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Monday, June 10, 2013

Speaker: The Honourable Andrew Scheer

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HOUSE OF COMMONS

Monday, June 10, 2013

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

•(1105)

[*English*]

PARLIAMENTARY BUDGET OFFICER ACT

The House resumed from April 29 consideration of the motion that Bill C-476, An Act to amend the Parliament of Canada Act (Parliamentary Budget Officer), be read the second time and referred to a committee.

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, this is a big day today. I just exchanged pleasantries with the Minister of Canadian Heritage and Official Languages, and it is his birthday. We are expecting to maybe put forward legislation identifying today as a national holiday.

I am happy to put in my two cents' worth on this important bill. This is a significant and important piece of legislation, and certainly my colleague from Saint-Laurent—Cartierville, during first reading of the bill, identified the fact that our party will indeed be supporting it because we believe in the spirit of the bill and that, in essence, it would be an important step forward. I also recognize the fact that my colleague, the member for Markham—Unionville, had tabled the first motion before Parliament in February 2009, calling for the parliamentary budget officer to be made an independent officer of Parliament. That is worth noting as we begin to discuss this particular bill today.

Although this bill is about the Office of the Parliamentary Budget Officer, it is hard to talk about it without talking about the first parliamentary budget officer, Kevin Page. For obvious reasons, the two will be inextricably linked. My thoughts on this bill will therefore be very respectful of the experience Mr. Page had over his five years as PBO, and his comments on the office, including the challenges that he faced and the worries he had about its future if not strengthened and protected.

One of Mr. Page's comments sums up the issue around transparency and accountability under the current government. He summed it up well when he said, "Our institutions of accountability are in trouble. Parliament does not get the information and analysis it

needs to hold the executive...to account." Of course, "the executive" refers to the Prime Minister and cabinet. Later in his comments he said, "In a culture where secrecy is far too common and analytical dissonance is not welcome, the future of my office, the legislative budget office is in doubt."

This is a debate that has taken place here in the chamber, but also right across this country in the court of public opinion. I believe it was one that Mr. Page put forward. Canadians understand the significance around this issue and certainly are respectful of the courage, the vision and the passion he had for this position, and as well of his ability. It has been proven time and again, issue by issue, that the parliamentary budget officer was very often closer to reality than what we were hearing from the government benches and the spin around the various issues or crises of the day.

Mr. Page is a man who dedicated five years of his life to the service of Parliament and to Canadians to provide and promote financial transparency and accountability. Seven years ago, the current government promised a new standard of accountability. We know the Conservative government rode in on the white horse called "accountability", promising a different era, certainly a more open Parliament and a more open government.

We have not seen that. That horse has been dead for quite some time, as much as the government might want to beat it. In the eyes of most Canadians, whether the horse ever arrived in Ottawa or not, it is certainly gone now. The government had a golden halo of transparency that was very much touted and highly talked about, but that halo is considerably tarnished now.

That is what happens when the standard method of operation is "do as I say, not as I do". It is very significant, in the wake of what transpired this past week, when we saw the former Conservative member for Edmonton—St. Albert comment, "I barely recognize ourselves and worse I feel that we have morphed into what we once mocked."

I certainly do not agree with everything the member has said or with his views on many issues. However, I think it was eloquent, poignant and truthful. Many Conservatives across this country, certainly Conservatives in my riding with whom I have great friendship and for whom I have great respect even though we may have different political views, are very concerned about how the government has taken those principles of transparency, openness and accountability, and just sort of put them in the back of the bus.

The departure of the member for Edmonton—St. Albert brings that to a very poignant point in the life of the government.

Private Members' Business

•(1110)

Bill C-476 stands for principles, including the principle that the parliamentary budget officer should be an independent watchdog and provide independent analysis to Parliament, not cheerleading for the government.

The purpose of the office itself is to help with forecasts on economic and fiscal planning, help with costing new programs, and help with the scrutiny of departmental apportionments and appropriations. We have seen the debacle with the F-35s. The numbers continue to change. I think it was my colleague, the member for Westmount—Ville-Marie, who first brought the issue around the F-35s to the House two and a half years ago.

We were given a snow job then. We were given numbers that certainly dismissed any concerns around the procurement of the F-35s. It was with a clear vision, clear thinking and a commitment to get to the truth that the parliamentary budget officer pursued what was real within the tendering process. Through those numbers, the parliamentary budget officer was able to bring it around to what many other nations across the world that were involved in the procurement of this particular aircraft knew all along.

I want to commend my colleague, the member for Westmount—Ville-Marie. I want to again echo support for this bill on behalf of our party. We think the parliamentary budget officer should be independent from the executive. The role of the PBO is essential in providing this House with the important information that it needs, so that it can base its decisions on truth, not spin; on fact, not fiction; and on hard numbers.

It is for those reasons that we will stand and support this piece of legislation.

•(1115)

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, it is my privilege to rise to speak in support of Bill C-476, tabled by the member for Outremont and leader of the official opposition.

Bill C-476, once enacted, would create an independent Office of the Parliamentary Budget Officer, separating it from the Library of Parliament where it is now; broaden the PBO's mandate and access to relevant information; require annual reports to the House of Commons and Senate; create a streamlined non-partisan process for appointment; and finally, ensure that the PBO is capable of understanding and working in both official languages.

Why are these proposed changes to the legislated mandate for the PBO so critical? The government created the PBO to support its once widely touted new transparent, accountable and open government. In fact, the Conservatives' 2006 electoral platform committed to create an independent parliamentary budget office authority to provide objective analysis directly to Parliament about the state of the nation's finances and trends in the national economy. As stated by the finance minister in 2006:

Canadians deserve to know the true state of their economy and to live within a budget which is based on accurate, open and honest figures. We must put an end once and for all to the previous government's habit of getting it wrong. Governments cannot be held to account if Parliament and Canadians do not know the real state of public finances.

The Prime Minister, in speaking of the PBO in 2006, stated, "Such a body would ensure that the government is genuinely accountable for taxpayers' dollars and that we maintain fiscal discipline at the federal level."

Now flash forward to 2013, where the selfsame Minister of Finance has had quite a change of heart now that the rigorous analysis that he once so enthusiastically supported has now exposed many problems. The finance minister made an accusatory comment about the PBO to the effect that he was wandering off from his mandate of reporting to Parliament on "how the government is doing in its budgeting".

We note, as my colleague said, the comments by the member for Edmonton—St. Albert, that he is deeply chagrined and in fact has left the Conservative Party because it has strayed from its principles of openness and transparency and the members have morphed into what they formerly criticized.

Indeed, despite these early endorsements for open government and a strong role for the PBO, seven years later we witness case after case where the government has refused PBO requests for information necessary to delivery his statutory mandate including: estimated costs for the Afghan war, estimated costs for the F-35 fighter jets, the estimated deficit, sustainability of the OAS program and estimated impacts of cuts to the federal service on continued delivery of front-line services.

The mandate and services of the PBO have been found invaluable to the ability of MPs to do their job scrutinizing government estimates and spending. The PBO mandate appears to be quite clear to most, with the apparent exception of the very government that created the office. What is the mandate? The PBO was created in 2006 with the enactment of the Financial Accountability Act. This mandate is clearly prescribed in law "to provide objective analysis to the Senate and House of Commons about the estimates of the government, the state of the nation's finances and trends in the national economy". The PBO is also mandated to undertake research and assist committees in their review and analysis of estimates. Clearly, to deliver this mandate, the PBO must have ready and open access to financial and economic data.

Accessibility to all information has regrettably become a matter of ongoing contention for the former PBO. He was ultimately forced to seek a court ruling due to access denials. The court referral related to requests from the leader of the official opposition seeking the PBO's analysis of the effect of cuts to the federal public service on front-line services. Here is what the court ruled vis-à-vis the mandate of the PBO:

Private Members' Business

The Parliament of Canada has, by statute, mandated its budget officer to, among other things, “estimate the financial cost of any proposal that relates to a matter over which Parliament has jurisdiction” when requested to do so by any member of the House of Commons or any Senator.... In order to give effect to that mandate, subject to certain exceptions, section 79.3... the Parliamentary Budget Officer by request to the deputy head of a department, or delegate, is entitled to “...free and timely access to any financial or economic data in the possession of the department that are required for the performance of his or her mandate.”

● (1120)

In the course of my role on the government operations committee, we undertook, as well, a review of how members of Parliament could begin to do a more effective job of review of estimates and spending. In doing so, we heard from a number of experts.

One of the worldwide experts that has stated support for a strong parliamentary budget officer is the OECD. Our report noted that the OECD found that the best practices for budget transparency required that parliamentarians had the opportunity and the resources to effectively examine any fiscal report they deem necessary.

Our community heard from, among others, Dr. Joachim Wehner. Dr. Wehner is associate professor of public policy at the London School of Economic and Political Science. He testified that in order to improve scrutiny of estimates and supply:

The first...is to protect and enhance the role of the Parliamentary Budget Officer.... Internationally, the Parliamentary Budget Officer of Canada is very highly regarded, and it's certainly a major change...in the degree the parliament in Canada has access to an independent, highly professional research capacity.

He added, though, that based upon his experience with similar officers in other jurisdictions, the role of the PBO could have been further strengthened if made a full officer of Parliament, with total access to all relevant information.

Also, Canadian expert Dr. David Good, professor of the School of Public Administration, University of Victoria, testified to our committee:

First, I would make the Parliamentary Budget Officer a full agent of Parliament to assist parliamentarians and committees. I think the role and mandate of the Parliamentary Budget Officer needs to be clarified and strengthened by making the office legislatively separate and independent of the Library of Parliament, thereby operating as a full agent of Parliament.

Accessibility to all information, regrettably, became a matter of ongoing contention for the current PBO. He was ultimately, as I mentioned, forced to seek a court ruling. That court ruling was related to a request from the leader of the official opposition.

I can personally attest to the value of the reporting and analysis provided by the parliamentary budget officer. My participation in the parliamentary study on scrutiny of estimates and supply, and subsequent examination of government priorities and spending, has opened my eyes to the disconnect between the information the government is willing to reveal and the information parliamentarians actually require to make informed decisions on spending taxpayers' hard-earned dollars.

As elected members of Parliament, we are meant to be stewards of the public purse. We can choose to make informed decisions. A strengthened mandate for the parliamentary budget officer, as provided in Bill C-476, could offer that window.

I encourage all members of this House to vote in support of the member for Outremont's bill, Bill C-476, create an independent

Office of the Parliamentary Budget Officer, broaden his mandate, require annual reports and create streamlined, non-partisan processes for appointments.

[*Translation*]

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP):

Mr. Speaker, I have the honour to rise to speak to the bill of the leader of the official opposition, the member for Outremont.

The purpose of this excellent bill is to create a separate and independent Office of the Parliamentary Budget Officer—who will be a full officer of Parliament—that will not just be part of the office of the Library of Parliament, as is currently the case.

First, it would be pertinent to ask why this bill is needed now. It is needed because something is broken in the system. The Conservatives broke their promise of transparency and their commitment to an open government that listens to the people. They have given us one disappointment after another.

The Conservatives are willing to undermine the credibility of those who say things they do not like, who dare to stand up, tell the truth and remember the facts. They attack those who work as our system's watchdogs and any others who dare criticize them, such as environmentalists, scientists and unions, whom they often, and very publicly, treat with contempt.

First of all, the Conservatives promised to establish the position of parliamentary budget officer, and they did. However, they then did everything they could to undermine his credibility. It was a good idea at the outset, and then it all fell apart. When they realized that the officer they had appointed could stand on his own two feet, challenge their figures and even point out scandals, such as the cost of the F-35s, which was much higher than they were telling people, they began to say that people should not listen to the parliamentary budget officer, that he did not know what he was talking about and that what he was saying was untrue.

We heard Conservative members make light of the work done by the Office of the Parliamentary Budget Officer, even though this work was essential and could shed light on what was going on in terms of the Conservative government's real expenditures. As the truth can be shocking and upsetting, they did everything they could to sideline and muzzle the parliamentary budget officer and publicly cast doubt on his credibility, when in fact he was doing good work.

That is why the member for Outremont introduced a private member's bill that would strengthen and protect the parliamentary budget officer position and make it truly independent. We need this external audit and this oversight from competent people who are sheltered from political attack and manipulation by the Conservative government.

When we hear people from the Prime Minister's Office tell us that what they need is a new parliamentary budget officer who is capable of co-operating with them, it is worrisome. It means that they do not want their little lapdog to bark too loudly, upset things too much, undermine them and reveal information that might cause a public scandal, such as the famous scandal around the exploding cost of the F-35s.

Private Members' Business

As my colleague from Alberta just mentioned, when I entered Parliament, the late Jack Layton honoured me by appointing the official opposition critic for the Treasury Board. My experience was similar to what my colleague from Edmonton—Strathcona found. The budget process is so complex, intricate and lengthy that it is extremely difficult to check the government's estimates against the actual expenditures made afterwards.

As the main estimates are about to be tabled, followed by two supplementary estimates—supplementary estimates (A), (B) and sometimes (C)—it is very difficult to know what the government's real intentions are with respect to its program spending. The main estimates are also unrelated to the budget tabled by the Minister of Finance, and two years may go by before Public Works and Government Services Canada can tell us how the money was actually spent. No wonder it is all so confusing.

This lengthy, complex and highly intricate process makes it very difficult for parliamentarians to know how the money is being spent, yet one of the main roles of the legislature as opposed to the executive is to monitor government spending.

Without a parliamentary budget officer who is completely independent and provided with the means to do his job, parliamentarians are deaf, blind and unable to verify whether promises have been kept or planned cost reductions implemented and if so, what consequences such cuts have had.

• (1125)

In that respect, I want to remind the House that the Leader of the Opposition called on the former parliamentary budget officer to assess the impact of the Conservative government's cutbacks.

It is all well and good for them to say they are going to cut \$4 billion from the envelope set aside for public services, that they are going to eliminate 19,600 positions that provide services to the public, and in the same breath have the nerve to say this will have no impact on services to Canadians. Everyone knows this is nothing but smoke and mirrors. We need to be able to determine the real impact.

The leader of the NDP asked the parliamentary budget officer to contact every department to determine the real, specific consequences of the Conservatives' ideological cuts. The parliamentary budget officer quickly found himself in the midst of a fight, because the ministers stood in his way, refused to give him access to the information he needed and prevented him from doing his job. The parliamentary budget officer, a position that was created by the Conservatives, was forced to take the matter to the Federal Court to fight the government to get that information. This is an absolute disgrace, which is why Bill C-476 is so essential.

The Conservatives promised transparency and integrity. I do not want to get into what is happening in the Prime Minister's Office regarding its relationship to senators who apparently cheated the expense claims system. Once again, there is no transparency and we are being left completely in the dark, yet the Conservatives promised Canadians integrity and an honest, open and transparent government. They promised one thing and are doing the exact opposite. They have broken their promise over and over again.

It is no wonder the hon. member for Edmonton—St. Albert left the caucus. He left specifically because as soon as the Conservatives

came to power, they became everything they despised about the Liberals when they were in power before them. The Conservatives wanted to change Ottawa, but instead, Ottawa changed the Conservative Party. The PMO must maintain absolute control at all times. One lie after the other is being told to try to convince people that the Conservatives are doing what they promised, when really, quite the opposite is true.

The member for Edmonton—St. Albert was thoroughly fed up. When they intervened to amend his private member's bill to disclose only the salaries of senior officials earning \$444,000 or more, he said that that was enough and that he had not come to Ottawa to play that game or to continue keeping little secrets or to appoint friends to various organizations, as they are doing. He had had enough and decided to sit as an independent. I understand him.

Canadians will also understand that we cannot trust the Conservatives and that their promises of transparency are mere smoke and mirrors. We see how they acted with the former parliamentary budget officer. It was truly shameful. Bill C-476 will solve that problem and ensure that, regardless of the party in power in future, we will have an independent officer of Parliament who can do his job and tell the public what is actually being done with their taxes. We need that.

They will no longer be able to play games, as they are currently doing. For example, the parliamentary budget officer's term comes to an end and they leave the position vacant, promising ultimately to fill it, and pass the buck to the Parliamentary Librarian. That is simply not her job. She has neither the means nor the expertise to devote herself fully to that task, which actually amounts to a full-time job.

The bill provides that the leader of every recognized party in the House will have to be consulted and that the appointment must be made six months before the previous term expires. That will allow for a genuine transition. The person who takes up the position of parliamentary budget officer will be able to prepare. That will prevent the kind of vacancy that we are currently seeing. We do not really have anyone in the position on a full-time basis, even though that is important because this is the time of year when the Minister of Finance tables his budget. The Conservatives have made sure that we do not have a real parliamentary budget officer.

It is also important to realize, when we compare ourselves to our American colleagues, that we must allocate significant human and financial resources to the parliamentary budget office. For a budget of tens of billions of dollars, only 12 people work in the Office of the Parliamentary Budget Officer, whereas the American equivalent has 200 employees.

• (1130)

I understand that there are many more Americans than Canadians, but we should at least double the resources allocated to the parliamentary budget officer so that Canadians can finally see what happens to their money, how it is spent and what the impact of the Conservatives' cuts is and so that, one day, they can finally have a transparent government in Ottawa.

Private Members' Business

[English]

Mr. Paul Dewar (Ottawa Centre, NDP): Mr. Speaker, I want to thank my colleagues, and particularly our leader, for bringing this piece of legislation forward.

It is interesting that the week we are debating this is National Public Service Week. I begin my comments by saluting all the hard-working public servants who, day in and day out, make our country function. I thank them for their work, and I hope the government actually says that at some point this week. I know they have had some tough times recently, but we all have to thank our public servants for the work they do, which, frankly, make us look good. I wish there was more respect for them.

In fact, when we look at the position of parliamentary budget officer and the work Mr. Page did and the need for reform of this position, it is all about serving the public.

We would have to go back in time to when the Liberals were in power. Time after time, we saw budgets coming in after the government looked at the private and public sector forecasts and lowballed them. Every budget would come in having extra money. The Liberals could say that they were great managers. It was a lack of truth in advertising. Everyone knows that. It was not about the Liberal Party's great fiscal management. It was about the fact that it played with the numbers.

Because of that, people quite rightly decided that we should have an independent position created, as they have in the United States and other jurisdictions, to give us truth in advertising. We came up with the idea of a public servant we would all depend on, who was recently Kevin Page, and the public discourse we would have in the country when the parliamentary budget officer would provide the facts.

That was fine. It was a good idea. I was on the committee for Bill C-2, the Federal Accountability Act, which is interesting to look at now, considering the government's lack of accountability. However, we supported the government on the PBO. We also supported the government in bringing in more accountability.

The two positions that were extremely important for the New Democratic Party were the parliamentary budget officer, and of course, the public appointments commission. In both cases, the Conservatives undermined and took issue with these positions. In the case of the public appointments commission, they killed it. Everyone knows that story. In the case of the parliamentary budget officer, the position was created, but to the surprise of all of us, they decided that instead of having an independent office, they would actually put this office in the Library of Parliament.

I do not have to explain to you, Mr. Speaker, because you have been here for a while, what that would do to the independence of the budget officer when he would have to actually report to the head librarian. With no disrespect to the Library of Parliament, it showed us from the beginning what the government was up to: under-resourcing the office. The mandate would be such that the reporting mechanism would go through the library.

When we actually had a report from the parliamentary budget officer, the government started playing around with it. The first study Kevin Page did was on the war in Afghanistan. Going back in time,

we had asked in the House, time after time, that the government come forward and tell us how much the war was costing and how much was it going to cost. In the United States, in the U.K. and among all of our allies, these were the questions being asked. They actually got answers, because no country was going to go to war without understanding how much it was going to cost. That is just basic, responsible government. Our government said that it was too complicated and that it could not add up all the costs of the war and project them.

I actually wrote to Kevin Page and asked him to do a study. I think to the surprise of the government, he did the study. The bigger surprise was that he had it ready during the 2008 election. This is when it got interesting, because during the election, when he had his study ready to send to me, there was some politics involved. The government did not want him to release the information, because it was during an election. That is when that information should have been in front of Canadians.

●(1135)

The government played games and threatened some of us by saying that the report should go only to me and that I was not to release it to anyone. I, of course, said no and that I would release it to Canadians and share it with parliamentarians, because the work the parliamentary budget officer does provides transparency.

It was important, because during that time, people wanted to know not only what our goals were in Afghanistan but what the costs would be. Regardless of one's position on the war, it was fundamental that our government tell us the truth about how much this war was going to cost. The government would not do that. Kevin Page did that, and we should thank him for that and for the many other reports he did during his tenure.

It is the job of parliamentarians to make wise decisions, but unless parliamentarians have the facts, it is impossible to make wise decisions. That is why this office was created.

