were doing, that nothing was wrong with the extension of consumer debt to a point where there were no savings left in this country, there was no security for individuals in what they were doing with their money. We want to change that and move forward so that Canadians will progress, so they will gain after the downturn is over, and so they will have a new economy that will be less reliant on their personal suffering and more on a system that delivers them the resources they require, that can make their lives work and that they can afford to use in their day to day practices.

To talk about consumer debt and credit cards, and to understand the nature of what is happening with this system, I think for some of us is very difficult. Of course it is, but it is not difficult to understand when someone pays his or her credit card down at the end of the month, misses \$10 and ends up paying interest on the whole amount. We understand how usurious that is. It does not take a degree in economics to understand that that is not fair.

That is one of the things we are working on here, to limit abusive fees and penalties, to ensure that credit cardholders understand the terms and conditions of their contracts, and that the terms and conditions of their contracts work for them as well. That is the job of the regulatory agency, the government of this country, to provide that assurance to consumers that what is offered as a basic method of payment for so many different products in this country has the terms and conditions that can work for both the consumer and the lender.

What we are working with here is a good resolution. It has many parts to it. It is something that Parliament should take hold of and work for. The government cannot simply increase the font on the back of the credit card application form as its step toward ensuring the health and well-being of the financial future of Canadians. That is not good enough.

We need to understand where we want to go in this country with credit. We need to understand that credit can be just as much of a problem as alcohol or drugs.

• (1320)

We need to protect consumers in the long-term from what has happened to them. That has not been the case for past 20 years. That

is why we are in the situation that we are in today. We need to change. We need to move forward.

**Mr. Paul Szabo (Mississauga South, Lib.):** Madam Speaker, I thank the member for adding to the consensus that there is a problem and there are things to do.

I have often said in this place that for every complex problem there is a simple solution and it is wrong. What has been proposed today in this motion, and the Liberals and the Bloc will be supporting the NDP motion. It appears, according to the member for Burlington, that the motion makes no sense to either him or his Conservative colleagues.

However, the member raises a point. We have a problem and it is a problem that is a today problem. We do not need a task force, as the Conservatives are saying, to study the problem and then we will start to help people.

What we need to do, and I hope the member would comment, is to reach out now too. There is money in the budget. There is an opportunity for the government to communicate today, not six months from today, not a year from today, but today on how consumers can get the help that they need, to get the process started to stop the problem. They need some assistance.

I know that within a matter of months there will be many families who are going to lose everything they have. That is the tragedy. We cannot be seen to be just sitting here talking about doing studies and task forces, and maybe we will have a bill and deal with this. We really need to communicate with consumers now. I wonder if the member agrees.

**Mr. Dennis Bevington:** Madam Speaker, I agree with the urgency of the problem. This goes back to the previous budget and my major problems with it. There was no vision for the future. There was no acknowledgement of the problem.

The only one who has provided leadership on acknowledgement of the problem has been President Obama standing up and saying that greed has driven us to where we are at. We need those kinds of declarations here.

We need to give Canadians the understanding of where the problems come from first. We need solutions that can stand up for Canadians in the short-term but as well we have to have a vision of where we want the country to go after the recession is over, how we can recover from the recession, and how we can move forward with an economy that will work for Canadians in a new and better fashion.

• (1325)

**Mr. Brian Masse (Windsor West, NDP):** Madam Speaker, it is important to note that the Canadian Federation of Independent Business said this:

Our members are being confronted with uncontrollable cost increases from credit card companies, with seemingly little or no warning. With economic conditions already tight and many of our members facing difficult financial conditions, they will be forced to pass this added cost onto the consumer, at the worst possible time for the Canadian economy.

The Retail Council of Canada said:

The stakes are high and Canadians are looking for decisive government action that will rein-in the runaway fees charged to merchants who have no choice but to pass along these out-of-control costs to consumers in the form of higher prices..

*Business of Supply*

I have a number of questions for my colleague. Why do the Conservatives feel that the Retail Council of Canada and the Canadian Federation of Independent Business have it wrong? These organizations represent businesses, small and large, most of them small, but also consumer groups. Why is it that our Conservative colleagues do not feel that they have it so wrong too? It seems that the only people who have it right are the Conservatives. Perhaps it goes back to the fact of the matter that in 1990 Brian Mulroney rejected capping that and they are just trying to protect their flank again at the expense of Canadians.

**Mr. Dennis Bevington:** Madam Speaker, I think it goes back to a question of ideology. We heard the speech by the hon. member for Burlington. He talked about the necessity of people being responsible for their own future. That is the Conservatives' mentality. They want to cast people out into the sea of sharks and let them swim.

Perhaps they could take along a survival document when they go into that sea of sharks but that is about all they are going to get. They are going to get a website and that will protect them from the sharks. That is not what we need. We need some decent work here in Parliament.

[*Translation*]

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Madam Speaker, it is my pleasure to talk about this NDP motion, which aims to protect consumers across Canada from the big Canadian banks.

It is clear that we need action and change. What we are hearing is that the Conservatives are against any kind of action that might help ordinary people. That is because it is an elitist party that could not care less about real people. However, this situation is critical and we must take action. That is why the NDP moved today's motion. The purpose of this motion is to protect consumers from sudden credit card interest rate increases. This is extremely important because people are getting hit with these increases right now.

We want to prohibit the unfair application of credit card payments. I will get into that later. Right now, credit card companies can charge interest on the entire credit card balance even if the cardholder has paid off nearly the entire balance in the same month. In other words, a cardholder has a \$6,000 balance and pays off \$5,900 of that balance. However, some credit card companies can force these ordinary people, who have been grappling with a 20-year-long economic crisis, particularly in the past year, to pay interest on the balance, even if the balance was nearly paid off. This NDP motion would prevent such practices and protect cardholders who make their payments on time. It would also protect young people. Young people are so vulnerable, yet credit card companies target them more and more because they do not have any other way to get credit.

As members are aware, debt among young Canadians has reached record levels. The average student racks up close to \$25,000 in debt in CEGEP, college, university or even a professional training program. Credit card companies target debt-ridden students and charge them very high interest rates, because they can make a profit and they know these people have no alternative.

That is the reality at present. People are losing their jobs and cannot pay their full credit card balance. Young people are entering the job market with very high debt levels and are turning to credit

cards to survive. As my colleague from Western Arctic put it so well, that is when the sharks at the credit card companies and Canada's big banks strike. These young people are paying through the nose. Today's NDP motion is designed to put a stop to these practices as soon as possible, because these people cannot wait any longer.

This crisis has been going on for 20 years. Family incomes have dropped in nearly all categories, except for the wealthiest Canadians. Family incomes have gone down across the country for the middle class, the lower middle class and the poorest members of our society. People earn less today than they did 10, 15 or 20 years ago. This is a crisis we could see coming. The only people who have benefited from the elitist economic policies of the Liberals and now the Conservatives—nothing has changed—are the rich, who are now earning the lion's share of family income in Canada.

● (1330)

Those are the crises we could see coming, but there is also another that is very much present and clear at this time. Record numbers of workers are losing their jobs. For some months now, hundreds of thousands of jobs are being lost. In my province of British Columbia, more than 100,000 jobs have been lost. Unfortunately, we hold the Canadian unemployment record, thanks to the policies of Gordon Campbell.

People not only have lower family incomes than they did 10, 15 or 20 years ago, but they are losing their jobs altogether. They end up in a terrible situation. What happens then? We have seen it, and my NDP colleagues have been talking about it all day. The credit card companies raise their interest rates for people who are unable to pay off their balance. So they end up with a debt. It is not their fault that, having lost their jobs, they are trying to survive, feed their children, keep a roof over their heads. They have lost everything and they fall a bit behind in their payments to credit companies, and then these companies hike up the interest rate to punish them. We have given one example: last fall, Visa raised its interest rate from 19% to nearly 25%, and that is calculated with charges as well. Normally, imposing such rates on people who have lost their jobs and cannot pay their balance in full ought not to be allowed; 25% interest plus all the other related charges. That is shocking.

So then what? We see it happening. The major Canadian banks are making profits as never before. The Bank of Montreal reports \$560 million for the third quarter of 2008. The economy is in crisis and the banks and credit card companies are making record profits at the expense of ordinary people. This is unacceptable. The Liberal Party and the Conservative Party are engaged in economic elitism.

*Business of Supply*

•(1335)

[English]

What does all this mean? It simply means that Canadians are getting tired of the economic elitism that has been practised in this country for the last 20 years.

The member for Burlington said it well. He said that the Conservatives are on the side of the CEOs of banks and corporations and that somehow, magically, there will be some kind of trickle down effect.

The fact that we are looking at record profits, the fact that we are looking at gouging on a monumental level, does not concern the Conservatives. It did not concern the Liberals beforehand. That essentially is what distinguishes us from them. That is why we have a key role in the House. The moment an election is over the Conservatives turn their backs on ordinary people. We saw that under the Liberal regime as well. The Liberals turned their backs on ordinary Canadians.

What we have seen over the last 20 years is a complete and utter collapse of family incomes in almost all income categories. Real income has fallen for 80% of Canadians. The top 20% have been well served by Liberal and Conservative economic policies. There is no doubt about that. They now take most of the income in Canada. Not a single Liberal or a single Conservative has stood up in the House and said that is fundamentally wrong.

We see that on trade policy as well. We sign bad trade deals without any support for value-added exports, and Liberals and Conservatives vote for them.

The economic elites, the Liberals and the Conservatives, have told the credit card companies that they can gouge away. The NDP is standing up in the House today to say no more gouging. We are going to come to the defence of Canadians. We are going to protect ordinary Canadians. That is why we moved the motion.

[Translation]

**Mr. Roger Pomerleau (Drummond, BQ):** Madam Speaker, my colleague talked about young people, who are often the most vulnerable when it comes to credit, and he talked about the efforts made by the banks and financial institutions to target that market. I worked for an MP before coming to this House myself. I know very well that some years back, the banks aggressively lobbied all members, asking them to go to schools to speak with students about credit cards. Members declined to do so, because they felt it made no sense. The banks were contradicting themselves on this. To a certain extent, when banks sell credit cards under the pretext of educating people about credit, they are in fact simply offering them that credit.

I wonder if my colleague agrees with the banks' actions at the time, because they are likely doing something similar right now.

This is like putting the fox in charge of the henhouse.

**Mr. Peter Julian:** Madam Speaker, I agree entirely with my colleague from the Bloc Québécois. Changes must be brought forward in order to restrict banking practices that take money out of the hands of ordinary Canadians. This is crucial.

The banks say they are not limiting access to credit and that they allow young people to access credit, even when they are carrying \$25,000 or \$30,000 in debt. But they offer it at an appalling interest rate. For young people who merely want to survive, sometimes a credit card is their only access to credit.

The banks earn profits from both sides. On one hand, the lowest interest rates are for the wealthiest people, like the Conservative members. For those people, interest rates are not a problem, because they have a preferred interest rate. Interest rates for ordinary people are higher, even though they have less money.

The scandalous part is that the Conservative Party, the Conservative members and the Conservative government are doing absolutely nothing to correct this appalling state of affairs.

[English]

**Mr. Paul Szabo (Mississauga South, Lib.):** Madam Speaker, the next time an NDP member speaks in this debate, I do not know why the NDP will not consider amending the motion to change “six months” to “one month”. If it is serious enough, we should do this. This place can make this happen. We will find out who is going to be supportive of consumers in Canada who are being snake charmed into using credit cards for purposes for which they have no choice, just to survive.

If the member feels as strongly as I and most members in this place do, that we really have to take this seriously, we cannot wait for a task force or for a bill six months from now. We need to deal with this now. We need to tell Canadians we are serious about this and that we are going to work on behalf of consumers.

•(1340)

**Mr. Peter Julian:** Madam Speaker, I support what the member is saying and what our colleagues have said, as well. Yes, let us make it quicker. We need to move immediately.

I hope the member, whom I like a lot, does not take offence, but I would point out that for 13 years the Liberals allowed the banks to gouge Canadians. They never stood up in the House. They never took action. They never at any point said that it was fundamentally wrong. I am glad that now he is pushing the NDP to quicker action. That is very good, but I wish the Liberals had done something about it in the 13 or 14 years they were in power.

**Mr. Jim Maloway (Elmwood—Transcona, NDP):** Madam Speaker, I, too, am very pleased to see the Liberals take a sudden interest in this issue. I am also very surprised that the Conservatives do not have the good sense to support this motion.

Why does the member think the Conservatives do not seem to understand the problems associated with credit cards and will not agree with this resolution?



*Business of Supply*

**Mr. Peter Julian:** Madam Speaker, very simply, because they are economic elitists. We see that with farm receipts in Alberta, which are the lowest in the country. There is a Conservative government in Alberta, and the Conservatives have just said goodbye to the farming sector. The lowest farm receipts in the country are in Alberta.

On credit cards, they do not want to take action, but if a banker comes calling, or a corporate CEO comes calling, or a corporate lawyer comes calling, boy, they will shovel money off the back of a truck. They just—

**The Acting Speaker (Ms. Denise Savoie):** Resuming debate. The hon. member for Vancouver Quadra.

**Ms. Joyce Murray (Vancouver Quadra, Lib.):** Madam Speaker, I will be sharing my time with the member for Vancouver Centre.

I am joining the debate on the motion in response to concerns that have been expressed to me in my constituency of Vancouver Quadra around credit cards, credit card companies and banks, the rates, the fees and the potential increase in debit card fees that we are hearing about and about which small business is very concerned.

I will start by talking about the small business perspective. I have a letter from the Canadian Federation of Independent Business which states:

On behalf of 105,000 small- and medium-sized independent business owners that are members of the Canadian Federation of Independent Business (CFIB), I am asking for your help to bring greater transparency and accountability to the credit card industry and to stop Visa and MasterCard from instituting large, unjustified rate hikes on merchant fees.

I have heard from businesses in my community. Perhaps the member for Burnaby—New Westminster would consider them to be the corporate elite. He is very free with his ideological and, I think, quite divisive language. However, having come from the small- and medium-size business sector myself, these are corporations, people providing value, working hard in their communities, who are trying to make ends meet as well. Their livelihoods are being threatened, particularly if the fees on debit cards go up the way it is being projected. That could put some in the small business community out of business.

I also have a letter from the Retail Council of Canada expressing concern about the fees that are charged to businesses by the credit card companies and the banks. In Canada the fee of 2% is more than double the fees that are charged to the businesses and the retail community in the U.K., more than twice of those in Sweden, and four times what is charged in Australia. There appears to be an unaccountability in this industry. That is what the motion is intended to address.

The motion refers to tough economic times. That certainly is the challenge Canada is facing, along with other countries in the world. B.C. has lost a total of 69,000 jobs since October, and 73,000 jobs over the past 12 months. Unemployment among young people is at almost 15% now. Some 23,000 people in B.C. joined the ranks of the unemployed in March 2009. That number continues to increase.

We have a very severe economic situation in this country. Personal bankruptcies are up. These are not just terms. These are people who have invested their working lives in their small businesses and are finding that investment wiped out in this tough economic situation.

Canadians are losing their jobs, as I mentioned, and 1.4 million Canadians are waiting in the unemployment lines at this point. We do have a serious economic situation which makes me wonder why the NDP, which understood the severity of this economic situation, rejected the 2009 budget with its stimulus package before even seeing it. If the NDP is as concerned as the member was claiming, it is surprising that NDP members took a stand to slow down and block stimulus.

What is actually even more distressing is the absence of understanding of this tough economic climate by the Conservative Party, which is frequently referred to as the party of the rich elite. The Conservatives were very much asleep at the switch when it came to the economy.

● (1345)

Last fall, it was an absolutely woeful performance of denying that Canada would face this recession, failing to take action, encouraging Canadians to buy stocks just when they were about to take their deepest plunge and coming forward with an absolutely insulting economic update that did nothing for Canadians but instead took shots at women and civil servants. The Conservative government has a very poor record on the economy and does not appear to be taking any action on this important economic issue as well.

In response to an earlier question, the parliamentary secretary described his concerns about over-regulating Canadians. I agree that we do not want to over-regulate but using that as an excuse for inaction on this important issue is completely unacceptable.

On the other hand, the Liberals called for early action, foresaw the meltdown as early warning stages were coming, called for action and stimulus last September and have had an ongoing awareness and response to this situation, including the issue of the banks and credit cards.

We support this motion because it gets the conversation going and builds on work that the Liberal Party has already been implementing in Parliament and in Senate committees. We are supporting the intent of the motion, not the motion word for word. We believe action is needed but it must be thoughtful action. The Liberals believe that strong regulation and legislation may be needed. This motion causes us to work toward that. When to regulate is always a key issue in a situation like this. Regulation is needed in legislation when there is a market failure. When the markets are functioning well, it is not a time for government to get involved, take sides and hamper a well functioning market.

Is the market functioning properly in this situation? No, I believe there is a market failure. There are some very large players who are in a business structure that one could call a platform, where the credit card companies and banks are a platform between buyers and suppliers of goods. They facilitate that trade of goods and services. However, when one has an oligopoly structure like this, there can be too much power in the hands of the oligopoly firms. If that is not regulated properly, they can take advantage of their position.

*Business of Supply*

This is a complex issue. The government is not providing leadership. It tends to focus on simplistic, politically popular issues in order to gain votes but it is not so great on tackling difficult and challenging public policy issues. This is an important one. I talked a bit about the small business sector, but the way cards are marketed to young people is another classic failure of our market system. It is a failure that is classically called information asymmetry, where the credit cards and bank purveyors of credit have a lot more information about what this will cost the young people in terms of interest rates and what will happen if they do not pay their card down fully and on time.

Shortly after my daughter came out of high school, she was sent letters offering credit cards. Young people, who may be 17, 18 or 19, do not have the information as to what it might cost them in the long term and how it may make them dependent on this culture of borrowing to buy what we want. That is not useful for our society and it is certainly worth taking a strong look at.

Elected representatives need to work together on this. The Conservative government, which is on probation so that it can be more effective and accountable, has been taking no apparent action on this issue. It should get with the program and support this motion.

• (1350)

**Hon. Hedy Fry (Vancouver Centre, Lib.):** Madam Speaker, the member makes some very good points. She stated that she supports the intent of the motion but that some of the pieces within the motion, she feels, are not necessarily supportable or the implementation of the motion is not necessarily supportable.

Could the member perhaps give me two specific examples of pieces that she feels are not necessarily supportable in terms of their implementation?

**Ms. Joyce Murray:** Madam Speaker, the House is calling on the government to introduce comprehensive legislation similar to an act that was introduced in the United States. We need to be mindful that we are not the United States. We have a different situation in Canada. It is not a mild recession, which is what the finance minister, surprisingly enough, called it. One of my concerns is that the government does not seem to know whether it is a severe or mild recession. However, we cannot assume that actions taken in the United States are the right ones for Canada.

**Mr. Brian Masse (Windsor West, NDP):** Madam Speaker, we do know that many of our industries are, in many respects, highly compatible with those in the United States. This is just a vehicle to get to a solution and the solution needs to be one that respects consumers. If any amendments come forward, we would welcome the debate of them.

The heart of the matter is whether the member believes that Canadians are being well served by credit card practices today. Does the member not think that credit card companies have too much control in a period of time when the Bank of Canada interest rates are low but consumers are paying through the nose, sometimes up to 30%? This is hurting the Canadian economy and it is hurting a number of different Canadians as they try to make ends meet because, through no fault of their own, they have lost jobs over the last number of years. I would like her opinion on that.

**Ms. Joyce Murray:** Madam Speaker, a number of speakers have talked about the very high interest rates and whether the credit card companies and their banking partners have too much power. I think there is every indication that they do.

What is missing in this motion, from how I read it, is any concern about business and the costs on the small business community of some of the practices, such as the fees charged and the risk of debit card costs going through the roof. I think, from the earlier NDP member's comments about business and corporate elite, the NDP does not appear to have very much concern or appreciation for the difficulties that small businesses are facing. They are corporations, too. It does not mean they are bad. They are our parents, our families and our friends and therefore we need to address the concerns of the business community as well.

• (1355)

**Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.):** Madam Speaker, I know the member, who gave a great speech, comes from a vibrant retail sector in her riding and has government experience. I want her to elaborate, if she would, on how this motion does not address issues of the point of sale, the commercial retailer who sometimes must judge whether the credit rating of the customer will affect what fees that he or she will need to pay to the credit card companies, which is ridiculous.

**Ms. Joyce Murray:** Madam Speaker, I received a phone call from a grocer in my community who sells organic products. The store is called Choices Markets, which is where I shop. The business owner said that the key business challenge and the key concern the store had right now was the power of the credit card-bank partnership to cost the business potentially more than the margin it makes on its sales. The stores that sell food to people need to make money but if their costs keep going up 1% or 2%, they will need raise the price of the food to consumers or go out of business. Raising prices is very hard for consumers to pay at this very difficult time.

**Hon. Hedy Fry (Vancouver Centre, Lib.):** Madam Speaker, I rise to support a well-intentioned motion. The motion has some very key components, to which other members have spoken, but I suggest that some of it does not really pertain to the Canadian environment, especially the mention of the credit card accountability responsibility and disclosure act of 2009, American legislation that does not pertain to Canada.

As members well know, the Canadian banks and financial institutions that control much of the credit card fees, et cetera, have been pretty stable in Canada because the Liberal government set out in 2001 to ensure that there were strong regulations and that we had good control. Had it not been for the Liberal government of the day ensuring that we had good control and good regulation of financial institutions, we might have had the same problems that we see in the United States and in other parts of the world.

We do have some pretty good regulations in place that are making banks accountable. We have credit card databases and profiles of clients and credit cards to look at how the system is working and how people are accessing credit. At the same time, while this is not particularly pertinent to the solution, the ideas that are being brought forward by the motion are worth thinking about.

One of the things most heinous that we see today is that many Canadians are in debt. In my part of the world, in Vancouver, British Columbia, buying a small 1,000 square foot condominium is enough to crush a small family. We have young families with university and college educations who are making what, at one time, people used to consider a reasonable income, both making say \$70,000 or \$80,000 each. A couple with a small child who buys a \$500,000 condominium in my riding will not be able to afford to pay the mortgage if one of them loses their job. Those are some of the points that I would like to bring forward as I support the intent of the motion.

**The Acting Speaker (Ms. Denise Savoie):** The hon. member may continue her comments after question period.

## STATEMENTS BY MEMBERS

• (1400)

[Translation]

### CLAUDETTE TASCHEREAU

**Hon. Maxime Bernier (Beauce, CPC):** Madam Speaker, a few years ago, Citizenship and Immigration Canada created the Citation for Citizenship Award to honour exemplary individuals who help newcomers integrate into the community.

In Beauce, one of these exemplary citizens, Ms. Claudette Taschereau, was awarded the Citation for Citizenship Award.

The work done by Ms. Taschereau has been remarkable. She understands the difficulties and problems faced by new immigrants. But she has also witnessed and appreciated the richness of their invaluable contributions to the community and decided to do everything possible to make things easier for them.

Ms. Taschereau embodies the values of tolerance, fair-mindedness and acceptance. Congratulations to Ms. Taschereau, she is a citizen of the world and we are proud of her.

\* \* \*

[English]

### NATIONAL VOLUNTEER WEEK

**Hon. Shawn Murphy (Charlottetown, Lib.):** Madam Speaker, as we mark National Volunteer Week, I have the pleasure of representing a riding where volunteerism is a fundamental value.

This year, Prince Edward Island is honoured to host the Canada Summer Games. This event would not be possible without the hard work and dedication of thousands of engaged volunteers. The islanders who have signed up to volunteer for these games will be taking part in a very significant event for all of Prince Edward Island.

### Statements by Members

Today I want to take this time to shine a spotlight and recognize the hard work of our volunteers who have been working to make these games happen. These volunteers are ensuring that the 2009 Canada Games will, indeed, be an unforgettable and successful experience for all involved. I also want to encourage all islanders to get involved with the Canada Games and be part of this summer's marquee event.

I would like to invite all my hon. colleagues to join us on Prince Edward Island this summer for the games.

\* \* \*

[Translation]

### COMMUNICATION GAMES

**Mr. Richard Nadeau (Gatineau, BQ):** Madam Speaker, the 13th Jeux de la communication were held in Montreal in March. More than 300 students from nine universities in eastern Canada participated in competitions in 13 different categories. This was the first competition for the delegation from Université du Québec en Outaouais, which was very successful and won nine awards.

UQO was first in debating with Patrick Robert-Meunier, second in social communication with Jean-François Morissette and Michael O'Farrell, third in journalistic interviewing with Laurie Trudel and fourth in television news with Karine DeFoy.

Furthermore, the UQO delegation was given special mention on five occasions by the other universities.

The Bloc Québécois and I congratulate this delegation from Université du Québec en Outaouais on its fine performance.

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[English]

### BIRDS ARE BACK CELEBRITY CHALLENGE

**Ms. Megan Leslie (Halifax, NDP):** Madam Speaker, yesterday Canadians and people around the world celebrated Earth Day. In that spirit, I would like to highlight an exciting event taking place back home that brings attention to the rich biodiversity of Nova Scotia.

The Birds are Back Celebrity Challenge pits Nova Scotian public figures against one another in a race to find and record the province's birds returning for spring.

Birds are on the front lines as our climate changes. The Ecology Action Centre in Halifax has organized Birds are Back to bring attention to the risk these that incredible creatures face with increasing pollution and a warming climate.