Every new MP, once he or she has gone through the first year here, notes that we go through the estimates process rather quickly. One of the key aspects of the parliamentary budget officer's role is to give us the information we need to break open the numbers. That is why the office was created; it was to help us do our work. If the government holds back information that would allow us to make wise decisions, it is clear what its agenda is.

It is interesting to note that just this past year, we had the unprecedented experience of watching an officer of Parliament, the parliamentary budget officer, take the government to court, because his office could not access basic information. This was astounding coming from a government that said that it would be more accountable, more open and more transparent. The government undermined the PBO from doing his basic job, which was to give information to us.

Private Members' Business

What did the Parliamentary Budget Officer want? He wanted the government to share with him the numbers for forecasting the cost savings the government would realize in its budget estimates. The government would not provide that information. The President of the Treasury Board said that the government files that information every year. The government files some numbers, but not the forecast that would break open those numbers.

Everyone knows that we cannot just rely on a speech from the Minister of Finance, and certainly not from the President of the Treasury Board, and say that all is well. We need to have input. We need to know what the assumptions are based on. The government would not provide that information, and our PBO had to go to court to get that information from the government. It still has not been forthcoming with that information.

The court case was interesting. I think Mr. Page validated his position and that of his office. I will read from the decision, because it is important to note:

If the majority wants to abolish the position of the parliamentary budget officer, or define his or her mandate somewhat differently, so be it! However, [and this is the important part] it must do so by legislation. Having made the law by statute, it must unmake it by statute. In the meantime, Parliament has no right to ignore its own legislation.

In other words, the government was offside. It was undermining the PBO and therefore undermining Parliament and therefore undermining Canadians. We want to change that with this legislation. With this legislation, my leader is proposing to bring the parliamentary budget office into the position it should have been in from the beginning.

This legislation proposes having a seven-year mandate to allow the person in this position to not only recruit the right people but to become an expert in the field to ensure that there is a proper transition. That is not what we had here. The government knew when the mandate was up, but when our leader and our party pushed to have the mandate extended, which it could have done, the government said that it could not do that and that there needed to be someone new. Did it have anyone new? No. This is a clear question of competence.

We have been left with fixing the mess of the Conservatives yet again, and that is what we will do with this legislation. If they dare oppose it, they will be sending a message to Canadians that they do not care about accountability anymore. They do not care about making sure that there is truth in advertising. They will be like the party before them in just trying to cover things up and not being direct with Canadians.

I am proud to support this legislation. Canadians should have this. This is what we in the NDP mean by true accountability and true transparency.

• (1140)

[*Translation*]

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, the bill introduced by the member for Outremont, the leader of the official opposition, is very important. It contains ideas that the Conservatives will find revolutionary.

The bill lists the skills required to hold the position of parliamentary budget officer. The incumbent must be bilingual; have experience and knowledge of the federal budget process; and have an appropriate educational background, including a graduate degree in economics, finance or accounting.

The bill states that it is important not to leave the position vacant, as the Conservatives have done, and to ensure, in advance, that there is someone to take over the reins. Here is another idea that the Conservatives will find revolutionary: ensure that the parliamentary budget officer has access to all of the documents required to do his or her job. Incredible. These truly are revolutionary ideas.

Perhaps we ended up in a somewhat difficult position because the Conservatives did not understand the importance of establishing a rigorous process for analyzing the budget, our finances, and the approach advocated in this bill. I will come back to that later. However, it should be said that, had the member for Outremont and Leader of the Opposition's bill already been implemented, we would not be in this same unfortunate position regarding the Conservative government's current and previous budgets.

As members of the House know, I am a former financial administrator. I made a living managing budgets, studying them, analyzing them and making sure that the numbers matched what was in the budget. It is no secret: the NDP already has financial management experience.

By and large, whether we are talking about a Conservative, Liberal, or NDP government, it has been clear for a long time now that New Democrats are the best at managing finances. Those are not my words. This is coming from the Minister of Finance and the federal Department of Finance. For the past 20 years, every time there is a new fiscal period, they keep saying that NDP governments manage the country's finances better than any other government.

The Conservatives are a distant second. However, they are ahead of the Liberals, who are always in last place. I think we can anticipate the Conservatives' slogan for the next election campaign, "Vote Conservative. We are not as bad as the Liberals". That might be the slogan they will use.

If the Conservatives keep it up, they might surpass the Liberals when it comes to bad financial management and perhaps even corruption—just look at what is happening right now in the Senate and in other areas.

It is quite simple, especially when we look at where the Conservatives have failed. If the type of structure that the Leader of the Opposition is proposing for the parliamentary budget officer had been in place, as is the case in a number of other countries, including the United States—my colleague from Rosemont—La Petite-Patrie talked about this—the United Kingdom, the Netherlands, Sweden, South Korea, Australia, we could have avoided the problems related to the F-35s that my colleague from Edmonton—Strathcona mentioned and everything related to the deficit and poor financial management. I am referring, of course, to the \$2 million limousine that was sent to India, all the problems surrounding the G8 summit in Muskoka, and all the wrongdoing by Bev Oda, Mike Duffy, and Pamela Wallin.

Private Members' Business

•(1145)

All these problems could have been avoided if the Conservatives' guiding principle had been to manage the country's finances properly. It would have made a difference. Having a parliamentary budget officer in place also would have made a difference.

Despite all the poor financial management, not one Conservative MP stood up, before last week, to say that we could not go on this way. Canadians should not have to watch their quality of life erode, or do without housing or access to employment insurance benefits when they need them just because the Conservatives are incapable of managing finances properly. This would have made a difference.

•(1150)

[English]

On this side of the House, we believe that putting those financial structures in place and using the NDP model to make sure there is pure financial accountability in the federal government right across the country, we can ensure a better quality of life. We can avoid the kinds of problems that we have seen repeatedly from the government. It is a government that is simply incapable of properly managing the finances of the country.

We seem to constantly have the Prime Minister going off with his pet projects, rather than putting the fundamentals in place to make sure we have the kinds of things that Canadians need for their quality of life.

For example, when there are 300,000 people on the streets of our nation, the government should ensure there is employment insurance so that when people lose their jobs, they have the wherewithal to put food on the table. It should make sure that our health care system improves. Those are the kinds of investments that we need, but we are not seeing that from the Conservative government. This is a fundamental problem.

We have a different belief of how this country can be prosperous and how Canadians can have a better quality of life. They can say on that side of the House that they have created hundreds of thousands of low-paying jobs for temporary foreign workers; on this side of the House, we believe in creating high-paying jobs for Canadians. That is the kind of approach that we would take in government.

The member for Edmonton—St. Albert was so very clear last week. I said that up until now, no Conservative MP has stood up for proper financial management. No single Conservative MP has done that. I think that in a very real sense, tragically, they have all betrayed their constituents.

However, one member, the member for Edmonton—St. Albert, actually stood up on principle and resigned from the Conservative caucus last week. He spoke about ministerial opulence. He spoke about the spending scandals. He said "I no longer recognize much of the party that I joined".

That is a harsh indictment of a Conservative government that is simply incapable of even effectively managing the nation's finances. They certainly have not contributed to the quality of life that Canadians need to see.

I think it is fair to say that an increasing number of Canadians right across the country are saying that we can no longer afford to have a Conservative government in this nation. They are looking forward to 2015, when they will be electing, for the first time, an NDP government that actually takes proper financial management as an important principle. As the ministry of finance has been saying for 20 years straight, New Democrats manage finances better than any other party.

We balance the books. We pay down debt. What we do is simply take wise financial counsel, as millions of families across this country do. What they do is put priorities first. They do not invest in pet projects; they invest in making sure that the quality of life of Canadians is taken care of. That is what we will be doing in 2015, with a parliamentary budget officer fully in place to boot.

I can hardly wait for 2015, and I think a lot of Canadians feel the same way.

[Translation]

The Deputy Speaker: Resuming debate.

The hon. member for Laurier—Sainte-Marie has approximately 5 minutes for her speech.

Ms. Hélène Laverdière (Laurier—Sainte-Marie, NDP): Mr. Speaker, I am honoured to rise today to express my support for Bill C-476, the excellent private member's bill introduced by the member for Outremont and leader of the official opposition.

When the Conservatives were first elected, they made a great deal of noise about transparency and accountability. They were going to clean house in Ottawa. That was the background to their establishment of the position of parliamentary budget officer. It was, indeed, a very good idea. Many countries have institutions, agencies or offices like that. However, there was a small glitch. The manner in which they established the position was far from perfect. Was this deliberate—a lot of talk, but only a little action? Was their doing things too quickly and ineptly just a sign of their incompetence? It is difficult to say. The future and historians may perhaps be able to tell us one day.

Now, however, they appear to be regretting the very existence of the parliamentary budget officer. Indeed, the former parliamentary budget officer did his job highly professionally and found some very disturbing things. To be sure, he examined the federal budget. He produced his annual report on financial viability and also considered some very specific matters. For example, he revealed the true cost of the F-35s when the government was attempting to pull wool over our eyes. He is one of many experts who said that it was not necessary to raise the retirement age to 67. He revealed the cost of the Safe Streets and Communities Act. Not only that, but as my colleague from Ottawa Centre mentioned earlier, he gave us details about the costs of our mission in Afghanistan.

Private Members' Business

The interesting thing is how the Conservatives reacted to all of this. Did they say that they would work with the parliamentary budget officer in the interests of the country? After all, it is in the interest of the country and all Canadians for things to run as efficiently as possible. No, because that would have quickly damaged their electoral and partisan interests. They therefore began to do everything possible—absolutely everything—to prevent the parliamentary budget officer from doing his job.

The Conservatives are prepared to spy on Canadians, but they do not seem to like the idea of having a legitimate agency look at what they themselves are doing. What did they do? They denied the PBO access to the information he needed. When his mandate came to an end, they simply did not renew it and have not permanently filled the position. That is how they treat just about anyone who dares say anything against their policies.

Nevertheless, the PBO does very important work. We need an institution that is able to provide an independent opinion on budgetary issues. The Americans have understood that. I had the opportunity to visit the Congressional Budget Office in Washington. It is rather impressive. It has 235 employees and a budget of nearly \$50 million. However, they manage to save much more. Is it 10, 20, 30 or 100 times more? We will see. Most importantly, this agency is respected because it is independent. People have told us that they do not always like the agency's findings, but they respect it nevertheless because they know it is an independent agency. This is not the kind of thing the Conservatives like to hear because they try to politicize everything, including the public service, the colour of airplanes, and I could go on. There is a long list.

An independent PBO is essential because our world is becoming increasingly complex, as are our financial and budgetary operations. This does not explain how the Conservatives managed to misplace \$3 billion. However, aside from that, we need an independent opinion.

• (1155)

This bill proposes that the parliamentary budget officer be given a clear, specific mandate, free from political influence, so that the individual can carry out his or her duties for parliamentarians and all Canadians.

Hon. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, five minutes will be enough. As you saw from the speeches, there is consensus in the House. The only thing we need now is to hear from the government.

This Conservative government was first elected in early 2006. It promised to bring more openness to Canadians and to establish such institutions as the Office of the Parliamentary Budget Officer to better serve Canadians. It talked a good game, but it still needs to walk the talk. This is the first time that the French translation, “*faut-il que les bottines suivent les babines*”, is funnier than the original, which was “walk the talk”.

Well, since then, they have done exactly the opposite.

• (1200)

[*English*]

Let us look at the Conservative track record on accountability and on transparency.

Conservatives promised more transparency and more accountability.

When I was in Washington recently, I had occasion to visit the Congressional Budget Office, which was essentially the model that inspired the creation of our own parliamentary budget office. The idea is simply to say that government finances are complex and the government controls the whole ministry.

Contrary to the case with the Americans, which has a pure separation from the executive, the legislative and the judiciary, we separate the elected functions from the judiciary, but our executive sits in the front row. We do not have the same airtight separation, so it is even more important when we have a partisan person controlling it, whether it is treasury or whether it is finance, to be able to give real information in real time to the public so that they can rely on it and know what is happening with their money.

Of all the things we do here, I dare say that deciding how taxpayers' money is spent and how it is accounted for are among the most important.

This group is headed up by the former head of the Canadian Taxpayers Federation, Canadian citizens this, Canadian that. The Conservatives lost track of \$3.1 billion in the past few months. So much for giving lessons to other people. That is why it is important that we look at the track record of the Conservatives.

One of the other things the Conservatives promised was a public appointments commission. Do hon. members remember that? I do. They offered only one person who could possibly head that up, a man named Gwyn Morgan. Where does that name reappear? We might notice his name reappearing regularly in everything to do with SNC-Lavalin. Why? He is the chairman of the board.

Fast forward to Arthur Porter: come on down. Talk about public appointments. That is what we would have had with the Conservatives, a lot more Arthur Porters.

In their 2006 platform, Conservatives promised to strengthen the Access to Information Act. Let us look at the facts. This one is worthwhile.

A decade ago, in 1999-2000, the federal access to information system disclosed all the requested information over 40% of the time. By the time the Liberals had finished messing with the system, it was down to 28%. However, members should listen to this: it has plummeted by almost half again. In 2009-2010, the last full reporting year—and it has become even worse since then—in only 15% of cases were citizens getting the information they are asking for.

That is the Conservative government that preached transparency and preached accountability.

[*Translation*]

The road to hell is paved with good intentions.

Government Orders

[English]

This is the same Prime Minister who promised Canadians that he would “never appoint senators”. That is a promise he has broken exactly 59 times, a record in terms of appointments to the Senate, and we see what sort of quality we have. When they get caught defrauding taxpayers to the tune of hundreds of thousands of dollars, it is the Prime Minister’s Office, backed up by a million-dollar slush fund, that starts cutting cheques to shut them up. That is quite a lesson in transparency and accountability.

[Translation]

They promised that an ethics commissioner would be responsible for both sides of the House. Obviously, they never followed through.

What could be easier and more important than to show respect for the Office of the Parliamentary Budget Officer?

As several speakers have clearly shown, since this happened—as they will ignore anything that does not come directly from the elves in the Prime Minister’s Office—they will withhold funding and refuse to comply with the parliamentary budget officer.

Bill C-476 is intended to revitalize and protect this institution for one single purpose: to protect the public interest and the public’s right to know.

• (1205)

[English]

The Deputy Speaker: It being 12:04 p.m., the time provided for debate has expired.

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 yeas have it.

And five or more members having risen:

The Deputy Speaker: Pursuant to Standing Order 93, the division stands deferred until Wednesday, June 12, immediately before the time provided for oral questions.

GOVERNMENT ORDERS

[English]

EXPANSION AND CONSERVATION OF CANADA’S NATIONAL PARKS ACT

The House resumed from June 6 consideration of the motion that Bill S-15, An Act to amend the Canada National Parks Act and the

Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act and to make consequential amendments to the Canada Shipping Act, 2001, be read the second time and referred to a committee.

Mr. Patrick Brown (Barrie, CPC): Mr. Speaker, it is a pleasure to speak to Bill S-15. I am pleased to have this opportunity to speak in support of this bill.

Sable Island is one of Canada’s great natural treasures, a windswept remote island renowned for its wild horses and its historical role as the site of the nation’s first life-saving station.

It is a place of astounding beauty, with sand dunes, marram grass and freshwater ponds. Anyone fortunate enough to visit this unique environment is captivated by its diversity of plants, birds and animal life. The island is home to several endangered species.

This rare and remarkable place also has a rich cultural history. Sable Island holds a special place in the hearts and minds of Nova Scotians and Canadians. It has inspired artists and writers locally, across the country and internationally.

An island of such spectacular beauty, rare flora and fauna and cultural heritage is wholly deserving of our protection. That is why on October 17, 2011, the governments of Canada and Nova Scotia signed a memorandum of agreement to establish and manage Sable Island as a national park reserve of Canada.

Our objective is to protect Sable Island for all time for the benefit, education and enjoyment of the people of Canada. As the House is aware, the designation of Sable Island as a national park reserve of Canada takes into consideration the Mi’kmaq asserted rights and title in Nova Scotia. These are being addressed through the made-in-Nova Scotia process between the governments of Canada, Nova Scotia and the Mi’kmaq.

Moreover, the governments of Canada and Nova Scotia have agreed that Parliament will enact legislation amending the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act to prohibit drilling for petroleum in Sable Island national park reserve of Canada and to limit the range of surface access rights in respect to the petroleum work or activity in the park reserve.

We have done the essential preparatory work, and I would like to highlight the many reasons why Parks Canada is uniquely situated to oversee the protection of Sable Island.

The Parks Canada network now includes 44 national parks, 167 national historic sites and 4 national marine conservation areas. Since 1911, this agency has worked hard to ensure that Canada’s historic and natural heritage is protected and that Canadians and people around the world can engage in inspiring discoveries of our treasured and natural historic places.

Let me give an overview of how we have expanded Parks Canada’s protected areas network in recent years. In 2006, that network was 277,400 square kilometres in size. Since then, the Government of Canada has taken actions that would protect an additional 149,639 square kilometres. This would bring Parks Canada’s network to more than 427,000 square kilometres, or a 54% increase.

Government Orders

What these numbers demonstrate is how completely Parks Canada is committed to taking care of our natural treasures and to acting as their ever-vigilant stewards. The early visionaries of our parks system recognized that connecting with the natural world can be a deeply meaningful and moving experience, and a fundamental part of that mission was a way to foster these connections. This is a principle to which Parks Canada remains dedicated.

Allow me to give some highlights of Parks Canada's achievements over the past few years, all of which provide ample evidence of this agency's fitness for the stewardship role with regard to Sable Island. Let me start with some recent top achievements, several of them marking firsts, not just in Canada but in the world.

In 2007, the Prime Minister announced the creation of the largest freshwater marine protected area in the world, Lake Superior National Marine Conservation Area. This addition to our system comprises more than 10,000 square kilometres, including the lake bed, islands and north shore lands.

In 2009, we expanded the boundary of the Nahanni National Park Reserve sixfold to over 30,000 square kilometres. There is absolutely no doubt that this landmark conservation achievement is quite significant. In fact it is the greatest accomplishment for Parks Canada in a generation. I am delighted to note that it was done in close collaboration with the Dehcho First Nations.

●(1210)

Another outstanding accomplishment in 2009 was the establishment of the Saoyú-ᖃhdacho National Historic Site in the Northwest Territories. This marks the first of three firsts in Canada. This national historic site was the first northern cultural landscape commemorated by the Government of Canada; the first northern national historic site co-operatively managed by Parks Canada and an aboriginal group; and also the first protected area established under the Northwest Territories protected areas strategy. This historic site comprises two peninsulas bordering the Great Bear Lake. It is an area of 5,565 square kilometres, which is approximately the size of Prince Edward Island. This site protects a cultural landscape of great importance to the Sahtu people of the Great Bear Lake. The elders' vision for the site is one of continued teaching and healing, a place that forever helps to sustain the culture and well-being of the people.

In 2010, the Government of Canada formally established the Gwaii Haanas National Marine Conservation Area Reserve and Haida Heritage Site, which some people call "the Canadian Galapagos". This achievement was a result of historic and outstanding collaborative partnership between the Government of Canada and the Haida Nation. What is extraordinary about this unique protective measure is the combination of the existing park reserve with a new marine conservation area. In total, over 5,000 square kilometres are now protected: a spectacular wilderness that extends from alpine mountaintops to the deep sea beyond the continental shelf. The scope of this achievement is a first not only for Canada but also for North America and the world.

In 2011, Parks Canada oversaw the successful reintroduction of the plains bison and the black-footed ferret, an animal once thought to be extinct for most of the 20th century, in the Grasslands National Park. This measure was part of the \$75-million investment to

improve the ecological integrity of national parks and national park reserves across Canada.

It was also in 2011 that the Government of Canada announced it would create Canada's first national urban park in Toronto. The concept of a national urban park is an entirely new and unique one to Parks Canada and, indeed, to Canada. Once established, Rouge national urban park will provide an unparalleled opportunity to reach the 20% of Canadians who live within the vicinity of the park and in Canada's most culturally diverse city. Since the 2011 announcement of the Rouge national park, Parks Canada has made steady progress toward establishing this unique protected area in the heart of Canada's most populated area. The agency has worked with first nations and more than 100 communities and organizations including youth. I note that my riding in the city of Barrie is very close to this Rouge national park, and I know that across southern Ontario the commitment to it has been supported and appreciated.

I also remind members of the House about four successful multi-partnership expeditions that Parks Canada has led in Canada's Arctic, in search of the lost vessels of Sir John Franklin. This work has helped narrow our search, with the great added advantages of further asserting Canadian sovereignty and deepening our scientific knowledge in the Arctic. The work to protect our natural heritage is ceaseless, and it takes in all parts of our vast nation.

In May 2012, for example, the governments of Canada and Quebec announced the creation of an advisory committee for the feasibility assessment of a marine protected area in Îles-de-la-Madeleine.

In August 2012, the Prime Minister announced the establishment and boundaries of Canada's 44th national park, the Nááts'ihch'oh National Park Reserve in the Northwest Territories. This new national park reserve will serve as a launching area for visitors to its northern wilderness, with its breathtaking landscapes of the upper reaches of the world-famous South Nahanni River. Together, the Nahanni and the Nááts'ihch'oh national park reserves protect habitat for mountain woodland caribou, grizzly bears, Dall sheep, mountain goats and trumpeter swans, while at the same time supporting the economic aspirations of first nations and the tourism industries of the region.

I need hardly tell members that the Parks Canada role in the protection of our diverse precious natural areas and species is one of which all Canadians can justly be proud. In its dedicated work as a steward, Parks Canada is an example to the world. In fact, its reach and influence extend globally, and it has received international recognition for its achievements.

●(1215)

For example, in May 2011, the World Wildlife Fund International recognized Parks Canada with its prestigious Gift to the Earth award. The award noted Parks Canada's outstanding conservation achievements, including the recent dramatic growth of Canada's system of national parks and national marine conservation areas.

Government Orders

In September 2012, Parks Canada led the development of the publication titled “North American Protected Areas as Natural Solutions to Climate Change”, released at the International Union for the Conservation of Nature World Conservation Congress in South Korea. This publication is a collaborative effort of the North American Intergovernmental Committee on Wilderness and Protected Area Conservation with the government representation from Canada, the United States and Mexico.

I would like to turn now to some of Parks Canada's achievements in the realm of historic and cultural commemoration. As I noted earlier, these are important aspects in the protection of Sable Island.

In fact, in 2012, Parks Canada received such a historic designation itself. That year, the Government of Canada honoured the agency as the world's first national parks service by commemorating the Creation of the Dominion Parks Branch and the birth of Parks Canada as an event of national historic significance.

Parks Canada's other commemorative highlights last year included the opening of the new visitor centre at Fort Wellington National Historic Site as part of the special War of 1812 commemoration. The Calgary Stampede, billed as the greatest outdoor show on Earth, was also recognized as an event of national historic significance as was the Grey Cup.

In August last year, our environment minister designated Canada's heritage lighthouses under the Heritage Lighthouse Protection Act, which included the St. Paul Island Southwest Lighthouse in Dingwall, Nova Scotia and McNab Point and the Saugeen River Front and Rear Range lights in Southampton, Ontario.

On the 100th anniversary of the sinking of RMS *Titanic*, the government honoured the historic efforts of Canadians in the recovery of victims of the disaster.

Earlier, I mentioned Parks Canada's involvement in searching for the ships of the Franklin expedition. In July 2010, the agency embarked upon its 10 day archeological survey of Aulavik National Park to locate HMS *Investigator* wreck and document and map the land sites associated with Captain Robert McClure's expedition to find the Northwest Passage. This initiative produced a number of findings, including the shipwreck of HMS *Investigator*, three gravesites and new information on the equipment and provision cache site.

I said that Parks Canada's commitment to protecting our natural and cultural heritage is unceasing. So, too, are the agency's efforts to help connect Canadians with nature.

The early visionaries of our parks system recognized that when people connected with the natural world they could have an experience that was deeply meaningful and moving. A fundamental part of Parks Canada's mission is therefore to foster these connections.

Today, that mission is more urgent than ever before. As many members of the House know, North Americans are becoming more and more disconnected with nature. Tackling the disconnection and fostering Canadians' close relation with the natural world is therefore a task for Parks Canada, and it takes it very seriously.

It is typical of the agency's dedication to this vision that it used its own anniversary to further this crucial work. In its anniversary year of 2011, Parks Canada introduced a series of ongoing programs to reach Canadians and youth in particular.

Among these were the innovative and highly popular learn to camp initiative, overnight camping events aimed at introducing city dwellers, many of them young families or recent immigrants, to camping and other fun outdoor activities.

Through its my parks pass program, the agency provided every grade 8 student across the country with passes to enter all of Parks Canada's sites free of charge for 12 months.

Parks Canada also introduced a promotion called “Canada's coolest school trip” in which a grade 8 class could win a school trip to visit a national park or historic site.

Using multimedia, the agency's national parks project brought together 52 of Canada's best musicians and filmmakers to create music and film inspired by Canada's most breathtaking national parks. These films are available online. The soundtrack album is in stores and on iTunes and a documentary TV series is running on Discovery World.

Also on television, Parks Canada premiered *Operation Unplugged*, a reality show in which eight urban young people traded their techno-dependent lifestyles for a summer unplugged in the national parks.

• (1220)

In all these ways, Parks Canada's centennial celebrations help the agency meet its target for public engagement so Canadians' awareness of Parks Canada and support for its work are growing across the country. Parks Canada reports the visitation to national parks is now slowly increasing, helping to reverse a downward trend seen over many years.

In my overview, I have touched on many areas of Parks Canada's achievements, all of which demonstrate the agency's long history, experience and passion for protecting our natural and cultural heritage. I noted its international recognition and that it was the first national parks agency in the world. I am fully confident that this superbly well-qualified federal agency will make an ideal steward for the wondrous beauty and unique character of Sable Island. I am therefore urging all members in the House to support the bill, which would make this exquisite island one of the jewels in our national parks system with Parks Canada as its able steward.

[Translation]

Ms. Ève Péclet (La Pointe-de-l'Île, NDP): Mr. Speaker, I hear my colleague's message loud and clear. I understand his good will and his desire to help Canadians connect with nature. However, since the Conservatives made significant cuts to Parks Canada, they have also cut its activities, environmental assessments and the protection of navigable waters. Furthermore, some Canadians now have to volunteer their services in order to take care of Parks Canada.

Government Orders

We will support this bill because it is important. However, I would like to know what the member has to say about this. If we add a 44th park, what will happen and who will look after it? Will the government allocate funds specifically to protect the environment? Will the government reverse the cuts it made to Parks Canada? I would like the member to answer those questions.

[*English*]

Mr. Patrick Brown: Mr. Speaker, first, since 2006, this government has put significant investments into Parks Canada. More significant, we need to look at the overall numbers. One could say that in this year or that year there was small cut or a large increase, but the bottom line is if we look at an overview of Parks Canada, the protected areas in 2006 went from 277,000 square kilometres in size to an astounding 427,000 square kilometres today, a 54% increase to Parks Canada. That is an accomplishment for the Government of Canada. It shows the commitment of the Conservatives to Parks Canada, which is quite astounding.

Ms. Michelle Rempel (Parliamentary Secretary to the Minister of the Environment, CPC): Mr. Speaker, as we have debated this bill in the House over the last few sessions, I have been pleased to see a lot of support for getting the bill to a parliamentary committee for review.

There is one colleague in the House who has spoken out against the bill, and that is the member for Saanich—Gulf Islands. She has incorrectly stated that the bill would change the scope and functionality of the Canada National Parks Act, when instead, it would create a reserve for Sable Island, which prevents hydrocarbon drilling on the surface of the island and a buffer zone around it. That would provide significantly increase protection for the ecosystem of this area. It has been developed in partnership with the Nova Scotia government and industry.

Could my colleague speak to the importance of supporting the bill's passage through to committee and perhaps some of the inaccurate comments that the colleague has made?

• (1225)

Mr. Patrick Brown: Mr. Speaker, first, let me note that it is great to have such an advocate in the member for Calgary Centre-North. Her commitment at the environment committee and to Parks Canada is simply incredible.

She is absolutely correct that it is a mistake for the member for Saanich—Gulf Islands to try to block or build support against investing in Parks Canada and against creating national parks. It does an incredible amount of good. When it comes to ecological protection, I think this is something all Canadians value to ensure the partnership created with first nations and with the Government of Nova Scotia is honoured at the multi-level agreement. We should honour that ecological protection. I am so proud to be part of a government that is so committed to doing so.

[*Translation*]

Mrs. Sadia Groguhé (Saint-Lambert, NDP): Mr. Speaker, my colleague appears to understand the importance of national parks. It is also clear, however, that his comments are simply for appearances, considering the cuts imposed on Parks Canada, as my colleague mentioned earlier.

Furthermore, Canada is not even coming close to meeting its commitments regarding the conservation targets set out in the United Nations convention.

Can my colleague tell us when his government will put an end to the piecemeal approach it has adopted so far when it comes to the environment as a whole?

Of course, the NDP supports and will vote in favour of a comprehensive approach on environmental issues.

[*English*]

Mr. Patrick Brown: Mr. Speaker, this government has shown a tremendous commitment to the environment. Rather than just talk about it, like the NDP likes to, the Conservative government has taken tangible action. In my own home area in Simcoe county, for the first time in history, the Government of Canada, rather than leaving it to local authorities to invest in, invested in the cleanup of Lake Simcoe, with a \$30-million initial grant and a subsequent \$29-million grant. Phosphorous levels are now at an all-time modern low. It is not just Lake Simcoe, it is Lake Winnipeg and across the country that there has been a commitment to cleaning up the environment in a very real and meaningful manner.

In terms of the international forums the member mentioned, I would note that we are being honoured in Canada for Canada's unique and zealous commitment to the environment. A good example is in 2001 the World Wildlife Fund recognized Parks Canada with its prestigious Gift to the Earth award to recognize Canadian efforts. Additionally, we were recognized at the World Conservation Congress in South Korea in 2012.

This is certainly a government with a track record of success and accomplishments in the environment. I know my home community in Barrie, Ontario, tremendously appreciates the cleanup that has happened on the shores of Kempenfelt Bay.

Mr. Philip Toone (Gaspésie—Îles-de-la-Madeleine, NDP): Mr. Speaker, this bill is certainly worth our attention and should be looked at in committee. I look forward to debating it in committee, if it passes at second reading, and I will support it. However, I have some serious reservations.

The commitment of the government toward the parks system in our country has been transparently lacking. Cutting \$59 million last year is a case in point. We are not sure where the government is trying to take us, but the creation of a new park may be a step in the right direction. Perhaps putting the \$59 million back into the system would be another step in the right direction.

In the interim, let us talk about what is being done at Sable Island. There is talk about creating a buffer zone. The parliamentary secretary mentioned that. The member spoke about the Magdalen Islands and the protections to be created there. Protections consist of, for instance, marine-protected areas around parks, as is planned to be done in the Magdalen Islands. The question is what kind of protection that is. It is still completely undefined for the Magdalen Islands and remains undefined, even though we have talked about for years. I would like the government to come clean on what its definition of marine-protected areas really is.

Government Orders

Let us talk about Sable Island. If there is going to be a buffer zone around the island, we are talking about low-impact seismic testing. We know seismic testing can blow the eardrums right out of whales that are crossing through those areas during seismic testing.

Could the member please explain to me the meaning of low-impact seismic testing? What protections are going to be put in place for marine mammals and how is the government going to ensure that seismic testing is, in fact, going to be low impact that it is not going to affect marine mammals as they cross through the area of this new park?

• (1230)

Mr. Patrick Brown: Mr. Speaker, certainly the member's support for this bill is appreciated. Sending this to committee is an important step in the process, so that is encouraging to hear. I understand that the member will have a role in suggesting witnesses so that we can see some of the structure associated with the conservation process and hear appropriate guidelines and suggestions.

There is already an ongoing dialogue between the Government of Nova Scotia and the Government of Canada. I know that the member for Calgary Centre-North has spoken in the House of Commons in great detail to some of the elements of conservation and what they would entail. The member may want to take a look at that in *Hansard*.

Overall, this is a fundamental commitment to the province of Nova Scotia and to Canadians that we value our natural heritage sites. If we look at the big picture, it is about supporting ongoing efforts to expand our national parks system. Since 2006, we have seen not only a net increase in the budget for Parks Canada but an astounding 54% increase in the number of square kilometres associated with Parks Canada.

[*Translation*]

Ms. Éline Michaud (Portneuf—Jacques-Cartier, NDP): Mr. Speaker, I am pleased to rise in the House in support of Bill S-15, Expansion and Conservation of Canada's National Parks Act, at second reading.

I should first note that I will be sharing my time with the member for Saint-Lambert.

Among other things, Bill S-15 proposes to make Sable Island, a small island 175 km off the south-east coast of Nova Scotia, Canada's 43rd national park.

It is a very interesting bill that has support from regional and national environmental groups. It is the result of negotiations between the federal government and the provincial NDP government. Clearly, with support from the community and from government, we already have an opportunity to take the longer view, and perhaps support it.

A few months ago, on one of those rare evenings of rest I was able to get, I happened upon an article about Sable Island. I was truly fascinated by what I was able to learn, particularly about the unique ecosystem of this thin sand dune off the coast of Nova Scotia. I found the island absolutely magnificent. It is a most impressive place, with over 300 unique species of birds, insects and butterflies, and a herd of the wild horses that are the cause of its fame.

The flora of Sable Island are just as varied, and include a number of plants rarely found elsewhere on our planet. Uninhabited, except for a handful of researchers, this island continues to stir the imagination of Canadians today, and must be protected, both because of its unique and important ecosystem, and its historical value. The island is very fragile, and exposed to the winds of the Atlantic Ocean. In an intensified way, it is subject to the weather conditions of the environment in which it is located.

In designating Sable Island as a national park, this government has the responsibility of granting it the enhanced environmental protection measures that should accompany its designation as a national park.

Although Bill S-15 seems to be an initial step in the right direction, there are still a number of concerns about its wording.

First, the bill prohibits drilling within one nautical mile of the island, or on its surface, but still allows drilling underneath it. This is a first for a national park in Canada, but it is not one to be proud of. In my view, a very dangerous precedent is being created for future national parks that may be created over the years in Canada. I would not like to see similar rights granted to some companies that own drilling rights, such as ExxonMobil, which still has the right to drill close to Sable Island. I believe such an opening is very dangerous, and it should be studied in detail in committee.

The current wording of Bill S-15 also allows various types of low-impact exploration on the surface of the Island, but without a clear definition of what that expression means. I have problems with this, because it is difficult to imagine all the different kinds of exploration that might be carried out on Sable Island, which is already very fragile.

My colleague from Gaspésie—Îles-de-la-Madeleine has raised some concerns about the effects of some kinds of exploration, which are considered to be low-impact but which can have very harmful effects on marine mammals in the vicinity of such tests.

For these reasons, the Standing Committee on Environment and Sustainable Development has a lot of work to do before we can fully support the bill as currently drafted. It has some fairly serious shortcomings, and we must ensure that the text that emerges from the committee's proceedings guarantees genuine protection for Sable Island's invaluable habitats and ecosystems.

Parks Canada's mandate is to protect the natural and cultural heritage of our national parks. The final text of Bill S-15 must truly reflect that mandate and implement practical measures to ensure that it is carried out.

I come from the riding of Portneuf—Jacques-Cartier, where nature is a very important part of people's everyday lives and environmental protection issues are among their greatest concerns. They regularly enjoy the outdoors, hunting and fishing, but they also want to protect our natural resources.

• (1235)

Last Saturday, I attended the Saint-Basile-de-Portneuf fishing festival, during which I even had a chance to go and stock the river with trout.

Government Orders

This is one of the many actions the municipality takes every year to ensure that fishers retain their access to the river, which is very close to the village, and are able to continue fishing without depleting all the fish stocks in the river. These efforts show how important nature is to the people of my riding.

Although there is no federal national park in my riding, there is a provincial park, the Parc national de la Jacques-Cartier. There is also the Portneuf wildlife reserve, which I highly recommend to everyone as a summer vacation destination. People will not be disappointed by it.

The Parc national de la Jacques-Cartier is less than 30 minutes north of Quebec City. The Government of Quebec created the 670-km² park in 1981 to protect a representative sample of the natural region of the Laurentian mountains. Some of you may have had the opportunity to travel across part of the park if you have ever driven from Quebec City to Saguenay—Lac-Saint-Jean or other neighbouring areas. That route features a very good sample of the region's natural assets. In addition to a spectacular glacier valley, the park is also crossed by a salmon river, the Rivière à saumon, and is home to rich and diversified plant and animal life.

The Parc national de la Jacques-Cartier is also home to an isolated herd of nearly 75 woodland caribou, a cervid species considered vulnerable and found in very small numbers in the province of Quebec. I saw one on one of my many trips across the Parc national de la Jacques-Cartier, between Quebec City and Jonquière, where I lived for a number of years. Protection for the caribou's environment, part of which is located in the Parc national de la Jacques-Cartier, is essential to the species' survival.

The 775-km² Portneuf wildlife reserve is located approximately 40 km north of Saint-Raymond, halfway between Quebec City and Trois-Rivières. It is another large nature preserve in my riding. Some of you may perhaps already be familiar with the region, which is well known to hunting and fishing enthusiasts who come to the service cooperative in Rivière-à-Pierre to stock up on provisions before heading off to take advantage of this wildlife reserve's magnificent hills and valleys, as well as its countless lakes and rivers.

Plans are already under way in my riding to create a protected area in the Portneuf wildlife reserve, and work to protect the ecosystems in this part of the area is ongoing. With such a wealth of natural resources in my own riding, it is difficult for me not to take an interest in other natural resources in Canada, including those of Sable Island, which is the subject of the bill before us today.

Unfortunately, I do not feel reassured when I look at the Conservatives' track record on the environment, particularly when the bill would leave open the possibility of drilling underneath Sable Island. An environment as fragile as this already needs our protection, and preserving its ecosystem means that the number of people visiting it should be kept down. This bill, however, leaves open the possibility of drilling underneath the island. This, to me, is inconceivable, particularly given the Conservatives' track record.

In 2012 alone, the Conservatives eliminated important environmental protection measures, including 99% of federal environmental assessments and 98% of protective measures for Canada's navigable

waterways. They eliminated the protection regime for most fish habitats. They also slashed \$29 million from the Parks Canada budget and eliminated over 6,000 jobs, all of which clearly demonstrates that Canada's national parks are anything but a priority for this government.

The Conservatives are proposing the establishment of Canada's 43rd national park, but are not providing Parks Canada with everything it needs to fulfill its mandate to protect and preserve our natural heritage. That is what worries me.

I am therefore supporting the bill at second reading so that it can be referred to committee for the in-depth study that is necessary. I hope that what comes back to us in the House is a version that truly protects Sable Island, an outcome that is absolutely essential.

• (1240)

[*English*]

Ms. Michelle Rempel (Parliamentary Secretary to the Minister of the Environment, CPC): Mr. Speaker, I was quite pleased to hear the level of detail and content in my colleague's speech.

In previous debate, we have talked about the fact that this bill would not amend the Canada National Parks Act in order to permit low-impact petroleum activities; rather, it would amend the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act to restrict the board's current powers to authorize various forms of hydrocarbon exploration in and around the area. This is a very positive environmental gain for Sable Island.

Unfortunately, the member for Saanich—Gulf Islands has tried to confuse this issue, quite seriously, in the media. How does my colleague opposite feel about this, given that the NDP government in Nova Scotia has been one of the most active proponents of this legislation; has passed a very similar bill in its legislature; and has been working in a very positive way with industry, first nations groups and various other stakeholder groups in order to get this real ecological gain for the area?

[*Translation*]

Ms. Éloïse Michaud: Mr. Speaker, I would like to thank the member for her question.

The NDP government in Nova Scotia is doing what I would like to see the federal government do. It is taking the time to consult those who will be affected by the bill; it is taking the time to discuss the matter with all segments of society, from first nations to industry. That openness is important. It is important to hear all the points of view and have a conversation in order to come to the best possible agreement. That is worth applauding. The NDP government in Nova Scotia took steps to get to where we are concerning Sable Island.

What saddens and worries me is that there is still the possibility of exploring for oil under Sable Island. Similar measures could be put in place for other new parks. Currently, certain oil companies are retaining their right to drill under the island. They can set up 1.1 or 1.2 nautical miles away from the island and drill horizontally under the island.

Government Orders

I see some of the members opposite gesturing as if to say that that is not the case. However, ExxonMobil is one such company that is retaining its right to drill under Sable Island. This is a first for a national park. I am worried about the precedent it will set.

I hope that we can really have that discussion in committee because, generally speaking, the Conservatives hold the majority in committee, and they cut short most of the discussions that are not to their liking.

I hope that, this time, they will take the time to listen to all of the witnesses and really take an in-depth look at this issue.

• (1245)

[*English*]

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, it certainly must be unusual in the House to have the hon. Parliamentary Secretary to the Minister of the Environment twice attack the member for Saanich—Gulf Islands, myself, by name. I wonder if my hon. colleagues are as surprised as I am.