I am in this game to win. So far I have caught a glimpse of a grackle and a robin and I look forward to seeking out the piping plover when I head to Crystal Crescent Beach this weekend.

I wish my fellow contestants luck, and I commend the EAC for this important initiative. Happy birding.

*Statements by Members***CANADIAN BLOOD SERVICES**

**Mr. Rodney Weston (Saint John, CPC):** Mr. Speaker, I rise in the House today to raise an issue that is of great concern to the province of New Brunswick.

On March 31, Canadian Blood Services announced its plan to close and remove the provincial blood services centre in Saint John, New Brunswick and to consolidate it with a new facility to be built outside of the province.

This plan was approved more than a year ago and there has been no consultation with the medical community whatsoever. I have met with the physicians from the Saint John medical community and I heard them loud and clear. They have stated that it is absolutely essential that the CBS centre in Saint John be maintained and that they will not be able to continue their current programs without it.

The CBS centre is critical for an integrated health care system in New Brunswick. The closure of this centre in Saint John will seriously jeopardize the quality of health care for the citizens of our provinces.

This is totally unacceptable. This decision by Canadian Blood Services and the provincial and territorial ministers must be reversed.

\* \* \*

• (1405)

**AUTOMOTIVE INDUSTRY**

**Hon. Gurbax Malhi (Bramalea—Gore—Malton, Lib.):** Mr. Speaker, I receive calls every day from concerned residents about how the government's negotiations will affect the Chrysler plant in my riding. If the Government of Canada is prepared to contribute billions of dollars to save the struggling auto industry, why have we not heard any details?

More than 8,000 CAW jobs will be affected and workers want to know what the plan is to save their jobs. The CAW is under pressure to make steep wage cuts at Chrysler and have been warned that operations in Canada will close if the union does not agree to cut hourly labour costs.

In order to qualify for government financing, Chrysler has a deadline of one week from today to provide a revised restructuring plan that would allow it to keep operating.

My constituents want to know what the government is doing to facilitate the negotiations and save their jobs.

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**UNITED WAY OF CANADA**

**Mr. Gord Brown (Leeds—Grenville, CPC):** Mr. Speaker, United Way of Canada-Centraide Canada holds its annual conference in Ottawa and Gatineau over the next three days.

Next to governments, it is the largest funder of the voluntary sector and social services in Canada, raising upward of \$480 million each year, money that is reinvested in local communities to support programs and services directed at improving the social conditions of Canadians. About 900 staff and over 200,000 volunteers make this happen.

With the global economic crisis, United Way-Centraide is doing more with fewer resources, both financial and human. Despite this difficult reality, Canada's 119 agencies work locally to strengthen their communities. Since the first community collectives formed in Toronto and Montreal in 1917, United Way-Centraide has become dedicated to its task.

I wish to recognize the hundreds of members and thousands of volunteers of the United Way-Centraide Canada and it gives me great pleasure to wish the delegates a very productive conference.

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**ARMENIAN COMMUNITY**

**Ms. Nicole Demers (Laval, BQ):**

*[Member spoke in Armenian.]*

Mr. Speaker, five years ago, on April 21, 2004, the House of Commons passed Motion No. 380, presented by Ms. Madeleine Dalphond-Guiral, the then Bloc Québécois member for Laval. That motion finally recognized the historical reality of the Armenian genocide of 1915.

Tomorrow, a number of members of the Armenian community will gather on Parliament Hill to mark the 94th anniversary of that genocide, the first of the 20th century.

We continue to support the Armenian community in its desire to see this reality acknowledged by the entire international community, and we hope that the Turkish government will shortly accept responsibility for this event, so that the victims' descendants can begin the process of healing.

In the meantime, the Bloc Québécois members remember with them and, as always, extend their total support.

\* \* \*

**AFGHANISTAN**

**Mr. Ben Lobb (Huron—Bruce, CPC):** Mr. Speaker, it is with great pride that I rise in the House today to recognize a few of my constituents who serve in the Canadian armed forces in Afghanistan: my lifetime friend Ryan Crawford, Justin Lyon, Cameron Bruce, James Kirk, Kieran Kirk, Damon Arbour, Chris Farris, Judd Beasley, a family with two generations of service, Mike Lassiline, and Mike's grandfather, Leonard Fisher, who served in Italy during World War II, Brendon Dinning and let us not forget his older brother, Matthew Dinning, who also served in Afghanistan and paid the ultimate price on April 22, 2006.

I would like to also recognize the communities and legions in Huron—Bruce for their continued support of our troops.

These courageous individuals and their families should be honoured for their service and the sacrifices they have made. I admire them for putting their lives on the line to allow us to live in this great nation.

*Statements by Members***GLOBAL YOUTH SERVICE DAY**

**Ms. Ruby Dhalla (Brampton—Springdale, Lib.):** Mr. Speaker, tomorrow marks the beginning of Global Youth Service Day. It is the largest celebration of youth volunteerism in the world. Youth are the future of our communities and our country.

Over the years, this celebration has brought together more than 40 million young people from over 120 countries who are committed to giving back to their community.

In particular, I want to commend and congratulate the youth from Brampton-Springdale Youth Advisory Council. BSYAC is for youth and by youth who are working to develop and design solutions on issues like youth violence and drugs. Most recently, they held a forum to stop youth violence. It was attended by teachers, parents, principals, Peel police and many community leaders, everyone working together to make a difference.

Young people in our community are making a real difference in the lives of the residents of Brampton—Springdale. Let us use Global Youth Service Day as an opportunity to spread the message. The ideas, the passions and the dreams of young people have the power to make a difference. Young people are the future of our country.

\* \* \*

● (1410)

[Translation]

**CHILD TRAFFICKING**

**Mr. Daniel Petit (Charlesbourg—Haute-Saint-Charles, CPC):** Mr. Speaker, Quebec, like the rest of Canada, is faced today with crimes against the most vulnerable members of our society: our children. We have a duty to protect our citizens by using all of the tools available to us to protect families, and especially the children who represent our future.

Nevertheless, the Bloc voted against the interests of Quebec youth by voting against Bill C-268, thereby turning its back on basic human values.

The Bloc was the only party to vote against that bill, the purpose of which is to impose a minimum sentence for offences involving the trafficking of persons under the age of 18 years.

Yet they boast that they are defending the interests of Quebecers. Will the under-18s be sacrificed by the Bloc? Turning their backs on youth protection, that is the Bloc way.

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[English]

**THE ENVIRONMENT**

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** Mr. Speaker, this morning several MPs were excited to meet a wonderful author by the name of Alanna Mitchell, who wrote a fabulous book called *Sea Sick*, which is about the state of our oceans around the world. I personally want to thank the member for Esquimalt—Juan de Fuca and the parliamentary conservation caucus for putting this on today.

Our oceans are in a serious state. All parliamentarians, all citizens of Canada and, in fact, the world must take a new approach to the repair and to the rehabilitation of our oceans. Without our oceans, there would be no life on the planet.

To understand the current state of our planet, I highly recommend that every Canadian get a copy of Alanna Mitchell's book *Sea Sick*.

All of us want to thank Alanna Mitchell for bringing this to the attention of the House of Commons. We wish her success.

Hopefully the world can act to protect the safety of our oceans.

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**LIBERAL PARTY OF CANADA**

**Mr. Brent Rathgeber (Edmonton—St. Albert, CPC):** Mr. Speaker, as the world faces a daunting financial crisis, Canadians know that their Conservative government is a sound manager of the economy. They know we would never raise economy-killing taxes. In fact, our economic action plan has already reduced taxes by a further \$20 billion.

Unfortunately, the Liberal Party has another plan. Just last week the Liberal leader and member for Etobicoke—Lakeshore said, "We will have to raise taxes". The Liberal plan is to raise taxes on all Canadian families.

The Liberals said that they would reverse the 2% GST cut that this Conservative government made. Then they said that they would bring in a job-killing carbon tax. Now they are openly talking about broad, wide-sweeping increases to taxes across the board.

Canadians have a right to know this. What taxes are the Liberals proposing to raise? How much are they going to raise them? Which Canadians are going to be targeted and forced to pay those taxes?

\* \* \*

[Translation]

**ROBERT FOWLER AND LOUIS GUAY**

**Ms. Johanne Deschamps (Laurentides—Labelle, BQ):** Mr. Speaker, over four months after they were kidnapped in Niger by an al-Qaeda faction, Robert Fowler and Louis Guay were freed following negotiations orchestrated by the governments of Mali and Burkina Faso. However, the talks that led to their release remain secret.

Mr. Fowler, former Canadian ambassador to the United Nations and UN special envoy to Niger, and Mr. Guay were kidnapped on December 14 some 50 kilometres from the capital, Niamey.

This story has a particularly happy ending, as Malian authorities have confirmed that the two Canadian diplomats are in good physical and mental condition.

The Bloc Québécois salutes these two men for their courage. We hope that they will be reunited with their families and friends very soon and that they will get all of the help they need to recover from their ordeal.

*Oral Questions**[English]***ROBERT FOWLER AND LOUIS GUAY**

**Mr. Marcel Proulx (Hull—Aylmer, Lib.):** Mr. Speaker, I am sure my colleagues are as delighted as I am to learn that two kidnapped Canadian diplomats have been released unharmed.

•(1415)

*[Translation]*

Following their disappearance several months ago, they had to deal with one of the most harrowing situations imaginable.

*[English]*

We are especially happy for the families and loved ones of these two men. There is no telling the amount of anxiety they must have lived through until news of their recovery was confirmed.

A special envoy for the United Nations, Robert Fowler is well known as an outstanding diplomat of the kind which makes Canada's international reputation so proud.

*[Translation]*

The high praise that Louis Guay, Mr. Fowler's assistant, has received for his professionalism does our country a great honour internationally.

*[English]*

We can never thank these two men enough for the sacrifice they have made.

*[Translation]*

Let us hope that they will benefit from some much deserved rest once they have been reunited with their loved ones.

\* \* \*

*[English]***TAXATION**

**Ms. Lois Brown (Newmarket—Aurora, CPC):** Mr. Speaker, the list of destructive Liberal policies is getting longer and longer every day. We will soon be able to write a book about these and the chapter on terrible economic policies would be a very long one.

The Liberal leader announced just last week, "We will have to raise taxes". We thank the Liberal leader for his honesty. Now we know the Liberals want to impose a tax hike on Canadian families during a global recession. We know that they want to increase the GST. We know that they want to impose a job-killing carbon tax. We also know that they want to take away the universal child care benefit.

The Liberals and their leader seem to like taking money out of Canadians' pockets. Would the Liberal leader stand up in the House today and finally come clean with Canadians? Which taxes would the Liberals raise? By how much would they raise them? Who would be forced to pay these higher taxes?

**ORAL QUESTIONS***[English]***FOREIGN AFFAIRS**

**Hon. Ralph Goodale (Wascana, Lib.):** Mr. Speaker, this was not a good morning for a Conservative government in abject denial. A Federal Court judge has just ruled that the Prime Minister is legally obliged to immediately press the United States to return Omar Khadr to Canada. We have been telling the Conservatives to do so for years. The American process was deeply flawed. Now the courts have said so too.

Will the Prime Minister confirm that he will comply with today's ruling of the Federal Court?

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, for years this government has been continuing exactly the same policy that the previous government had. The facts in our judgment have not changed. We will be looking at the decision very carefully and obviously considering an appeal.

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*[Translation]***THE ECONOMY**

**Hon. Ralph Goodale (Wascana, Lib.):** Mr. Speaker, this morning the Bank of Canada confirmed its pessimism concerning the Canadian economy. Some 380,000 jobs have been lost. The economy will contract three times faster than originally predicted. The central bank is revising its monetary policy and, for the first time, is including a contingency plan.

Will the Prime Minister do likewise and revise his budget, which is already outdated?

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, with interest rates near zero, several central banks have been looking at new options. The Bank of Canada is pursuing the course set by other central banks.

Clearly, we are in the midst of a global recession. However, the International Monetary Fund is saying that Canada's performance will be better than many other countries. There is no need to raise taxes, as the Liberal Party is proposing.

*[English]*

**Hon. Ralph Goodale (Wascana, Lib.):** Mr. Speaker, Canadians will remember this Prime Minister's egregious record. First, these Conservatives increased personal income taxes by nearly a billion dollars. Then they slapped a 31.5% Conservative tax on retirement savings and income trusts. Then they sunk the nation into deficit during boom times, so that there was nothing left when the recession hit and killed 300,000 full time jobs.

Could the Conservatives at least agree to fix the EI system to be a little more generous to its victims or would that make the system too lucrative?

•(1420)

**Right Hon. Stephen Harper (Prime Minister, CPC):** First, Mr. Speaker, to be clear, this government has cut personal income taxes in every single budget it has brought forward.

*Oral Questions*

In spite of the opposition of the Liberal Party, this government has cut taxes for our retirees, including income splitting for our pensioners, and in spite of the fact that the Liberal Party opposed it. This government was running surpluses when times were good so we can afford to intervene in times like these.

Let me tell the House this. No matter how many distortions of fact the Liberal Party tries, no one is going to buy its plan to raise taxes.

[*Translation*]

**Mrs. Alexandra Mendes (Brossard—La Prairie, Lib.):** Mr. Speaker, the Bank of Canada has just released a scathing report on our country's economic situation. The crisis is not going to go away as quickly as the Conservatives claim in their hands-off policy. Thousands of jobs continue to disappear across Canada. The situation in Quebec is disastrous. Rio Tinto Alcan has laid off 220 workers, 600 jobs have been lost at Transcontinental, and more than 1,700 have been lost at Bombardier.

When will this government start governing?

**Hon. Denis Lebel (Minister of State (Economic Development Agency of Canada for the Regions of Quebec), CPC):** Mr. Speaker, I thank my colleague for her question.

As everyone in this House knows, we are in the midst of a global economic crisis. Our government has shouldered its responsibilities, as usual. We have tabled our economic action plan, which invests billions of dollars in infrastructure and various facets of the Canadian economy. We will continue to do our job.

**Mrs. Alexandra Mendes (Brossard—La Prairie, Lib.):** Mr. Speaker, the minister really does not understand the question. It will take more than empty rhetoric to deal with a crisis as serious as the one we are going through.

QIT Fer et Titane, a company that the Sorel region is heavily dependent on, has just announced that 1,800 jobs will be suspended on July 12. No matter what the final outcome is—layoffs, dismissals, bankruptcy—this is the beginning of a very difficult period for the whole region.

Does the government finally understand that it must take real measures to support the industries our communities are built on?

**Hon. Denis Lebel (Minister of State (Economic Development Agency of Canada for the Regions of Quebec), CPC):** Mr. Speaker, as I just said, we are going to implement our phased economic action plan. We recently announced a historic infrastructure program with the Government of Quebec, and it will be put in place as soon as possible.

Of course, we hope that the opposition parties will continue working with us or that those that have not been working with us will do so, because now is the time to act so that Canada continues to exert economic influence abroad and we are still seen as a country that has taken the necessary measures, as a number of international institutions described us yesterday.

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**FOREIGN AFFAIRS**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, a Federal Court Justice has just ordered the Prime Minister to promptly return Omar Khadr, the young Canadian prisoner held in

Guantanamo for 6 years, to Canada. To date, the Prime Minister has steadfastly refused to repatriate Mr. Khadr, stating that the young man was accused of serious crimes, namely murder.

Will the Prime Minister comply with the Federal Court order and finally repatriate Omar Khadr from Guantanamo?

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, as I just said, that is a longstanding federal government policy. We will examine the court's decision and consider an appeal.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, Omar Khadr is a child soldier and the Canadian government has contravened the Convention on the Rights of the Child, to which it is a signatory, by leaving him in a Guantanamo cell for six years.

Will the Prime Minister comply with the Federal Court order and, if so, why has he waited so long?

**Hon. Lawrence Cannon (Minister of Foreign Affairs, CPC):** Mr. Speaker, the Prime Minister has clearly indicated that we obviously will review the decision and very seriously examine the possibility of appealing it.

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**GOODS AND SERVICES TAX**

**Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ):** Mr. Speaker, in 2005, the Prime Minister boasted that his brand of open federalism would respect Quebec's areas of jurisdiction. Now his Minister of Finance is saying that he will not compensate Quebec for harmonizing its tax with the GST unless the province agrees to allow the federal government to collect the tax. Quebec has made its position very clear. Minister Jacques Dupuis said, "We will most certainly not agree to allow the federal government to collect tax in Quebec".

Is the Prime Minister's position negotiable, or does the same condition apply?

• (1425)

**Hon. Christian Paradis (Minister of Public Works and Government Services, CPC):** Mr. Speaker, we have made our position on this issue clear from the beginning. I would like to remind the member that our Conservative government wants this federation to work, and that is what we are doing with our open federalism approach. We have an agreement with Quebec. Quebec gets money for collecting the tax, and we have said that if Quebec harmonizes fully, we will negotiate in good faith. That is what we have been saying all along.

**Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ):** Mr. Speaker, that is clearly unfair.

The federal government gave the Atlantic provinces \$1 billion and Ontario \$4.3 billion for harmonizing their sales taxes. The Minister of Finance said he was prepared to compensate the other four provinces, but he has not offered Quebec anything.

*Oral Questions*

Does the minister realize that it is unfair to penalize Quebec for being the first to harmonize its tax and that he should, in all fairness, give the Government of Quebec the \$2.6 billion it is asking for?

**Hon. Christian Paradis (Minister of Public Works and Government Services, CPC):** Mr. Speaker, let me be clear. It has been said before, even by the Premier of Quebec in the National Assembly: this is not a matter for public negotiation. The Bloc Québécois is trying to make a big deal out of this. There is only one party with which we will negotiate in good faith, and that is the Government of Quebec, not the Bloc Québécois.

The Bloc Québécois is not trying to advance the interests of Quebec. It is trying to advance its own ideals. That is no good.

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**CREDIT CARDS**

**Hon. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, the Bank of Canada's key interest rate has reached a record low at 0.25%. Yet credit card interest rates are at record highs.

Transaction fees for merchants continue to rise. For some time now, the NDP has been calling for action to protect consumers and small and medium sized enterprises.

Will the government support the NDP motion to limit the ravenous greed of banks and credit card companies?

**Right Hon. Stephen Harper (Prime Minister, CPC):** Mr. Speaker, the Minister of Finance has already expressed his concerns about this situation.

Obviously, we encourage transparency in credit markets, even for ordinary consumers. The Minister of Finance has already said that we are looking at various options to encourage this transparency.

[*English*]

**Hon. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, the last time we were talking about bank fees the Minister of Finance huffed and puffed. He met with the banks and what happened? He folded his cards. He did not stand up for Canadians.

What we have here are credit card companies sending out to one in five Canadians cards they never asked for with premium interest rates. What we need is strong action. The Obama administration has a strong law before the senate. We have put a motion before the House.

Will the Prime Minister get on side with action to protect consumers and small businesses, and stop sitting in the corner with the banks while people get gouged?

**Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC):** Mr. Speaker, it is interesting to hear that sort of bluster when that leader of that party voted against exactly what they are attempting to do. Besides that fact, the NDP had lots of opportunity during our pre-budget consultations, which were the most extensive pre-budget consultations that we have ever seen in Canada. The NDP members were absolutely silent. Then, they come in here and pretend to represent their constituents.

They voted against what we are putting forward as recommendations to require a minimum grace period on purchases made with credit cards. I do not understand why they cannot help Canadians.

**Hon. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, we need more than symbolic gestures or giving the Minister of Finance the power to regulate, which he has had for a long time and refuses to use.

Look at what we need to do. We need to protect consumers from abusive fees and we have to do it in law. We have to protect them from unfair penalties because they are being slammed with these penalties. We have outrageous interest rates happening and the government is doing absolutely nothing.

Gouging banks and credit card companies are going after the young, the elderly and the poor. When is the government going to take some action—

• (1430)

**The Speaker:** The hon. Parliamentary Secretary to the Minister of Finance.

**Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC):** Mr. Speaker, we did take action. I know the NDP members did not read the budget. Perhaps they would have seen all these measures in there. Not only did they not read it, they voted against it without even knowing the facts.

The regulations that we want to put in place will require that consumers, through strict debt collection practices, are actually protected from these sorts of unscrupulous requirements. They require clear and timely advance notice of changes to rates. He voted against that.

**Mr. Anthony Rota (Nipissing—Timiskaming, Lib.):** Mr. Speaker, merchants across Canada try to offer customers the best value possible. Fees charged by credit card companies and the banks are increasing dramatically. The costs trickle down to consumers while they are forced to pay higher interest rates on credit cards.

Unlike the Conservative government, consumers and retailers are responsible. They cannot spend their way out of their financial woes by passing on their problems to future generations. Why will the Minister of Finance not protect retailers and consumers in Canada?

**Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC):** Mr. Speaker, in fact, the Minister of Finance is in the United States this very day dealing with larger issues than this. He is meeting with the G8 and G20 leaders. Guess what they are discussing? They are discussing access to credit for Canadians and access to credit for all G8 family members.

This is one piece of a larger discussion that we are having around the world. However, we put in place a facility that provides access to credit for Canadians, so that they can continue living their lives and helping their families put food on the table.

**Mr. Anthony Rota (Nipissing—Timiskaming, Lib.):** Mr. Speaker, are there more important issues than small business and Canadians? That is what I call important. Studies are being done by the Senate finance and industry committees because the Minister of Finance did not do what was expected of him when it was time. He sat back and let the market take care of it.



*Oral Questions*

What does the minister have to say to the 200,000 members of the StopStickingItToUs Coalition, including the Retail Council of Canada, the Canadian Booksellers Association, the Canadian Convenience Stores Association, the Canadian grocers—

**The Speaker:** The hon. Parliamentary Secretary to the Minister of Finance. Order, please.

**Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC):** Mr. Speaker, it is interesting that the hon. member has just discovered that there is an issue out there.

We cannot help but listen to those people, those small businesses that are most important in Canada. We have actually cut taxes so that those small businesses can continue to employ Canadians.

What I am hearing, and I do not know about the rest of these hon. members, is that those businesses are very concerned that the leader of the official opposition will raise their taxes. That will not help Canadians at all.

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**CANADA-U.S. RELATIONS**

**Mr. Mark Holland (Ajax—Pickering, Lib.):** Mr. Speaker, everywhere Canadians are concerned about the disturbing lack of knowledge the U.S. homeland secretary has about our border.

Everyone knows this threatens thousands of Canadian jobs and billions in trade, everyone, that is, except the Conservative government because to admit the truth, it admits its failure. However, the Conservatives' ambivalence, their inaction, is the very root of the problem.

Canadians are too smart for denial, whether it is deficits, recessions, evolution or our border. When will the Conservatives stop denying and start protecting Canadian interests? Can they be honest and just admit there is a problem?

**Hon. Peter Van Loan (Minister of Public Safety, CPC):** Mr. Speaker, we are actually working very firmly toward improving our trade situation and continuing to facilitate trade at our borders, while ensuring that they are secure. Those are both priorities.

Just as an illustration of the success of this government's efforts, we saw the announcement earlier this week by President Obama that NAFTA will remain in place. The Americans will not be renegotiating it. That is another big win for Canada. It is something we can be proud of that has been delivered by the government.

**Mr. Mark Holland (Ajax—Pickering, Lib.):** Mr. Speaker, while the minister is in denial, the homeland secretary is making quotes like this, "To the extent that terrorists have come into our country... it's been across the Canadian border".

Does the public safety minister think this statement is acceptable, that we should just leave it out there, that terrorists come from Canada? Does he realize that such myths cost Canadian jobs and that in a tough economy we cannot afford to have him sitting on the sidelines with his fingers in his ears?

He should stand up, speak for Canada, protect Canadian jobs, and confront this appalling lack of knowledge.

● (1435)

**Hon. Peter Van Loan (Minister of Public Safety, CPC):** Mr. Speaker, as we have said many times, the homeland security secretary has acknowledged that the 9/11 terrorists did not enter the United States from Canada, they entered from elsewhere directly into the United States. She has acknowledged that.

We were in contact with her immediately after the statement. She clarified right away to us that it was not her view. It was the same view she had expressed previously in March.

Our focus is on ensuring that we can strengthen our security, both countries mutually working together to combat very real terrorist threats that do exist, and we will not ignore those terrorist threats. Some might prefer to think they do not exist. They do exist and we will fight to combat them every step of the way, and keep Canadians secure and all—

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

\* \* \*

[*Translation*]

**FIREARMS REGISTRY**

**Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ):** Mr. Speaker, yesterday, the Minister of National Revenue said that his government had always had the intention of abolishing the long guns registry, regardless of what federal MPs think. In effect, the Conservatives are trying to indirectly what they cannot do directly. When a law does not suit them, they get around it. The Minister has irresponsibly admitted that his government does not care about respecting the law, and he is comfortable with that.

Will the government enforce the law, respect the vote in this House and keep the firearms registry up to date as the law requires?

**Hon. Christian Paradis (Minister of Public Works and Government Services, CPC):** Mr. Speaker, we have always been very clear about this, and our approach is the right one. We focus on arms dealers and street gangs and we fight crime, rather than picking on honest citizens such as our farmers, hunters or first nations.

The Bloc Québécois ought to be thinking about the people in the regions. How does he explain himself?

**Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ):** Mr. Speaker, it sets a fine example for our youth when the government itself encourages non-compliance with the law. Canada's and Quebec's police forces are unanimous about gun control. Its application is a matter of public safety. Instead, the government encourages crime by allowing the amnesty from which those unwilling to register their weapons have benefited for the past three years.