I have said very clearly that I want to see the creation of Sable Island's national park, but that we must not allow the integrity of the national park system to be sacrificed. It is very clear that this legislation would allow the Canada-Nova Scotia Offshore Petroleum Board the rights to regulate activities inside a national park. It would be obligated to only consult Parks Canada about the decisions it makes. It would not even need to get a sign-off from Parks Canada before it undertakes activities.

This is a significant threat to the integrity of the entire national parks system. I ask my friend to expand on her comments regarding her concern that this sets a dangerous precedent.

[*Translation*]

Ms. Éloïse Michaud: Mr. Speaker, I thank my colleague for her question.

What she describes is strangely reminiscent for me of the situation currently prevailing with regard to aviation. Developers can in fact set up anywhere, without having to ask permission from Transport Canada to do anything. They merely have to notify it of what they are doing. Here we have a similar scheme. I find this deplorable and rather disturbing.

I said just now that people seemed to be saying there would be no exploration or drilling on Sable Island. However, the subsoil of Sable Island is not part of the national park. It would be excluded.

I do not entirely understand the reasoning of this government, which asserts that it will not allow any exploration on Sable Island, even though the subsoil nevertheless remains accessible to some companies. Are we going to find similar measures in future laws establishing national parks? I hope not.

I hope that the necessary provisions to avoid such a situation will be included in Bill S-15.

Mrs. Sadia Groguhé (Saint-Lambert, NDP): Mr. Speaker, thank you for allowing me to speak on Bill S-15.

I first want to stress the fact that despite the importance of the debate and the exchanges on the subject, the Conservative government has again imposed a limit on debate. Consequently,

there is once again an undemocratic short-circuiting of the customary parliamentary process.

That said, as stated, Bill S-15 amends the Canada National Parks Act and the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act and makes consequential amendments to the Canada Shipping Act, 2001.

In more concrete terms, this initiative from the Senate would designate Sable Island as Canada's 43rd national park. Quite obviously, we are delighted at the move to protect this unique place, which has stirred our imaginations with its beauty, its history and the ecological heritage it represents.

The bill includes a number of measures. First, drilling less than one nautical mile from the island, or on the surface of the island, would be strictly prohibited. This would make it possible to protect the visible areas from any petroleum development. Of course, this would be an important step in preserving the integrity of the area and the ecosystem that is part of it.

On the other hand, it is important to emphasize that exploration activities would be tolerated, provided they had little impact on the ecosystem of the island. Moreover, this partial prohibition would not include seismic testing, which can have an environmental impact on the area.

In that connection, we note that unfortunately, the concept of impact is not formally defined in the bill. This will be one of the factors to be explored in committee. However, the Canada-Newfoundland and Labrador Offshore Petroleum Board should consult Parks Canada on the conduct of such exploration activities. This is important, because it would ensure collegial management of the space occupied by Sable Island and maximize its protection.

In the same vein, while surface drilling will be prohibited, underground drilling would be allowed. This would clearly constitute a first for a national park. Consequently, we shall have to know exactly how this significant aspect of the bill will be overseen. While the technology is not fully developed in this area, the fact remains that we will be confronting that aspect sooner or later.

Another element found in Bill S-15 is the installation of landing platforms for helicopters used to evacuate offshore workers. We applaud this inclusion, as we value the safety and security of all our people. The spirit that guides these measures takes us one step in the right direction in order to protect that jewel, Sable Island.

Let us remember that this ecosystem harbours many unusual species of flora and fauna, some of them unique to Sable Island. They include the 250 wild horses, the seals that reproduce there and the many bird colonies.

In 1977 the government had already recognized the ecological importance of Sable Island and designated it a migratory bird sanctuary. As a result, the unique ecological heritage of this area is well known and our duty as parliamentarians is to work to protect it.

Government Orders

Naturally, like many environmentalists, the NDP agrees with the principles expressed in Bill S-15. We are in favour of protecting Sable Island in all its facets and establishing boundaries for the human activities that take place there.

Certainly, there are several aspects of this legislation that should be studied in committee. It will be essential to consider the concepts of exploration and impact we find in the bill. What will be considered a low impact? How much petroleum exploration activity will we allow on the island? What will the relationship be between the Canada-Newfoundland and Labrador Offshore Petroleum Board and Parks Canada? What will we do if a petroleum deposit is discovered beneath Sable Island?

It will also be important to consider the possibility of exploration using seismic testing. These are questions that must be asked by the parliamentarians who are members of the Standing Committee on Environment and Sustainable Development.

● (1250)

In short, the work done in the committee will determine the future success and survival of this national park. Moreover, we believe that we must be in constant contact with the various stakeholders involved in the current legislative process. They include the Nova Scotia provincial government, the Canadian Parks and Wilderness Society, the Ecology Action Centre, the Green Horse Society and the Friends of Sable Island Society.

This is a serious matter. We must ensure that all stakeholders work together with parliamentarians to complete this project and set up a national park that will meet ecological and environmental objectives.

That said, the Conservatives are trying to present Bill S-15 as environmental good news. It was true, although certain reservations have been expressed about the creation of this national park. However, that does not diminish the fact that ever since it came to power the government has done all it could to eliminate, weaken and stall environmental measures.

The fact that Canada withdrew from Kyoto clearly showed that the Conservatives had abdicated their environmental responsibilities. Then they cut back considerably on environmental assessments, which must be done for companies' projects and routine activities. This is clearly having a significant impact on various practices, and it will have serious effects on our ecosystem. What is worse, the Conservatives deny that there is a problem with the environment or that climate change exists, which seriously taints the creation of Sable Island national park.

The NDP, on the other hand, has done everything it can to promote environmental values. We remain the only credible political party the public can trust to protect ecosystems and ensure that sustainable development is at the heart of everything we do.

That will be the basis for our work on Bill S-15. We will support the bill at second reading, so that it can be sent to committee. However, we will do everything we can to limit potential and foreseeable environmental abuses. We will be listening to stakeholders and will do what we can to develop the best bill possible for the creation of Sable Island national park.

I am now prepared to take questions from my colleagues.

● (1255)

[*English*]

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Mr. Speaker, I want to acknowledge the great speech by my colleague and the fact that on all sides of the House we are interested in preserving our environment for current and future generations of Canadians.

One comment my colleague made, however, did cause me some concern. She drew attention to the fact that we withdrew from the Kyoto accord. Is she aware that during the time of the Kyoto accord that the Liberal government had signed on to, our emissions actually rose by 30%? Under our government, between 2005 and 2010, our greenhouse gas emissions have actually reduced by 6.5% in a time when our economy grew by 6.5%.

It is hard for me to square the circle as to how my colleague could be upset about withdrawing from Kyoto, which was so ineffective, it is obvious, yet not recognize the great work that has been accomplished over these last six or seven years.

[*Translation*]

Mrs. Sadia Groguhé: Mr. Speaker, it is very serious for this government to withdraw from Kyoto, and we denounced this action. If the government claims to want to protect the environment, it cannot turn around and do the opposite. Obviously, since my colleague acknowledged that emission levels have remained steady and even increased, we cannot disregard our environmental responsibilities. It is more urgent and necessary than ever to focus on the environment and protect our ecosystem.

Mrs. Carol Hughes (Algoma—Manitoulin—Kapusking, NDP): Mr. Speaker, I can see what kind of government we have here. I appreciate my colleague's comments, because they are bang on. She has put her finger on the real environmental issue here and how this government simply does not pay any attention to the many environmental needs.

We have said that we are prepared to support the bill so that it can move forward. We have concerns about the oil companies and the fact that they would be able to explore for oil under the island. That is why we want the bill referred to committee.

However, this government slashed the Parks Canada budget by \$29 million, while providing \$1 million in federal grants to highly profitable gas and mining companies.

We heard comments from the Conservatives about what they did at Lake Simcoe. What they did was eliminate environmental protection under the Navigable Waterways Protection Act, while providing \$29 million to remove the phosphorus. On one hand, the government says it wants to provide assistance, but then it takes it away with the other hand.

Could my colleague speak about the fact that the government hands out a great deal of money with one hand and takes it away with the other?

Mrs. Sadia Groguhé: Mr. Speaker, I thank my colleague for her comments and her speech.

Government Orders

As she pointed out, the Conservatives' logic is ridiculous, given that they made \$29 million in cuts and eliminated 600 jobs at Parks Canada. At the same time, they would like us to believe that they are in touch with what is going on with the environment and our ecosystems.

They are clearly not doing enough with respect to the environment. There are also concerns, which is why it is important that this bill be referred to committee for further study, particularly with regard to matters related to oil companies and any potentially related activities.

It is absolutely clear that this bill needs to be referred to committee for further review because a number of issues are very worrisome.

• (1300)

[*English*]

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Mr. Speaker, I am honoured to rise in the House to speak at second reading in support of Bill S-15, which is the expansion and conservation of Canada's national parks act.

The main purpose of this legislation is to legally protect forever the natural and cultural values of that treasure known as Sable Island. As the title of the act suggests, through this legislation, we would be expanding the national parks system to conserve Sable Island as our nation's 43rd national park.

As anyone who has resided or visited eastern Canada knows, islands are plentiful throughout this great region. Two of our nation's 10 provinces are islands: the inspiring rock of Newfoundland and Labrador; and the red sands and green fields of Prince Edward Island. There is New Brunswick's Grand Manan Island, Cape Breton Island of Nova Scotia, the Magdalen Islands of Quebec, P.E.I.'s Lennox Island and Fogo Island off Newfoundland. Each of these and other islands have contributed to shaping the distinct nature and culture of what we call Canada.

Over time, as we have settled and developed these grand islands, we have seized the opportunity to protect the nationally significant landscapes on some of these islands.

For example, Gros Morne and Terra Nova National Parks provide an opportunity for Canadians to explore and discover the east and west coast of Newfoundland. Prince Edward Island National Park is famous for its sandy beaches, red cliffs and the house that inspired the novel *Anne of Green Gables* and for protecting the piping plover habitat. There is the world renowned Cabot Trail that winds through Cape Breton Highlands National Park. Our government is working with the Province of Quebec to assess the potential for a marine protected area in the waters off the Magdalen Islands.

Now we are on the cusp of adding that mysterious and far offshore place known as Sable Island to our national parks system. I hope that all hon. members will join me in supporting Bill S-15.

Throughout this debate, we have heard many testimonials on the natural and cultural attributes of Sable Island that have inspired us to add it to our national parks system. We are impressed by the fact that this island of 30 square kilometres, rising out of the Atlantic Ocean almost 300 kilometres southeast of Halifax, continues to survive as a shifting sandbar on the edge of the continental shelf.

We are inspired that on this island, composed mainly of sand, with sparse vegetation, so far from shore, life abounds. There are 190 plant species, 350 bird species, including the endangered roseate tern and Ipswich sparrow, grey seals and those famous Sable Island horses.

We marvel at the attempts made throughout the 1600s and 1700s to settle the island, despite the rough seas, the storms and fogs that make Sable Island such a hazard to navigation. The more than 350 recorded shipwrecks in this area stand as a testament to the difficulty of simply accessing Sable Island, let alone trying to settle it.

We are hopeful that in taking action to protect Sable Island under the Canada National Parks Act, future generations will be proud that the House of Commons, in 2013, developed, debated and passed legislation that enabled the protection of this magnificent and mysterious island.

As I have followed this debate, it appears to me that all parties in the House support the proposal to establish Sable Island as a national park reserve. Many members spoke of the urgent need to get on with the job, as this has been so many years in the making. It is clear from public consultations undertaken by Parks Canada in 2010 that this support and sense of urgency echoes the passionate views of Canadians, especially Nova Scotians. Establishing Sable Island national park reserve of Canada is the right thing to do, and the time to do it is now.

I would also observe a high degree of support for putting in place a legislative ban on drilling, from the surface of Sable Island out to one nautical mile from the shoreline. Many who have participated in this debate have acknowledged and thanked the petroleum companies, such as ExxonMobil Canada, for amending its existing significant discovery licenses to incorporate this legislative ban on exploratory and development drilling.

However, there appears to be one key concern with Bill S-15, and that is the proposal to allow the Canada-Nova Scotia Offshore Petroleum Board to authorize low-impact seismic activity on Sable Island.

• (1305)

I would point out that in reality, the board currently has the authority to permit seismic activity on Sable Island. What Bill S-15 proposes is to limit that authority to low-impact seismic activity. In light of this, I would like to spend the next few minutes speaking to this concern.

As previous speakers have noted, we are establishing Sable Island national park reserve in one of North America's largest active petroleum fields. As we heard earlier, there is a federal-provincial legislative framework in place under the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act that administers all petroleum matters in the Nova Scotia offshore. Since 1988, this legislation has taken precedence over all other federal legislation in this region, including the Canada National Parks Act. As the preamble to Bill S-15 makes clear, this legislation will continue to take precedence.

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In August 1986, the Government of Canada and the Province of Nova Scotia signed the Canada-Nova Scotia Offshore petroleum resources accord. Under the accord, Canada and Nova Scotia agreed to develop oil and gas in the offshore in a manner that would harmonize the interests of all Canadians and those who reside in the province.

The accord called on both parties to pass mirror legislation to create a unified administrative regime for offshore petroleum resources. This goes to the heart of our deliberations. To give legal effect to the 1986 accord, both governments passed legislation in their respective legislatures, with essentially the same wording.

While the names of these bills are a mouthful, for the record, the Government of Canada passed the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act, and the Province of Nova Scotia passed the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation (Nova Scotia) Act. Members will recall that the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act takes precedence over all other acts. Thus, to put in place a legal ban against drilling on the surface of Sable Island and to limit potential seismic activity to low impact, both the federal and the provincial accord acts must be amended. This fact has profound implications for our deliberations.

On April 24 of this year, the hon. Charlie Parker, the New Democratic Minister of Energy, tabled Bill 59 in the Nova Scotia legislature to amend the provincial petroleum accord act for several purposes. First was to prohibit the carrying on of work related to drilling for petroleum, including exploratory drilling, in or within one nautical mile of Sable Island national park reserve. Second was to limit the surface access rights provided for under the accord act to, among other things, low-impact seismic activity. Third was to set out a process under which the Canada-Nova Scotia Offshore Petroleum Board must consult with, and consider the advice of, Parks Canada when considering an application to authorize petroleum-related work or activity in the national park reserve.

When the proposed provincial bill was referred to its law amendments committee, there was one witness, the Ecology Action Centre, that recommended that the bill be amended to delete the option of conducting low-impact seismic activity on Sable Island. However, the New Democratic government chose not to amend its legislation to delete the reference to low-impact seismic activity. The Nova Scotia legislature followed suit, passing Bill 59 without amendment. On May 10, 2013, the provincial bill was given royal assent.

In short, the provincial New Democratic government has passed the legislation called for under the terms of the 2011 national park establishment agreement signed by Premier Darrell Dexter and the federal Minister of the Environment and witnessed by Mr. Leonard Preyra, the provincial Minister of Communities, Culture, and Heritage, and the hon. member for Central Nova.

The provincial New Democratic government was satisfied with the arrangement and was not prepared to amend its legislation. Nova Scotia now awaits the outcome of our deliberations to designate Sable Island national park reserve under the Canada National Parks Act.

I recount this history, because given the concerns expressed about low-seismic activity, it is important to accurately outline the work that would be required in the weeks and months ahead should consideration be given to amending Bill S-15 as the only means of remedying these concerns.

● (1310)

Given that Canada and Nova Scotia passed mirror legislation in 1988 to implement the Canada-Nova Scotia offshore petroleum accord, and given that our Bill S-15 and the Province's Bill 59 have developed mirror legislation to amend these acts to implement the drilling ban and to limit seismic activity to low impact, and given that Nova Scotia has passed its Bill 59 without amendment, the implication for our work is clear: should we decide to amend Bill S-15, additional work would need to be undertaken.

The provincial New Democratic government would have to decide whether it is prepared to once again amend its provincial accord act, this time to delete or amend references to seismic activity.

While I cannot speak for the provincial New Democratic government, it is clear that in negotiating the national park establishment agreement and in rejecting a prior recommendation to alter the seismic activity reference, they are supportive of the current approach.

Additional consultations would also have to be undertaken with the petroleum industry to determine its views on such a change. Again, while I cannot speak for the industry, it would seem to me that since petroleum activity within the broader Sable basin will continue, industry and the offshore petroleum board would require the most accurate seismic data in order to reduce the exploration risk when drilling expensive offshore oil and gas wells.

Allow me to offer a few observations on the issue of low-impact seismic activity.

It is my understanding that the offshore petroleum board has indicated to Parks Canada that it is currently not aware of a need for additional seismic data to be collected on Sable Island. However, these needs may very well change in the future.

In addition, should a company seek an authorization to collect new data from Sable Island, the board would require justification from the company that the current seismic information is not sufficient and that information could not be gathered beyond the national parks reserve.

Failing the above, the board would also seek from the company assurances that other less intrusive techniques could not be used to augment the existing seismic information.

Finally, if after all this it had been clearly demonstrated that a seismic program that would place equipment on Sable Island was required, an environmental assessment would be conducted under the policy of the offshore petroleum board. This assessment would have to meet the Canadian Environment Assessment Act standard of determining the likelihood of an activity to cause significant adverse environmental effects.

Government Orders

Given the requirement of Bill S-15 that the board seek the advice of Parks Canada on such a proposed authorization, Parks Canada would clearly have an opportunity to influence the nature of any proposed seismic undertaking.

I look forward to the in-depth discussions that will ensue at committee on these and other issues related to the designation of Sable Island as a national park reserve, and I trust that clarity will be brought to the issues that have been raised in this chamber.

I would like to address one other major concern that has been expressed during this debate: the notion that Bill S-15 will undermine the integrity of our internationally renowned national parks system. The concern focuses on the suggestion that by continuing to allow the offshore petroleum board to authorize seismic activities, although Bill S-15 proposes to limit that authorization to low impact, we are somehow setting a precedent for other national parks across Canada as well as for future national parks.

I appreciate this concern. It speaks to the non-partisan support that exists in the House for the desirability of protecting our nationally significant lands and waters in protected national parks for the benefit of present and future generations. It speaks to the actions that Parliament has taken over the decades, indeed, spanning the last three centuries since 1885, when it created Banff National Park to forever set aside iconic landscapes and their resident plant and animal species.

However, as the Parliamentary Secretary to the Minister of the Environment made clear in her remarks last Thursday, we are giving effect to the drilling ban and to limiting seismic activity to low impact by amending the Canada-Nova Scotia Offshore Petroleum Accord Implementation Act, not the Canada National Parks Act. We are not introducing any changes whatsoever to the Canada National Parks Act that could be remotely interpreted as allowing seismic activity in any other existing national park. I cannot be clearer on this point. It will not be allowed in Aulavik National Park or in Yoho National Park or in any other national park in between.

• (1315)

I would also like to make it clear that we are not amending the Canada National Parks Act to permit low-impact seismic activity on Sable Island: seismic activity is already allowed on Sable Island. We are amending the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act to restrict any future seismic work to low impact on Sable Island. Thus, it will only be within Sable Island national park reserve that at some future date the offshore petroleum board may authorize low-impact seismic activity.

Through Bill S-15, we are enhancing the integrity of our national parks system. We are bringing the highest level of federal legislative protection to Sable Island as a national park reserve.

As the parliamentary secretary also made clear, when we negotiate for the creation of new national parks, we are often challenged to consider whether or not to allow certain activities to continue on a case-by-case basis. For the most part, we are able to achieve a new national park that respects the act and that is completely true to the best of our intentions, but sometimes that is just not possible. That

simple reality is no reason to completely abandon the idea of designating an area a national park.

I would remind the House that it was only in 2009 that Parliament passed legislation authorizing the permitting of several mineral access roads through the expanded Nahanni National Park Reserve. This was no doubt a difficult decision, but one that made possible a six-fold expansion of Nahanni, producing what was referred to as the greatest conservation decision of this generation.

As we move forward with Bill S-15, I trust that we will balance our duty to maintain the integrity of our national parks system with the opportunity to finally provide Sable Island with the level of protection and conservation framework that has been called for over the past 50 years. With this approach in Bill S-15 to balance the conservation and development needs of Sable Island with the broader Nova Scotia offshore needs, with the balancing of the goals of the offshore petroleum accord act with the Canada National Parks Act, we are achieving real conservation gains for Sable Island.

Let me paraphrase the hon. Minister of the Environment in his remarks last Thursday night. Through Bill S-15, we are accomplishing the following: a new national park reserve for Sable Island, Canada's 43rd national park; the application of a comprehensive conservation framework to Sable Island for the first time in 50 years; a legislative ban that for the first time will prohibit all exploratory and development drilling for petroleum resources from the surface of Sable Island; the creation of a legislative buffer zone around Sable Island that will prohibit drilling out to one nautical mile; a prohibition on the extraction of non-petroleum resources from beneath the surface of Sable Island; a limit on the number of petroleum-related activities that can be authorized by the offshore petroleum board on Sable Island national park reserve; limiting the current ability of offshore petroleum board to authorize any seismic activity on Sable Island to low-impact activity; providing a legislative requirement for the offshore petroleum board to seek and consider advice from Parks Canada should it choose to authorize activities listed in Bill S-15; and developing a management plan within five years that will direct the necessary measures to protect Sable Island to enable visitor experiences that respect the fragility of the island and to forge partnerships with interested stakeholders.

Finally, I would like to express my sincere appreciation to the Minister of the Environment, the Minister of Natural Resources, the Minister of Fisheries and Oceans and the Parliamentary Secretary to the Minister of the Environment for their dedicated leadership on collaboratively developing legislation that will enable the creation of Sable Island national park reserve as Canada's 43rd national park. It is their leadership that has brought this legislation before us today. Now it is up to this chamber to complete our business to ensure that Sable Island will be forever protected so that future generations, whether they choose to visit it or not, will know that this Parliament took action to ensure that the natural and cultural values of this place persist forever.

Government Orders

• (1320)

[*Translation*]

Mr. François Lapointe (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, NDP): Mr. Speaker, one of Canada's eight national wildlife areas, the Baie de l'Isle-Verte National Wildlife Area, is in my riding in Quebec. It is one of the largest protected marshlands in the whole country.

Since the government got its majority, the organization in charge of this protected area, the Corporation PARC Bas-Saint-Laurent has had to wait nine months every year for its tiny envelope of funding to be renewed, funding that was cut by 56% last year. Local partners now have to cover the cost of 90% of the resources the organization needs just to keep trails open and maintain the park. That is the true impact of the Conservatives' cuts and their attitude toward parks in our regions.

Creating parks is all well and good, but we have to wonder whether that comes with legitimate protection and the resources to maintain a protected area.

We will support the Senate bill before us, but we are actually quite concerned. The federal government keeps talking about low impact, but it will not tell us what that really means. What is the standard? What qualifies as low impact? They will not tell us. The government's lack of transparency here is par for the course, particularly when it comes to environmental issues.

How can my colleague be okay with creating parks—our Conservative friends even included it in their 2012 speech—when the facts show that parks are getting fewer and fewer resources and less and less protection? There are more parks, but they are receiving less protection and not enough resources for maintenance.

[*English*]

Mr. Harold Albrecht: Mr. Speaker, there is no question that under times of fiscal restraint, we all face difficult choices in terms of how much action the government can take on any specific issue, but there are times when, in spite of fiscal restraint, action has to be taken that shows vision and demonstrates leadership. No government in history has demonstrated more leadership in terms of preserving the environment and creating more national parks than this government in the last seven years.

I would like to refer to something that happened well over 100 years ago, also in a time of extreme fiscal restraint. In 1893, government officials decided that the government would not establish Canada's fourth national park, suggesting it was best to focus on the three existing parks: Banff, Glacier and Yoho. The minister of the day rejected their advice, signing the order, creating a new park, and remarking, "Posterity will bless us"—and it has.

Alberta's Waterton Lakes National Park is a remarkable ecological jewel, a world heritage site and the world's first international peace park. It has prompted conservation partnerships between the Nature Conservancy of Canada and a number of ranchers adjacent to the park. Imagine what would have happened if government had not taken that action.

I am convinced that 20, 40 or 100 years from now our children, grandchildren and great-grandchildren will say that Parliament acted

in 2013 to preserve Sable Island and that they are really thankful we did.

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I listened to the member for Kitchener—Conestoga and he had nice-sounding words, but making a national park is just not enough to do the job.

Prince Edward Island National Park, or Green Gables, is in my riding, and the big issue is the resources that will accompany the putting in place of a national park to establish the protective measures necessary.

I can tell the member that with the cutbacks at Parks Canada over the last number of years—and I do not know what will happen this summer with further cutbacks—there are not sufficient wardens to show people how to handle things within that national park now. The sand dunes are very fragile structures and depend on grass to hold the sands in place. People are going up those sand hills and coasting down them. They are tearing the sand hills apart, and there is no one there to explain how that cannot be done within that national park zone.

Yes, Liberals support its becoming a national park, but resources are required to do the job that has to be done to preserve the natural resources that are there, and I do not see those resources accompanying this bill.

• (1325)

Mr. Harold Albrecht: Mr. Speaker, my colleague commented on "words and no action". Well, of all people to use that phrase, I do not think this member should be the one. Under the member's government in 13 years, the Kyoto accord was signed with big intentions of reducing greenhouse gas emissions. We all know what happened: they went up 30% under Liberal leadership.

Under this government, at a time of 6.5% growth in economic activity, our greenhouse gases have gone down by 6.5%. If one is to talk about words and no action; this is action.

[*Translation*]

The Deputy Speaker: It being 1:26 p.m., pursuant to order made Thursday, June 6, 2013, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the second reading stage of the bill now before the House.

[*English*]

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

Some hon. members: Agreed.

The Deputy Speaker: I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on Environment and Sustainable Development.

Government Orders

(Motion agreed to, bill read the second time and referred to a committee)

* * *

FAMILY HOMES ON RESERVES AND MATRIMONIAL INTERESTS OR RIGHTS ACT

The House resumed from June 4 consideration of the motion that Bill S-2, An Act respecting family homes situated on First Nation reserves and matrimonial interests or rights in or to structures and lands situated on those reserves, be read the third time and passed, and of the amendment.

Mrs. Kelly Block (Saskatoon—Rosetown—Biggar, CPC): Mr. Speaker, I am very privileged to rise today in support of Bill S-2, family homes on reserves and matrimonial interests or rights act.

As a Canadian woman, I find it deplorable that, in 2013, men, women and children living in the majority of on-reserve communities have no legal rights or protections in relation to the family home. In situations of family violence, aboriginal women have often been victimized and kicked out of their homes with nowhere to go. This is why Bill S-2 is so important. It would finally provide the same basic rights and protections to individuals living on reserves, in the event of a relationship breakdown or upon the death of a spouse or common-law partner, that are available to all other Canadians.

Ultimately, Bill S-2 would remove a factor that contributes in no small way to violence against women living in many first nations communities. The proposed legislation would give these women similar legal protection to that enjoyed by other Canadian women, protection that we take for granted every day. The legislation equip them with the same legal tools and mechanisms that other Canadian women use to prevent and combat abuse and violence, particularly by spouses or common-law partners.

During its review of the legislation now before us, the Standing Committee on the Status of Women heard from a number of witnesses, including women who suffered as a result of this legislative gap. They include women such as Rolanda Manitowabi, a member of a first nation in Ontario. During her testimony, she described how she and her common-law partner built a home together and that she invested her life savings in the project. To protect herself, she got the band to issue her a document naming her as the owner of the property. However, when she and her partner separated, she was evicted from her home. It was at that time she found out that the document had no legal foundation. She stated, "... my son and I were thrown out of the house. I had no place to go. I was in a crisis.... This legislation would have helped...and it would have considered the impacts on my son. I hope [the bill is] available to help other women and children on reserves".

The members of the committee also heard from Jennifer Courchene, a member of a first nation in Manitoba. Jennifer and her children became homeless after her abusive partner forced them out of their home. She told the committee:

I'm sure I'm not the only one who has gone through this in a first nation community. There are probably many, many other women who have gone through what I've gone through, and the story is pretty much the same: the woman loses the home. I'm not sure how other first nations communities are run, but if there had been something to help us, we would have taken it, rather than be homeless, that's for sure.

These are just two examples of women who have suffered as a result of a lack of legal protections on reserve. However, as Dr. Kim van der Woerd, a board member for the Young Women's Christian Association, described in her testimony, these women are not alone. She stated:

With respect to violence, aboriginal women experience spousal or partner violence at a rate three times higher than non-aboriginal women. With respect to housing, aboriginal women are more likely to experience homelessness than aboriginal men, and this homelessness is often related to their experience of violence and escape from violence.

Bill S-2 would go a long way to protect some of the most vulnerable people in Canadian society, specifically women and children living in first nations communities. It would close the legislative gap that continues to cause harm, and would give women like Rolanda and Jennifer, and the thousands of women like them, the legal protection they so rightly deserve, protection similar to what the law affords women who live off reserve.

Bill S-2 would provide aboriginal women two important legal tools to defend themselves: emergency protection orders and exclusive occupation orders. Currently, the law does not provide people who live in the majority of first nations communities with access to these orders.

● (1330)

Under the proposed federal rules, any spouse or common-law partner residing on reserve would be able to apply to a judge or justice of the peace for an emergency protection order. If credible evidence of family violence is presented, the court could issue an order that excludes a spouse or common-law partner from the family home for a period of up to 90 days, with the possibility of a one-time extension.

To ensure that people living in remote communities can access these orders, the federal rules would authorize applications submitted via telephone or email. The rules would also authorize a peace officer or another appropriate person to apply on behalf of a spouse or common-law partner. This provision would protect applicants facing dangerously unpredictable spouses or common-law partners. In past cases, a spouse or common-law partner who learned that an application has been made immediately lashed out, and the consequences have been tragic. By enabling a third party to make applications, this provision would mean that victims would not have to immediately confront violent spouses and possibly place themselves in danger.

Exclusive occupation orders would also provide for one spouse or partner to have exclusive access to the home and could be extended for longer periods of time. The court would determine the time period for each order that it grants. Many of the same conditions would apply. For instance, the person banned from the family home would have an opportunity to contest the order in court. The court would need to consider the broader context, such as the best interests of any children involved in the relationship, the history and nature of any family violence, and the financial and medical circumstances of the spouses or common-law partners.

Government Orders

These orders, the provisional federal rules and the rest of Bill S-2 are designed to ensure that Canadians who live on reserve would have protection and real matrimonial property rights similar to Canadians who live off reserve. The proposed legislation would promote the safety of children and caregivers who experience family violence. It would enable children to remain in the home and benefit from the stability that this provides, including the connection with the community and extended family, and access to services, schools and special programs.

This legislation is not about policy or funding levels. It is about eliminating the cause of injustice in closing a legal loophole that creates inequality and leaves aboriginal women vulnerable. It is about ensuring that all Canadians, whether they live on or off reserve, have similar protections and rights when it comes to family homes, matrimonial interests, security and safety.

It is my hope that the opposition will come to its senses, recognize the very important measures that are in this bill and vote in favour of Bill S-2.

• (1335)

[*Translation*]

Ms. Francine Raynault (Joliette, NDP): Mr. Speaker, I shall be sharing my time with the member for Gaspésie—Îles-de-la-Madeleine.

One of the most conclusive proofs of Canada's backwardness in its legislation respecting first nations comes quickly to light when we consider the issue of the division of matrimonial real property. In this case, as in many others, aboriginal people tumble into a legal void that illustrates the gap separating them from other Canadians.

Parliament has now been pondering the problems related to this legal void for 10 years. That is an eternity. We have much evidence at our disposal, and a plethora of reports from the Senate and the Standing Committee on Aboriginal Affairs and Northern Development, as well as private institutions.

Once again, unfortunately, the Conservative government does not seem to have done its homework, and Bill S-2 does not reflect any of the recommendations produced over the last decade. What is more, the bill is a new version of Conservative paternalism towards aboriginal peoples, since the government did not hold any consultations before drafting it.

The result is a bill that seems to have been written in haste on a restaurant napkin and may jeopardize the fundamental rights of women on reserves. For these reasons, I will be opposing Bill S-2 and encouraging the federal government to review its distressing approach to first nations.

Canada has already seen major legal proceedings rejected by the provincial courts, because provincial law cannot be enforced on aboriginal lands. The cases *Paul v. Paul* and *Derrickson v. Derrickson*, in 1986, are good examples. Some 17 years were to pass before the Senate issued a report on matrimonial real property on reserves. The report first identified the legislative void in question, which was not such a bad thing. However, it noted in particular that aboriginal women have no rights in the case of a marriage breakup and have no choice but to leave the home. The report recommended that provincial legislation apply.

Those are very fine ideas for an institution that seems more than ever to have let time pass it by. It might have been considered more useful had the government taken this study into account in drafting Bill S-2. However, since the government prefers to use the other house to reward its party friends, it may not have consulted its earlier deliberations.

No later than 2004, however, the Senate issued another report, the title of which is more explicit: "On-Reserve Matrimonial Real Property: Still Waiting". In that report, the upper house stressed the need for early action with respect to matrimonial real property. Among other things, the report recommended that the issue be referred to the Standing Committee on Aboriginal Affairs and Northern Development, and so it was.

In 2005, the committee in turn issued a series of recommendations to solve the knotty problem of on-reserve matrimonial real property. Among other things, it recommended that the Assembly of First Nations and the Native Women's Association be consulted on the development of new legislation or the amendment of the Indian Act; that financial assistance be provided to first nations to enable them to develop their own codes respecting real property and matrimonial assets; that any new legislation should not apply to first nations that had developed codes of their own; that the Canadian Human Rights Act be amended to include aboriginal persons living on a reserve; and that Canada recognize the self-government rights of first nations.

As anyone can see, these are excellent recommendations. Unfortunately, the Conservative government knowingly disregarded them when drafting Bill S-2. This is another shameful waste of public funds. The government has no vision of Canada to offer other than that of a "for sale" sign on the lawn of Parliament.

• (1340)

I say "waste" because the government has chosen to disregard the knowledge we have gained from extensive evidence and from reports that were carefully prepared by various players.

That is not all. In 2006, a report on the status of women put its finger on the problem by citing foreseeable barriers to the administration of an act respecting matrimonial real property on reserves. According to that report, the government should allocate adequate funding to implement such legislation, address the very serious housing shortage on reserves and conduct consultations. Those three essential factors are also not reflected in Bill S-2.

As long as they introduce pointless legislation, the members opposite should consider staying home. In 2006, a departmental report revealed that no consensus had been reached with regard to the legislative measures that should be taken to address the matter. It recommended, for example, that the competing jurisdictions model be used. However, the report specifically emphasized that the government should quickly determine the actual costs of administering provincial statutes on reserves, the solution advocated by the Senate.

Government Orders

The least we can say is that the government had the time it needed to consider the matter. The least we can believe is that it had everything it needed to develop a good bill. The least we can acknowledge is that Bill S-2 is largely inadequate under the circumstances.

This government has always taken an unconventional and paternalistic approach to first nations. I imagine we could not have expected otherwise. I know there are real solutions to the very real problems the first nations are experiencing, particularly as regards matrimonial real property.

There is an urgent need for us to develop a bill that provides quick access to recourse for communities that, in some instances, are far removed from urban and legal centres. We must put an end to violence against aboriginal women by developing a national action plan. We must provide better funding for communities that are part of the 2% and we must resolve the terrible housing crisis among the country's first nations.

A bill that does not take these considerations into account would be nothing but smoke and mirrors.

• (1345)

[*English*]

Mrs. Kelly Block (Saskatoon—Rosetown—Biggar, CPC): Mr. Speaker, I want to make a comment on the remarks of my colleague.

I had the privilege of joining the status of women committee for its study on violence against aboriginal women in 2010. We travelled to Nunavut, Newfoundland and Labrador and New Brunswick. We heard over and over again the challenges women in rural and remote communities faced with violence in their homes.

We have responded to calls from aboriginal women, parliamentary committees, international bodies and the Manitoba NDP. They have called for the elimination of the legislative gap that this legislation would fill.

The member referenced a study done by the Senate called "Still Waiting". Could she justify to the House and tell us what she would tell aboriginal women? If she had her way, they would still be waiting to have the same protection that all Canadians enjoy.

[*Translation*]

Ms. Francine Raynault: Mr. Speaker, I thank my colleague for her question.

Yes, aboriginal women were consulted, but that is not reflected in the report. Why not consider what they said? For years now, aboriginal women have been overlooked and treated as though they are not persons.

It is important to consider their opinions in matters pertaining to the status of women, just as those of so-called "other" women in Canada have been taken into account. I have worked to improve the status of women for some 30 years. It is important to consider the opinions of these women, whether they are aboriginal or of other nationalities, and we do not see that in this bill.

Mr. Philip Toone (Gaspésie—Îles-de-la-Madeleine, NDP): Mr. Speaker, I want to thank my colleague from Joliette for her very

interesting speech. She works very hard for her riding, and I commend her on that.

As far as Bill S-2 is concerned, she raised some very interesting points. I want to come back to the comments made by the hon. member for Saskatoon—Rosetown—Biggar, who said that under this bill, aboriginal women will have the same rights as all other women in Canada. We know full well that without the necessary means to fully exercise those rights, they will be meaningless. Aboriginal women will not have access to the same resources as other Canadian women, and the courts are not properly equipped to hear their cases. There is certainly no guarantee that aboriginal women will have the same rights. The way I see it, it is clear that this bill will not give aboriginal women the same rights that Canadian women have.

Could the hon. member elaborate on this?

Ms. Francine Raynault: Mr. Speaker, I want to thank my colleague for the question.

This bill will not give aboriginal women the same rights that Canadian women have because provincial laws do not apply on the reserves. Someone mentioned this earlier. How are they supposed to have their rights recognized?

There is a legal vacuum. These rights are not recognized under federal law, and provincial law does not apply on reserves. What are these women supposed to do? Should they go to their MP's office so that things might change one day?

[*English*]

Mrs. Susan Truppe (Parliamentary Secretary for Status of Women, CPC): Mr. Speaker, Bill S-2 is not only about matrimonial rights; it is also about protection orders for men, women, and children.

The member opposite mentioned that aboriginal women had been ignored for years. Does the member opposite want to ignore them for another 25 years?

[*Translation*]

Ms. Francine Raynault: Mr. Speaker, these women certainly will not be ignored for another 25 years.

This is the fourth bill that the Conservative Party has introduced, but it is no good because it is missing provisions to protect the women. Maybe provincial law should apply on reserves, which is currently not the case.

My colleague can rest assured that I will see to it that these women will not have to wait another 25 years. In 2015, we will see to it.

• (1350)

Mr. Philip Toone (Gaspésie—Îles-de-la-Madeleine, NDP): Mr. Speaker, I am pleased to rise in the House today to debate Bill S-2, An Act respecting family homes situated on First Nation reserves and matrimonial interests or rights in or to structures and lands situated on those reserves.

Government Orders

This is not the first time this issue has come up in the House of Commons. Similar bills have been debated during previous Parliaments. This is the fourth time we have talked about this issue. Why did the government wait so long to bring this bill forward? Why, after all this time, is it still flawed?

Aboriginal women's rights advocacy groups have made it clear to me that they are against this bill. I would like to point out that they were not consulted with respect to Bill S-2. They were consulted previously about other bills on this issue.

Fortunately, parliamentary committees asked people to appear as witnesses on this subject. Of course, the Conservative government seems to be restricting parliamentary committees' freedom more and more, which means that fewer and fewer witnesses are able to appear. Still, aboriginal women's groups were able to testify before the parliamentary committee, and they expressed clear opposition to this bill.

I would like to say a few more things about that. What is the primary objective of the bill before us? Matrimonial rights are simply not covered in the Indian Act, so we have a dilemma because some areas of jurisdiction may be seen as falling under provincial legislation. How are we addressing that?

The bill before us concerns matrimonial rights and interests, primarily with respect to property rights. In Canada, there are two kinds of property: movable assets and real property. Real property means everything not attached to the ground. This bill is really about rights to housing, homes and land. The dilemma is that first nations do not own their own land. This is a real legal dilemma, and Bill S-2 makes a noble attempt to resolve it. This is a step in the right direction because we have to recognize that this is a problem we need to solve.

The problem is that not only do first nations members not own their own land, but they are also currently experiencing a housing crisis because there are not enough homes. That causes all kinds of problems. This bill addresses sociological issues that could cause families to split up or that could lead to divorce, but it also addresses cases in which there is a death. In such cases, we have to determine what happens to the family assets.

The bill tries to address these problems, but unfortunately it does not do nearly enough.

For example, if the first nations are experiencing a housing crisis, if a woman wants to separate from her husband or if a family splits up, where will these people live?

The bill skips a number of steps. The first step seems quite obvious to me: fix the housing crisis within our first nations. If there is a shortage of housing, where will people go if they want a divorce? A number of families in my riding share the same home. That makes no sense. We need to fix this problem.

This bill brings up another problem: access to justice. Legal assistance is simply not available. That is another area of shared responsibility, since provincial and federal courts are unfamiliar with the rights and traditions of the first nations. Unfortunately, this bill does nothing to address those issues.