For the Conservatives, not obeying laws that people find troublesome is no big deal. Is that the message?

**Hon. Christian Paradis (Minister of Public Works and Government Services, CPC):** Mr. Speaker, the Bloc Québécois philosophy is unacceptable. It wants to punish criminals less in order to punish honest citizens more.

*Oral Questions*

He wants to talk about young people, so let us do so. We had a bill here yesterday about child trafficking. Those people voted against it. That makes no sense.

Not looking after our children, or our families, is that their message?

\* \* \*

**OFFICIAL LANGUAGES**

**Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ):** Mr. Speaker, with regard to the use of French at the IRB, the Minister of Citizenship, Immigration and Multiculturalism is demanding that the independence of the board be respected. So be it. However, the Canada Border Services Agency reports directly to the Minister of Public Safety.

Consequently, will the Minister of Public Safety stop condoning the reprehensible behaviour of the agency by remaining silent and order it to translate its evidence into French and to respect the commissioner's decision?

**Hon. Peter Van Loan (Minister of Public Safety, CPC):** Mr. Speaker, the Canada Border Services Agency is fully committed to respecting Canada's two official languages and it intends to continue operating thus.

[*English*]

The Commissioner of Official Languages has given an overall mark of E to the Canadian Border Services Agency in terms of its services in official languages. We will continue to work on both fronts, English and French, to make sure services are provided as well as possible, and we will always be striving to improve our performance.

[*Translation*]

**Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ):** Mr. Speaker, this is another example of a government that just does not respect its own law. It is always those who cry out the loudest for law and order that do not respect it.

What is his government waiting for to do its job and order the Canada Border Services Agency to comply with not only the Official Languages Act but also the directives of the IRB tribunal?

• (1440)

**Hon. Peter Van Loan (Minister of Public Safety, CPC):** Mr. Speaker, the Official Languages Act applies to the Canada Border Services Agency and we are asking it to respect this law.

\* \* \*

[*English*]

**HEALTH**

**Hon. Wayne Easter (Malpeque, Lib.):** Mr. Speaker, my question is for the Prime Minister.

Last night, during Ms. Weatherill's appearance before the subcommittee on food safety, she confirmed her investigation into the listeriosis crisis only examines what happened, but avoids looking into ministerial responsibility. It seems this process is really designed to provide cover for the Prime Minister and his minister's incompetence.

Why has the Prime Minister designed a process to avoid ministerial accountability in the death of 22 Canadians?

**Hon. Gerry Ritz (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC):** Mr. Speaker, I think the member for Malpeque should have taken his finger out of his ear last night. Sheila Weatherill said that she will follow the evidence wherever it goes. If it goes into a ministerial office, she will follow it. If it goes into an opposition member's office, she will follow that, wherever it goes.

**Hon. Wayne Easter (Malpeque, Lib.):** Mr. Speaker, the minister was not there and that is not what she said. Ms. Weatherill confirmed that she has a staff of 20, some of whom are seconded from the very government that she is investigating. Her offices are on the grounds of Agriculture and Agri-Food Canada. She reports to the very minister, the Minister of Agriculture and Agri-Food, whose actions are under investigation. He will decide what is released.

How can the Prime Minister pretend that this is anything but a carefully structured process designed to cover his government's incompetence?

**Hon. Gerry Ritz (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC):** Mr. Speaker, of course, saying it loud does not make it true. Sheila Weatherill is a very well-respected member. She ran one of the largest health boards in Canada. She has access to everything. She is going through millions of pages of documents. What she does not have time for is a partisan rant from anyone else when she has a very serious job to do, getting to the bottom of that crisis, that tragedy from last summer. I look forward to working with her. I look forward to her report.

\* \* \*

**CANADA REVENUE AGENCY**

**Ms. Yasmin Ratansi (Don Valley East, Lib.):** Mr. Speaker, in an interview this morning, Irvin Leroux recounted a tale of abuse by the Canada Revenue Agency which drove him to financial ruin. This was made worse after the member for Cariboo—Prince George, on the advice of the former revenue minister, encouraged him to sue the CRA under the false assurance this would result in an out-of-court settlement. They did this simply to serve the Conservatives' political agenda.

Why did the government make the problem worse for Mr. Leroux by making him promises it could not keep?

[*Translation*]

**Hon. Jean-Pierre Blackburn (Minister of National Revenue and Minister of State (Agriculture), CPC):** Mr. Speaker, Mr. Leroux's case goes back nearly 13 years. Moreover, he has filed an application with the court. Under the circumstances, we must leave it up to the court to do what is necessary to respond to Mr. Leroux's application.

[*English*]

**Ms. Yasmin Ratansi (Don Valley East, Lib.):** Mr. Speaker, Mr. Leroux and his family have lost everything because of the interference of the government. He was successful at the tax court. However, due to the interference of the former minister of revenue, he is now facing major legal expenses.

*Oral Questions*

Can the government explain exactly what it plans to do to get Mr. Leroux out of the financial mess it created for him?

[*Translation*]

**Hon. Jean-Pierre Blackburn (Minister of National Revenue and Minister of State (Agriculture), CPC):** Mr. Speaker, the Minister of National Revenue always takes the situation of taxpayers who are faced with problems very seriously. That is why there are appeal processes and courts are able to respond when someone feels he has been treated unfairly or when something does not go as he believes it should.

In this case, Mr. Leroux has appeal to the court for a ruling, and we will let the court do its job.

\* \* \*

**JUSTICE**

**Mr. Steven Blaney (Lévis—Bellechasse, CPC):** Mr. Speaker, yesterday afternoon, in this House, all but one of the Bloc members voted against private member's Bill C-268, which is designed to put an end to light sentences for child exploitation. Whereas members from all parties supported this bill against child trafficking, the Bloc members are turning their backs on families in Quebec.

My question is for the Minister of Public Works and Government Services of Canada. Can my colleague tell me about this important bill, which is supported by the Canadian Police Association and more than 30 other organizations, including the Canadian Centre for Child Protection?

•(1445)

**Hon. Christian Paradis (Minister of Public Works and Government Services, CPC):** Mr. Speaker, I thank my colleague from Lévis—Bellechasse for his excellent question.

This is an excellent bill that was eagerly anticipated. It provides for minimum sentences for criminals who commit aggravated assault or aggravated sexual assault against a child or cause death to a child.

As a father, I cannot understand why the Bloc members would turn their backs on families in Quebec on such a crucial issue. I cannot understand why the Bloc members support easy sentences for criminals who attack the most precious members of our society, our children.

\* \* \*

[*English*]

**TRANSPORT**

**Mr. Dennis Bevington (Western Arctic, NDP):** Mr. Speaker, yesterday, pilots responsible for inspecting safety practices on airlines said that because of the government's move to have the industry oversee its own safety, Canada is no longer meeting international aviation standards. The proposed safety management systems will remove Transport Canada from its important role of inspecting planes and enforcing safety regulations.

How can the government continue to allow the industry to police its own safety when it knows doing so puts Canada's air safety below world standards?

**Hon. Rob Merrifield (Minister of State (Transport), CPC):** Mr. Speaker, nothing could be further from the truth. Safety absolutely

comes first with our airlines. Anyone getting on an airplane in Canada must be assured and know that safety is paramount.

We not only insist on safety, but we make sure that we have a culture of safety within the entire airline system. That is our approach in Canada, and that is completely different from what the hon. member is trying to allude to. He should apologize for asking that question.

**Mr. Brian Masse (Windsor West, NDP):** Mr. Speaker, the problems with the government's management of safety inspections extend to our railways, as well. Canadian Pacific Railway plans to remove its mechanical forces from Welland, London, Lambton, Oshawa and Windsor. This threatens the safety of our railway and the security of our border, and puts many communities in harm's way.

If the minister does not act today, the likelihood of an incident is an inevitable catastrophe, just like the one in Mississauga. Will the minister act to safeguard border security and public health by stopping CPR's plan to eliminate comprehensive safety checks? The government did this for Edmonton, Alberta and it needs to do the same for Ontario.

**Hon. Rob Merrifield (Minister of State (Transport), CPC):** Mr. Speaker, rail safety is very important. We have a significant amount of money in our action plan with regard to rail safety, \$71 million. We are dealing with safety on the rail system.

As far as the idea of moving the safety inspectors from one community to another is concerned, it is absolutely ridiculous to think that is going to compromise the safety of our rail system. That will not take place.

We can be assured that the railways in this country are running as safely as they possibly can.

\* \* \*

[*Translation*]

**AGRI-FOOD INDUSTRY**

**Mr. André Bellavance (Richmond—Arthabaska, BQ):** Mr. Speaker, the Minister of State (Agriculture) says the government consulted stakeholders in the agri-food industry before setting the 98% threshold for use of the "Product of Canada" label. Given the outcry from producers, processors and consumers, we might well ask who agreed to such an illogical decision.

Rather than stubbornly holding to a measure that has been criticized from all sides, why does the minister not follow Quebec's example and adopt a more realistic threshold? In other words, does the minister realize that his rule makes no sense and that there is still time to change it?

*Oral Questions*

**Hon. Jean-Pierre Blackburn (Minister of National Revenue and Minister of State (Agriculture), CPC):** Mr. Speaker, what is the principle behind all this? We want consumers to be able to tell whether something is a product of Canada or not, whether it is a product processed in Canada or not.

With that in mind, we consulted stakeholders and arrived at the 98% rule for saying that something is a product of Canada. If it is processed in Canada, the processor can certainly say, for example, that the product comes from whatever region and was processed here in Canada. That gives the public something to go on. That being said, we are open to ideas. If something needs to be corrected, we will see, but for the moment we are going with this.

**Mrs. Claude DeBellefeuille (Beauharnois—Salaberry, BQ):** Mr. Speaker, Bonduelle Canada, for example, a company in my riding, is losing its right to the “Product of Canada” label because there is more than 2% sugar or salt in some of its products. But the creamed corn found on most grocery store shelves is made of corn that is 100% grown in Sainte-Martine, Quebec.

What is the government waiting for before it revises its 98% rule, which is extreme and inflexible, so the processing industry can use the “Product of Canada” label and retain its competitive advantage?

• (1450)

**Hon. Jean-Pierre Blackburn (Minister of National Revenue and Minister of State (Agriculture), CPC):** Mr. Speaker, again, the important thing here is that consumers have something to go on when they see the product on the shelves in front of them. There is nothing to stop a company from putting that the product is made from products that come from Quebec or Ontario that have been processed here in Canada. The rule at present is 98%. We are listening to the processors. We are talking with them. We will then see whether things need to be improved. For the moment, we are in a process. That is the way we are going to go for the moment, and 98% of the content is the percentage for a Canadian product.

\* \* \*

[English]

**BROADCASTING INDUSTRY**

**Mr. Pablo Rodriguez (Honoré-Mercier, Lib.):** Mr. Speaker, the government is reported to be in talks with private broadcasters as the industry tries to cope with the current economic downturn.

Will the government include the CBC in those talks, given that our public broadcaster is facing the same challenges, or is it simply happy to keep the current double standard?

**Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC):** Mr. Speaker, of course, there is no double standard with regard to the CBC. On that issue, we made a very specific campaign commitment and we fulfilled our campaign commitment.

The Liberals made one promise when they were in opposition. When they formed the government, they broke their promise.

With regard to private broadcasters, we have made no commitment all.

Of course, as a government, we have a responsibility to keep our eyes and ears open about all the industries that are facing some difficulty in this economy, and we will do that. If we have anything to announce, my hon. colleague will be among the first to know.

However, I can certainly tell my colleague, and the private broadcasters, that this Conservative government will not raise taxes in the way that the leader of the Liberal Party has promised.

[Translation]

**Mr. Pablo Rodriguez (Honoré-Mercier, Lib.):** Mr. Speaker, that is exactly the thing. They promised to do nothing and that is exactly what they are doing, absolutely nothing.

The government has started talks with private broadcasters to address a crisis that is affecting the entire industry.

Is it also going to include the CBC in those talks, given that the public broadcaster is facing the same challenges as its competitors, or is it going to take advantage of the situation to keep knocking the CBC down?

**Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC):** Mr. Speaker, let us be clear. The only one that has attacked the CBC is the Liberal government. That is what the Liberal Party did when it was in power. What we are doing is investing \$1.1 billion in the CBC this year, an unprecedented amount. That is a promise we made during the election campaign.

We keep our promises, we deliver the goods and we are protecting Canadians and Canadian culture.

\* \* \*

[English]

**CANADIAN FLAG PINS**

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, the maple leaf is not simply a political masthead, it is a symbol of Canadian values. It is very symbolic that as the largest manufacturing meltdown in Canadian history takes place, the government is hawking parliamentary Canadian flag pins that are made in China. It is an insult to the thousands of manufacturing workers who have lost their jobs.

Will the President of the Treasury Board do the right thing, recall these bags of trinkets and ensure that all Canadian flag pins are made with pride in Canada?

**Hon. Vic Toews (President of the Treasury Board, CPC):** Mr. Speaker, we will in fact look into this issue. Of course, our government has been very strong in supporting Canadian industry, unlike the NDP and the Liberals, and the Liberal leader who wants to raise the taxes of Canadian industries.

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, the change came under his watch.

The Canadian flag pin was a Canadian invention made by Canadian companies, and those jobs have now been shipped overseas. That is the ideology of those Cadillac Conservatives. Now they have the nerve to peddle these made in China pins to the tens of thousands of workers who have lost their jobs.

*Oral Questions*

If the minister wants to lead the race to the bottom, he can have my pins because I will not—

**The Speaker:** The hon. member for Timmins—James Bay, with all his experience, would know he would not want to breach the rules of the House and use props. In the course of asking his question, I saw him waving something around. He knows that is not proper.

The hon. Minister of Canadian Heritage has the floor.

**Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC):** Mr. Speaker, the member can continue to yell louder, but here are the facts of the situation. Anything that is sold on Parliament Hill in the gift shop is the decision of the Speaker of the House of Commons on the guidance of the Board of Internal Economy. It is a choice of the Board of Internal Economy. The Board of Internal Economy operates on consensus and the NDP is on the Board of Internal Economy.

If the member really believes in what he is saying, if he really believes all the fire he is throwing out, why does the NDP not raise this issue at committee and get it addressed? All he is interested in doing is posturing and not addressing the issue.

\* \* \*

• (1455)

**AGRICULTURE AND AGRI-FOOD**

**Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC):** Mr. Speaker, praise for our government's actions in opening up international markets is coming from all corners of Canada. In fact, even the agriculture critic from the Liberal Party has been praising the approach of our government. Last night at agriculture committee, the member for Malpeque said, "Our minister is now trying to promote beef, which is a good thing, and to his credit, sales to other countries".

Now that even the Liberals can see that this government is taking the right approach to agriculture, could the minister tell us of his recent successful trade mission?

**Hon. Gerry Ritz (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC):** Mr. Speaker, it is strange praise indeed, but we will continue doing that anyway, because it is good for Canadian farmers. They are rallying during this time of recession and promoting their great products around the world. I am happy to help them do that.

However, while we continue to open those markets to improve the bottom line for farmers, of course the new Liberal leader promotes the old Liberal idea of raising taxes. We will never do that.

\* \* \*

**ARTS AND CULTURE**

**Hon. Hedy Fry (Vancouver Centre, Lib.):** Mr. Speaker, it appears that the increased funds for festivals promised by the government have not materialized. Most festivals in Vancouver, which are due to begin in less than six weeks, applied for funding in the summer of 2008, yet after eight to nine months, 95% have had no response from the minister's office.

Could the minister explain these lengthy delays? Is this just another example of Conservative government incompetence? Is

there really a festivals funding package, or does a big city, non-Conservative held riding not qualify?

**Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC):** Mr. Speaker, of course that is ridiculous.

This Conservative government is spending more money on arts and culture and festivals than any government in Canadian history. As a matter of fact, not only are we spending more money than any other government, but we are making sure the money is being spent effectively. In our budget, the economic action plan, to fight the global economic downturn, there is \$100 million in additional funding for festivals across this country.

We are delivering for arts and culture. Our Conservative government will continue to deliver and not raise taxes like the leader of the Liberal Party wants to do.

\* \* \*

[Translation]

**INTERNATIONAL COOPERATION**

**Ms. Francine Lalonde (La Pointe-de-l'Île, BQ):** Mr. Speaker, since this government has been in power, the Ministers of International Cooperation and successive presidents of CIDA have refused to meet with members of the Comité de suivi des États Généraux of the largest coalition of international development and cooperation organizations in Quebec civil society. Yet in November, the minister described civil society organizations as valuable partners of CIDA.

How can the minister explain her refusal to meet with this important coalition of valuable partners from Quebec, which also represent—

**The Speaker:** The hon. Minister of International Cooperation.

[English]

**Hon. Bev Oda (Minister of International Cooperation, CPC):** Mr. Speaker, in fact, it was unfortunate that I was not able to accept the invitation I received in March due to scheduling. However, I ensured that my parliamentary secretary met with the group and members of my staff. I would be pleased to meet with the group when my schedule permits.

However, let me assure the House that this is the kind of work that CIDA is doing in francophone countries in Africa. In Benin, in Nigeria, and in Malawi, we have increased the health of women and infants, 130,000 people.

\* \* \*

**EMPLOYMENT INSURANCE**

**Ms. Irene Mathyssen (London—Fanshawe, NDP):** Mr. Speaker, as new mothers prepare to go back to work, many are instead receiving a pink slip. We heard about a woman who paid into EI for 13 years but was laid off just before returning to work. The point of maternity leave is job protection. These women are in no position to fight for their jobs or access EI.

*Royal Assent*

Will the government commit to protecting women on maternity leave by ensuring their employers fulfill their obligations, and commit to expanding the EI system to include them?

• (1500)

**Mr. Ed Komarnicki (Parliamentary Secretary to the Minister of Human Resources and Skills Development and to the Minister of Labour, CPC):** Mr. Speaker, the EI program does include those who are off and receiving maternity benefits. They are entitled to a total of 50 weeks. If they are laid off within that period, they are entitled to take the full 50 weeks for that purpose.

We have done a number of other things to benefit those by extending the amount of time they can be on EI by five weeks, something that will benefit 400,000 people. I wonder what the member would say to those people, when her party voted against that provision.

\* \* \*

**HEALTH**

**Mr. Merv Tweed (Brandon—Souris, CPC):** Mr. Speaker, lung disease affects millions of Canadians. In fact, respiratory diseases, including lung cancer, are the third leading cause of death. These diseases, including asthma, tuberculosis, pneumonia and respiratory distress syndrome, affect Canadians of all ages, all cultures and all backgrounds.

Prevention, detection and management of respiratory diseases is important, and several factors that contribute to these illnesses, such as tobacco and air quality, are preventable.

I ask the Minister of Health, what is the Conservative government doing to improve lung health in Canada?

**Hon. Leona Aglukkaq (Minister of Health, CPC):** Mr. Speaker, up to six million Canadians are coping with some form of lung disease.

During the last election campaign, our Prime Minister promised action to tackle major diseases. That is why today I was pleased to announce that we are investing \$10 million on initiatives that will help Canadians prevent, detect and manage their respiratory diseases.

By improving what we know about their respiratory health, we can help Canadians lower their risks of developing lung disease and better manage their health.

This is great news for all Canadians.

\* \* \*

**AUTOMOTIVE INDUSTRY**

**Mr. Bill Casey (Cumberland—Colchester—Musquodoboit Valley, Ind.):** Mr. Speaker, for the auto industry bailout to succeed, car dealers, truck dealers and recreational vehicle dealers must have access to wholesale and retail financing, but a lot of the companies traditionally involved in this are backing out, or withdrawing or limiting their participation.

Is there a plan by the government to provide wholesale and retail financing for the dealers, the retail industry that will deliver and sell

the cars, trucks and recreation vehicles that will be helped with the auto bailout?

**Hon. Tony Clement (Minister of Industry, CPC):** Absolutely, Mr. Speaker. Certainly we announced in budget 2009 that we would be increasing the credit facilities to ensure that asset-backed securities were taken off the books of some of the captive credit banks so that they could then re-lend.

We have also worked with the banks. The banks are increasing credit availability in this area. Of course, we are the government that announced that in fact warranties for GM and Chrysler products would be honoured in this period of uncertainty. I think we are there for consumers across the country.

\* \* \*

**PRESENCE IN THE GALLERY**

**The Speaker:** I wish to draw to the attention of hon. members the presence in the gallery of the Hon. Shawn Skinner, Minister of Innovation, Trade and Rural Development for Newfoundland and Labrador.

**Some hon. members:** Hear, hear!

**ROYAL ASSENT**

[*Translation*]

**The Speaker:** Order, please. I have the honour to inform the House that a communication has been received as follows:

Rideau Hall

Ottawa

April 22, 2009

Mr. Speaker,

I have the honour to inform you that the Honourable Thomas Cromwell, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy of the Governor General, signified royal assent by written declaration to the bill listed in the schedule to this letter on the 22nd day of April, 2009, at 4:55 p.m.

Yours sincerely,

Dorothy Grandmaitre

for Sheila-Marie Cook

The schedule indicates that royal assent was given to Bill C-17, An Act to recognize Beechwood Cemetery as the national cemetery of Canada.

## GOVERNMENT ORDERS

• (1505)

[English]

### CANADA-PERU FREE TRADE AGREEMENT IMPLEMENTATION ACT

The House resumed from April 22 consideration of the motion that Bill C-24, An Act to implement the Free Trade Agreement between Canada and the Republic of Peru, the Agreement on the Environment between Canada and the Republic of Peru and the Agreement on Labour Cooperation between Canada and the Republic of Peru, be read the second time and referred to a committee.

**The Speaker:** It being 3:05 p.m., the House will now proceed to the taking of the deferred recorded division on the motion at the second reading stage of Bill C-24.

Call in the members.

• (1510)

[Translation]

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

(Division No. 52)

#### YEAS

##### Members

Ablonczy	Aglukkaq
Albrecht	Allen (Tobique—Mactaquac)
Allison	Anders
Anderson	Andrews
Ashfield	Bagnell
Bains	Bélangier
Bennett	Benoit
Bernier	Bevilacqua
Bezan	Blackburn
Blaney	Block
Boughen	Braid
Breitkreuz	Brisson
Brown (Leeds—Grenville)	Brown (Newmarket—Aurora)
Brown (Barrie)	Bruinooge
Byrne	Cadman
Calandra	Calkins
Cannan (Kelowna—Lake Country)	Cannis
Cannon (Pontiac)	Carrie
Casey	Chong
Clarke	Clement
Coady	Crombie
Cummins	Cuzner
D'Amours	Davidson
Day	Dechert
Del Mastro	Devolin
Dhaliwal	Dhalla
Dreeshen	Dryden
Duncan (Vancouver Island North)	Duncan (Etobicoke North)
Dykstra	Easter
Fast	Finley
Fletcher	Folco
Fry	Galipeau
Gallant	Garneau
Glover	Goldring
Goodale	Goodyear
Gourde	Grewal
Guarnieri	Guergis
Hall Findlay	Harper
Harris (Cariboo—Prince George)	Hiebert
Hoback	Hoeppner
Holder	Holland
Jennings	Kamp (Pitt Meadows—Maple Ridge—Mission)
Kania	Keddy (South Shore—St. Margaret's)

Kennedy	Kenney (Calgary Southeast)
Kent	Kerr
Komarnicki	Kramp (Prince Edward—Hastings)
Lake	Lauzon
Lebel	Lee
Lemieux	Lobb
Lukiwski	Lunn
MacAulay	MacKay (Central Nova)
MacKenzie	Malhi
Martin (Esquimalt—Juan de Fuca)	Mayes
McCallum	McColeman
McGuinty	McKay (Scarborough—Guildwood)
McLeod	Mendes
Menzies	Merrifield
Miller	Minna
Moore (Port Moody—Westwood—Port Coquitlam)	
Moore (Fundy Royal)	
Murphy (Moncton—Riverview—Dieppe)	Murphy (Charlottetown)
Murray	Neville
Nicholson	Norlock
O'Connor	O'Neill-Gordon
Oda	Pacetti
Paradis	Patry
Payne	Pearson
Petit	Preston
Proulx	Raïtt
Rajotte	Ratansi
Rathgeber	Reid
Richards	Richardson
Rickford	Ritz
Rodriguez	Rota
Russell	Savage
Saxton	Scarpaleggia
Scheer	Schellenberger
Sgro	Shea
Shiple	Shory
Simson	Smith
Sorenson	Stanton
Storseth	Strahl
Sweet	Szabo
Thompson	Toews
Tonks	Trost
Tweed	Uppal
Van Kesteren	Van Loan
Vellacott	Verner
Volpe	Wallace
Warawa	Warkentin
Watson	Weston (West Vancouver—Sunshine Coast—Sea to
Sky Country)	
Weston (Saint John)	Wong
Woodworth	Wrzesnewskij
Yelich	Young
Zarac — 187	

#### Government Orders

#### NAYS

##### Members

André
Ashton
Atamanenko
Bellavance
Bigras
Bouchard
Brunelle
Chow
Crowder
Davies (Vancouver Kingsway)
DeBellefeuille
Deschamps
Dewar
Duceppe
Duncan (Edmonton—Strathcona)
Freeman
Gaudet
Gravelle
Guimond (Rimouski-Neigette—Témiscouata—Les
Julian
Laframboise
Lavallée
Leslie

*Business of Supply*

Lessard	Lévesque
Malo	Maloway
Marston	Martin (Winnipeg Centre)
Martin (Sault Ste. Marie)	Masse
Mathysen	Ménard (Hochelaga)
Ménard (Marc-Aurèle-Fortin)	Mulcair
Nadeau	Ouellet
Paillé	Paquette
Plamondon	Pomerleau
Rafferty	Savoie
Siksay	St-Cyr
Thi Lac	Thibeault
Vincent	Wasylcia-Leis— 74

## PAIRED

## Members

Ambrose	Bachand
Cardin	Crête
Flaherty	Hawn
Jean	Lemay
Lunney	Mourani
Obhrai	Roy— 12

**The Speaker:** I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on International Trade.

(Motion agreed to and bill read the second time and referred to a committee)

\* \* \*

[English]

## BUSINESS OF THE HOUSE

**Mr. Marcel Proulx (Hull—Aylmer, Lib.):** Mr. Speaker, my question is for the Parliamentary Secretary to the Leader of the Government in the House of Commons. What is the government's business plan for the next two weeks? Does he have any supply days to designate?

**Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC):** Mr. Speaker, we will continue with the debate today on an opposition motion. Tomorrow we will begin, and there is an understanding that we will conclude, debate on third reading stage of Bill C-14, the bill to address organized crime. Following Bill C-14, we will continue debate on the report stage amendments to Bill C-11, the human pathogens and toxins bill.

If time permits, we may begin debate on the second reading stage of Bill C-6 dealing with consumer product safety.

Next week, we have opposition days scheduled for Monday, April 27 and Tuesday, April 28. On Wednesday we will return to government legislation with the continuation of business from this week. We will also give consideration to any bills that are reported back from committee or sent to us from the Senate.

Pursuant to a special order and because of the Liberal convention, the House will not sit on Friday, May 1. Mr. Speaker, as you know, it is a long-standing tradition to give up a sitting day to allow a political party to attend a convention and we are very pleased to continue on with that tradition.

● (1515)

## POINTS OF ORDER

## QUESTIONS ON THE ORDER PAPER—SPEAKER'S RULING

**The Speaker:** Yesterday, the Deputy Chair of Committees of the Whole, Ms. Savoie, heard a point of order raised by the hon. member for Avalon in relation to an answer he received to a written question. I have reviewed the member's intervention and I find that I concur in the view expressed by the Acting Speaker that this is a question of debate and not a matter of order.

[Translation]

## DECORUM IN THE HOUSE—SPEAKER'S RULING

**The Speaker:** With regard to the point of order of the Bloc Québécois concerning the alleged gesture made yesterday by the member for Essex during a vote, I have reviewed the video tape and found nothing. Consequently, given that the member provided an explanation, I consider the matter closed.

However, I would like to remind members of the importance of serious and dignified behaviour at all times, but especially at the time of a recorded division.

[English]

I wish to inform the House that because of the deferred recorded division government orders will be extended by eight minutes.

## GOVERNMENT ORDERS

[English]

## BUSINESS OF SUPPLY

## OPPOSITION MOTION—FINANCE

The House resumed consideration of the motion

**The Speaker:** Before the question period, the hon. member for Vancouver Centre had the floor and there are seven minutes remaining in the time allotted for her remarks. I therefore call upon the hon. member for Vancouver Centre.

**Hon. Hedy Fry (Vancouver Centre, Lib.):** Mr. Speaker, before question period, I talked about supporting the intent of this motion but felt that some of the ways of implementing the objective in the motion were impractical, one of which, as I mentioned, has to do with the United States legislation, which does not pertain to Canada as we have different legislation.

I also went on to point out that we had gone a long way when the Liberal government was here in 2001. We secured financial institutions, looked at regulations and set up the credit card database in which we have a large amount of data that has prevented us from going the way that the United States and other countries did. It was because we had secured our financial institutions.

The motion also talks about the aggressive targeting mechanisms used by credit card companies to ensure young people have credit cards. They offer them low interest rates to hook them in and then, when they get these young people in, they raise the interest rates, which is why so many people are now indebted.



*Business of Supply*

As I said earlier on, we talk about the indebtedness of people and we need to do something about it. This is one of the reasons the Liberals took a leadership role in the Senate. We wanted the Senate banking committee to look at some of these issues and to aggressively look at solutions. The problem is real. The debt of most Canadians at this time, especially consumers, is huge. In my riding of Vancouver Centre, the cost of homes and everything else is so high. We have young couples in their thirties who are university educated. Some have MBAs and some are lawyers. Together, these couples are making a reasonable income but they cannot afford to buy a home. They have stretched themselves to the extent that they can but when one of them loses a job in this climate, they are within two pay cheques of bankruptcy. We need to be concerned about these people who also have large credit card debts that they need to pay.

Many of my colleagues have made the point that many retailers right now are in a credit crunch. This is all a vicious cycle. We know that when people are indebted they are not spending. They are hoarding and saving. They are indebted to credit cards companies. They have reached their maximum limits and therefore cannot go out and buy. The retail sector is suffering because of the inability of consumers to spend money on anything that is not basic. Shops, retailers and small businesses are hurting a great deal by this recession. They have their own credit crunch to deal with.

On top of that, the credit card companies are charging the retailers 11% and 12% interest rates, which does not allow the retailers to make a profit. Many of them are trying to bring about sales so they can encourage people to buy but they cannot do that and stay in business if they do not make a profit. They now have a choice. They either go out of business or they bring down their funds. However, if they do not make a profit, they will go out of business at the end of the day.

The financial institutions, which govern much of the credit card debts and the interest rates charged by credit card companies, need to show a sense of responsibility by making the credit card companies understand that by charging high interest rates and changing interest rates without enough notice to people who cannot afford to pay off their full balance, which will only increase now when people are counting their pennies and can only afford to pay the minimum amount, they are creating a huge problem. People's indebtedness will hurt this economy and any economic stimulus package or any development that we try to make to turn the corner.

This is a vicious cycle that we see happening, one that is creating a worsening situation all the time.

Now we know that typical of the Conservative government is a promise that it will do something about it. The Minister of Finance said that he would go off and deal with the credit card companies and get them to do these things voluntarily. However, when they told him to take a hike, nothing happened. We continue to see promises made in stimulus packages, in budgets, in all of these declarations by a government that never actually come to fruition. Nothing happens. Talk is cheap.

We, on this side of the House, knowing that we did not want to play politics with a difficult fiscal climate in this country, cut the

government some slack. We said that we would support its package but that we put it on probation.

• (1520)

Time after time, we hear the verbiage that we are working on it and that we do care, but nothing happens. We have put the government on probation because at some point in time we need to find out whether it is just talk. We need to see the money flowing. We need to see the work being done to get the credit card companies to look at the problems. We need to see that the promises to spend money in certain places comes to fruition. We need all this shovel-ready stuff to occur. We need long term investments.

Those are some of the things that we are looking to the government to actually make good on and we are keeping our eye on the government on that basis. However, at the same time, we do not wish to be irresponsible. We know we are in a difficult time but we need to see something happening.

The motion brought forward by the NDP basically says that we need to do something. We have taken the bit in our teeth and have taken the initiative. We have started to do the work at the Senate by pushing this very aggressively in the Senate. We need some studies and we need some information. When I say studies, I do not mean studies in the manner in which the government speaks of studies, which is some kind of two year plan to do something that never comes to fruition. We mean that we need to get some data quickly. Time is moving and we need to get this thing sorted out now.

Good intentions are fine, and I hesitate to say this because it is very well-intentioned, but we know that the NDP have a tendency not to implement their good intentions and come up with some way-out ways to do this. However, we do agree with this motion because it is a good motion. The objectives and the intent are great. We have taken the initiative to do some work to ensure we have the right and most effective solutions to this problem.

I support the motion from that perspective.

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, a Senate initiative is going on. In the budget, the government promised that a task would be coming soon. A motion is before the House that calls for introducing legislation within six months, which will take some time thereafter.

My concern is that the problem is a today problem and we need a comprehensive approach to dealing with the identified problem. One of those problems, to which I think the member alluded, is the need to get the banks on-side now. I do not think we need to wait until we study something and get more information. We can start now, if there is a political will within Parliament, to step forward, to get those consultations with the banks going and to deliver a solution that will save these people who are going to lose everything. Many people will lose everything within a matter of weeks and months.

There is a need for short term action, as well as medium and longer term action, but there is nothing on the table now to deal with the short term. I really think Parliament must indicate its concern about consumer debt problems.

*Business of Supply*

• (1525)

**Hon. Hedy Fry:** Mr. Speaker, I could not agree more with my colleague. I would refer to the fact that we have students who have huge debtloads. We have students who have now taken out credit cards because of aggressive marketing. The interest rates are going up. When they cannot pay even the minimum payment, they are suddenly being assessed huge fees.

I raised the issue of young couples who are literally two paycheques away from bankruptcy if one of them loses his or her job. I am talking about people who are university and college graduates. I am talking about lawyers and young MBAs. They are in a difficult position.

People in my province cannot buy a 1,000 square foot condominium for under \$600,000. Some people do buy them because they need a place to live but if they lose their home because they cannot pay the mortgage, then they must look for rental accommodations. However, there are no rentals in my city.

I am not exaggerating when I say that we will be seeing people, maybe within two months, who will be out on the street because they are bankrupt. There is data to support this increasing risk to middle income families, what we used to call good, solid, middle income families, that may lose absolutely everything in this recession.

Studying things alone, as the government is doing, hoping that the banks will come on-side, is not good enough. That is why we support the intent of this motion. We have work going on in the Senate to make it happen quickly.

**Ms. Olivia Chow (Trinity—Spadina, NDP):** Madam Speaker, former Liberal MP, Don Boudria, said that the government seeing fit not to act on a cap was consistent. It has consistently defended the interests of big business. He said that there needed to be an interest rate cap. He was commenting on a study that was done by the standing committee on credit card cost.

When was that study done? In March 1990 and it recommended that the financial institution not be allowed to go higher than eight percentage points above the bank rate, but no action was taken between 1993 and 2006.

Could the member opposite tell us why the Liberals, when in power, did absolutely nothing to cap credit card interest rates?

**Hon. Hedy Fry:** Madam Speaker, that is such a broad statement that it is funny. In fact, Canada has done extremely well in the world. We are solid. Our banks have not had the fate of the banks in every other G8 country in the world. Canada was solid and it was because a Liberal government moved in 2001 to put in the structures that regulate banking institutions and make them accountable. That is why today everyone is boasting about Canada's solid economy. However, that is not going to remain for long. The hon. member already mentioned that and, in fact, there is need for quick action.

**Ms. Olivia Chow (Trinity—Spadina, NDP):** Madam Speaker, I will be sharing my time with the member for Burnaby—Douglas.

We have had 20 years of studies. In 1990 the New Democrats said that the credit card companies were ripping off regular Canadians, consumers and small businesses. A study done by the standing

committee in 1990 recommended that we cap the interest rates to 8% above prime. No action has been taken all these years.

The credit card companies are continuing to rip off young and old Canadians and businesses, big and small. There are 11 ways they do it.

Rip-off one is the interest rate offered by bank issued credit cards goes to about 19.9%, almost 20%, even though the Bank of Canada interest rate is extremely low. The interest rate is going down, yet the credit card rates are going up. The interest rate offered by retailer-issued credit cards is even worse. If people go to the Government of Canada website and choose a credit card, they will see the interest rates offered by these companies range from 24% to 28.8%, almost 29% interest.

Rip-off two is the consumer pays interest not on the current balance, but on the previous month's balance. For example, people who owe \$1,000 and pay off \$800 of that might think they will pay interest on the remaining \$200. That is not the case. They pay the interest on the entire \$1,000. I cannot believe our country allows this kind of ripoff? It is not a person's current balance; it is what the person owed last month.

Rip-off three is this. Recently Canadian Tire Corporation notified many of its cardholders that the annual interest rate on late payment fees would rise to 19.5%. Some cardholders know about this, but others do not. It does not even tell people what its interest rate is. It just jacks it up.

Rip-off four is the credit card companies send people a contract to sign. In the contract, in really small, fine print, probably 5 point, 6 point print, is language that is very difficult to understand. Sometimes they do not even tell people, so the customers really do not understand the implications.

Rip-off five is credit card company representatives go to universities and entice young people by showing them big ads and getting them to pick these credit cards. Then they are living off debt. The reason why a lot of young students end up having many credit cards is because they have huge student debts, on average about \$30,000 per student. Then they get hooked on these credit cards by aggressive marketing targeted toward them.

Rip-off six is credit card companies also go after the seniors. They send them cards for which they never asked. Recent pollings show that one in five Canadians receive cards without asking for them. First, the credit card companies offer short-term lower rates to hook them in. Then they change the rates without telling them. They apply it to different accounts. It looks like there is a saving in the beginning, but then the longer term, or in the fine print in the signed contract, which seniors cannot read, when the first purchase is made, they find that the rates are applied differently within their accounts.

*Business of Supply*

• (1530)

Rip-off seven is even cardholders who pay on time are subjected to penalties, rising interest rates, annual monthly service charges. Even if they do everything they are asked to do, the companies still go after them.

Rip-off eight is the overseas transactions. People might not know that when they go across the border to buy something in Buffalo, for example, a 2.5% charge on top of the 19% or the 28% charged is applied.

Rip-off nine is the interchange fees to merchants. Many small businesses are saying this is grossly unfair. Credit companies charge up to 4% on the total price of the sales rather than a flat transaction fee. Again, that is completely unfair.

Rip-off 10 is the increased annual fees while the service decreases. When the service goes down, the annual fees go up.

Rip-off 11 is the penalties for exceeding the credit limit. There is a charge on that also.

It is no wonder that last year eight out of ten Canadians, or 84%, reported having some kind of debt. They say they are worried that they are unable to deal with unexpected events. Household debt is at an all-time high, reaching one trillion dollars two years ago. Last year there was a record debt load averaging \$80,000 per household, including mortgage debt. Canadians, especially middle-income, have racked up a huge amount of debt. It has doubled since about 1990. What are the consequences? Bankruptcies are now rising 14.9% year over year.

The motion of the New Democrats says that we want to protect consumers from interest rate increases and account changes. We want to prohibit unfair application of card payments. We want to protect cardholders who pay on time. We want to limit abusive fees and penalties. We want to prohibit issuers from using a consumer's card history with another creditor to raise interest rates. We want to prohibit issuers from charging interest on debt that has already been repaid. We want to ensure that cardholders are informed of the terms of the account. We want to protect young consumers from aggressive credit card solicitations.

This is the kind of common sense approach that the New Democrats call on the government to introduce within six months, comprehensive legislation, no more talk, no more studies. Let us ensure that we implement a credit card accountability, responsibility and disclosure act, similar to what the Obama administration is doing.

The Liberals have talked and talked and studied. There is another study in the Senate. What do the Conservatives do? They just talk to the banks and do nothing. It is time to take action to protect consumers and limit credit card interest rates.

• (1535)

**Mr. James Rajotte (Edmonton—Leduc, CPC):** Madam Speaker, I have a couple of questions for clarification.

First, I have read the motion of the NDP. Does the NDP still support what is known as the four-party credit card model? Would

members have any amendments to that model or do they support the existing model with respect to credit cards in the Canada?

Second, the NDP members reference an initiative by the Obama administration. It is my understanding the bill was introduced in the Senate by Senator Dodd. Is that not in fact the case and, if so, what other particular initiative is the member referring to when she talks about an initiative by the Obama administration with respect to credit cards?

• (1540)

**Ms. Olivia Chow:** Madam Speaker, we know that the existing methods of regulating, or not regulating, credit card companies is just not working.

The parliamentary secretary today in the House of Commons talked about some of the measures that the Conservative government is putting in its budget. What does it actually do? It tells us how we are being ripped off. It tells us that if we want a credit card, we can put in some numbers and it will tell us which credit card we can use, but all of them charge huge interest rates.

The existing disclosure methodology really does not work. The key thing is regulations, which is why we are looking at the model that New Democrats are putting forward. Yes, it was introduced in the United States Senate. What we must do is take all the studies that have been done since 1990, cap the interest rate, and amend the Bank Act.

Just making it voluntary and having some lunches with bank presidents will not work. It did not work for the ATM fees; it will not work for credit card fees either.

**Mr. Bill Siksay (Burnaby—Douglas, NDP):** Madam Speaker, I want to thank my colleague for her intervention in this debate this afternoon.

I want to pick up on one point, even though it is not directly related to consumer credit card interest charges. She mentioned the interchange fees that are charged to retailers for using a credit card service in their businesses and how these fees constantly go up.

One of the small business people in my riding wrote to me and said that last year it went up four times as he was trying to do business. He said that when those kinds of fee increases happen, he has no choice but to pass those on to the folks who do business in his store. It gets passed on directly to consumers, so consumers get hit again by this hidden fee that is charged by banks and credit card companies to the retailers.

I wonder if the member has heard from retailers in her riding who face a similar problem and have spoken to her about how this hurts both the retail sector and consumers in Canada.

*Business of Supply*

**Ms. Olivia Chow:** Madam Speaker, the vice-president of the Retail Council of Canada came to a forum that I held when we were consulting about the budget, and many small businesses have written to my constituency office saying these fees are extremely unfair. These fees have gone up and up, many times in the last year.

Collectively they have put together a big campaign called "Stop Sticking It To Us". People can visit [www.StopStickingItToUs.com](http://www.StopStickingItToUs.com). The Retail Council of Canada is pushing the Canadian government to amend the Bank Act so that we can take the kinds of actions that are desperately needed here in Canada to protect consumers, protect small businesses, and protect retailers.

The Retail Council of Canada is not alone. The Canadian Federation of Independent Business also said its members are confronted with uncontrollable cost increases from credit card companies. The Canadian Council of Grocery Distributors, too, is saying it needs real leadership from the Canadian government.

**Mr. Bill Siksay (Burnaby—Douglas, NDP):** Madam Speaker, I am pleased to have this opportunity to participate in the debate this afternoon on the opposition day motion from the New Democratic Party about consumer protection around credit card interest rates.

We know this is not a new problem in Canada. This problem has existed for many decades and we have seen it get worse with each passing year. Consumer debt has risen dramatically in Canada over the past decades, and it remains today at an all-time high.

The current economic crisis has compounded the difficulties that this high-level of consumer debt makes for ordinary Canadians. Many Canadians are facing a loss of income because of layoffs and unemployment and the lack of availability of employment insurance in their area. They often have to resort to credit cards to make what income they have stretch and to find immediate access to some money to pay their everyday household bills. They use them as a stopgap, which only serves to increase the pressure and the difficulties that these families face. We know it is a serious and stressful time for many families.

Yet we still see increases in credit card rates across the country from different providers. These credit card rates continue to increase at a time when the Bank of Canada rate is at an all-time low. There seems to be no willingness on the part of banks and credit card companies to pass on to consumers the benefits of that low Bank of Canada rate.

This is not something that has just needed to be done now. For many decades we have needed this kind of intervention to protect consumers. We are glad that we have this opportunity today to debate some very specific suggestions for addressing the problems that consumers are facing with regard to credit card interest rates.

One of the things our motion talks about is modelling a response in Canada on what is currently being debated in the United States. Right now I believe both the Senate and the House in the United States are looking at measures to protect consumers from credit card interest rate gouging in that country.

I have looked at one particular piece of legislation, the Credit Card Accountability Responsibility and Disclosure Act of 2009, which is currently before the U.S. Senate. This is the legislation that the motion we are talking about today refers to as a potential model for

the government, a model that might enable it to get on with this task more quickly than it might otherwise do.

The government has talked about studying the issue. It has talked about a task force. Here is a legislative model currently being debated in the United States, put forward by the Obama administration, that merits the government's attention and might provide a quick start to getting something before the House.

The motion talks about a six-month deadline for legislation. We would love to see it faster than that. If the government could get it sooner, that would be great, and perhaps looking at what is being proposed in the American Senate would allow it to get on with that task.

I want to talk about what specifically is in the Credit Card Accountability Responsibility and Disclosure Act that is before the United States Senate right now.

Section 101 of that legislation would require prior notice of interest rate increases on credit cards. It would prohibit an increase without 45 days' notice. It would prohibit applying rate increases retroactively to existing balances, and it would require clear notice of the right to cancel the credit card when an interest rate is raised.

These are important initiatives in the United States. In a few of these cases, I should note, we have similar regulations already in Canada. In some cases we have a partial regulation similar to what is being considered in the bill before the United States Senate, but overall, the comprehensiveness of the legislation merits our attention here.

Section 102 of the U.S. bill talks about a freeze on interest rate terms and fees on cancelled cards. That would prevent the interest rate from being raised or repayment terms being cancelled if a cardholder cancels the card.

Section 103 talks about limits on fees and interest charges, and there are four provisions under this section. It would prohibit double-cycle billing. That prohibits credit card issuers from imposing interest charges on any portion of a balance that is paid by the due date.

● (1545)

It talks about over-limit fee restrictions, where cardholders must be given the option of having a fixed credit limit that cannot be exceeded, and card companies cannot charge over-limit fees on cardholders with fixed limits. Cardholders may elect to prohibit the creditor from completing over-limit transactions that will result in a fee or constitute a default under the credit agreement. Over-limit charges can only be charged when an extension of credit other than the fee or interest charge causes the credit limit to be exceeded. Over-limit charges can only be applied once during a billing cycle.

*Business of Supply*

The American legislation would also prohibit charging interest on fees, such as credit card transaction fees, late fees and over-limit fees. It would also put limits on charging certain fees, for instance, to allow a cardholder to pay a credit card debt, whether the payment is by mail, telephone, electronic transfer or otherwise. It requires fees to be reasonably related to cost. Foreign currency exchange fees may only be imposed in an account transaction if the fee reasonably reflects cost incurred by the creditor and the creditor publicly discloses the method for calculating the fee.

Section 104 of the U.S. legislation talks about the consumer's right to reject a card before notice is provided of an open account. It gives cardholders who get pre-approved the right to reject a card up until they activate it, without having their credit adversely affected.

Section 105 clarifies the terms used, because often there is confusion between the terms "fixed rate" and "prime rate". It would go to establishing a single definition.

Section 106 talks about the application of card payments. It prohibits card companies from setting early deadlines for credit card payments. It requires payments to be applied first to the credit card balance with the highest rate of interest, to minimize financial charges. It prohibits late fees if the card issuer delayed crediting the payment. It prohibits card companies from charging late fees when a cardholder presents proof of mailing a payment within seven days of the due date.

Section 107 talks about the length of the billing period, required to be 21 days before the bill is due.

Section 108 is an important section of the American legislation. It talks about a prohibition on universal default and unilateral changes to cardholder agreements. This is something we could use in Canada to prevent credit card issuers from increasing interest rates on a cardholder in good standing for reasons unrelated to the cardholder's behaviour with respect to that particular card. It prevents credit card issuers from changing the terms of a credit card contract for the length of the card agreement. It also requires issuers to lower after six months the penalty rates that have been imposed on a cardholder, if the cardholder commits no further violations. These are all things that go a considerable way to protecting consumers.

Section 109 talks about enhanced penalties.

Section 110 talks about enhanced oversight of credit card issuers through their primary regulator, something that is also very important.

The bill has other sections that are very important. There is a whole section dealing with the protection of young consumers and the extension of credit to young people and to underage consumers, restrictions on affinity cards that are provided to young people, and protection of young consumers from pre-screened offers of credit. There would have to be permission given to allow for that pre-screening.

In Canada, we have seen occasions where young people have been particularly targeted, like seniors, by credit card companies and often provided with credit cards that were not requested. This has often contributed to the debt problems that those groups face in our society.

The American legislation also talks about interchange fees. While it does not go to providing specific remedies for the problems faced there, it does call for a study and report on interchange fees.

While the motion we are talking about today does not talk about interchange fees, those fees that are charged to retailers and merchants for using a credit card service and ultimately have to be passed on to consumers, this is something that is very important.

We have heard from many retailers. I have heard from them in my riding. One retailer pointed out that \$4.5 billion was taken in, in those kinds of fees, last year. In his business, the rate he had to pay the credit card company for using credit card services was raised eight times before October of last year. This is unacceptable. This is another hidden cost that gets passed on to consumers. It is also unfair to merchants.

We need comprehensive credit card legislation in Canada to prevent gouging of our consumers, of people who rely on these devices. We also need comprehensive legislation to protect retailers who also need these credit cards as a requirement of doing business here in Canada.

• (1550)

**Mr. Paul Szabo (Mississauga South, Lib.):** Madam Speaker, I thank the member for the information. He has parroted the sentiment of all of the members who have participated at least from the opposition parties. It is unfortunate that the Conservative member for Burlington indicated that the motion makes no sense to him or any of the Conservative members and they will not support it. It seems to me that when there is a problem, one of the first productive steps one can do is to admit there is a problem.

The fees charged to merchants for services raises another issue that concerns me. The first thing some of the consultants who deal with people in debt crisis do is cut up the credit cards. It means those people have to deal in cash. Even people who deal in cash have to pay those hidden fees, because they are passed on by the retailer.

I wonder if the member has a comment on whether or not, in a period of responsible financial literacy and activity, consideration might be given to prohibiting the banks from not allowing retailers to give cash discounts when they make those purchases?

• (1555)

**Mr. Bill Siksay:** Madam Speaker, the member for Mississauga South started by pointing out the response of the Conservative Party to the motion today. He said the Conservatives have been saying they do not understand the motion and they do not understand its importance.