•(1355)

We must absolutely talk about the courts having a knowledge of first nations traditions. Why would the first nations be subject to a provincial court if that court is not familiar with first nations traditions?

The Crown has an obligation to ensure that the courts that are affected by this bill have the information they need well in advance. The funding is simply not there. Once again, the Conservative government wants to place an obligation on the provinces without giving them the resources they need to fulfill it.

This is a rather serious problem across Canada. Every time this Conservative government suggests sharing responsibilities with the provinces, it seems to forget that this requires resources. It completely ignores the fact that the provinces do not have the means, especially when they are being forced to take on more and more roles that would normally be federal responsibilities.

In any event, since it is mostly women who would be affected by this bill, how are they supposed to exercise their new rights if they do not have the means to do so? How are they going to get to the courts in question if they do not live in the designated communities? They will be far from home.

If the bill passes, many aboriginal women will simply be incapable of exercising their rights because they will not have the means to get to the courts in question, which will quite often be far from their community. This is major flaw. Why not plan to have the courts go to them, instead of insisting that the courts, which are quite far away, be the places where matters related to this bill are resolved?

Parliament has dealt with this bill a number of times, in a number of previous parliaments, and a number of studies have been done. The problem is that the recommendations that have come out of these studies have been ignored and are not included in Bill S-2.

[*English*]

The Senate came out with the report, "A Hard Bed to Lie in: Matrimonial Real Property on Reserve".

[*Translation*]

In that case, in 2003, they recommended that provincial laws apply. That was a good idea.

[*English*]

The Senate, "Still Waiting" in 2004, identified the lack of clarity for the rights of women on reserve as a human rights issue that was a recurring recommendation from the UN, which was a very damaging report.

In 2005, "Arm-in-Arm", the parliamentary committee talks came up with five recommendations, which we see very few of in the bill in front of us today.

Statements by Members

In 2006, again, the Status of Women report identified barriers, including insufficient funding or the implementation of it, especially for the problem of chronic housing shortages on reserves and the lack of high level consultations.

Again, the need for consultation and funding was recommended and, again in the bill, the government simply did not do its jobs. It did not consult with first nations on Bill S-2. The Conservatives asked them to come to the parliamentary committees. Thank goodness the opposition was there to insist that they show up, otherwise the government never would have consult first nations women, which is absolutely hypocritical on its part.

[Translation]

One of the biggest problems with this bill is that aboriginal communities have only 12 months to implement it. Most of the communities asked for three years if this bill passes. One year is absolutely not enough.

Again, there are some serious problems to address in aboriginal communities. There is a chronic lack of housing in aboriginal communities. If we do not deal with these basic problems, then how can we deal with fundamental problems such as matrimonial rights?

Matrimonial rights cannot be dealt with if a woman has nowhere else to stay. This is a simple, but fundamental problem. If we do not tackle the fundamental problems of first nations, then a bill like Bill S-2 can never be implemented fairly and in such a way as to guarantee the rights of aboriginal women in Canada.

STATEMENTS BY MEMBERS

•(1400)

[English]

ROTARY CLUBS

Mr. Corneliu Chisu (Pickering—Scarborough East, CPC): Mr. Speaker, I rise today to recognize the recent efforts of the rotary clubs of Pickering and Ajax.

Over the first weekend of June, the rotary clubs organized the sixth annual Pickering Ribfest. As it has been every year, this year's event brought together the whole community, with everyone enjoying the food, games, rides, live music and the offerings of local vendors. The event was an immense success. Nearly 70,000 people attended the event and all the proceeds will go back to the community to support those in need.

The members of the rotary clubs and the numerous volunteers are all to be commended for the time and dedication they put into the Pickering Ribfest, particularly Mr. Lon Harnish, the principal organizer. I would like to thank the City of Pickering's staff, council and especially Mayor Dave Ryan for supporting this community event. I am certain that the Ribfest will remain a staple in Pickering for years to come.

[Translation]

ADULT EDUCATION CENTRE

Mr. Jean-François Larose (Repentigny, NDP): Mr. Speaker, today I have the honour to rise to talk about the Centre la Croisée.

In my riding of Repentigny, I had the opportunity to visit a vocational school for adults, the Centre la Croisée. I say "adult", but when I visited, I was sad to see that most students were young people who should normally be in a regular school but had dropped out. The dropout rate is on the rise.

We are very fortunate to have a centre like this, where volunteers and teachers give much more of their time than they should and produce amazing results. These young people are doing well. The centre's program is very flexible. Business people are grateful for what the centre does because it helps them develop a workforce. It creates a future that inspires us all.

I would like to thank Mr. Correia, the director of the Centre La Croisée. We all support you.

* * *

[English]

NORTH YORK GENERAL HOSPITAL

Mr. Joe Daniel (Don Valley East, CPC): Mr. Speaker, I rise to draw attention to North York General Hospital located in my riding of Don Valley East.

Yesterday I was very happy to participate in the OrthoWalk at the North York General Hospital in support of orthopedic care and research. This was the fifth anniversary of the special event and for the first time this was held on the grounds of the hospital. Each year OrthoWalk provides an opportunity for patients and family members to thank and honour the surgeons, nurses, physiotherapists and staff who provide compassionate and quality orthopedic care. The walk raised over \$100,000 that will go toward education, research, orthopedic programs and the purchase of much needed equipment.

I thank all the volunteers who organized the event, including CEO Tim Rutledge, Terry Pursell, Lisa Tobias, Tess Rizan, Dr. Ted Rumble and Dr. Maurice Bent. I ask all members in the House to join me in sending our congratulations on a job well done.

* * *

[Translation]

WEST ISLAND COMMUNITY RESOURCE CENTRE

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Mr. Speaker, I rise today in this House to congratulate the West Island Community Resource Centre on 30 years of invaluable service to the community.

Statements by Members

[English]

For the past three decades, the centre, a dynamic volunteer-driven organization, has been a vital community hub, partnering with local organizations to ensure that West Islanders in need have access to the full range of health and social services.

[Translation]

The CRC began as a coming together of a few social-minded individuals who recognized that there were many and various unmet needs in a community otherwise known for its enviable quality of life.

[English]

In the heart of the community were those experiencing life-changing events, ranging from job loss to sickness. Some youth faced difficult challenges that, in turn, placed pressure on families. Seniors and others were in need of information, guidance and advocacy.

Today, the CRC is evolving under the experienced leadership of its president, Georges Nydam, its dynamic board of directors and its new executive director, Katie Hadley, who together bring new energy and spirit to the centre's mission and operations.

* * *

ELANA WALDMAN

Mr. John Carmichael (Don Valley West, CPC): Mr. Speaker, Elana Waldman passed away last week after an eight-year battle with ovarian cancer in Toronto.

Elana was a wife, a mother, a daughter, a lawyer and a vibrant community leader. She chaired multiple community organizations, including aWEARness, a charity initiative for ovarian cancer research; One Family Fund, an organization that provides assistance to terror victims in Israel; and the 50th anniversary celebrations at her daughter Sydney's elementary school. Elana regularly blogged for *Chatelaine* about living with cancer and the importance of living each day to the fullest, inspiring Canadians from coast to coast.

Elana received the Women of Action award in 2007 from the Israel Cancer Research Fund and the Queen Elizabeth II Diamond Jubilee Medal in 2012. She leaves her husband Mark, her nine-year-old daughter Sydney, a close family and many friends across Canada.

May God console you, Elana, together with all mourners of Zion and Jerusalem.

* * *

● (1405)

PORTUGAL DAY

Mr. Andrew Cash (Davenport, NDP): Mr. Speaker, 2013 marks the 60th anniversary of Portuguese immigration to Canada. Today, Portugal Day, I would like to reflect on some of the community's great accomplishments.

Many came in those early years with very little education but a burning desire to succeed. Today, Luso Canadians have successful businesses, created peaceful and tidy neighbourhoods, and have

literally built much of the Toronto skyline. Their children are now teachers and academics, professionals of all sorts, skilled tradespeople, artists, athletes and great civil society leaders.

The Portuguese community in Canada is one of our great success stories as a nation. However, there is still much work to be done to strengthen our ties, which is why today I have tabled a motion urging the government to establish an agreement with Portugal that would allow Canadian youth to experience the vibrant life and culture of Portugal and would provide Portuguese youth with the same opportunity here.

Portuguese immigrants came to Canada escaping poverty and political oppression. They came to seek a better life, and in the process they have made life better for all Canadians.

[Member spoke in Portuguese as follows:]

Parabéns e feliz dia Portugal.

* * *

FREE TRADE

Mr. Rob Anders (Calgary West, CPC): Mr. Speaker, the Smoot-Hawley Tariff Act of 1930 raised tariffs on over 20,000 goods. This act of protectionism and the subsequent retaliatory tariffs by trading partners turned the 1929 depression into the Great Depression. Trade decreased around the globe to record lows. That is why I believe we should pursue free trade.

In the last six years, Canada has signed new free trade agreements with nine countries and the European Free Trade Association. Canada is also exploring free trade with Thailand and has begun free trade negotiations with Japan. Advancing free trade opens new markets, creating opportunities for businesses in Canada. Recently, our government strengthened our free trade agreement with Chile because of the significant strategic value for both countries. This strong partnership is based on shared principles, such as the commitment to democracy, human rights, the rule of law and open economies.

Free trade is bringing investment, industry and innovation into Canada. Free trade delivers results like jobs, growth and prosperity.

* * *

TRIUMF

Ms. Wai Young (Vancouver South, CPC): Mr. Speaker, I rise today to share a major medical breakthrough. TRIUMF, Canada's national laboratory for particle and nuclear physics, successfully met and exceeded the challenge to deliver a new way to create medical isotopes without using nuclear uranium. This discovery completely changes the production and availability of medical isotopes in Canada and around the world. In 2010, our government invested \$35 million to facilitate this research, with an additional \$25 million in 2012. This investment helped TRIUMF achieve this success three years earlier than its 2016 target date.

Statements by Members

This is just one example of our government's real support for science, technology and research. We have increased funding by \$8 billion, more than any other government in the history of Canada. Our government's focus and hard work on our economy and jobs makes this a Canadian success story. This one company has grown from 15 to 76 high-paying, high-quality jobs, making this story an important part of the one million net new jobs we have created since 2009.

* * *

*[Translation]***SAME-SEX MARRIAGE**

Mr. Philip Toone (Gaspésie—Îles-de-la-Madeleine, NDP): Mr. Speaker, today marks the 10th anniversary of Canada's first legally recognized gay marriage.

In 2003, the Ontario Court of Appeal ruled that Canadian laws denying homosexuals the right to marry violated the Canadian Charter of Rights and Freedoms. It took nearly two years for Parliament to extend the same rights to homosexuals across the country that every other Canadian enjoys.

[English]

Same-sex marriage equality was an historic victory. The battle was led by community organizations, lawyers and especially the brave couples who fought tirelessly in the courts to ensure that same-sex couples were equal when it came to marriage rights. This was a time when many politicians were hesitant to act, leaving equal marriage rights for same-sex couples in the hands of the courts.

I am proud to be among the five NDP out MPs. We will continue to fight for LGBTT rights in Parliament and for better representation in our communities.

* * *

● (1410)

LEADER OF THE LIBERAL PARTY OF CANADA

Mrs. Stella Ambler (Mississauga South, CPC): Mr. Speaker, the leader of the Liberal Party said that he is focused on the middle class, but he has yet to prove this claim. When the leader of the Liberal Party spoke to charities, he pocketed over \$1.3 million. When news broke that Liberal Senator Pana Merchant was caught in an offshore tax scandal, making her the beneficiary of a \$1.7 million trust, the leader of the Liberals remained quiet. When our Conservative senators introduced 11 new accountability rules to the Senate, the leader of the Liberal Party came out as the champion of the status quo, demanding that the Senate remain unelected and unaccountable because it is "an advantage for Quebec".

It is clear that the leader of the Liberal Party is not standing up for middle-class Canadians. It is clear that the leader of the Liberal Party lacks judgment. It is clear that the leader of the Liberal Party is simply in over his head.

*[Translation]***QUEBEC BLOOD SERVICES AGENCY**

Ms. Lysane Blanchette-Lamothe (Pierrefonds—Dollard, NDP): Mr. Speaker, I gave blood last Friday.

On June 7, fire station 56 in Île-Bizard hosted a blood drive to collect blood donations that will save hundreds of lives. This was possible thanks to the invaluable co-operation of the firefighters at fire station 56, the generosity of the people of the West Island, the contributions of the many volunteers and the professionalism of the staff at Héma-Québec.

Did you know that last year, in the West Island alone, 105 blood drives were held, that blood drives are organized about a year in advance and that the hardest time to collect blood is during the summer holidays, at Christmas and on New Year's Day?

Héma-Québec is doing critically important work, but it depends on the generosity of donors and community co-operation. Having access to volunteers, networks and free facilities is crucial.

[English]

That is why I wish to congratulate all the community groups that have become involved in blood drives. This includes, among others, schools such as Riverdale High School and École le savoir, places of worship such as Hindu Mandir Temple of DDO, and municipalities such as Dollard-des-Ormeaux and Île Bizard.

I thank all of them very much.

* * *

LEADER OF THE LIBERAL PARTY OF CANADA

Mr. Costas Menegakis (Richmond Hill, CPC): Mr. Speaker, after weeks of defending the status quo in the Senate, the leader of the Liberal Party is now coming to the defence of Liberal Senator Mac Harb. Speaking to Global News yesterday, the leader of the Liberal Party said he would "absolutely" welcome the disgraced senator back to the Liberal caucus. Media reports say that Senator Harb is refusing to repay up to \$200,000 in inappropriately claimed housing allowances and instead is trying to stick taxpayers with the bill.

Defending disgraced Senator Mac Harb is not the only lapse in judgment by the leader of the Liberal Party. The leader of the Liberal Party continues to allow Liberal senators to sit in the Liberal caucus despite allegations of financial impropriety. This is just more proof that the leader of the Liberal Party lacks the judgment to be prime minister and is in way over his head.

*Oral Questions***CONGREGATION EMANU-EL**

Hon. Irwin Cotler (Mount Royal, Lib.): Mr. Speaker, I was privileged to participate in the 150th anniversary celebrations for Congregation Emanu-El, Canada's oldest, continuously operating synagogue, serving Victoria, B.C. and home to unprecedented Jewish firsts in Canada. In 1865, Victoria's Lumley Franklin became the first Jewish mayor in North America. In 1871, Henry Nathan became Canada's first Jewish MP when B.C. joined Confederation. The congregation's own vice-president, Samuel Davies, became Canada's first Jewish judge in 1914. Congregation member Samuel Schultz is believed to have pitched the first shutout game in the history of British Columbia baseball.

The history and legacy of Congregation Emanu-El and its partnership and support from Christian, Freemason and other faith and community groups, a model of a plural multicultural mosaic, are a source of pride and inspiration for us all.

To Congregation Emanu-El and the community it calls home:

[*Member spoke Hebrew and provided the following translation:*]

May you go from strength to strength.

* * *

● (1415)

NEW DEMOCRATIC PARTY OF CANADA

Mr. Mark Strahl (Chilliwack—Fraser Canyon, CPC): Mr. Speaker, while our Conservative government celebrated a milestone of over one million net new jobs created since July 2009, the NDP deputy leader was in New York at Left Forum 2013, a conference committed to addressing the destructive nature of capitalism's inherent drive to growth.

Left Forum included seminars entitled: anti-capitalist strategies and imaginaries, taking socialism seriously, and discussions on Israel's deadly economy and the Palestinian right to return. Attendees were also treated to a series of anti-development seminars including one entitled, the necessity of direct action to prevent expansion of oil and gas infrastructure.

Despite the NDP leader's efforts to distance himself from the word "socialism", his deputy leader has once again reminded Canadians of the NDP's anti-capitalist, anti-Israel and anti-development roots. While the NDP members pontificate on anti-capitalist strategies to kill jobs, Canadians can rest assured that every time our Conservative government travels abroad, it is to promote jobs, growth and long-term prosperity.

* * *

THE SENATE

Mrs. Carol Hughes (Algoma—Manitoulin—Kapusksing, NDP): Mr. Speaker, we now have postcards from the unaccountable. The SS *Duffy* has run aground. In January 2012, Conservative Senator Mike Duffy tried to claim expenses for Senate business while on a Caribbean cruise, expenses he repaid only after he got caught.

Instead of taking responsibility for his Senate appointment, the Prime Minister simply found the first lifeboat he could and is now rowing away from this ethical disaster as fast as he can.

Defending their cheating senators is the height of Conservative and Liberal hypocrisy. Neither the Conservatives nor the Liberals have shown an ounce of contrition for their senators' actions. While the Liberals and Conservatives continue to defend the indefensible, New Democrats will always put constituents first, fight these spending abuses and hold these undemocratic and unaccountable Conservative and Liberal senators to account.

New Democrats want this to be the last Senate scandal, so in 2015, let us send the Conservatives off packing on their own cruise on the SS *Duffy*.

* * *

[*Translation*]

THE MEMBER FOR JEANNE-LE BER

Mr. Bernard Trottier (Etobicoke—Lakeshore, CPC): Mr. Speaker, our government is working hard to reduce the tax burden on Canadian families. We have reduced taxes more than 150 times.

Canadians are proud of this record and expect everyone to pay their fair share. In particular, they rightly expect elected representatives to lead by example.

Unfortunately, the hon. member for Jeanne-Le Ber does not seem to agree. In fact, he owes tens of thousands of dollars in unpaid taxes to Revenue Quebec and to the Canada Revenue Agency.

How can the Leader of the Opposition tolerate such behaviour in his caucus without any consequences? How can he ask Canadians to pay more taxes when members of his own caucus are not paying their taxes?

Since he is unwilling to do so, our government will send this message to the opposition: pay your taxes.

ORAL QUESTIONS

[*Translation*]

ETHICS

Hon. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, was Nigel Wright, the Prime Minister's former chief of staff, authorized to sign cheques drawing from Conservative Party funds?

Mr. Pierre Poilievre (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities and for the Federal Economic Development Agency for Southern Ontario, CPC): Mr. Speaker, all Conservative Party spending is paid out of a single account that is controlled by the Conservative Party. All of the funds are reported to Elections Canada, and they are audited annually. The fund has been public knowledge for years.

*Oral Questions**[English]*

Hon. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, this weekend, the Conservative parliamentary secretary, who is responsible for this file, and not the one who just spoke, once again acknowledged that Nigel Wright did control party funds. He said, “No one is denying that”.

Let us stop playing word games. I will ask again. Did Nigel Wright have any control or signing authority of any kind over Conservative Party spending while working in the Prime Minister's Office?

Mr. Pierre Poilievre (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities and for the Federal Economic Development Agency for Southern Ontario, CPC): Mr. Speaker, the Conservative Party of Canada controls the Conservative Fund of Canada. That is the message that we have delivered from the very beginning.

There is one account. It is controlled by the Conservative Party. It has been publicly known since the existence of the Conservative Party. It is reported to Elections Canada, and it is audited annually.

* * *

● (1420)

*[Translation]***PRIVACY**

Hon. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, we now know that the American monitoring program, PRISM, also apparently affected communications of millions of Canadians.

We have learned that the Conservative government has its own electronic monitoring program. It was put in place by the Liberals and was resurrected by the Conservatives in 2011.

Is the Canadian government actually monitoring Canadians' telephone calls and emails?

[English]

Are the Conservatives monitoring the phone and email records of Canadians, yes or no?

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, let me be very clear. This program is specifically prohibited from looking at the information of Canadians. This program is very much directed at activities outside the country, foreign threats, in fact. There is rigorous oversight. There is legislation in place that specifically dictates what can and cannot be examined.

Here is what the CSE Commissioner found: “activities were authorized and carried out in accordance with the law, ministerial requirements, and CSEC's policies and procedures”.

Mr. Jack Harris (St. John's East, NDP): Mr. Speaker, we are hearing what we think is a bit of doublespeak from the minister. The reports—

Some hon. members: Oh, oh!

The Speaker: Order, please.

The hon. member for St. John's East now has the floor.

Mr. Jack Harris: Thank you, Mr. Speaker.

There are reports today that the minister has authorized domestic monitoring by the CSE.

Now, the National Defence Act says that the activities of CSE “shall not be directed at Canadians or any person in Canada”. I want the minister to listen carefully. Can the government confirm that the CSE has not been collecting data on the communications of Canadians?

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, my learned friend has answered his own question. In fact, the program, as I just said, is prohibited, by law, from directing its activities at Canadians anywhere in the world or at any person in Canada.

I remind him again that in the report, the commissioner said, “I found the new policies and procedures were comprehensive and contained satisfactory measures to protect the privacy of Canadians”. He went on to laud CSE's culture of compliance.