We also saw during question period the Parliamentary Secretary to the Minister of Finance dismiss this whole issue very cavalierly, actually. He said that it was a small issue, that there were bigger issues, and that the minister was attending to bigger issues than this one. I would like the parliamentary secretary to say that to the families who are dealing with the debt crisis in their own families, who are dealing with the issues of paying the bills when they have been laid off and cannot collect EI, or when they are on EI and there is not a hope for a job in their community.

*Business of Supply*

This is not a small issue when we talk to Canadians who have been paying through the nose for the availability of this kind of credit and this kind of service. It is not a side issue or something that can be ignored, but it has been ignored for far too long. It has been far too long since we have had a government that has been willing to take on the banks directly on this issue and tell them they have gone too far and they continue to go too far, to tell the major retailers that their credit card services are going too far and their interest rates are far too high.

We need a government with the courage of that conviction, the courage to stand up for ordinary Canadians and say that this gouging has to stop and it has to stop now and that we will not put it off any longer. We have not had that to date in this country.

When we raised the issue of ATM fees, where consumers have to pay to take their own money out of a bank, the Minister of Finance said he would write the banks a letter or talk to them. Nothing was ever really resolved about that issue.

These corporations and banks are raking in huge profits on the backs of Canadians. We are not saying there should not be a fee for services offered, but we are saying it needs to be reasonable. We are not saying that credit should not come with an interest rate, but we are saying that should be a reasonable rate and that it should be regulated and carefully monitored so that consumers have a modicum of protection when it comes to using this kind of service.

**Mr. Brent Rathgeber (Edmonton—St. Albert, CPC):** Madam Speaker, is the member not concerned that if the banks are restricted in the credit rates that they can charge, that might actually lead to less availability of credit? The banks would stop lending money to a certain class of consumers.

**Mr. Bill Siksay:** Madam Speaker, no, I am not really concerned about the banks. Banks are large institutions. They are extremely profitable and the entrepreneurial spirit is alive and well in those banks. I believe that banks will find ways to make money to keep themselves and their shareholders happy. I do not believe that these measures to reasonably protect Canadians would do damage to the banks in Canada.

I think it is time we had governments and parliamentarians who are willing to stand on the side of ordinary people against this kind of gouging, against these outrageous interest rates, and make sure that there is protection available to those consumers.

**Mr. James Rajotte (Edmonton—Leduc, CPC):** Madam Speaker, I appreciate the opportunity to address the House on the motion put forward by the NDP with respect to credit cards, credit card rates and debit cards.

First of all, I think it is important to clarify, and I asked this question of a member of the NDP, as to where this idea is coming from in terms of the United States. The motion references the Credit Card Accountability Responsibility and Disclosure Act of 2009 and that this was introduced by the Obama administration in the United States, but this in fact is untrue. It was not introduced by the Obama administration. The act was introduced by a senator from Connecticut, Christopher Dodd, who some members will know ran against President Obama during the Democratic primary. He is the chair of the Senate banking committee in the United States, but he is not a member of the Obama administration. I would wonder why the

members of the NDP would allow an error like that to be so prominent in their motion.

Second, another concern I have with the motion is it disregards hearings which members of three committees—two committees of the House of Commons and one committee in the Senate—actually voted to hold in their respective committees to investigate this issue, because it is a very complicated issue. The finance committee, the committee which I gladly chair, and the industry committee have passed motions to look at this issue. I suspect we will have hearings on this in May. The Senate committee is actually examining this issue at this time. It makes me wonder why the NDP would not wait another four weeks until the conclusion of those hearings and then pass judgment on what needs to be done in terms of a series of recommendations.

With respect to credit cards and debit cards, these issues, in fairness, have garnered considerable attention in recent weeks. They certainly have been raised with me by many constituents and by many organizations that are valuable in terms of representing their membership, such as the Retail Council of Canada, the Canadian Federation of Independent Business, and the Canadian Restaurant and Foodservices Association. They have raised these concerns on behalf of their members, which is why the three committees have voted to study the issue.

The finance committee, as I mentioned, will be studying it very shortly. I know, as the Conservative members voted to study this issue, the finance minister will be paying close attention and will obviously want to hear from all parliamentarians on this issue after they have studied it in depth.

I also want to point out that our Conservative government has already taken and is in the process of taking some very significant measures to protect credit card users which we have outlined in the budget, our economic action plan, which I would note that members of the NDP in fact voted against.

Our government has strongly advocated that consumers are best served when there is maximum disclosure, when there is competition and when there is choice. On the first point, our budget 2009 economic action plan seeks improvements in areas such as the provision of clear and simple summary information on credit contracts and credit card application forms. We also served notice that we intend to limit business practices that are not beneficial to consumers. For example, we will be seeking improvements in debt collection practices of federally regulated financial institutions and moving forward to require a minimum grace period on new purchases made with credit cards.

Early reaction to these measures has been very favourable. In fact at the finance committee we heard from groups, such as the Public Interest Advocacy Centre, which remarked, “Certainly our reaction to the fact that the government is moving in this direction is a positive one”. We have also heard encouraging words from the Retail Council of Canada, which supported some measures in budget 2009 saying, “These steps help to protect retailers and customers from the unfair practices of credit card companies and their issuing banks”.

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Despite the NDP's opposition to these measures, with the support of the official opposition, the budget passed and now our government has the authority to draft regulations for the protection of Canadian consumers.

As the House of Commons well knows, the credit card market is a private sector market and credit card interest rates and features are made by the credit card issuers in a very competitive environment.

• (1600)

Currently in Canada, financial institutions offer consumers a wide variety of choice. There are more than 200 credit cards available in Canada with widely varying interest rates. This means there is a great deal of competition and there is currently plenty of choice.

As the Toronto *Star* has noted, there is an array of cards on the market, including some 60 low-rate ones. Consumers have the freedom to and should shop around for the best option and rate for their individual needs. While having so many choices ensures competition and varying interest rates, decisions about which card is best can be tricky and difficult without the necessary knowledge.

Indeed, all consumers can benefit by increasing their understanding of interest rates and the effects of compound interest, a lesson I learned very painfully as a young man. In that respect, the federal government has a role to play by helping ensure Canadians are fully informed of their options. This raises the important issue of financial literacy, something that our government is addressing. I must compliment the Parliamentary Secretary to the Minister of Finance for raising it in committee and asking us to look into it, which we are doing within our current study. As well, the finance minister was in the United States this week addressing an international forum on this issue.

Through our support for the Financial Consumer Agency of Canada, our government has helped consumers make informed credit card choices. I would note that our Conservative government has increased funding for this agency in both budget 2007 and budget 2008 to help Canadians make informed financial decisions on products like credit cards as part of our efforts to improve financial literacy.

I would encourage all members of the House to check the information put out by the Financial Consumer Agency of Canada. Representatives appeared before the committee and they are very willing to work with members of Parliament and Canadians across the country in terms of making Canadians more informed and financially literate.

While the agency's mandate is primarily to ensure federally regulated financial institutions provide the required disclosure to consumers, it also provides consumers with very useful information, such as comparison tables outlining the rates and features of the many credit cards offered today in Canada.

Measures in our economic action plan will bring about improvements, such as the provision of clear and simple summary information on credit contracts and credit card application forms. That was raised in the debate this afternoon. It is a valid point, but we are in fact addressing that through the economic action plan.

Increasing consumer protection in this manner, along with the kind of information available on the FCAC website, will help those who use credit cards or who are considering applying for one.

FCAC also publishes a semi-annual report, "Credit Cards and You", which provides comparison tables outlining the rates and features of numerous credit cards offered in Canada by a variety of issuers. I would encourage all Canadians interested in obtaining this report or others to call 1-866-461-3222 or visit [www.fcac-acfc.gc.ca](http://www.fcac-acfc.gc.ca). There is nothing that could do as much in terms of improving or addressing the situation as making sure consumers are as literate as possible on financial issues. I would encourage all members of Parliament to do so as well. All of FCAC's publications are available at no charge.

Young Canadians especially will benefit from these actions that we are taking and the information available as they decide for the first time what credit cards and other financial products are best for them. That is why our Conservative government is very serious about protecting consumers and their dealings with financial institutions.

Financial literacy has been a priority for us. It is an area where we have made significant progress since coming to office in 2006. We understand that one's own level of financial literacy very often influences one's choices, whether one is selecting credit cards, buying a house or deciding on a career. That is why, as we announced in budget 2009, we have pledged within the coming months to establish an independent task force that will make recommendations to the Minister of Finance on a cohesive national strategy on financial literacy. The task force will include representatives of the business and education sectors, volunteer organizations and academics, and will be supported by a federal secretariat.

• (1605)

What is more, we will work with the provinces, the private sector and community organizations to improve the financial literacy of all Canadians. I would note that this announcement has been tremendously well received. The investor education fund applauds this particular development. The Canadian Foundation for Economic Education, which also appeared before our committee on this issue, proclaimed that it commends the government for this very specific task force.

However, there are other concrete examples of our government taking steps to help inform consumers.

Building on measures announced in the summer of 2008, we are moving forward to make mortgage insurance more transparent, understandable and affordable. This will include enhanced disclosures to consumers about the characteristics of mortgage insurance. While lenders are already required to itemize the cost of mortgage insurance as part of their disclosure to borrowers, the new measure will set out additional mandated disclosures to help consumers better understand the mortgage insurance transaction.

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Our government will also propose new measures to ensure that Canadian consumers are charged no more for mortgage insurance and the true cost of obtaining that insurance. That is why columnists such as *The Globe and Mail* financial columnist, Boyd Erman, has claimed that the finance minister “can rightly roll out a new slogan - friend of the Canadian home buyer”. The minister can say it loud. He is a friend of the Canadian homebuyer.

Despite the fact that our efforts have been opposed on these measures at almost every turn by the NDP, our Conservative government will continue to ensure that our financial system stays competitive and that consumers are in fact protected. Based on our prior actions, it is clear that we are serious about protecting consumers in their dealings with financial institutions and will continue to remain vigilant in ensuring that our financial system stays competitive and that consumers receive the highest possible standard of service.

What we must also do here is recognize that our financial institutions are the strongest in the world for many reasons. I do not think it behooves any of us to take shots at them from the sidelines for unnecessary reasons. We investigate where there is an investigation, but we should recognize that they are recognized by many as the strongest in the world and we should celebrate that fact.

We owe it to Canadians in fact to keep our model financial system strong. Canada's financial system is stable. It is well capitalized and it is underpinned by one of the most effective regulatory frameworks in the world.

A recent edition of the U.S. magazine *Newsweek* answered the following question:

Guess which country, alone in the industrialized world, has not faced a single bank failure, calls for bailouts or government intervention in the financial or mortgage sectors. Yup, it's Canada. In 2008, the World Economic Forum ranked Canada's banking system the healthiest in the world.

Further to that, a recent article in Ireland's largest daily paper, *The Independent*, recently heralded that the Canadian system has won praise worldwide. The World Economic Forum has also declared Canadian banks the soundest in the world. The Canadian system is undoubtedly an excellent model.

We could also listen to a recent commentary on the global recession by the BBC's well respected economics editor, Stephanie Flanders of the U.K.:

Nowhere is immune, but by most key measures, the Canadians are coming out of this crisis in a league of their own. Take the banking system. Canada's banks have not just had fewer bailouts than other countries. They've had none. Zero. Not a dime.

I know it may be hard for a Conservative to convince NDP members, but they seem to be accepting everything that President Obama says, so let us quote President Obama on this issue:

—one of the things that I think has been striking about Canada is that in the midst of this enormous economic crisis, I think Canada has shown itself to be a pretty good manager of the financial system in the economy in ways that we haven't always been here in the United States. And I think that's important for us to take note of—

Other countries are looking at the model of Canada's banking system, not the other way around, which is why one of our Finance Canada officials in fact co-chaired, with someone from India, ways of looking at improving the financial regulatory system for the G20.

We have in fact not seen any bank failures in Canada and we have not had to inject equity or otherwise bail out any banks. The measures we have taken, such as on the mortgage purchase program, have all been done at commercially exchanged rates. That in fact will prove to be a benefit to the Government of Canada in terms of revenues, but it does help the banking system in terms of allowing it more liquidity, which obviously helps Canadian consumers and businesses across the country.

Over a year and a half into the global liquidity crisis, Canada's banks and other financial institutions remain sound, well capitalized and less leveraged than their international peers, all of which reflect a rigorous regulatory regime. It is important to know that the regime we have currently in place in Canada has been a very effective one.

• (1610)

However, a made in Canada approach explains this, one where capital requirements for regulated financial institutions are above minimum international standards and higher than other jurisdictions. However, we cannot and will not rest on our laurels, considerable as they may be.

In terms of regulation, that is why we on this side of the House are proposing a common securities regulator, which we certainly hope the official opposition will support. We know that the Bloc is unfortunately opposing this and it seem as though the NDP is opposing this. My understanding was that in years past they did support this, but they have now apparently changed their position and will not be supporting this.

This is an additional measure to ensure that proper actions are taken. We will have an effective enforcement mechanism in place, but we will also be able to allow companies to raise capital across Canada without dealing with a whole stable of securities regulation that is different in different provinces. We will be able to raise capital across this country in a much more uniform way.

That is why our economic action plan enhanced the government's flexibility and responsiveness to support financial institutions and the financial system in the event of extraordinary circumstances, measures consistent with our G7 and G20 commitments. Our government knows that Canadians are very concerned about access to credit in general, whether it be through credit cards, mortgages or other credit products.

As part of the government's economic action plan, we are taking further action to strengthen the capacity of Canadian financial institutions to expand credit and to respond to gaps in credit markets. Through the economic action plan, we are providing up to \$200 billion in existing and new measures to support the extension of financing to Canadians and Canadian businesses during the current extraordinary period.



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I see my colleague here from the finance committee. I would note that the finance committee has been looking at this. I want to commend members of all parties for their work on that issue. We have been looking at the access to credit issue at the finance committee for a number of weeks now. We are currently focusing on the whole pension issue, but we are also looking at the issue of financial literacy within the access to credit, which obviously affects the debate here today. The government and Parliament, through its committee structure, are looking at these very serious issues.

In conclusion, our Conservative government has acted to protect consumers and we will continue to act. We have introduced tough new regulations with respect to credit card practices. We have acted to support and improve financial literacy. We have acted in terms of access to credit in the last budget.

Unfortunately, we have had parties such as the NDP oppose us every step of the way, whether it is voting against the budget that its members have not read or introducing a motion like they have today without hearing from the three committees that will be investigating this very matter.

I look forward to those committees investigating this matter, reporting their recommendations to the House of Commons, working with the government to ensure that Canadian consumers and businesses, especially those small business across this country, have access to credit at a cost that is not too high for them so that they can stay in business over a long period of time.

• (1615)

**Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.):** Madam Speaker, I listened to my friend's excellent speech. He is a very well respected member of the House of Commons who always gives wonderful interventions in the House.

While I have him here as the chair of the finance committee, I am going to ask him a few questions that he knows and all of us know are very important for our citizens. The first one deals with a single securities regulator. Can the hon. member tell us what his views are and what his government is going to do to enable Canada to have a single securities regulator?

Second, he mentioned the very interesting issue of home building. I wanted to point out to him that the CREA, the Canadian Real Estate Association, has some excellent suggestions on tax rollover provisions that will enable us to get moneys flowing more easily through the system. This would provide a pool of private sector funds that could be used to build affordable housing across our country. I know the member has been very involved and interested in that.

Finally, on the issue of credit, we know that the absence of credit for our private sector is one of the major challenges that we have in this economic downturn. I think it is a good thing that the government has put money into EDC to enable it as a vehicle for this credit. I would strongly urge that these moneys not go to the banks. I personally have concerns that these moneys are going to go to improve the bottom line of the banks and not get to the people who need it.

I just want to ask the member if his government would consider putting more money into EDC for moneys that should go to

businesses that actually have developments, that are halfway through, and therefore currently have equity in their projects? These moneys can be used to provide some bridging funding as a loan to these developments that would enable them to continue to move forward. The risk to the taxpayer would be very low because there is already equity in these projects and it would provide real money to put Canadians back to work for projects in their communities.

• (1620)

**Mr. James Rajotte:** Madam Speaker, I want to thank my good friend for his kind comments. He asked many very substantive questions so I will try to address them all in turn.

With respect to the single securities regulator, I share his view on that issue. It is absolutely a positive step forward for our country to do that and I certainly thank him for that support. In terms of raising money, in terms of having a uniform system across this country that investors, both domestic and foreign, can invest their money and apply under the same sort of guidelines and have the same force on mechanisms, that would certainly be a good thing for this country.

I know the Bloc and the member on the finance committee from the NDP have raised concerns that Quebec has a very good system and it does not want to see that lost in terms of a national securities regulator, but the response to that is to say that the good things that happen within the Quebec system could be applied to the country as a whole.

So if the securities regulation works well in Quebec, that is something we should apply to the entire country. I would also say that to people in my own province because there are people in Alberta concerned about a common securities regulator, so on that point I would certainly support that.

In terms of home building, as the member knows, there are many initiatives in terms of housing, the home renovation tax credit. The hon. member for Newton—North Delta, I believe, brought forward a private member's bill in the last Parliament with respect to people being able to access more money out of their RRSPs. I commend the member, a fellow British Columbian of the hon. member opposite, for bringing that forward.

In terms of the rollover issue, I have certainly heard that idea. It is an idea worthy of discussion and merit. It has not been acted upon thus far, but it is certainly something we could consider as we go forward in the next pre-budget hearings in the fall.

With respect to the member's third area of credit, he is absolutely right. The biggest challenge facing businesses, small and large, across this country and consumers is access to credit. I am very glad that he is supportive of the measures with respect to providing more funds through BDC, EDC and CMHC. We had all these organizations before the committee on the access to credit issue. They are very welcome in terms of getting the money to them, but we have also expanded their role.

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In terms of current projects being eligible, obviously as a parliamentarian I would hesitate to say whether one project or another could be eligible, but in terms of EDC, it will have more money available to lend to credit worthy businesses, but it will also have an expanded role especially domestically here in Canada, in terms of what it can and cannot do. As the member would recognize, EDC is widely recognized as an excellent institution and I look forward to its even greater role both internationally and domestically here in Canada.

**Mr. Bill Siksay (Burnaby—Douglas, NDP):** Madam Speaker, in speeches this afternoon we have heard often that many retailers and merchants in Canada are having difficulties because of the interchange fees charged for use of the credit card system and that they have seen huge profits for the credit card companies which provide the service. The rates that are charged to retailers for the use of that system are increased frequently. One of my constituents pointed out that his fees went up eight times in 2008. Up to about October 2008 alone it went up four times in that period.

When my constituent and I wrote to the Minister of Finance about that issue, the regulation of interchange fees and what the government might be prepared to do to both protect retailers and consumers from those high fees, the response we received from the minister completely ignored that issue. He did not comment on the issue of interchange fees at all. This was in the pre-budget period when Conservatives were looking for ideas about how to support Canadians, retailers and consumers.

I wonder if the member might speculate about why the Minister of Finance ignored that issue completely. Is it something that the government is absolutely unprepared to make any changes on?

• (1625)

**Mr. James Rajotte:** Madam Speaker, the member raised a serious issue with respect to the interchange fee.

However, I would caution the member. Since this issue has been raised with me by the CFIB, the retail council and the restaurant and food association, I have looked into what is known as a four-party credit card model. This is a very technical model in Canada and also around the world in terms of how credit cards and their markets work. We have the merchant, a payment processor, the acquirer, the card issuer, the cardholder and the credit card company.

I also point out, though, that the interchange rate is part of the merchant discount rate. Merchants and retailers are concerned about the interchange rate, but they are probably more concerned about the merchant discount rate. In many cases we do not know the merchant discount rate because we need to have the consent of retailers to get that. I asked the retail council today whether we could get more information on that and it said it would gladly provide it.

With respect to the interchange rate, my understanding is that it is about 1.5%, so about 98.5% stays with the retailer and 1.5% is with the interchange. Whether that ends up with the credit company, or with the financial institution or the processor is one of the issues at which the committee will have to look. The interchange rate plus the other costs make up the merchant discount rate.

The member raised the issue of premium cards. It is, in fact, true that for premium cards a higher rate is applied. American Express is

the highest premium card. It charges such a high rate that in many cases many retailers do not even carry the card. We should look at this issue.

In terms of Canadians receiving these cards without their consent or without full information, a committee could legitimately look at and perhaps some action could be taken.

As the minister has explained in the House, the economic action plan we have passed enables him to regulate in many of these areas with respect to better informing consumers about the products they are buying.

My final response to the member would be that this model and the system that is in place is of a complicated nature such that it makes sense for members of the House of Commons committee and the Senate committee to look at this over the next month and report back to the House with some recommendations or actions that the government could take, in addition to the measures we have already taken.

**The Acting Speaker (Ms. Denise Savoie):** It is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Vancouver Quadra, The Economy; the hon. member for Nanaimo—Cowichan, Aboriginal Affairs; the hon. member for Laval, Status of Women.

**Ms. Irene Mathysen (London—Fanshawe, NDP):** Madam Speaker, I will be sharing my time with my colleague from Nanaimo—Cowichan.

In these tough economic times, it is crucial that consumers are protected from companies whose priorities lie with shareholders and in making as much profit as possible as opposed to the public interest.

The motion before us today, and I am very proud that New Democrats have sponsored it, is in the public interest. New Democrats are calling for immediate action to protect consumers from credit card interest rates and fees that are increasing by leaps and bounds. We want to put an end to unfair penalties and gouging.

Usury has been illegal for centuries, but consumers are at the mercy of credit card companies and have been at this "untender" mercy for far too long. The latest increases in credit card rates and fees, combined with the economic recession, has resulted in families being unable to pay their mortgages, businesses shutting down and unbearable debt loads.

Research from the Library of Parliament shows us that in the last 20 years real income for families in the middle and lower-income brackets has declined significantly. People at the top have done very well, thanks very much, but for people in the lower and middle-income levels, it is becoming tougher and tougher. What they have to spend for their families is less and less incrementally and families are noticing that.

Twenty years ago, 80% of disposable income was taken up with debt. Now it is 125% of disposable income. Therefore, many families live from paycheque to paycheque. They would rather not use their credit cards for family necessities, but they have no choice.

Currently, consumers pay interest not on the current account balance, but on the previous month's balance. How frustrating it is to pay off one's credit card and see interest charges on the next month's balance.

The personal debt of Canadians is of great concern. In 2008, 84% of Canadians reported having some kind of debt and 40% of those people feared they would be unable to make payments if an unexpected event occurred, such as an illness, accident or unexpected car or home repairs. Twenty-eight per cent of those with debt feared for their retirement.

There is also the 25% who do not save at all, not even for retirement. These are people raising kids, trying to survive on part-time jobs and trying to save for their children's post-secondary education. As we all know, the cost of post-secondary education has increased exponentially and the amount the federal government gives to post-secondary education is nil. In fact, the debt load has been downloaded from the federal and provincial governments to students, who are the least able to manage.

To add to increasing fees and interest rates, many Canadians are in danger and worry about being unable to pay their bills. One in five households could not handle an unforeseen expenditure of as little as \$5,000. Sadly, a great number of people, 20%, are being forced to tap into their RRSPs just to make ends meet. That means they will have a pretty bleak and barren retirement.

Credit card companies often target those who can least afford the card, which maximizes company profits, with little care for financial ruin or the realities of the users.

Seniors are often targeted and preyed upon by credit card companies. Results from a national public opinion poll reveal more than one-fifth of Canadians with credit cards have reported receiving those cards without ever asking for them. These are the new premium cards, about which we have heard, issued in the past year by companies such as MasterCard and Visa. The poll shows that among the group who receives these cards unsolicited were many elderly people, students too. People already burdened by huge debt, as I indicated, are seeing their interest rates creep higher and higher, pushing them further and further into debt.

● (1630)

These young people sometimes find that this becomes a hurdle to the completion of their education and they always find that it inhibits their ability to repay their loan after graduation. Cuts to the post-secondary education of our students, as I indicated, has created these unbearable debts.

Families already struggling to make ends meet are taking on bigger and bigger debt loads, including using their credit cards for essentials like groceries, hydro bills.

With the influx of the new premium cards, without knowing it, consumers are reducing the already small margins made by local businesses, and we have heard about this too. With charges of up to

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4% on the total price of a sale instead of a flat transaction cost, businesses are on the brink of shutting down.

I thought the government was a friend of small business. That is what it says.

However, the Canadian Federation of Independent Business sent a letter to my office on behalf of 105,000 small and medium-sized businesses, asking for help with the staggering increases in costs. Eighteen business in my riding alone, including clothing stores, courier companies, drugstores, flower shops and automotive shops, just to name a few, sent a letter pleading for transparency and accountability.

Both consumers and businesses are hurting and things need to change.

According to the Canadian Federation of Independent Business, 82% of Canadians with credit cards support tighter rules on the industry. Owners of small businesses are very much in step with that general public opinion in wanting greater oversight on this industry.

In Canada there are about 50.4 million credit cards in circulation, which totals more than two credit cards per adult. About 22.2 million of those cards carry a balance. In contrast, in 1983 there were only 12.1 million cards, or less than one card per adult. In 1984 Canadians paid \$6 billion in interest on credit cards, loans and lines of credit. Now, Canadians pay more than \$22 billion. No wonder bank profits are ballooning.

This very much highlights the pervasiveness of credit cards in Canada and the potential danger that many families face. We know that the current economic climate and the fact that our economy is struggling is directly related to bad debt, and credit card companies are only making things worse by increasing the debt load of Canadians.

The Canadian Community Reinvestment Coalition has also spoken out about this issue and has stated:

The Conservatives claim that to help the economy they have to cut taxes to put money in our pockets, but they are doing nothing to stop the big banks from gouging money out of our pockets, and they are giving the banks hundreds of billions of dollars of our money and not requiring anything in return...

The CCR Coalition goes on to argue:

Any government that wants to help Canadians and job-creating businesses who are in a cash crunch, and help the Canadian economy overall, will regulate Canada's big banks to ensure they serve everyone well at fair prices, and don't gouge or withdraw service from creditworthy customers...

Every dollar of excessive profit for the banks, and every person and business the banks unjustifiably cut off from credit, costs the Canadian economy because it means that the banks are overcharging for their essential services and loans, and choking off spending and job creation...

Sadly, many Canadians are stuck in a hole and they cannot dig themselves out. Credit card companies are making it harder and harder for people to climb out of that debt. It is more profitable for them to maintain people in debt and prohibit them or stop them from paying off their cards.

It is clear that credit card companies cannot be trusted to regulate themselves; they must be monitored and their powers limited. Canadians deserve better. It is time for the government to respond. I would suggest that time is now.

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•(1635)

**Mr. Jim Maloway (Elmwood—Transcona, NDP):** Madam Speaker, one of the most outrageous features of the credit card business is the example of people who try to paydown their credit card every month. Sometimes if they owe a \$1,000 balance on the card and make a payment of \$980, leaving a balance of \$20, they think that somehow the interest they owe will be based on that \$20 balance, as it should be. However, in fact, when they get their statement, they find they have to pay interest on the entire \$1,000, and that is absolutely outrageous.

What ways we can we go about changing that very unfair provision in credit card practices?

**Ms. Irene Mathysen:** Madam Speaker, it is very clear that people pay their balances in good faith and that they have to work very hard to do that. There are a lot of families who make great sacrifices in order to do that. The fact that interest rates stretch back into the previous month and ignore the fact that a payment has been made is usurious. We have to change that absolutely. The interest must be on the current balance and it must not be backdated.

If the banks were asked to backdate their payments to their clients and to their employees, I am sure they would refuse to do that.

**Mr. Jim Maloway:** Madam Speaker, I would like to ask a follow-up question.

The member is no doubt aware that small businesses in Canada have been very alarmed in recent months, and I include travel agencies in that, by changes that the credit card companies are making on the charges to small businesses, which in fact get passed on to the end consumer. I am really surprised that the government is not taking a more active interest in that whole area. The government should be supporting this resolution if for no other reason than its friends in the business community are putting a lot of pressure on the government on this very issue.

I would like to ask the member why she thinks that the government is sitting on its hands on this resolution and not supporting it.

•(1640)

**Ms. Irene Mathysen:** Madam Speaker, in response to the first part of my colleague's question, this is double jeopardy. The banks are making money from the customers who make the purchases and up to 4% on the charges to the businesses that provide the service. The banks should be very gratified that merchants are prepared to provide this service. It is gouging of the worst kind.

In terms of the government's motives, I am at a loss. I guess big banks and those who have access to the ear of power have more clout than those hard-working small business people. The irony is that it is the small businesses that are the heart of our communities. They create the jobs. They keep our communities strong. To ignore them is unconscionable. In fact it is even worse than ignoring them; it is giving the back of its hand to these people.

**Ms. Jean Crowder (Nanaimo—Cowichan, NDP):** Madam Speaker, I want to thank the member for London—Fanshawe for sharing her time with me. I would especially like to thank the member for Sudbury for bringing forward this very important motion.

A number of other members today have talked about the various elements of the motion. I will not read the whole motion, but I do want to touch on a couple of points in the motion. It says, "That, in the opinion of the House, the government should take action to protect consumers who are particularly vulnerable in tough economic times". It goes on to lay out a number of specific actions that we request the government to take, such as "protect consumers from 'any time, any reason' interest rate increases and account changes; prohibit unfair application of card payments; protect cardholders who pay on time; limit abusive fees and penalties", and so on.

I am sure that people are wondering why this issue has come up at this particular time. We know that credit card companies in many cases have charged exorbitant rates over a number of years. They have gotten away with it. They are largely unregulated. Why are we raising this issue now? Let me tell people why we are raising it now.

In my community of Nanaimo—Cowichan and many communities across this country, workers are losing their jobs. Communities that have been used to good paying jobs, that have been used to some economic stability, are losing their viability. It seems that every time we think the worst of the news has surfaced, we hear another bad news story.

Yesterday, I had a call from a constituent who works at the Crofton mill. The mill has downsized to a mere fraction of the jobs that it has had in the community for a number of years. The mill in Crofton is particularly important because it contributes substantially to the North Cowichan municipal tax base. The worker was so concerned not only about his own livelihood, but about what was happening in his community that he took the time to call me. He asked me if I knew the latest thing that will impact on the forestry sector in British Columbia and the rest of Canada. I want to refer to a story which appeared in the April 16 issue of the *Victoria Times Colonist*. The headline reads, "U.S. federal handout threatens pulp sector; Tax credit to decrease fossil fuels in production has serious loophole". The article states:

The Canadian pulp and paper industry says it is facing mill closures and the loss of its global markets over a massive United States green energy subsidy that could provide a \$6-billion taxpayer handout to American kraft pulp producers.

The subsidy — a tax credit for mixing alternative fuels with fossil fuel — can cut as much as 60 per cent off the cost of chemical pulp in the United States. It has opened up a competitive gap no producer in the northern hemisphere can match.

Canadian industry leaders say the sheer size of the subsidy threatens to disrupt the already over-supplied global pulp and paper economy, pushing pulp producing countries like Canada out of business.

We are talking about the effect on Canada of something that has happened in the United States. The United States has already had a serious impact on jobs and businesses in Canada, and now we have the latest piece of bad news, the possibility that Canadian producers will be forced out of business because of a loophole in an American tax law.

*Business of Supply*

It makes it even more important to talk about what I would call credit card abuse by the companies, the issuers of these credit cards. When families are reeling, wondering if they can pay their rent or mortgage and feed their children, we must take every measure possible to make sure that working and middle class Canadian families have every single protection that is possible from their government. It is the duty and the role of government to make sure that its citizens are not being taken advantage of by companies that simply have no conscience. They are prepared to do whatever it takes to make a profit, no matter what the impact is on families, on men, women and young people.

We are talking about young people who are receiving unsolicited credit cards, young people who are just starting out in life, young people who perhaps want to save money to buy a car or make a down payment on a house. They are receiving unsolicited credit cards. There are pages and pages of fine print attached to those credit cards covering all the rules and regulations. The young people use those credit cards and then find out that they are being whacked with an unsubstantiated interest rate.

• (1645)

Some reform is happening in the United States. Senator Dodd said:

Economic recovery will only come when we put an end to the abusive practices that continue to drive so many Americans deeper and deeper into debt. It is the right thing to do for our families, and the right thing to do for our economy.

If it is the right thing to do for the families and the economy in the United States, why is it not the right thing to do for our families and our economy in Canada? It only seems to make sense. Surely if the administration in the United States can find it in its powers to regulate an industry that is, as it says, conducting abusive practices, surely we can do that for our families here in Canada.

I want to highlight a couple of the items that the United States is talking about, and the same practices are followed here in Canada. This is from a document called "Confusing, Misleading and Predatory Credit Card Practices". I probably do not need to say a whole lot more, but here are some of the items:

**PROBLEM: CONFUSING TERMS AND CONDITIONS.** Credit card disclosures used to be one page; now they are often 30 pages, and written in a way that most people can't understand.

**PROBLEM: EXORBITANT FEES AND INTEREST.** Credit card companies gouge consumers with many unreasonable fees and interest. They can charge over-limit fees over and over again during one billing cycle. They can charge a fee to pay depending on the payment method. And they can even charge interest on fees and not just the outstanding balance.

**PROBLEM: "ANY TIME, ANY REASON" RATE INCREASES.**

We have had many examples of that in Canada. People think they are paying one rate and they get a notice that the rate is going up, if they have read the fine print.

**PROBLEM: YOUTH MARKETING.**

I have already touched on the youth marketing problem. There is an aggressive campaign on college campuses for young people to access these credit cards. That simply is not an ethical practice. If we want to talk about fairness in advertising, we need to make sure that people understand what it is they are getting into when they sign up for a particular credit card. They need to understand what they are

getting into when credit card companies can arbitrarily change the rates.

The group Stop Sticking It To Us says to stand up to big credit card companies. In case people do not know some of the hidden credit card fees, its website has a section titled "Just the Facts". I will not read the whole section, but there are a couple of things that people might be interested in:

At a time when the world's economy is so uncertain, Canadians want to know their elected representatives care about protecting their wallets.

New Democrats certainly do care about protecting their wallets, which is why we put this motion forward today.

Last year Big Credit Card companies raked in \$4.5-billion in hidden credit card fees; fees Canadians all pay at the checkout to cover lavish incentive programs and expensive benefits for corporate and premium credit cards, even if they don't have one.

Every time one of our constituents uses a Visa or MasterCard to pay at a local shop, restaurant or gas station, they not only pay for the goods and services, they also pay a hidden interchange fee to the big credit card companies and to the banks that issue the cards. I am going to touch upon those interchange fees in a moment.

The fees retailers, restaurants, charities and others pay to the Big Credit Card companies are among the highest in the world averaging 2 per cent. In Australia they are 0.5 per cent. In the U.K. they're 0.79 per cent.

The interchange fees are the fees that Visa and MasterCard collect from merchants every time a credit card or debit card is used to pay for a purchase. The merchant often will not know what fee is attached to the particular card a customer uses in the merchant's shop.

Madam Speaker, I do not know about your community, but in my community, many of the small retailers are struggling. As jobs are lost in the forestry sector, as jobs are lost in manufacturing, as jobs are lost in shipbuilding, many people are struggling. For those retailers, literally every dollar and cent counts, and now they are faced with these credit card fees over which they have absolutely no control.

• (1650)

Canadians need to pay close attention to what is happening with the credit card giants. In a story in the CanWest news on April 22, the credit card companies now want to get in the debit card market. We know that is just another way for them to take advantage of retailers and consumers.

**Mr. Jim Maloway (Elmwood—Transcona, NDP):** Madam Speaker, the member made an excellent presentation of the facts on this motion. I am very concerned about the credit card companies' approach to young people, basically trying to hook young people into a life of debt that will take them years to get out of. They are actually making them comfortable with debt, something that we, when we grew up, did not need to deal with.

When people get into debt at any age, but particularly when they are young, it leads to all sorts of stresses in their life that they should not need to deal with. We do not need to have any more stress in our lives than we have right now. Something must be done to cause the credit card companies to stop this crazy idea of promoting to young people as soon as they turn 18 years of age to try to get them hooked on credit at a very early age.

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**Ms. Jean Crowder:** Madam Speaker, I know the member for London—Fanshawe referenced this around the fact that our young people today are already facing an enormous debt burden that many of us did not face when we were in our late teens and early twenties. The member also talked about student loans. We know many students are coming out of post-secondary education institutions with thousands of dollars in debt.

Now we compound that debt by having unethical practices by credit card companies that often go right onto campuses and target the young people on campus. Now we have a young person accumulating a student loan debt. We know that with the cost of education right many young people are struggling as it is to meet costs while in colleges and universities. When they get this credit card they feel that it will be their salvation. Maybe they can actually afford to eat this month because they have a credit card. Maybe they can afford to buy their textbooks because they have a credit card.

What these young people often do not understand, because this is probably one of their very first experiences with the credit situation, is the huge price tag that is attached to that credit card. They do not know that they could be paying 18%, 19% or 20% in interest charges and that one-fifth of their monthly payment will go toward interest. One can think of what they could have bought with that extra 20%.

I would argue that if we want to protect young people for the future generation, we need to ensure they can be economically engaged in our society. We do not want them coming out of a college or university saddled with not only a huge student loan but also with a credit card debt that makes it impossible for them to engage in their economic world in a meaningful way.

• (1655)

**Mr. Jim Maloway:** Madam Speaker, it seems to me that the horse is already out of the barn. We have had previous Liberal governments for many years and now the Conservative government for the last three years. As people were accumulating the debts, the previous Liberal government just sat by and let these companies do what they were doing and let people get into the debt they are in right now. I am very happy that the Liberals are supporting the motion today but one must wonder who was in power for the last 15 years while all this debt was being amassed.

Does the member have any comments about that and about the track record of previous governments in this whole area? As I said, the horse is out of the barn. People have huge amounts of debt to pay and they are having to pay it off at the worst of all possible times. With the job losses and the economy and the situation they are in right now, they should not need to deal with all these problems coming together at one time like this.

**Ms. Jean Crowder:** Madam Speaker, the track records of both the current government and the previous Liberal government are grim. New Democrats in the House have been raising issues around consumer protection for a number of years. I just need to reference the payday loans, which is another scandalous aspect of lack of regulation.

We need some solid consumer protection regulation put in place so that consumers can have some confidence that when they engage in a transaction, they are actually getting fair and reasonable interaction between themselves and the credit card companies.

[*Translation*]

**Mr. Robert Carrier (Alfred-Pellan, BQ):** Madam Speaker, first off, I would like to point out that I will be sharing my time with the member for Jeanne-Le Ber.

I am pleased to speak today to the motion by the New Democratic Party to introduce comprehensive legislation relating to the problem of credit cards.

Bearing in mind consumer vulnerability in the current crisis, the Bloc supports the motion. However, when the government introduces this legislation, it will have to make sure it respects the areas of jurisdiction of Quebec and the provinces. In Quebec, consumer protection legislation has been in force since 1971. It sets out strict requirements regarding contracts for credit cards of all sorts. It will be important therefore to respect Quebec's expertise and jurisdiction. Once again, the Quebec nation has taken the lead over the Canadian federation in protecting its merchants and its consumers. In addition, the organization known as Option consommateurs sees that the rules are followed.

In order to understand the development of credit cards, we have to understand the principle of habit, almost obligation, created by the major credit card companies.

And what of Quebecers' and Canadians' financial situation? It is true that debt is a major problem in the country. According to a survey done by the Certified General Accountants Association of Canada in the spring of 2007, 84% of Canadians reported being in debt, 14% of all Canadians reported a significant increase in their debt and, most notably, 40% of Quebecers and Canadians in debt believe that their debt hurts their chances of being financially secure in the event of unforeseen circumstances. In the spring of 2007, the current recession was just starting. The current government did not even realize that there was a recession. Let us not forget the remarks by the Prime Minister during the 2008 election campaign.

The level of Canadians' and Quebecers' personal savings has decreased hugely since the 1980s, dropping from a high of 20.2% in 1982 to a low of 1.2% in 2005.

It is true that the spread between the Bank of Canada's key lending rate and credit card interest rates is growing. To help Canadians and Quebecers, the Bank of Canada lowered its key lending rate several times to today's level of 0.25%, the lowest in Canadian history. Recession oblige, you might say.

In the case of the major credit card companies, a credit card should be a matter of choice for individual consumers, but is that really the case? Just try to book a hotel room without a credit card. This is just one example.

Because of cuts by the federal government to transfers to the provinces, Quebec has had to cut funding to home economics organizations, many providing information on credit.

*Business of Supply*

However, business oblige, and the major credit card companies, MasterCard and Visa, not to mention any names, are working miracles to make access to supposedly easy credit all the easier, but in tandem with a rate of interest to consumers often over 20%. Consumers increasingly use credit cards as a method of payment. We should therefore expect credit card charges to drop.

Despite increased volumes of sales, reduced fraud, lower interest rates and improved technology, credit card rates continue to rise. It seems that the main problem involves information and awareness about the benefits and the risks of credit.

A survey by Nanos Research has revealed that 55% of Canadians have a poor understanding of the costs of credit cards—63% think that the charges increase without a corresponding increase in terms of value and 67% think that the credit card companies do not explain their charges clearly.

● (1700)

Another survey ordered by the Canadian Federation of Independent Business shows that 82% of Quebec card holders support having the credit card industry more strictly regulated.

And what about merchants? The credit card companies charge those who accept a credit card from customers doing business with them. Approximately 10¢ is currently charged merchants on average for each debit transaction, regardless of the amount of the purchase. Credit card transactions average \$45 per transaction. The credit card companies are preparing to increase transaction fees charged retailers. The consumer does not see these fees. They currently represent about 2% regardless of the amount of the transaction. Applying a hypothetical charge of 1% would represent, then, 45¢, an increase of over 400%. Who, but the consumer, do you think, is going to pay this dizzying increase?

On top of that, Canadian retailers have higher hidden costs than do retailers in other industrialized countries. True, the major banks and financial institutions reap a significant profit from this. In 2007, alone, the fees amounted to \$4.5 billion in Canada.

Most credit cards are issued by a limited number of companies. Visa and Mastercard control close to 85% of the credit card market, and this gives them total freedom to impose charges and conditions on retailers. One might therefore wonder whether the hikes in hidden fees might not be a sign of abuse of a dominant position. In order to ensure that there is no abuse by issuing companies, the Bloc Québécois contacted the Competition Bureau this past January in order to have the commissioner examine the issue. The Bureau's powers are limited, however.

This is why the Bloc Québécois introduced a bill to reinforce the Competition Act during the last parliament, Bill C-454. That bill would have given the Competition Bureau the power to carry out its own real investigations into the industry. At the present time it cannot, on its own, do more than general studies that have no clout. With its own investigations, it will be able to summon witnesses and protect them. If the companies conspire together on price-fixing, they will leave no proof of having done so. If witnesses cannot be summoned and protected, it is very likely that no anti-competitive practice will ever be proven. When businesses want to enter into agreements with their competition, they will have to prove that such

agreements are in the public interest. At present, these agreements with competitors are allowed, unless it can be successfully proven that they are contrary to the public interest.

This is not all the Bloc Québécois has done. Following on representations by the Quebec coalition of merchants opposed to the increase in transaction fees on credit and debit cards, my colleague from Saint-Maurice—Champlain and I got the following motion passed by the Standing Committee on Finance.

That the Finance Committee conduct a study of the various debit and credit card transaction fees imposed on merchants as well as the standard and transactional practices that justify them and report its observations and recommendations to the House.

This study will be undertaken shortly, in the next few weeks. It will make it possible to hear from a number of witnesses as well as various stakeholders. This will enable the committee to formulate its recommendations to the government. These could then serve as the basis for the legislative measure called for in the motion presented today by the NDP.

As I said, the Bloc Québécois is therefore in favour of the motion, because consumers need legislation to ensure they are protected. The Bloc will, however, ensure that this legislative measure introduced by the government fully respects the jurisdiction of Quebec and the provinces.

● (1705)

**Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ):** Mr. Speaker, I am pleased to speak today on this NDP opposition day regarding the motion presented by the member for Sudbury.

The Bloc Québécois supports, in principle, the motion that is before us today, that the government should take action to protect consumers who are particularly vulnerable in tough economic times.

However, when the government introduces legislation of this nature, as we sincerely hope it will, we will make sure that it is respectful of the jurisdiction of Quebec and the provinces in this area.

I would note that in Quebec we have had the Consumer Protection Act since 1971, and that this act governs contracts between credit card issuers and consumers. It will therefore be important for both Quebec's jurisdiction and Quebec's expertise in this regard, which is considerable, to be taken into account.

I would like to point out, and I will come back to this later if time permits, that in 2007 the Supreme Court denied a financial institution leave to appeal in a case involving one of the largest exemplary damage awards in the history of Quebec. That decision affirmed a decision of the Quebec Court of Appeal, and confirmed Quebec's jurisdiction and its ability to protect consumers in their dealings with credit card issuers.

*Business of Supply*

I will not read the motion before us in full, but we do agree that debt is a major problem in Canada and we find it surprising, to say the least, that the gap between the Bank of Canada's key lending rate and credit card interest rates is continually growing, when we might have thought, given the rising numbers of all sorts of cards being widely used by consumers, that competition should be narrowing the gap. Surprisingly, the reverse is happening.

It is also true that the big banks and financial institutions are making large profits from that gap, and even though a few of the items in the NDP motion do not all come within the jurisdiction of the federal government, we believe it is worthwhile for the federal government to take action in relation to matters within its own jurisdiction in this regard.

On that point, item (a) in the motion before us talks about a measure that would "protect consumers from 'any time, any reason' interest rate increases and account changes". That could provide a useful starting point that would, in this case, come under the jurisdiction of the federal government.

We have long said that the federal government could look into linking the credit interest rate to the Bank of Canada's key lending rate with reference to the criminal rate in section 347 of the criminal code, which would better synchronize the cost of credit and the usual rate of interest. In other words, rather than having the criminal rate in section 347 set in absolute terms, we think the government should look into making it relative, if you will, to the key lending rate of the Bank of Canada.

Since I referred to it earlier, I would like to elaborate on the matter of provincial jurisdiction. Everything that concerns local business and civil law comes under the jurisdiction of the provinces and Quebec. So the companies issuing credit cards are subject to the rules of consumer protection contracts in each jurisdiction.

The legislation on consumer protection sets out many strict requirements specifically governing credit cards of all kinds. Section 118, for example, defines variable credit and raises the issue of credit cards. Section 126 provides that a company issuing a credit card must send a statement of account to consumers setting out a number of points I will not mention here, but which are described quite explicitly in the legislation.

• (1710)

Section 128 provides that a company issuing credit cards may not increase the limit of the variable credit, called usually a line of credit or credit limit, except at the express request of the consumer. That is very important, and I will come back to that. For example, it is provided that notice of any change to the terms of a variable credit contract must be sent at least 30 days before it takes effect. So we can see that there are regulations in Quebec to protect consumers and that the Government of Quebec can, if it wishes, continue to legislate in this area. We believe, however, that the federal government could also do its part in its own areas of jurisdiction, as I mentioned earlier.

A number of examples of class actions are currently before the courts in Quebec against the practices of financial institutions contravening the Consumer Protection Act. I will come back to this later. I would, however, like to give a few examples of practices

considered dubious. The typical example is that of over credit limit fees.

American journalist Bob Sullivan wrote a book on the hidden fees paid by American consumers. Practices in Canada are similar in many respects. Hidden fees include the famous over credit limit fees. The problem lies in the fact that the companies issuing credit cards now allow consumers to exceed the limit of the credit card rather than simply refusing the transaction. They subsequently charge the over credit limit fee. In the United States, the fees run between \$10 and \$35, which is similar to such fees in Canada. Within my own circle, someone mentioned this problem to me. I was stunned to learn that an institution could charge fees when, in a way, it was the negligent party since it had allowed the credit limit established under contract to be exceeded.

In 2004 and 2006, Option consommateurs launched a class action suit against certain financial institutions which issued credit cards. Their suit was against financial institutions which had made unilateral decisions to raise customers' credit limits and to allow people to exceed their limits by imposing over-limit charges, fortunately an offence under the Consumer Protection Act. I would emphasize that what was "fortunate" was that this practice is banned by the consumer legislation, and not the non-compliance with the law by certain companies. I am sure that was understood by everyone.

So, in November 2006 and October 2007, this class action was allowed by the Superior Court against the following financial institutions: Amex Canada and the Bank of Nova Scotia for over-limit charges to customers; Canadian Imperial Bank of Commerce, Citibank Canada, HSBC Canada, MBNA Canada, and the Bank of Montreal, for both raising credit limits without the cardholder's consent and for imposing over-limit fees. The National Bank of Canada was also included for increasing credit limits.

According to Option consommateurs, the purpose of this class action was to obtain the reimbursement of illegally charged fees and exemplary damages.

In closing, it might be worth pointing out that the consumer protection bureau states in its Internet site that:

The merchant or financial institution cannot raise the credit limit, if there is one, except at the express request of the cardholder. The mere fact that the consumer exceeds his or her original credit limit by making a purchase or purchases does not constitute an express request within the meaning of the act.

The class action is still underway and we wish good luck to all those involved .

I will not have time to discuss excess late payment charges. I will simply point out that it would be appropriate, in these difficult economic times, for the government to pass legislation on this. That is why we are supporting the NDP motion.



•(1715)

[English]

**Mr. Mike Wallace (Burlington, CPC):** Mr. Speaker, I thank the members on the Bloc side who have commented on today's motion. I am a little confused, to be honest, about why the Bloc is supporting this motion today. Even the last member, in his speech, talked about Quebec jurisdiction. Normally in this House when there is an issue that Bloc members think is only Quebec's jurisdiction, they vote against it. Then the next item, whether they think it is good for Quebec or not, they vote for it. They are either for Quebec or they are not; it just depends. They kind of float around, and we are not really sure on this side what they stand for.

The previous speaker from the Bloc talked about transfer payments. We have not cut transfer payments to Quebec. In fact, they have increased by 40% during our government. That is a tremendous amount of support for that province, as it deserves.

Transfer payments for health care went up 6%, transfer payments for social services went up 3%, and we have no intention of cutting those in the future. I know things are tough.

My question is this: Do they not find that is a conflict of their own belief system, that they are here to represent Quebec's interests and are voting for a motion that deals with a federal issue, or is it really a federal issue and they have finally come to realize that they are part of a united Canada?

[Translation]

**Mr. Thierry St-Cyr:** Mr. Speaker, my colleague had many questions. As for his questions about the speech by the previous Bloc member, I am surprised that he did not take the time to ask them after his speech. He would surely have had some very appropriate and appreciated answers.