Mr. Jack Harris (St. John's East, NDP): Mr. Speaker, we are obviously going to need to see those directives.

PRISM, the U.S. government program that collects information from places like Google, Apple and Facebook, has been making headlines around the world. People are concerned. In the U.K., the government has committed to report to Parliament about its use of PRISM.

Is Canada's Communications Security Establishment making use of information from PRISM? If so, will the government report this use to Parliament, as the British government is doing?

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, I have a heads-up for the member. It has been doing it for years, and the reports are tabled in Parliament.

I would point him, again, to the fact that CSE does not target the communications of Canadians. This is foreign intelligence. This is something that has been happening for years. In fact, as I said, the commissioner highlighted that the “activities were authorized and carried out in accordance with the law, ministerial requirements, and CSEC's policies and procedures”.

* * *

ETHICS

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, the Prime Minister claims that he knew nothing of the secret deal between his office and Mike Duffy until May 15. However, his chief of staff, his communications shop and his lawyer were all engaged on this file well before that date trying to cover up Mr. Duffy's wrongful claims and the audit that was about to expose them.

Will the Prime Minister confirm that his lawyer, Benjamin Perrin, may not have known the wrongful source of the \$90,000 but was aware of the terms of the Duffy deal, because he helped to negotiate it?

Oral Questions

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, the Prime Minister has been very clear. However, I appreciate the member for Wascana raising the issue of deals, because we heard over the weekend the Liberal leader defend Senator Mac Harb.

Here is the deal that he made for himself. Mac Harb was a Liberal member of Parliament for Ottawa Centre. He is now a Liberal senator for Ottawa Centre. He has claimed \$50,000 in living allowances for living away from home, in Ottawa Centre.

Taxpayers want to know from the Liberal Party why it is that they are so high and mighty in asking for accountability from some senators but are not holding Liberal senators accountable when they rip off taxpayers.

• (1425)

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, the issue—

Some hon. members: Oh, oh!

The Speaker: Order, please. The hon. member for Wascana.

Hon. Ralph Goodale: Mr. Speaker, the issue is the dirty deal in the PMO. Mr. Perrin's public statements about this matter have been very narrow and very precise. He says he did not know of Nigel Wright's personal cheque, but he does not deny participation in the plan to bail out Mike Duffy, whitewash the audit and soften the consequences of Duffy's wrongdoing.

When did Mr. Perrin discover that Mr. Wright had cut that \$90,000 cheque? Did he notify the law society, and did he call the police?

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, I think Mr. Perrin has spoken for himself in the statement he gave publicly, but I am pretty pleased that the member for Wascana has raised the issue of a dirty deal.

I think to the taxpayers, it is a pretty dirty deal. The Liberal member of Parliament for Ottawa Centre, now a Liberal senator for Ottawa Centre, bills taxpayers for the cost of living in Ottawa Centre. He lives here. The actual institution of the Senate is physically in his district, yet he claims \$50,000 in living allowances for coming to work in the Senate.

How can the Liberals actually, with a straight face, pretend to stand up for the middle class, when Liberal senators are stealing money from taxpayers?

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, no amount of obfuscation will change the channel. As the Prime Minister—

Some hon. members: Oh, oh!

The Speaker: Order, please. The hon. member for Wascana.

Hon. Ralph Goodale: Mr. Speaker, as the Prime Minister explicitly said, acting in his capacity as chief of staff, Nigel Wright is out \$90,000. An audit in the Senate has been manipulated. That is Duffy's audit. The Senate has been reimbursed from an illegal source, and Mike Duffy is keeping \$90,000 from taxpayers that he should not have claimed in the first place.

Will the government start some basic transparency by producing Mr. Wright's cancelled cheque showing the exact amount, the date and to whom it was paid?

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, I am very pleased that the Liberals are on this topic of respect for taxpayers. Not only is there the question of Liberal Senator Mac Harb ripping off \$50,000, but on top of that, we, of course, have Liberal Senator Pana Merchant. Liberal Senator Pana Merchant has \$1.7 million that she is hiding from Revenue Canada and is not paying taxes on. The Liberals have not denied that.

The Liberals should be very careful when they start accusing other people of disrespecting taxpayers' interests. Mac Harb is ripping off taxpayers. The million-dollar taxpayer, Senator Merchant, is not paying her fair share in taxes. The Liberals actually pretend to stand up for taxpayers. Nobody buys it.

Mr. Craig Scott (Toronto—Danforth, NDP): Mr. Speaker, on Friday, the Parliamentary Secretary to the Minister of Transport rose in the House and claimed that no PMO-controlled Conservative fund existed, but on Saturday, the Parliamentary Secretary to the Minister of National Defence contradicted the member for Nepean—Carleton. He said, “no one is denying” the existence of a separate Conservative Party fund controlled by the Prime Minister's chief of staff.

Can the parliamentary secretary who was not telling the truth please stand and explain this contradiction?

Mr. Pierre Poilievre (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities and for the Federal Economic Development Agency for Southern Ontario, CPC): Mr. Speaker, can I tell you a secret? Do you promise you will not tell anybody? Do not tell the NDP. Do not tell the CBC.

The Prime Minister of Canada is the leader of the Conservative Party of Canada, and when there are Conservative Party of Canada expenses, including from its leader, they are paid by the Conservative Party.

I have been meaning to get that off my chest for a while. Please do not tell the CBC. Please do not tell the NDP.

• (1430)

Mr. Craig Scott (Toronto—Danforth, NDP): Mr. Speaker, the parliamentary secretary for National Defence said “no one is denying” the existence of a separate fund from the Conservative fund that was accessed by the chief of staff, so let us try this again. The government can choose either to mislead Canadians or to tell the truth.

I ask the government again: was it the parliamentary secretary for national defence or the parliamentary secretary for transport who has been telling the truth to Canadians?

Mr. Pierre Poilievre (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities and for the Federal Economic Development Agency for Southern Ontario, CPC): Mr. Speaker, if the hon. member wants to know the answer, he should look to the previous response to his question.

Oral Questions

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I think the Conservatives' answers are short because they cannot get their story straight about a secret million-dollar fund that was administered by the same guy who wrote a secret \$90,000 cheque to get a rule-breaking senator to keep quiet.

Now, the member for Ajax—Pickering actually went on national television and said, "...we don't think it would serve the public interest very well to have...cheques being shown in front of television cameras..."

Why not? If they have nothing to hide, why will they not cough up the cheque and be clean with Canadians?

Mr. Pierre Poilievre (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities and for the Federal Economic Development Agency for Southern Ontario, CPC): Mr. Speaker, when the Conservative Party of Canada has expenses for partisan purposes, including those of its leader, they are paid by the Conservative Party of Canada. In the NDP, those members say they too have a party function to cover costs of this nature. I do not know if they want to stand up in the House of Commons and demand an inquiry into their own party financing, but this is the practice of every party and has been for decades.

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, the poor old guy over there; it looked as if his battery was running down on him.

Speaking of lowering the ethical bar, the Liberal leader spent the weekend defending the abuse of public trust in the Senate. He mollicoddled Mac Harb and then he said that Patrick Brazeau's actions were "an honest mistake".

Not to be outdone, Conservative Senator Tkachuk was able to lower the bar even further. He favourably compared the Conservative Senate scandal to the Liberal sponsorship scandal saying, "Well, the Liberal Party survived. We will survive".

Is this the new Conservative yardstick for measuring accountability: survival?

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, again, the Conservative yardstick for moving forward and going into the 2015 campaign is our demonstrated record of results for Canadians, including one million new jobs across this country.

Specifically on the issue of the Senate, Canadians do want action. They want a party that puts forward a serious plan. We have legislation before the House, but the NDP has no plan whatsoever that it has put before Parliament. It is all rhetoric and no action.

At the end of the day, Canadians know there is only one party in this country that has consistently delivered good news and solid results for all Canadians, and it is the Conservative Party of Canada. Our record of one million new jobs and the lowest taxes in 50 years is getting it done.

[*Translation*]

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Mr. Speaker, we in the NDP have an action plan for the Senate. We will do away with it and get rid of the senators who are cheating the system. That is our action plan.

The Parliamentary Secretary to the Minister of National Defence said that it would not serve the public interest to produce the cheque Nigel Wright wrote to Mike Duffy.

Does the government agree with that statement, which confirms the Conservatives' desire to cover this up, or will it produce the cheque, which is in its possession?

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, my colleague knows very well that an investigation is already under way.

The Auditor General is looking into this matter, and so are the Ethics Commissioner and the RCMP. I am sure that all the information will be made available to the investigating authorities. There is a process in place. My hon. colleague should respect the process.

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Mr. Speaker, I see that the Conservatives are following the Liberals' how-to-survive-a-scandal guide to the letter. In the end, it is the same old story. Red scandals have simply been replaced by blue scandals.

The Parliamentary Secretary to the Minister of National Defence said:

● (1435)

[*English*]

I don't think..., we don't think it would serve the public interest very well...

[*Translation*]

The use of the pronoun "we" is very telling in many ways.

Who else, apart from him and Conservative colleagues, members and staff, believes that the \$90,000 cheque should not be made public? Who else?

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, as I just said, there is a process in place and all the information will be made available to the investigating authorities.

The Ethics Commissioner and the Auditor General will look at all the information available on this matter. They will make their findings public and all of the information will come out.

Ms. Lysane Blanchette-Lamothe (Pierrefonds—Dollard, NDP): Mr. Speaker, the Conservatives claim that the PMO's secret fund was not used to buy Mike Duffy's silence. However, was it used to reimburse whoever bought Mike Duffy's silence? That is still a mystery.

We know that the Prime Minister's Office had access to a million-dollar fund provided by the Conservative Party. This fund was managed by Nigel Wright.

Did he use this money to repay himself, yes or no?

Mr. Pierre Poilievre (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities and for the Federal Economic Development Agency for Southern Ontario, CPC): Mr. Speaker, as I just said, the Conservative Party has a separate fund to cover partisan expenditures.

Oral Questions

The leader of the Conservative Party is also the Prime Minister. This is neither a mystery nor a secret.

The hon. member should focus on the economy and job creation. That is our priority, and we will continue to focus on those issues.

Ms. Lysane Blanchette-Lamothe (Pierrefonds—Dollard, NDP): Mr. Speaker, that is quite amusing. Before, we were imagining things, but now it is more of a secret. There is no secret fund according to the Parliamentary Secretary to the Minister of Transport, but there is one according to his Defence colleague. Come on, the other side is either making things up or just playing with words to try to mislead Canadians, which would be nothing new.

Did someone in the Prime Minister's Office discuss the possibility of using the Conservative Party fund, which was managed by the PMO, to pay Mike Duffy's expense claims or reimburse Nigel Wright, yes or no?

Mr. Pierre Poilievre (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities and for the Federal Economic Development Agency for Southern Ontario, CPC): Mr. Speaker, the answer is no.

[English]

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, now we have Conservative parliamentary secretaries directly contradicting each other about the secret Conservative hush fund. There are no answers on the secret Wright-Duffy payoff cheque, no answers on the Senate whitewash report and now no answers on widespread domestic snooping on law-abiding Canadians.

I know my Conservative friends are obviously a bit tired, but they should try to work a little harder on getting their stories straight. How many more scandals are Conservatives going to inflict on Canadians before they show a little contrition, apologize and fix this mess?

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, as my colleague knows very well, we have put forward all the information that will be put forward to the Ethics Commissioner and the Auditor General, who are looking into this matter. That is the way Canadians expect things to be dealt with in this regard.

In terms of the Senate, we have put forward 11 accountability measures to ensure that these things do not happen in the future. Better than that, of course, we have legislation before Parliament to have term limits for senators and elections for senators going forward. We have an actual plan, versus New Democrats who just yell concepts and yell words but do not actually have a plan to do anything whatsoever to address the concerns of Canadians with regard to proper reform of Canada's upper house.

We have a plan. They have noise. That is why Canadians elect Conservatives and not New Democrats.

[Translation]

Mr. Marc Garneau (Westmount—Ville-Marie, Lib.): Mr. Speaker, it has been nearly a month since Nigel Wright wrote Mike Duffy a cheque for \$90,000.

Since then, the government has been blocking attempts to get at the real story. They say that it was simply a private transaction between friends.

Canadians are not buying it. They know that it was a botched attempt to prevent a Senate expenses audit and put an end to a political crisis for the Prime Minister.

When will we see a copy of the \$90,000 cheque?

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, the NDP has already asked the question, and I have already answered it.

What taxpayers really want to know is when Mac Harb will be writing a \$50,000 cheque to repay the money he stole from Canadian taxpayers. That is the cheque people really want to see.

Mr. Marc Garneau (Westmount—Ville-Marie, Lib.): Mr. Speaker, the government wants to show us that cheque today. Why is it not doing so?

Can the government tell us that it is doing everything in its power to ensure that no document will be destroyed, including Senator Duffy's February 20 email? When will the government turn over that information so that we can put an end to this scandal and give Canadians a chance to see all of the documents for themselves?

• (1440)

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, as I just said, the Prime Minister said that we will turn over any information requested by the RCMP, the Auditor General or the Ethics Commissioner.

[English]

However, equally, Canadians also want to see the information on Senator Mac Harb taking \$50,000 from taxpayers. We also want to see Senator Merchant and her \$1.7-million fund that she has sheltered from paying taxes in Canada. We want to know about Liberals and the way in which they are abusing their responsibility to be up front and forthright with taxpayers when it comes to their responsibilities.

Liberals “do as I say, not as I do”, and it is typical of that party.

Hon. Wayne Easter: Say it outside, James. We know you are lying.

Ms. Yvonne Jones (Labrador, Lib.): Mr. Speaker, Conservative ethical breaches keep piling up. Peter Penashue's campaign finance problems; well, that was Reg Bowers' fault. Illegal use of the Conservative database in the last election; that was Pierre Poutine's fault. Mike Duffy's improper expense claims; a staffer gets thrown under the bus. Wright's \$90,000 was not just to cover Duffy's expenses but to cover up for the government.

The Conservatives claim to stand for personal responsibility, but when will they start taking that responsibility?

Oral Questions

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, indeed we have answered that question very well. As I said to her colleague from Montreal, all the information will be provided to the Ethics Commissioner and the Auditor General as they are examining this matter. Again, if the Liberals want to demonstrate the forthrightness they claim to represent here in the House of Commons, we would like to see a cheque for \$50,000 from Mac Harb back to the taxpayers for the money he ripped off for being the Senator for Ottawa Centre and yet claiming a living allowance for Ottawa Centre. It would be great if the Liberals would indeed walk their talk.

* * *

[Translation]

AEROSPACE INDUSTRY

Ms. Hélène LeBlanc (LaSalle—Émard, NDP): Mr. Speaker, Canadians were tremendously proud of and inspired by Chris Hadfield's time as commander of the International Space Station.

Unfortunately, for the past year here on earth, the Conservatives have continued to cut jobs at the Canadian Space Agency, scientists' jobs in particular.

Were cuts at the Canadian Space Agency and the resulting brain drain brought up when the Prime Minister met with Commander Hadfield?

Hon. Christian Paradis (Minister of Industry and Minister of State (Agriculture), CPC): Mr. Speaker, our government has a strong record regarding support for the Canadian space sector. I would like to take this opportunity to thank Commander Chris Hadfield for his exemplary service, which is a source of Canadian pride.

Commander Hadfield made an impressive contribution to the space mission, and he renewed appreciation for Canada's expertise. His efforts put Canadian ingenuity back in the spotlight and piqued the world's interest.

This is Canada's 50th year in space, and our government remains committed to keeping Canada at the forefront of the space industry.

[English]

Mr. Dan Harris (Scarborough Southwest, NDP): Mr. Speaker, the minister has it wrong. We have yet again another example of Conservatives dismantling scientific research. New Democrats are proud to welcome Canadian astronaut Chris Hadfield back to Canada. Unfortunately, Conservatives are welcoming him home by gutting research capacity at the Canadian Space Agency. Thirty highly qualified researchers lost their jobs just in the past year.

How do shortsighted Conservative cuts to vital research capacity improve Canada's space program?

Hon. Christian Paradis (Minister of Industry and Minister of State (Agriculture), CPC): Mr. Speaker, on the contrary, Canada has a strong record of support for Canada's space sector. It is an honour for me to be standing up in this House to thank Commander Hadfield for his exemplary service, of which all Canadians can be proud.

Beyond that, there were key files on which we took leadership. I can speak about the participation of the country on the International Space Station and the RADARSAT Constellation mission too. I hope we will have the support of the opposition. These are real tangible benefits, and this is what would allow us to remain a leader in the space sector.

* * *

ROYAL CANADIAN MOUNTED POLICE

Mr. Randall Garrison (Esquimalt—Juan de Fuca, NDP): Mr. Speaker, the Conservatives have misplaced priorities when it comes to RCMP reform as well.

Last week the minister refused to distance himself from Commissioner Paulson's inappropriate comments about sexual harassment in the force.

Now the minister is flatly rejecting the idea of civilian governance for the RCMP. This was a key recommendation of the Brown task force for improving RCMP accountability.

Why does the minister insist on undermining rather than rebuilding public trust in the RCMP?

● (1445)

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, our government has taken strong action to restore pride in Canada's national police force.

Harassment in the RCMP, especially harassment of a sexual nature, is a problem. The commissioner, like all Canadians, finds it totally unacceptable and our government agrees.

What I do not understand is that when we had the debate to see what legislation was needed by the RCMP, who stood up to vote against it? That member and his party.

[Translation]

Ms. Rosane Doré Lefebvre (Alfred-Pellan, NDP): Mr. Speaker, the minister is once again showing that he is living beyond his means, intellectually speaking.

He knows full well that Bill C-42 does not go far enough. The RCMP needs a change in culture, from the bottom straight up to the top. The band-aid solutions proposed by the minister are not enough to restore the public trust.

Why are the Conservatives opposing the idea that the commissioner no longer be accountable to the minister? Why categorically oppose the principle of civil governance at the RCMP?

[English]

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, I will not get into those kinds of cheap shots that the member does.

I may not have been blessed with the same intelligence she has, but I try to make up for it with hard work. I try to work with my colleagues in the House. We have brought good legislation forward that would transform the RCMP.

Unfortunately, that member and her party have consistently stood in the way of meaningful reform for the RCMP.

*Oral Questions***CANADA REVENUE AGENCY**

Mrs. Kelly Block (Saskatoon—Rosetown—Biggar, CPC): Mr. Speaker, it is apparent that in the House, our Conservative government stands alone in the fight against tax evasion.

The NDP allows tax evaders to sit in its caucus and the Liberals have senators who refuse to answer questions about money hidden offshore.

By contrast, our government is committed to cracking down on tax evasion. Despite receiving no support from the opposition, we have developed an outstanding working relationship with our partners abroad.

Could the minister please tell the House how today these relationships have paid off?

Hon. Gail Shea (Minister of National Revenue and Minister for the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, our government has been working with partners abroad to crack down on tax cheats. Today, we are seeing the benefit of Canada's close collaboration with our international partners.

I am pleased to announce that Canada is now in the possession of extensive data on Canadians with offshore assets. CRA experts are reviewing the information on a priority basis and will undertake compliance actions where warranted.

This is, once again, a great day for hard-working taxpayers and a bad day for tax evaders.

* * *

CITIZENSHIP AND IMMIGRATION

Ms. Jinny Jogindera Sims (Newton—North Delta, NDP): Mr. Speaker, hospitals are now paying for the Minister of Immigration's heartless decision to cut off health care for refugee claimants.

Already overburdened Toronto hospitals are being forced to spend over \$800,000 this year to cover the cost of emergency care for refugee claimants. Other refugees are being forced to pay for things like cancer treatment.

Will the minister listen to hospitals and to the provinces and have compassion for those less fortunate and reverse his reckless decision to cut refugee health care?

Hon. Jason Kenney (Minister of Citizenship, Immigration and Multiculturalism, CPC): Mr. Speaker, I have listened to Canadians and I have not cut refugee health care.

We have ended gold-plated health benefits to false, rejected asylum claimants who have no legal right to be in Canada.

Most Canadians think that universal health care means health coverage for Canadians and permanent residents. Apparently the NDP thinks universal health coverage means universal, for everyone, including illegal migrants in Canada. It could not be more wrong.

[Translation]

Mrs. Sadia Groguhé (Saint-Lambert, NDP): Mr. Speaker, whether the minister admits it or not, hospitals and the provinces are bearing the financial burden of the changes to the refugee health care program. If the minister really believes that sick children are abusing the system, he is either completely heartless or completely blinded

by his ideology. Medical expenses will not magically disappear simply because his government wants to balance the budget.

When will the Conservatives stop making the provinces pay for costs associated with refugee health care?