With regard to jurisdictions, it is true that the Bloc Québécois defends tooth and nail the responsibilities and jurisdictions of the Quebec government. The motion before us does not say that the federal government must meddle in the jurisdictions of Quebec, but that we must examine the issue and that legislative measures should be introduced. When these legislative measures are presented, we will ensure that they do not interfere in the exclusive jurisdictions of Quebec and the provinces. That is what I said throughout my speech.

However, my colleague is quite right when he shows the limitations of Canadian federalism and the difficulties faced by Quebecers in making their own decisions and their own choices because they do not control all the levers of power. He clearly demonstrated that sovereignty remains the best option for Quebec.

•(1720)

[English]

**Mr. Jim Maloway (Elmwood—Transcona, NDP):** Mr. Speaker, my comment is directed as much to the previous Conservative questioner as it is to the member who just spoke.

A number of years ago I remember being in the United States and putting a number of charges on my credit card, only to find out, when I got my bill, there were some extra charges that were not spelled out and seemed to be excessively high. When I contacted the

### *Private Members' Business*

credit company, I found out that there was an extra charge for currency conversion. I do not know whether anyone is aware of that.

That is an issue, and I am still not certain it has been resolved as far as information is concerned. Whenever I go to the United States, it is still never spelled out on my credit card statement that there is an extra hidden fee of what I believe is 1%, 2% or 3% for conversion. Everyone should be aware that this is a practice that credit card companies have been doing for a long time. Nobody knows about it. I contacted the company, and it did admit that there is a fee for conversion—

**The Deputy Speaker:** I must stop the hon. member there to allow time for a response.

The hon. member for Jeanne-Le Ber.

[Translation]

**Mr. Thierry St-Cyr:** Mr. Speaker, credit card companies are real pros when it comes to hidden fees. Technically, these fees are explained in tiny, pale grey characters on a white background on the back of the contract, but nobody actually understands them. Here is another classic example: if someone misses a—

[English]

**The Deputy Speaker:** Order, please. It being 5:23 p.m. pursuant to an order made earlier today all questions necessary to dispose of the opposition motion are deemed put and a recorded division deemed requested and deferred until Monday, April 27 at the expiry of the time provided for government orders.

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### MESSAGE FROM THE SENATE

**The Deputy Speaker:** I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed certain bills.

**Mr. David Sweet:** Mr. Speaker, I think if you were to seek it, you would find unanimous consent to see the clock at 5:38 p.m.

**The Deputy Speaker:** Is there unanimous consent to see the clock at 5:38 p.m.?

**Some hon. members:** Agreed.

**The Deputy Speaker:** It being 5:38 p.m. the House will now proceed to the consideration of private members' business as listed on today's order paper.

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### PRIVATE MEMBER'S BUSINESS

•(1725)

[English]

### REPLACEMENT WORKERS

The House resumed from March 11 consideration of the motion.

*Private Members' Business*

**Mr. Sukh Dhaliwal (Newton—North Delta, Lib.):** Mr. Speaker, thank you for giving me an opportunity to speak to Motion No. 294, which is a very important motion. This is not the first time that we have seen this motion in the House of Commons. This has come to the House of Commons almost a dozen times.

The last time it came to the House for a vote I was proud to stand and support this issue. When I stood in the House, basically I wanted to keep in mind that we have a fair balance. On the one hand we want to make sure that the rights of the workers are protected. On the other hand we have to make sure that we keep the economy moving and we have the essential services moving as well.

I can give a perfect example. During the 2004 election when I was going door to door in my riding of Newton—North Delta, I had heard many concerns from the Telus workers who were on strike for many months. Those families were going through very tough times at that time.

When we look at that perspective, we have to make sure that their rights are protected. Even during the hard economic times that we are going through now, we have to respect the rights of workers.

On the other hand we have to be certain that we are competitive globally. In these tough economic times it is very clear, and it is known, that the government has failed to protect those workers and Canadians. When we look at surplus budgets, budget after budget we had a surplus, but the government brought us down and it has driven us into a tough situation where we have to make decisions on how these workers can protect themselves. They are all worried about their jobs.

Last week I met with the police association. Their members are also worried because the government brought in a pay cut for those police officers. They are the first responders and if they do not have the right to protect themselves, that is a shame. That is why they had to go to the court to protect themselves and ensure that they could form unions.

Last month I was travelling through western Canada. I was in Alberta, Saskatchewan and Manitoba. I saw one thing in common. When we talked to the people in research and development, all the cuts that have come from the government have affected that workplace as well programs for women.

I was visiting women's entrepreneur programs and they are saying the same thing. In my role as critic on western economic diversification I have seen that the minister on that file has failed totally as well.

When it comes to this motion, Motion No. 294, workers must ensure that their right to strike is protected. On the other hand when I say we have to remain competitive, we have to protect the essential services as well.

If we cannot do that, then certainly this will not work in these tough economic times. I personally think that we have to make sure that when the motion comes to the House of Commons for a vote, that we have to see the pros and cons.

• (1730)

I also met with bigger companies too, CN Rail and CP Rail. They have concerns as well. They are already going through a tough competitive global economy. They are worried about workers striking. What are the consequences? What is the ultimatum?

Certainly, the government can chip in and Parliament can vote for back-to-work legislation. On the other hand, the way I see it today, it is not feasible for us to take a hard line one way or the other when it comes to making sure that we keep a balance between the rights of workers and businesses.

That is where I stand, and I would ask all members in the House to do a comparative study to see how we can achieve that, making sure that this legislation is given due consideration.

**Mr. Malcolm Allen (Welland, NDP):** Mr. Speaker, it is a great pleasure to rise on this motion in support of anti-scab legislation, or at least a bill that proposes anti-scab legislation. My background as a trade unionist means that I come with a certain bias, but I come with it very proudly and I wear it on my lapel. I have been involved in bargaining over the years and I understand when we have legislation that prohibits scabs from entering a workplace and when it does not.

I can say this from fact, because at one point in my life I negotiated with police forces around what one would call strike protocol. When one does that, it is really about ensuring the safety of everyone: the managers who want to go into that particular facility, the workers who are on strike or a lockout, and the general public as a whole, to make sure that they are going to be safe when they are around that particular situation. It can indeed affect the public, and not just from the business perspective of selling a product or not. It may be close to a street that is busy.

When an employer decides to use scabs to enter a workforce that is being either locked out or struck, the potential for violence is set up. The police will say they know that is what will happen. Consequently, it escalates a situation and takes it away from the bargaining process.

It is really about bargaining. While the two entities are apart in their desires and how they intend to get there, they are nonetheless in a process where they are going to sit down and try to find an amenable situation where they can come to some sort of an agreement.

When this third force, or third leg, is entered into the process, it makes the water murky and prohibits the bargaining process from going forward and concluding. The employer thinks it has the additional leg up and can exact what it needs from its employees through this third leg when it comes to introducing scabs into the workplace.

History has shown us what it has done. It has made strikes last longer. It has caused undue violence and hardship to all the parties concerned. Not only are those scabs ostracized and perhaps violence inflicted on them, unfortunately, but we see violence on the picket line when legitimate picketers are run down by vehicles driven by those intent on getting scabs into a workplace.

*Private Members' Business*

My hon. colleague from the Bloc and I have absolute proof of that. Not so many years ago, in Chatham, a gentleman on a picket line was run over by a van driven by a security force hired by that company to try to get scabs into the workplace. It never succeeded in doing that. The company likes to call them “replacement” workers, because that sounds like a really nice word; if folks do not want to work, they will just replace them with someone else. What they really are in the vernacular are scabs. They are taking work and taking the bread and food off the tables of those hard workers who have been there for a long time.

That man was run over and seriously injured. To this day, he has not been able, and will probably never be able, to return to his work as an electrician. All he was doing was participating in a legal strike, no more and no less. He was not perpetrating violence on anyone. He was not doing what we would consider to be illegal, nor did the law see it to be illegal. He was involved in a legitimate picket. Yet that group of individuals working for that security force took it upon themselves to drive that van through a group of people.

They did not drive through a barricade or the picket line barrels used to keep people warm in the winter. They drove through a group of people as if the van were a bowling ball and the people were the pins. They knocked this gentleman down and critically injured him, almost killing him. Unfortunately for him and his family, he has obviously not been able to return to work. He has suffered many operations over the years because of a situation in Ontario where the use of scabs and replacement workers was permitted.

● (1735)

If we were to pass this and get back to truly bargaining, the parties would actually understand that they had to bargain and that they had to get to a conclusion. What we have learned in the bargaining process, those of us who have intimate knowledge of it, those of us who have done it, is that we eventually get to the end of that process. We get it resolved. We never win everything we want, but neither do we lose everything we think we are going to lose. At the end, we actually have an agreement between the parties that allows those parties to continue forward, that company to flourish, and those workers to be rewarded in the sense that they feel is justified.

However, when we have replacement workers, what enters into that process makes it very difficult. In fact, it is poison. After everything gets resolved, we have a poisoned atmosphere when the workers who went strike or got locked out eventually return to work.

I will use my Conservative colleagues across the way as an example. We will still be in the same place at the end of the day. What that means is that we will still have to work together.

If we poison the atmosphere because we bring in scabs, that atmosphere remains poisoned for years, in some situations, because folks do not forgive that easily when they have been left out not just necessarily in the cold but have been left in poverty because they have not been able to get back to work when indeed a bargaining process could have enabled that to happen.

So we end up with a situation that is avoidable. That is the real dilemma in all of this. It is an unnatural thing that gets brought into the bargaining process. The times we see replacement workers, in nearly every instance, it is in a unionized workplace. I do not know

of any other circumstances, and I will allow other members to perhaps teach me some history that I may not know of where we see replacement scab workers coming into a workplace that is non-unionized. It is only targeted at those workplaces where the workers themselves, in a democratic process, have chosen to be organized and have chosen the union to represent them. They have said to that employer that this is the group they wish to have speak for them. Yet we as a government have the ability to make sure that level playing field happens again and that we do not have that third intrusion, which really is this gap.

When we talk about democratic rights, about human rights, and about the right to organize and bargain, this is a fundamental principle. If memory serves me correctly, there was an appeal to the charter about the right to organize a union for a specific sector of workers, and the charter spoke to that and said they had the absolute right.

I would suggest that what we need to see is the absolute right for the bargaining process to be allowed to continue to its fruition. Again, as I say, it will not always be perfect. The bargaining process never is, because it is with opposing parties, having opposing views, and trying to find resolution. However, what I do know is that the parties, especially when it comes to organized labour, understand and take their responsibility very seriously. They understand that taking their members out on strike will indeed cause great hardship on their members. They do not do it lightly.

I think if we had the ability to make sure that the process was not interrupted by replacement workers, we would absolutely find that process moved more quickly, came to better results, gave us more harmonious labour relations, and indeed, at the end of it, made sure that we did not see another gentleman like the one we saw in Chatham, who is maimed for life.

I think that is why we need to have this done. We need to support this bill. I would encourage all members in the House to support it because it really is about protecting workers, and I think that is what we all stand for.

● (1740)

[*Translation*]

**Mr. Richard Nadeau (Gatineau, BQ):** Mr. Speaker, it is my great honour and pleasure to talk about Motion No. 294 to amend the Canada Labour Code to prohibit the use of replacement workers, thus relegating them to a chapter in history, and a dark one at that.

On 11 separate occasions, the Bloc Québécois has introduced bills to harmonize the Canada Labour Code with the Quebec Labour Code. On 11 separate occasions, the Liberals and the Conservatives have worked together to defeat those bills. We came closest to passing a bill on the subject at hand during the last government. Unfortunately, when it reached report stage, the Liberals listened to their leader, the one who replaced Paul Martin, because they were so worried about Bay Street.

*Private Members' Business*

The day after they realized that our bill would not make it past second reading to third reading and then to the Senate before being passed into law, the Liberals introduced a very similar bill in which they changed just two words to try to save face. However, when the time came to place it on the orders of the day for debate in the House of Commons, it was delayed for so long that the sponsor, the labour critic, was replaced by another member who was strongly opposed to the bill. They saved face and remained true to form. Dark blue or red, they are cut from the same cloth and they all have it in for workers.

It is also important to remember that the first time the Bloc Québécois introduced this bill, the NDP voted against it because the nasty separatists were introducing a bill. Fortunately, they saw the light, which I hope the Liberals and Conservatives will do one day, and they supported us the other 10 times. We want people to know that. We must avoid repeating the ignominy of violating the rights of striking or locked-out workers who are out picketing while people are taking their jobs so that the employer keeps turning a profit while the workers are forced to live on the meagre strike pay they get, if they get any at all. When this happens, the two sides are not negotiating on a level playing field.

We must also remember that when the previous government was in power, 19 Conservatives voted to refer the bill to committee. But when the time came to take a formal stand, only one stood up and the other 18 toed the party line and voted against workers.

In Quebec, 7% of workers are likely to fall victim to strike-breakers, because they are governed by the Canada Labour Code. In 1977, during the first term of the PQ government of René Lévesque, a sovereigntist government that cared about Quebec and its workers, the National Assembly passed an anti-scab law, which is still in effect today. It is still in effect, and it has shortened strikes. During negotiations, it has become imperative to find a way to avoid a strike. But in sectors under federal jurisdiction, strikes took place after 1977, and they were often extremely violent. People crossed the picket lines and took food out of the mouths of the strikers' children. The strikers negotiated in good faith while these people took away their livelihood.

•(1745)

And all under the eyes of the federal government. That is completely unacceptable. Harmony is needed and the Bloc Québécois is the party of Quebeckers. Since 1993 we have held a majority of the seats in the House of Commons because the people of Quebec trust the Bloc Québécois, because we fight so that Quebeckers will have better living conditions and to make sure that the money sent to the federal government, as long as we are in this federation, comes back to us so that it respects the consensus in the National Assembly of Quebec.

Anti-scab legislation is essential if we are to have civilized bargaining when disputes occur. In fact, there is no real, full recognition of the right to strike unless the use of scabs, the people who take away workers' jobs during a strike, is prohibited.

In October 2003, the Bloc Québécois introduced a petition with 46,000 signatures supporting the position of workers and calling on the government to enact anti-scab legislation.

Under the last Conservative government—you were there, Mr. Speaker—we will recall what the Minister of Labour at the time, the member for Jonquière—Alma, had to say. In 1990 he supported an anti-scab bill, when he was an MP in the Mulroney government. He voted in favour of that legislation. And then, when he became a minister, he turned his back on workers.

I was the sponsor of Bill C-257, to introduce anti-scab legislation. In the Human Resources Committee I heard apocalyptic tales, things that simply could not be believed. My stars, it was worthy of a B-grade horror movie. He said that if the baggage handlers at an airport went on strike, Canada's economy would be paralyzed. Any more and he would have said that the earth would stop rotating on its axis. There was a provision for maintaining essential services.

For a minister to say things like that amounts to saying just anything at all. He said that if telephone operators went on strike, 911 would cease to function. Any more and he would have had the crime rate quintupling or more, because that falls under telecommunications, and that is under federal jurisdiction.

He did go farther. He spoke directly to the Liberals in committee and told them that when they returned to power—and that indicates just how much confidence he has in his government—recess would be over because of the separatists in the Bloc and the New Democrats and they would have labour relations problems, and that is completely false.

British Columbia has also had anti-scab legislation since 1993, and Quebec has had it since 1977. I hope that Quebeckers who fly the red or dark blue colours today remember that this bill has brought about a much healthier labour relations climate in Quebec and much less violence in labour relations situations under Quebec's jurisdiction. It covers 93% of workers in Quebec.

I hope that members will have their hearts in the right place and will allow the other 7% of workers in Quebec to enjoy the benefits of anti-scab legislation. At the same time, and as fallout from that, I am proud to say that Canadians throughout Canada will benefit from it as well.

•(1750)

**Mr. Daniel Petit (Parliamentary Secretary to the Minister of Justice, CPC):** Mr. Speaker, today we are again debating the issue of replacement workers.

On several occasions, the members of the opposition have tried to persuade this House to pass measures that would prohibit federal employers from using replacement workers during a work stoppage.

Our government has opposed various bills in the past, and today we continue to oppose this new motion presented to the members of this House, that is, motion No. 294.

I would give the Bloc Québécois members a perfect score for the persistence they show in raising this question, and I know this persistence stems from their passionate conviction that they are right about this issue.

*Private Members' Business*

The essence of this motion brings us back once again to previous bills that have already been debated in this House. Indeed, the principle of this motion is no different than the objectives of the last bill on the matter, Bill C-415.

It is important to note that the Canada Labour Code is already very specific on the matter of responsibility of federal employers and unions in the event of a strike or lockout.

At present, the code does not impose a complete ban on the use of replacement workers during a work stoppage. However, the use of replacement workers with a view to undermining the union's representational capacity, rather than the pursuit of legitimate bargaining objectives, is prohibited and constitutes an unfair labour practice.

In addition, it requires the parties to maintain the services necessary to prevent immediate and serious risk to public health or safety. This applies to all employers under federal jurisdiction.

The opposition members go on about the fact that two provinces, Quebec—my home province—and British Columbia, have had a ban on replacement workers for some time.

They claim that labour relations are more harmonious in those provinces than in others or in areas under federal jurisdiction when it comes to strikes and lockouts. Like most generalizations, I doubt that claim would withstand closer scrutiny.

Indeed, in 2005 and 2008, in other words, very recently, Quebec had the highest strike and lockout rate in Canada. So how can anyone claim that the ban on replacement workers has improved the state of labour relations?

I would like to raise some other issues that deserve further attention.

Every time we debate the issue of replacement workers, we make a point of referring to the broad experience on which the member of the Sims task force based their report which led to major changes in the Canada Labour Code.

We should point out that the experts did not reach agreement on the matter of replacement workers and wisely decided not to recommend that their use be totally banned, unless used for the purpose of undermining the union's representational capacity, according to the Canadian Industrial Relations Board.

The previous government is responsible for introducing the current provision in the Canada Labour Code, and we agree with its decision with respect to the bills which sought to ban the use of replacement workers. It felt it was preferable to take the stakeholders' opinions into account and not to make arbitrary amendments to the labour legislation when there was no urgent reason to do so.

As hon. members are aware, the counterbalance to labour's right to strike is management's right to try to continue operations during the strike. When there is no collective agreement in place, the employer can do everything necessary in order to maintain its activities, provided of course that it does not violate the representational capacity I referred to just now.

In a unionized working environment, however, the two parties have opposing interests, but the employer certainly has the right to keep the business open.

On the other hand, if a labour union deems that its rights have been violated in any way whatsoever, it may file a complaint with the Canadian Industrial Relations Board.

● (1755)

However, we know that the board receives very few complaints, and in the majority of cases management and labour agree to renew the collective agreement and the complaints are withdrawn. As for the complaints not withdrawn by unions, the board felt that, in most cases, there had been no illegal use of replacement workers.

Major employers under federal jurisdiction do not use replacement workers. What is more, the changes to the code proposed in the motion would be a threat to small and medium businesses, the ones most likely to suffer from long closures.

This therefore leads me to conclude that the present system is working and does not need changing. I cannot support this motion and I would encourage other hon. members to follow suit.

**Mr. Robert Vincent (Shefford, BQ):** Mr. Speaker, what the Conservative member just said is interesting. I do not know if he is unfamiliar with the law or the file, or if he did not take an interest in the matter or if someone wrote his speech for him. I will be examining three elements broached by the Conservative member. The first concerns essential services. Of course we must maintain essential services in the event of a strike. I understand that. Had he dug a little deeper he would already know that section 87.4 of the Canada Labour Code states the following:

During a strike or lockout not prohibited by this Part, the employer, the trade union and the employees in the bargaining unit must continue the supply of services, operation of facilities or production of goods to the extent necessary to prevent an immediate and serious danger to the safety or health of the public.

This section is clearly designed to ensure that essential services will be available to the public. Thus, what the member said earlier does not hold water because this section of the Canada Labour Code ensures that employers are covered when it comes to essential services. That is my first point.

Second, the member referred to the report of the Sims task force. I will provide him with a better understanding of this report because I am convinced that he has never read it and heard about it from someone else. The use of scabs results in frustration, animosity and violence. It prolongs conflicts significantly. Statistics show that this is true. Allow me to return to the famous Sims report. I note that opponents of the bill find it useful. However, the report is full of major contradictions, leading me to put some of its proposals and statistics into perspective. According to Andrew Sims, the main author of the report, in 1991 and 1994, in Canada, 75% of employers with a labour conflict did not use replacement workers during strikes. Why? Because rather than creating animosity among certain workers they preferred to maintain stable relations with them. That is what the Sims report says.

*Private Members' Business*

The other 25% of employers, however—who were party to 12 labour conflicts in which 48% of the employees involved were governed by the Canada Labour Code—did hire scabs. Scabs should not be used to shut out the union or undermine its role. It is important to show that employers who use scabs do so precisely in order to freeze out the union, as confirmed by complaints of unfair practices and statements from the strikers themselves. They say that the issue can go to court. Then the court hears that the unions are not being recognized because they do not have the power to negotiate with the employer. Employers have the upper hand because, under the Canada Labour Code, they can hire scabs. Employers can crush the unions if they want. Under the Canada Labour Code, workers have no power to negotiate. How can they conduct proper negotiations with their employers if they have no power because scabs go in to take their places? It has to be frustrating to be on the picket line, watching scabs show up to do the work. How frustrating.

There is another issue nobody ever considers when hiring scabs, and that is workplace health and safety. The Canada Labour Code governs that too. Employers hire people who have no work experience whatsoever to work in any sector they please. Employers tell them, “Come on over guys, come work here today. Do not worry about health and safety. Do not worry about training. We have to produce. We cannot lose any money.” Employers get scabs to come and work because the real workers refuse to work, because according to the law they have the right to strike.

● (1800)

That right is the only way workers have to stand up for themselves when negotiating a collective agreement. They can say that they are not being paid well enough and that the non-monetary clauses should be adjusted. It is the only time they can stand up and tell the employer as equals what clauses they would like to have added to or changed in their collective agreement.

Today, labour contracts are negotiated. Interestingly, collective agreements used to have terms of a year or two, and for a time they extended for three years. Now, labour contracts run for six to ten years. People can project what will happen tomorrow. They can do that in collective agreements, but the government cannot even figure out whether we are in a recession or an economic crisis while it is happening. During the most recent election campaign, we saw that it did not even know that there was a recession even though we were in the middle of an economic crisis.

How can workers negotiate a 7-year or 10-year collective agreement and predict what wages will be in 10 years? Workers negotiate in good faith with the employer to reach an agreement. They want to keep working for the employer, and they hope the company will continue to grow exponentially so that they will earn good wages. They consent to an agreement with a 7-year or 10-year term.

But when the collective agreement expires and they exercise their right to strike or the employer locks them out, a third party, the strikebreaker, cannot be allowed to take the worker's place. This impedes workers' right to collective bargaining. Employers and members from other parties say that the company must not lose contracts or money.

The workers, for their part, work their butts off—some even die working. There are so many work-related injuries. Despite safety measures, people get injured, lose their limbs, even lose their lives. Some people give their lives for the company. Then, when the workers want to negotiate in good faith, employers laugh in their faces and tell them that if they do not want to work or are not happy with their pay, they are free to leave. Employers know that others will take their places and will be happy to work.

We have seen this happen in the past, in cases like Radio Nord. That conflict lasted so long that the scabs demanded to be unionized. What a paradox. Employees were locked out and others came to take their places, then the employer treated them so badly that they decided to unionize. Replacement workers cannot be accredited and given rights that do not exist when workers who are already unionized are striking just outside. That makes no sense.

That is why it is so important for us to get rid of replacement workers, of scabs, so that the two parties can have proper negotiations. If we get rid of scabs, there will be fewer conflicts, and any conflicts that do arise will not last nearly as long. The member said that labour conflicts in Quebec last a lot longer than conflicts in sectors governed by the Canada Labour Code. That is not true. The latter last much longer, simply because replacement workers can take over a company for years if they want to. We have seen replacement workers take unionized workers' jobs for a year, two or even three. That is why the conflicts last forever. The employer does not have to negotiate with the workers.

Mr. Speaker, thank you for listening. You have listened closely to what I have been saying, and I appreciate that.

● (1805)

[English]

**Mr. Mike Wallace (Burlington, CPC):** Mr. Speaker, it is my pleasure today to speak to this motion.

Today the House is debating a motion tabled by my hon. colleague, proposing to make significant changes to key sections of the Canada Labour Code. This motion, if passed, will ban the right of federal employers to use replacement workers during a labour stoppage.

These proposed measures should not be treated lightly. This motion is the most recent of a series of attempts by some members of the House to try to bring wholesale changes to federal labour law in Canada without consultation or compromise.

Let me be clear. We remain firmly opposed to the motion, just as we have been opposed to similar legislation or legislative efforts introduced previously in the House. Our position is clear. We do not support the proposed amendments in Motion No. 294, and there are four compelling reasons why.

First, our modernized Canada Labour Code works well. It provides adequate protection to employees involved in a legal work stoppage.

*Private Members' Business*

Second, the motion, if passed, will disrupt the balance that was achieved when the Canada Labour Code was modernized back in 1999. It will leave federal employers unable to operate at minimal levels during a strike or lockout. This in turn could result in productivity losses to our national economy at a time when Canadians can least afford it.

Third, it would make labour relations more adversarial in the country. Energies and resources should be focused on solving labour relation issues in a peaceful manner. This is a situation that no one can afford to have happen during times of economic uncertainty both in Canada and around the world.

Fourth, we do not see any compelling evidence to support the argument that a ban on the use of replacement workers would reduce the number or duration of work stoppages and benefit workers in a federal jurisdiction.

As I mentioned earlier, the motion is the latest in a series of similar legislative efforts. It is worth taking a moment to take note of that fact, because they share some of the common characteristics and deficiencies of previous legislative efforts over the last number of years.

Over the past two decades, the House had debated numerous private members' bills on the matter of replacement workers in the federal domain.

First, there was Bill C-201, tabled in April of 1989. Next, there was Bill C-317, tabled in June of 1995. There were two more attempts between 2002 and 2005 in the form of Bill C-328 and Bill C-263, the latter of which was defeated after second reading. Next, there was Bill C-257, tabled in May of 2006. It was also defeated on third reading. Finally, there was the predecessor to the motion before us today, which was Bill C-415. It died on the order paper at the dissolution of Parliament in September of 2008.

All these bills were defeated because a majority of members of the House recognized that what each bill proposed would be ineffective and would have negative effects on labour relations and on the economic health of Canada.

A common characteristic shared by some of the more recent legislative efforts is that they do not fully consider just how vital it is that a middle ground be maintained between unions and employers on the matter of replacement workers. They overlook what was accomplished when the Canada Labour Code was modernized in 1999. The existing replacement worker provision in section 94(2.1) of the Labour Code was the product of much consultation with stakeholders. It also provided an ever important characteristic, one that is the backbone of this country, and that is compromise.

• (1810)

Existing provisions do permit employers to at least try to carry on basic operations during work stoppages. However, it also protects the union's right to strike and its bargaining authority. The balance would have been lost if any of these private member's bills had been passed by the House to eventually become law.

Motion No. 294 before this House today is no different in terms of the disruption that it would pose to labour relations and the economic health of our nation. As with the private member's bills that have

preceded it, this motion stands in complete opposition to the well-established facts about replacement worker legislation.

I will review these key facts in the House right now.

First, legislation of that nature is rare in Canada. Only two provinces have legislation that restricts the right of employers to use the services of replacement workers during work stoppages. Quebec implemented its legislation in 1977. In 1993, British Columbia passed its own regulations. Ontario had enacted similar provisions in 1993 but they were repealed in 1995.

That leads me to my second point of fact. After nearly two decades of experience with this kind of legislation in Quebec and in British Columbia, the results are not encouraging for Canadian workers. Statistical data analysis provided by the labour program suggests both of these provinces continue to experience work stoppages of long duration and the length of their work stoppages is not that much different from other jurisdictions in Canada that do not have the replacement worker legislation.

For instance, in the period from 2005 to 2007, the average duration of a work stoppage in Quebec was 43.8 days compared to 43.6 days in Ontario and 41 days in the federal jurisdiction. This data supports independent findings which maintain that statutory prohibitions on the use of replacement workers are not necessarily effective in reducing the duration of a work stoppage.

That takes me to the third key fact that I want to share with the House this evening. Since the 1980s, over 90% of disputes in federal jurisdiction have been settled without a work stoppage, and that is often with the assistance of federal mediators and officers. In the majority of cases, employers do not employ external replacement workers to keep their operations functioning. Instead, they reassign management and other non-bargaining unit personnel.

What does Motion No. 294 seek to accomplish? In light of the facts that I have shared with the House, it is unclear what the drafters of Motion No. 294 are seeking to accomplish with this latest in a series of legislative attempts to drastically revise the Canada Labour Code, the outcome of which would essentially outlaw any use of replacement workers in the federal jurisdiction. It cannot be to bring about balance and fairness to labour relations in Canada. The proposed amendments would undo what has been achieved over the past decade. It cannot be a solution to help reduce the number of work stoppages. The experiences in the two provinces with anti-replacement worker legislation show us that they continue to struggle with lengthy work stoppages. It cannot be a solution that would help boost Canada's ability in today's competitive environment.

The proposed amendments call for changes that would bring instability and uncertainty to Canadian labour relations and would do so in the midst of significant global economic difficulties.

*Adjournment Proceedings*

The facts and the risks posed by anti-replacement worker legislation are just as clear today as they were in the past. As with each previous legislative attempt introduced in this House, this motion calls for amendments that would ultimately harm workers and undermine the labour peace that both sides have enjoyed for years.

For those reasons, I remain firmly opposed to this motion.

• (1815)

[*Translation*]

**Ms. Meili Faille (Vaudreuil-Soulanges, BQ):** Mr. Speaker, Bloc Québécois motion M-294 calls on the government to introduce, no later than October 15, 2009, a bill to amend the Canada Labour Code to prohibit the use of replacement workers in labour disputes falling under the jurisdiction of the federal government, while at the same time ensuring that essential services are maintained.

Before I conclude, I would like to thank all the people and all the organizations that have supported the Bloc Québécois initiatives on this issue over the past 20 years. I am thinking of my colleagues from Gatineau, Saint-Bruno—Saint-Hubert, Rivière-des-Mille-Îles, Shefford and Laval and all the other members of the Bloc Québécois and the other opposition parties who have not given up for the past 20 years.

The Canada Labour Code must be amended to prohibit the use of strikebreakers once and for all. It is high time we took action. After hearing the arguments in this House, I am still convinced that we can protect the interests of workers and employers by taking this approach.

Now more than ever, we must prohibit the use of replacement workers during labour disputes, in order to reduce picket-line violence.

We need to promote measures that will create a level playing field for negotiations between employers and employees.

Anti-scab measures will make it possible to eliminate the existence of two categories of workers in Quebec: those who have that right because they come under the provincial code and those who are deprived of it because they fall under the federal code.

I would encourage my colleagues to study the examples given by my colleague for Rivière-des-mille-Îles, of Vidéotron or Radio Nord. Other members have referred to Sterling trucking and Navistar, where strikebreakers deliberately set upon picketing workers and one picketer was very seriously injured.

Anti-scab measures are indispensable to civilized negotiations during labour conflicts.

Anti-scab measures encourage industrial peace by avoiding confrontations between striking workers and replacement workers. They make employers realize the advantages of settling conflicts by negotiation rather than by strike or lock-out.

There is a very broad consensus among the various labour unions on the importance of adopting anti-scab measures. They are a necessity in today's working world because they provide greater transparency in case of conflict.

The federal government needs to assume its responsibilities in areas over which it has constitutional jurisdiction. In these difficult economic times, the government needs to assume some leadership and keep in mind that it has a duty to protect the most vulnerable: those who are at risk of losing their jobs. It needs to protect labour relations, before, during and after a labour conflict.

Let us acknowledge the full importance our working people hold in our society and give them all the recognition they deserve for the work they do, day after day.

Lacking any valid arguments, the Conservative government is taking refuge behind scenarios that have no connection with Quebec reality. Thanks to the efforts of René Lévesque, Quebec has for 30 years had legislation that bans the use of replacement workers. We have healthy labour relations and the 7% of Quebec workers who come under federal legislation should be entitled to the same.

I urge my Liberal, Conservative and NDP colleagues to support this measure proposed today by the Bloc Québécois with respect to labour relations, in order to ban the use of scabs or replacement workers in labour conflicts involving employees who come under the Canada Labour Code.

The message is such a simple one. Starting now, we need balance, a fair and equitable balance of power between all parties involved in a labour dispute. Everyone stands to benefit.

• (1820)

[*English*]

**The Deputy Speaker:** The time provided for debate has expired. Accordingly the question is on the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And five or more members having risen:*

**The Deputy Speaker:** Pursuant to Standing Order 93, the division stands deferred until Wednesday, April 29, immediately before the time provided for private members' business.

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## ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.



*Adjournment Proceedings*

[English]

## THE ECONOMY

**Ms. Joyce Murray (Vancouver Quadra, Lib.):** Mr. Speaker, when I posed a question for the Minister of Finance some weeks ago, on February 10, he gave me what I felt was an unsatisfactory answer. Today I hope I will get a more detailed explanation of what the Conservatives are doing to address our economic crisis and to answer my question.

We have a very serious economic situation and taxpayers expect us to spend their money wisely because it is their money. We need to be very judicious with public funds at a time of economic crisis and a recession, but first we need a government that really understands the nature and the depth of the problem. So far, we have not had that.

We have a government that started out by saying that Canada would avoid a recession when it was already clear that we were in a recession. Then it acknowledged that it was a recession but just a technical recession, not a real one. Then it was a synchronized global recession, as though that were an explanation for its past inability to understand the fiscal and financial realities that were obvious to other parties. After that, it was a mild recession and now it is a serious recession. I have a lot of concern that we have a government that is wrestling to figure out what is going on rather than how it can help.

I also want to comment on the idea of this being a mild recession. It is insulting to the 300,000 Canadians who have lost their jobs since January 1 and to the almost 15% of young people who are unemployed.

The finance minister said that his analysis that this was a mild recession related to the fact that most people came from other places, including the United Kingdom, that most came on boats, that many came with nothing and that many died as a result of contracting diseases while travelling to Canada. He was painting a picture of everything but covered wagons and horses and buggies, as though that had to do with the human distress that people are experiencing, people whose life-savings are being drained away, people who built small businesses and are now bankrupt with the assets they were aiming to retire on gone.

The government's response has been completely inadequate. Where is the \$1 billion for the mountain pine beetle that was promised? Why did it cut research at a time when our neighbour to the south is increasing it and we need it, not just for the jobs of today but the economy of tomorrow? Why knee-cap green power by killing the wind power incentive at a time when we need to position ourselves as leaders in the new green economy? Why not provide an employment insurance safety net that will actually address the needs of people who have paid into it for many years?

• (1825)

**Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC):** Mr. Speaker, I thank the member for Vancouver Quadra for giving me this opportunity to have a short discussion at least on the Liberal economic policy as we know it. It is important that all Canadians fully understand what it is that the Liberals would do had they been given an opportunity to do so.

Let us go back just a few short months ago when the Liberals were crying out for more money, billions of dollars, to be infused into the Canadian economy. So much so that at the time they tried to form an unholy coalition with the NDP and the Bloc Québécois in an attempt to wrest control of government away from a duly elected, democratically elected government, this Conservative government. Luckily, sanity prevailed, due in large part, I believe, to the visceral outrage of Canadians from coast to coast to coast against the concept of such a coalition.

Once things calmed down, our government brought down a budget on January 27 recognizing the worldwide global deterioration of the economy. We brought in a stimulus package with that budget which on a percentage basis to the GDP was probably larger than any other country in the industrialized world.

What was the reaction of the Liberal Party at that time? The Liberals said it was not enough. They said we must do more and pump more money into the economy.

As a result of the stimulus package, we are going to be experiencing a short-term deficit. But the Liberal solution was to make the deficit larger because the Liberals were criticizing us for not going far enough.

Now fast forward to today. What is the position of the Liberal Party? The Liberals actually have the audacity to criticize our government for having a deficit, when in fact they would have had a much larger deficit. They criticize us for creating the deficit, when in fact they were advocating a deficit.

What is the reaction of the Liberal leader? What is the position of the Liberal leader in dealing with the deficit? He said, and these are his words not mine, "We must raise taxes". Yes, that is right, incredible as it sounds, the Liberal leader is saying that we must raise taxes to pay off the deficit.

This should not surprise anyone who has followed the career of the Liberal leader because he has a history of favouring higher taxes. Only a few short years ago he characterized himself as being a "tax and spend Liberal", his words not mine.

Also, he has advocated, as has the rest of his party, that they bring forward a carbon tax. That was the previous Liberal leader's pet project in the last election. He was the father of the doomed federal carbon tax that the Liberals were projecting.

As well, the Liberal leader and the rest of his party criticized us for lowering the GST from 7% to 5%. The Liberal leader has constantly advocated raising taxes, and now he must answer the basic questions that all Canadians have: What taxes would he raise? How much would he raise taxes? Who would pay for these taxes?

The Liberal leader and the Liberal Party are absolutely giddy in anticipation these days of the possibility of an election. I can guarantee one thing: when the election does come, there will be a very basic and fundamental question that all Canadians will be asking, which party and which leader best protects the Canadian taxpayer? Will it be the Conservative Party led by Prime Minister Harper, who has obviously always lowered taxes, or the Liberal Party and the Liberal leader who advocate raising taxes?

That is the debate I want to have.

*Adjournment Proceedings*

• (1830)

**The Deputy Speaker:** I know the hon. parliamentary secretary forgot, but it is inappropriate to use proper names.

The hon. member for Vancouver—Quadra.

**Ms. Joyce Murray:** Mr. Speaker, I would be happy to have a debate about who protects the taxpayer because it is obvious. It was the Liberal Party of Canada that cleaned up a record deficit left by the Conservative government once before. It was the Liberal Party that left the Conservatives with an enormous surplus which they squandered when times were good so now they do not have the resources to deal with the problems that we have today. The Liberal Party will be cleaning up the Conservative Party's deficit once again. That is who protects the taxpayer.

The member opposite still does not understand our parliamentary system. When a prime minister of a minority government loses the confidence of the members of Parliament, they are entitled to vote accordingly. Instead, we had the embarrassing spectacle of a Canadian prime minister crawling to the public television networks begging for his very job.

Distortion and deception—

**The Deputy Speaker:** The hon. parliamentary secretary.

**Mr. Tom Lukiwski:** Mr. Speaker, I thank the hon. member for Vancouver Quadra for reminding Canadians of the ill-fated coalition that the Liberals attempted to create, a coalition that was so unholy in its alliance that Canadians from coast to coast to coast in unwavering numbers said no, they do not want this.

Beyond all of that and that will be, of course, a source of controversy and discussion for quite some time, I merely state that the Liberal leader must answer three basic questions to the Canadian taxpayer. We know he wants to raise taxes. When will he raise them? What taxes will he raise? How much will he raise them? Finally, the final question, who will have to pay for these taxes? Those are the questions the Liberal leader ultimately will have to answer and I am looking forward to those answers.

ABORIGINAL AFFAIRS

**Ms. Jean Crowder (Nanaimo—Cowichan, NDP):** Mr. Speaker, I rise today on a question that I raised in the House in March about the process that was being used around the so-called consultation for water on first nations reserves. Now that the results are in, in terms of how effective that consultation was, the Femmes Autochtones du Québec has been quite vocal in its criticism and has commented on this so-called engagement process.

It is important to note here that engagement sessions were only initiated at the end of February and terminated in early April with a government deadline of mid-April for bands to submit an impact study. This kind of activity undertaken by INAC fails to adequately meet the standards and duty to consult indigenous peoples in accordance with Supreme Court judgements. Indeed, during these sessions, the government had already defined legislation as the only option for bands to choose.

We also have the Safe Drinking Water Foundation's advanced aboriginal water treatment team being highly critical of this process. It has indicated a number of problems, including the fact that invitations were problematic because first nations communities did not receive adequate notice to attend and the timing of the sessions overlapped with critical annual budgeting events which prevented many leaders from attending.

The facilitators provided misleading or incomplete information to participants and government voices tended to dominate their conversations advocating for a particular goal. Having water quality on reserves be subject to variations of less strict provincial guidelines instead of the guidelines for Canadian drinking water quality, thereby abdicating its fiduciary responsibility and liability for first nations drinking water quality.

Later in its report, it talked about the fact that the SDWF's AAWTT feels that the INAC's engagement sessions and attempts to deal with first nations drinking water quality were utterly inadequate, did not offer opportunity for meaningful consultation, diminished first nations' treaty rights and attempted to absolve INAC of its fiduciary responsibility. The SDWF's position in this respect was further explained and it went on to outline a number of problems with the process.

It said participation expectations were not met and the fact that those who were able to attend the engagement sessions expected that they would contribute to the development of the federal action plan on safe drinking water and that they would receive accurate and complete information in order to make well-founded decisions.

It went on to talk about the fact that in these conversations, at times there were more bureaucrats in the room than there were first nations. In some cases the bands received the information package at noon the day before and had to drive three hours in order to even get to a session. As was already pointed out, there were conflicting demands, the timeframe was far too short, and it just generally ignored all the principles of what should be deemed consultation.

I wonder what it was that the minister was trying to avoid by short-circuiting a consultation process that could have had some meaningful impact on the quality of drinking water in first nations communities.

• (1835)

**Mr. Pierre Lemieux (Parliamentary Secretary to the Minister of Agriculture, CPC):** Mr. Speaker, I am pleased to rise to speak to this question by the member for Nanaimo—Cowichan. There was indeed a fruitful and effective consultation process.

My colleague spoke of water quality. Our government is taking action to ensure residents of first nation communities have access to the same quality of drinking water as other Canadians.

Quite frankly, I was surprised at these comments because we have achieved unprecedented progress in collaboration with first nations across the country. For example, in 2006 there were 193 high risk first nation water systems. Today this number has been reduced by two-thirds to 48 systems.

Furthermore, 21 communities were identified as priorities which meant that the community had both a high risk system and a drinking water advisory. Today only four communities are on that list.

*Adjournment Proceedings*

What is more, decisive action is being taken on the new measures identified under the 2008 first nations water and waste water action plan. This includes moving forward with the consultation process for water legislation, including the recent completion of engagement sessions in March on the development of a legislative framework proceeding with a national assessment of water and waste water systems that provide services to first nation communities and developing or improving water and waste water protocols to be issued shortly.

Clearly, our government is getting the job done. Nothing demonstrates this more than budget 2009, Canada's economic action plan. With the economic action plan, we provide \$1.4 billion over two years for specific initiatives aimed at improving the well-being and prosperity of aboriginal people in Canada. These new investments include \$165 million to accelerate water and waste water infrastructure projects.

Our government recognizes that every Canadian deserves access to clean and healthy drinking water. These recent investments demonstrate clear action toward this goal and we will continue with this endeavour.

It is important to note that this member voted against this additional funding for aboriginal people. She voted against their best interests. I would invite my colleague, if she really wants to stand up for aboriginal people and vote for aboriginal people, to vote for these important types of initiatives.

**Ms. Jean Crowder:** Mr. Speaker, it is the members in the community and others that represent them that have indicated that this consultation process was a mere sham. Again, coming back to the Quebec Native Women's Association, it talks about the fact that there was simply not the time nor the expanse that would allow for that meaningful kind of input.

When the member talks about the fact that many communities have been taken off the boil water advisory, we still have serious water quality problems across the country. Attawapiskat First Nation has been on a boil water advisory since 1989. What the member fails to talk about is the fact that many communities simply are not hooked up to a water system, so they are not counted in that number. There was a child who just died on the Garden Hill Reserve from meningitis and his family had no running water in the facility.

I wonder if the member would care to comment on the fact that it is first nations themselves that say this consultation—

**The Deputy Speaker:** The hon. parliamentary secretary.

**Mr. Pierre Lemieux:** Mr. Speaker, the results that I just spoke of the last time I rose truly do speak for themselves.

Clearly, our government has made significant progress on aboriginal issues including safe drinking water over the past three years, working with willing partners to achieve tangible results. We have demonstrated new practical approaches to working with aboriginal governments, organizations, provinces and territories, and the private sector to address clear priorities in an effective and targeted manner.

In aboriginal communities throughout Canada this is paying off and producing results. With budget 2009 our government continues this commitment with a \$1.4 billion priority initiative aimed at

improving the well-being and prosperity of aboriginal people in Canada.

As I mentioned, this member and her party voted against that measure. I do not know how she can stand in the House and pretend to stand for aboriginal people when she is voting against additional funding like \$1.4 billion. It is very regrettable.

• (1840)

[*Translation*]

## STATUS OF WOMEN

**Ms. Nicole Demers (Laval, BQ):** Mr. Speaker, I rise here in the House today because, on March 5, 2009, I asked the President of the Treasury Board a question, but I did not receive a satisfactory answer.

I therefore rise again here this evening, hoping that I will get a somewhat more satisfactory answer concerning pay equity. Some 30 years ago, the federal government passed a law that made it illegal to discriminate against women in the workplace. Yet we are far from achieving pay equity for women. Furthermore, recent studies have shown that the wage gap between men and women is actually increasing. Women should always be able to count on government intervention to ensure that their fundamental right to pay equity is finally respected.

Now more than ever, the federal government must pass proactive pay equity legislation. I was largely inspired by a Public Service Alliance of Canada document, that is, a document from our employees who know very well what this is all about, since they, themselves, do not have pay equity at this time.

A task force published a report and the adoption of proactive federal pay equity legislation was a priority demand of the 2000 World March of Women in Canada. As a result of this mobilization, the federal justice minister appointed the Pay Equity Task Force in 2001 to examine the shortcomings of the system and propose solutions.

The task force spent three years doing extensive research on the issue and consulting with unions, women's groups, and human rights groups throughout the country. The group organized round tables with unions and employers to understand the problems and explore proposed solutions, particularly in Ontario and Quebec.

In May 2004, the task force published its report, *Pay Equity: A New Approach to a Fundamental Right*, which contained several recommendations. The main recommendation was that the government put in place proactive pay equity legislation. We hoped that the government would move forward with this proactive legislation. We waited but realized that the Prime Minister did not support pay equity.

*Adjournment Proceedings*

In 1998, when he was the head of the National Citizens Coalition, he declared, "For taxpayers, pay equity is a rip-off. And it has nothing to do with gender. Both men and women taxpayers will pay additional money to both men and women in the civil service. That is why the federal government should scrap its ridiculous pay equity law."

Thus, it is not surprising that the Conservative Party is doing an about-face on pay equity and today wants us to pass so-called legislation requiring these people to attempt to obtain a small degree of pay equity through collective bargaining. That is not how you achieve pay equity. Pay equity is a right that should be guaranteed.

**Mr. Andrew Saxton (Parliamentary Secretary to the President of the Treasury Board, CPC):** Mr. Speaker, I thank my hon. colleague for her speech.

[*English*]

There is no about-face here, and I hope that I will provide clarity on this issue.

The Public Sector Equitable Compensation Act was tabled as part of the government's Budget Implementation Act, 2009 on February 6 and it received royal assent on March 12. I would like to take the opportunity to thank all the members who supported the legislation.

This act replaces an adversarial complaints-based system with a collaborative one as part of the collective bargaining process.

Our government respects the principle of equal pay for work of equal value. That is why we have acted to ensure a more modern and collaborative approach to equitable compensation in the federal public service. Our approach brings much needed reform to our complaint-based pay equity regime, which has proved to be a lengthy, costly and adversarial process, a process that does not serve employees or employers well.

Our government is proud to be leading the way when it comes to recruitment and compensation of employees.

We should be especially proud of the progress toward gender balance in the public services, particularly within the senior ranks. It is worth noting that back in 1983 fewer than 5% of women were in senior management. Today, women are approaching half of the senior and executive ranks of the federal public service. They are not only taking the top jobs, but their representation in many groups has also increased dramatically over the years.

Today's public service provides women and men with equal access to all positions and identical wages within the same groups and levels. I am proud of the example we are setting for both private and public sector organizations around the world.

Given this situation and given the need to ensure the strides women have made in the federal public sector continue to be maintained, we have put in place a more modern approach to pay equity from public service employees. We need to put an end to the long and drawn out court cases of the past.

Before this act, public service employers and unions were not required to take pay equity issues into account during wage setting. The issues were raised only when complaints were made. Many Canadians would be surprised to know that the last court case on pay

equity concluded in 1999, at a cost of millions of dollars to taxpayers, a settlement that took over 15 years to achieve.

Public service employees deserve better. Taxpayers deserve better. This has clearly been a case of justice delayed being justice denied. That is no longer acceptable.

The new system will address any unfairness in women's wages and deal with it straight up, instead of allowing a settlement to drag on in the courts. It will make employers and bargaining agents jointly accountable for setting fair wages. It will ensure these decisions are made at the time of collective bargaining for unionized employees. It will impose a rigorous process to ensure employers address pay equity in a timely way for non-unionized employees.

The legislation ensures that such prolonged court cases become a thing of the past. This is about doing the right thing, finally, for Canadian women. Our government makes no apologies for taking long overdue steps to protect the rights of women to fair and equitable pay.

● (1845)

[*Translation*]

**Ms. Nicole Demers:** Mr. Speaker, my colleague's statements are nothing more than science fiction. If the government had been that interested in listening to employees, women's groups, and the people affected by the pay equity problem, we would clearly see that these people have not been heard. Unfortunately, once again, they are conducting bogus consultations. They pretend they were acting in people's best interests, but it was in the interests of the government. They do not care about people's best interests.

The people involved are all against this pay equity legislation and were very sorry to see it hidden within the budget. That prevented us from debating it properly and publicly, and from having an informed debate. Now, any debate on it was drowned out by the budget debate and we were not able to discuss it, and the government was in a hurry to see it passed by the Liberals, who had no choice but to accept it, in order to avoid an election. That is the reality.

[*English*]

**Mr. Andrew Saxton:** Mr. Speaker, my hon. colleague knows the current system is broken. It does not work for women and it does not work for the government. When it takes 15 to 20 years to settle disputes, it does not take much to see that it is a lengthy, costly and adversarial process, which does not serve anyone well.

We want to correct this problem by improving upon the existing models of Ontario, Quebec and Manitoba and, I might add, along the lines of what an independent task force, appointed by the previous Liberal government, recommended.

I do not understand why my hon. colleague cannot see how a proactive system will be far better than a reactive one. Justice delayed is justice denied.

*Adjournment Proceedings*

**The Deputy Speaker:** The motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

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(The House adjourned at 6:49 p.m.)



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