● (1450)

Hon. Jason Kenney (Minister of Citizenship, Immigration and Multiculturalism, CPC): Mr. Speaker, let us be clear. Is it the NDP's position that Canadian taxpayers should pay for the medical expenses of illegal migrants and failed asylum claimants who have no right to be in Canada? While that might be the NDP's position, that is not the position of any government in the world. Medicare falls under provincial jurisdiction. If the provinces want to provide medicare to illegal migrants, that is their prerogative.

* * *

ABORIGINAL AFFAIRS

Mr. Jonathan Genest-Jourdain (Manicouagan, NDP): Mr. Speaker, the Minister of Citizenship, Immigration and Multiculturalism is just as good at spewing nonsense as the Minister of Aboriginal Affairs and Northern Development.

This week marks the fifth anniversary of the federal government's official apology for residential schools—five years to promote a reconciliation that has resulted in little more than budget cuts and legal battles against aboriginal peoples.

The minister said this weekend that the cuts would not affect essential services. Which supposedly non-essential services does the department plan to eliminate?

Hon. Bernard Valcourt (Minister of Aboriginal Affairs and Northern Development, CPC): Mr. Speaker, we want to ensure that project funding for aboriginal organizations is focused on the delivery of essential services and programs in key areas such as education, economic development and community infrastructure. I would also remind the member opposite and the House that these priorities were determined through close collaboration with the Assembly of First Nations on a number of occasions.

[English]

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, we hoped the minister would mark the fifth anniversary of the residential school apology in a more meaningful way than cuts to organizations.

Aboriginal organizations are looking for stable, long-term funding. In response, the minister accuses them of entitlement. Without stable funding, these organizations, which often provide front-line services, cannot make long-term program plans.

How can the minister justify funding cuts while at the same time admitting these organizations do important work?

Oral Questions

Hon. Bernard Valcourt (Minister of Aboriginal Affairs and Northern Development, CPC): Mr. Speaker, contrary to what the member intimates, no cuts will prevent the delivery of essential services by bands or tribal councils or any organizations that deliver essential services.

* * *

NATIONAL DEFENCE

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, on Wednesday, injured Afghan vet Corporal Kirkland offered dramatic testimony to the national defence committee. Prior to his testimony, his commanding officer urged him to be cautious. Corporal Kirkland felt that he was being intimidated.

Last Thursday, the minister offered his protection to Corporal Kirkland. Does that offer of protection still stand? Will he encourage his colleagues to support my privilege motion at committee?

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, the member is correct. When I heard about the testimony of Corporal Kirkland, I was out of the country doing business on behalf of the Department of National Defence and the country. As a result, I sought assurances from the department that there would be no negative inference as a result of his testimony. If there has been, I certainly would like to hear about it.

If the member has further information specific to this individual's case, I would be happy to receive it.

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, I am pleasantly surprised to hear the minister's response, because on Friday Corporal Kirkland was given his discharge papers, effectively ending his career in the military.

Again, does the minister's offer of protection still stand? Will he preserve Corporal Kirkland's career in the military for as long as Corporal Kirkland thinks it is plausible?

• (1455)

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, I have been quite clear with respect to this individual, Corporal Kirkland. Any Afghan vet injured in combat will not be released as a result of those injuries.

Rather than trying to score political points on the floor of the House of Commons, everyone would be better off had the hon. member chosen to contact my office on behalf of this individual and we could work productively with him, which I am very anxious to do on behalf of Corporal Kirkland.

* * *

[Translation]

EMPLOYMENT INSURANCE

Mrs. Anne-Marie Day (Charlesbourg—Haute-Saint-Charles, NDP): Mr. Speaker, today, *Le Devoir* reported that if an employment insurance claim is rejected, the review process does not allow for claimants to provide new information.

The Conservatives do not want additional information, for fear that they will have to pay benefits. Reviews will now be conducted with only the documents that were originally provided.

Job seekers who apply for EI benefits deserve the opportunity to present all the documentation that supports their claim.

Why do the Conservatives not want to hear them?

Ms. Kellie Leitch (Parliamentary Secretary to the Minister of Human Resources and Skills Development and to the Minister of Labour, CPC): Mr. Speaker, our government is making common sense changes to better connect unemployed Canadians with available jobs in their local areas that match their skills.

[English]

Let us be very clear. What we have put forward with respect to EI is something that is working. We now have one million net new jobs since 2009, meaning fewer Canadians actually require employment insurance.

We are moving forward and ensuring jobs are available to Canadians. We encourage the opposition to get on board.

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, the reality is that the Conservatives stacked the Social Security Tribunal with their cronies and turned their backs on out-of-work Canadians. The Conservatives cut benefits, dismantled a fair and independent appeal system, and now will not even give people access to documents about their case before they appeal.

If Canadians are denied the EI benefits they paid for, they at least deserve to know why. Why is the minister denying Canadians this basic right?

Ms. Kellie Leitch (Parliamentary Secretary to the Minister of Human Resources and Skills Development and to the Minister of Labour, CPC): Mr. Speaker, the current appeals process for employment insurance is expensive and slow. Fewer than one in three claims is actually heard in 30 days. The new Social Security Tribunal will continue to provide a fair, fast and accessible appeals process for Canadians by eliminating duplication.

We are focused on ensuring Canadians have an opportunity for a fair and fast hearing, unlike the opposition that wants to create inefficiencies.

Mr. Gordon Brown (Leeds—Grenville, CPC): Mr. Speaker, last year our Conservative government passed legislation that would provide a new EI benefit to parents of critically ill children. This was a big milestone for a constituent of mine, Sharon Ruth. Sharon worked tirelessly for years to see this new benefit become a reality to provide support for families when they needed it the most.

Would the parliamentary secretary to the minister of HRSDC please update the House on the status of this new benefit?

Ms. Kellie Leitch (Parliamentary Secretary to the Minister of Human Resources and Skills Development and to the Minister of Labour, CPC): Mr. Speaker, the member for Leeds—Grenville's private member's bill was an important step in the process to create this new EI benefit.

Oral Questions

I am pleased to report that the new special benefit was available as of Sunday. In fact, the first applications have already been received. This will provide up to 35 weeks of EI to parents so they can focus on the care of their critically ill or injured children. Our government understands the important role that parents play in the health of their children and it is another important way we are putting families first.

* * *

[Translation]

RADIO-CANADA

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, Radio-Canada officials are reversing their decision and are bringing “Radio-Canada” back to television, the Première Chaîne and its website. I congratulate them on that decision.

We would like to encourage them, through the minister responsible, to go even further by adding the same catchphrase to regional television stations, which would become, for example, “Ici Radio-Canada Acadie” or “Ici Radio-Canada Windsor”. This would help francophones across the country to identify with the new structure of Radio-Canada.

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, I agree with the principle behind the question from my colleague from Ottawa—Vanier.

One of CBC/Radio-Canada's purposes is to be present in every region of the country in French as well. However, the member should communicate his idea directly to Hubert Lacroix and to the board of directors of Radio-Canada.

I know that Radio-Canada will be having a meeting this Tuesday or next. The opposition's suggestion is one that Radio-Canada should hear. He should talk to them about it. I want to be clear: this is a national Canadian broadcasting corporation.

* * *

• (1500)

[English]

PRIVACY

Mr. Jack Harris (St. John's East, NDP): Mr. Speaker, the Conservatives are not denying having access to PRISM, or being in possession of a secret \$90,000 cheque, or that the PMO-controlled funds were used in this process. While Canadians deserve answers, the Minister of National Defence repeatedly failed to answer the three questions today about snooping.

Did the Canadian government have access to PRISM, yes or no?

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, I have been crystal clear. This program does not target Canadians. Mega-data is collected only on international, not domestic, communications. It is only targeting foreign threats, unless, of course, there is a request from an accompanying department under warrant, so the answer is no.

* * *

TAXATION

Hon. Rob Moore (Fundy Royal, CPC): Mr. Speaker, I am happy to announce that today is Tax Freedom Day, the day Canadians can

finally keep their hard-earned dollars. While I am sure that the NDP and the Liberals are disappointed, since they stand in the House day after day calling for higher taxes, our government believes that Canadians deserve to keep more of their hard-earned money. That is why, since taking office in 2006, we have reduced the federal tax burden to its lowest level in 50 years.

Could the Minister of State for Finance please inform Canadians how much earlier Tax Freedom Day is today compared to when our Conservative government took office?

Hon. Ted Menzies (Minister of State (Finance), CPC): Mr. Speaker, the member for Fundy Royal has it exactly right. It was on June 26 in 2005 that we reached Tax Freedom Day, but since then, our government has reduced over 150 different taxes. We have lowered the GST. We reduced personal taxes. We reduced business taxes. We introduced the tax-free savings account. In fact, now Tax Freedom Day is over two weeks earlier than under the former Liberal government.

Another interesting fact is that Canadians, because of our tax reductions, have \$3,200 more, every year, of their own money in their pockets.

* * *

[Translation]

SENIORS

Mr. François Pilon (Laval—Les Îles, NDP): Mr. Speaker, in March I introduced a bill to help seniors who need to pay for funeral arrangements in advance. My bill allowed them to withdraw up to \$2,500 without affecting the calculation of their guaranteed income supplement benefits.

Instead of increasing the retirement age, will the Conservatives help the NDP find tangible solutions to help pensioners living in difficult circumstances? Will the Conservatives work with the NDP to pass Bill C-480 and reduce poverty among seniors?

Ms. Kellie Leitch (Parliamentary Secretary to the Minister of Human Resources and Skills Development and to the Minister of Labour, CPC): Mr. Speaker, seniors helped build the country. This is why this government has done more to help them than any other government.

[English]

We have been focused on making sure that Canadian seniors are well supported. Whether that be the most substantive increase in 25 years in the GIS or the creation of a Minister of State for Seniors, we are focused on making sure seniors are well supported. We encourage the opposition to get on board and support us.

Government Orders

[Translation]

PUBLIC SAFETY

Mrs. Maria Mourani (Ahuntsic, BQ): Mr. Speaker, since 1993 the Maison d'Haiti program “Jeunes patrouilleurs de rue” has received a federal grant to help young people leave street gangs and avoid their grasp. On May 21, 2013, a decision from the office of the Minister of Human Resources and Skills Development informed Maison d'Haiti that its application had been rejected, although it had been recommended by departmental staff.

Why did the Minister of Human Resources and Skills Development reject the application from a leading player in crime prevention in Saint-Michel and Montreal?

[English]

Ms. Kellie Leitch (Parliamentary Secretary to the Minister of Human Resources and Skills Development and to the Minister of Labour, CPC): Mr. Speaker, I will not comment with respect to the very specific application. We encourage all individuals, all organizations that have worthwhile social programs, to apply to our programming at HRSDC.

We are focused on making sure that we support youth across the country. That is why we have seen increases in youth employment, in fact over 54,000 new youth with opportunities for employment, in the last month.

* * *

● (1505)

RAIL TRANSPORTATION

Mr. Bruce Hyer (Thunder Bay—Superior North, Ind.): Mr. Speaker, VIA Rail's latest annual report reveals that VIA is in big trouble. The VIA board clearly intends to shrink our national dream down to just the Quebec-southern Ontario corridor, and the Conservative government has no rail strategy. This week in Ottawa, Toronto and Thunder Bay, I am releasing my own independent MP's 90-page report on how to restore VIA Rail.

When and how will the Conservatives put VIA Rail back on track?

Hon. Steven Fletcher (Minister of State (Transport), CPC): Mr. Speaker, in fact, this government has invested over \$1 billion in passenger rail. We have renovated stations, upgraded trains and improved accessibility, while creating jobs for Canadians. This government is committed to quality rail service that is not a burden on the taxpayer.

Interestingly, all the investments we made, the opposition parties and the member voted against.

POINTS OF ORDER

[English]

ORAL QUESTIONS

Mrs. Shelly Glover (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I am going to be very brief. I am going to read from *House of Commons Procedure and Practice*, which says:

Remarks directed specifically at another Member, which question that Member's integrity, honesty or character are not in order. A Member will be requested to withdraw offensive remarks, allegations or accusations of impropriety directed towards another Member.

Having said that, I was quite shocked during question period when the NDP member for Alfred-Pellan directly attacked the Minister of Public Safety.

I would offer you, Mr. Speaker, the opportunity to follow the rules and ask the member to withdraw her remarks with regard to the mental capacity of the minister.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, I listened to my colleague, whom I respect a great deal, with a great deal of interest. I will review what was being said. I think the direct quote is important in applying the rules.

She might not know—

Some hon. members: Oh, oh!

The Speaker: Order, please.

The hon. member for Saint Boniface has raised a point of order, and the hon. member for Skeena—Bulkley Valley is responding to it. With all these interruptions, the Chair is having difficulty hearing. I would appreciate members coming to order and allowing the member for Skeena—Bulkley Valley to conclude.

Mr. Nathan Cullen: Mr. Speaker, to my friend from St. Boniface, her particular orientation, where she sits in the House, bears some mentioning at this time.

We will endeavour to look at the blues and what was said in the House. However, it bears commenting that the particular member she is seeking to defend right now, as you would know, Mr. Speaker, is one of the more constant contributors to the House in terms of comments and remarks that are demeaning, and I would cite some of those very same procedures she cites.

If the members wish to hold themselves to a higher bar and account, we would most welcome that effort.

The Speaker: I will certainly look at the point the hon. member for St. Boniface has raised about the hon. member.

Mr. Scott Reid (Lanark—Frontenac—Lennox and Addington, CPC): Mr. Speaker, on a different point of order, but on the same general idea, earlier in question period, the member for Malpeque said, “You're lying”, to one of the ministers. I am sure he will want to withdraw that comment.

● (1510)

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I, in fact, did use those words, and I will withdraw them.

GOVERNMENT ORDERS

[English]

SAFE DRINKING WATER FOR FIRST NATIONS ACT

The House resumed from June 6 consideration of the motion that Bill S-8, An Act respecting the safety of drinking water on First Nation lands, be read the third time and passed.

Government Orders

The Speaker: I think it best if we move on to the taking of the deferred recorded division on the motion at the third reading stage of Bill S-8.

• (1520)

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

*(Division No. 742)***YEAS**

Members

Ablonczy	Adams
Adler	Aglukkaq
Albas	Albrecht
Allen (Welland)	Allen (Tobique—Mactaquac)
Allison	Ambler
Ambrose	Anders
Anderson	Armstrong
Ashton	Aspin
Baird	Bateman
Benoit	Bergen
Bernier	Bezan
Blaney	Block
Boughen	Braid
Breitkreuz	Brown (Leeds—Grenville)
Brown (Newmarket—Aurora)	Brown (Barrie)
Bruinooge	Butt
Calandra	Calkins
Cannan	Carmichael
Carrie	Chisu
Chong	Chow
Clarke	Clement
Crockatt	Daniel
Davidson	Day
Dechert	Del Mastro
Devolin	Dewar
Dreeshen	Duncan (Vancouver Island North)
Dykstra	Fantino
Fast	Findlay (Delta—Richmond East)
Flaherty	Fletcher
Galipeau	Gallant
Gill	Glover
Godin	Goguen
Goldring	Gosal
Gourde	Grewal
Harris (St. John's East)	Harris (Cariboo—Prince George)
Hawn	Hayes
Hiebert	Hillyer
Hoback	Holder
Hyer	James
Jean	Kamp (Pitt Meadows—Maple Ridge—Mission)
Keddy (South Shore—St. Margaret's)	Kenney (Calgary Southeast)
Kent	Kerr
Komarnicki	Kramp (Prince Edward—Hastings)
Lake	Lauzon
Lebel	Leef
Leitch	Lemieux
Leung	Lizon
Lobb	Lunney
MacKay (Central Nova)	MacKenzie
May	Mayes
McColeman	McLeod
Menegakis	Menzies
Merrifield	Miller
Moore (Port Moody—Westwood—Port Coquitlam)	
Moore (Fundy Royal)	
Mourani	Mulcair
Nicholson	Norlock
Obhrai	O'Connor
Oliver	O'Neill Gordon
Opitz	O'Toole
Paradis	Payne
Plamondon	Poillievre
Preston	Raith
Rajotte	Reid
Rempel	Richards
Rickford	Saxton
Seeback	Shea

Shiple
Sopuck
Storseth
Sweet
Toet
Trost
Truppe
Uppal
Van Kesteren
Vellacott
Warawa
Watson
Sky Country
Weston (Saint John)
Williamson
Woodworth
Young (Oakville)
Zimmer— 165

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

NAYS

Members

Allen (Welland)	Andrews
Angus	Ashton
Atamanenko	Aubin
Bélanger	Bennett
Benskin	Bevington
Blanchette	Blanchette-Lamothe
Boulerice	Boutin-Sweet
Brison	Brousseau
Caron	Casey
Cash	Charlton
Chicoine	Chisholm
Choquette	Chow
Christopherson	Côté
Cotler	Crowder
Cullen	Cuzner
Davies (Vancouver Kingsway)	Davies (Vancouver East)
Day	Dewar
Dion	Dionne Labelle
Donnelly	Doré Lefebvre
Dubé	Duncan (Etobicoke North)
Duncan (Edmonton—Strathcona)	Dusseau
Easter	Eyking
Freeman	Fry
Garneau	Garrison
Genest	Genest-Jourdain
Giguère	Godin
Goodale	Gravelle
Groguhé	Harris (Scarborough Southwest)
Harris (St. John's East)	Hsu
Hughes	Jacob
Jones	Julian
Lamoureux	Lapointe
Larose	Latendresse
Laverdière	LeBlanc (Beauséjour)
LeBlanc (LaSalle—Émard)	Leslie
Liu	MacAulay
Mai	Marston
Masse	Mathysen
McCallum	McKay (Scarborough—Guildwood)
Michaud	Moore (Abitibi—Témiscamingue)
Morin (Chicoutimi—Le Fjord)	Morin (Notre-Dame-de-Grâce—Lachine)
Morin (Laurentides—Labelle)	Mulcair
Nantel	Nash
Nicholls	Nunez-Melo
Papillon	Péclet
Perreault	Pilon
Quach	Rafferty
Rankin	Ravignat
Raynault	Regan
Rousseau	Saganash
Sandhu	Scarpaleggia
Scott	Sellah
Sgro	Simms (Bonavista—Gander—Grand Falls—Wind-
sor)	
Sims (Newton—North Delta)	Sitsabaiesan
St-Denis	Sullivan
Thibeault	Toone
Tremblay	Turmel
Valeriotte— 115	

PAIRED

Nil

The Speaker: I declare the motion carried.
(Bill read the third time and passed)

Mr. Kevin Lamoureux: Mr. Speaker, I rise on a point of order. I can appreciate the leader of the official opposition on the front bench was a little confused. My understanding of the rules is that a person can only vote once. We saw members of the NDP from the front bench initially support the bill. I believe they should have to withdraw their original vote.

If we think of the ramifications of allowing members to stand and not denounce their first vote, it could lead us into further complications going forward.

The Speaker: Perhaps the hon. opposition whip can clarify this.

[*Translation*]

Ms. Nycole Turmel: Mr. Speaker, if you check, you will find that the members voted against the motion.

[*English*]

The Speaker: Order, please. It has been our practice that when members do find themselves in a situation where they have inadvertently voted on both sides, they clarify to the House which was their intention. That has just been done by the hon. member for Hull—Aylmer, so we can move on.

Mr. John Williamson: Mr. Speaker, I do not mean to challenge you, but there are many bills for which I would like to vote on both sides when I go home and tell my voters that I voted with them.

However, the fact is that it is very unclear. Mr. Speaker, you cannot allow members to vote one way and then appear to vote the other way without a correction. We typically expect that of members as we have in the past. The rules of the House have to apply to all of us equally.

I ask that they stand and record their votes properly, as my seatmate had to some time ago.

The Speaker: I am sure the member's seatmate appreciates that. I know it is getting into the middle days of June and that has strange effects on some people. It is pretty straightforward. It will not be counted as a vote; it is a clarification. If the member wants to go one by one, I do not know what the advantage is to the House.

The whip for the official opposition, as is often our practice, has indicated which way the votes are meant to be cast. Unless there is a member who wants to contradict his or her whip, he or she can feel free to do that now. Otherwise, we will move on to the next question.

I hope the hon. member for Winnipeg North has a comment on a new point. I have made my ruling on this.

Mr. Kevin Lamoureux: Mr. Speaker, just to give a bit of a difference in perspective, as individuals—

The Speaker: I think we will move on.

* * *

ECONOMIC ACTION PLAN 2013 ACT, NO. 1

The House resumed from June 7 consideration of the motion that Bill C-60, An Act to implement certain provisions of the budget

Government Orders

tabled in Parliament on March 21, 2013 and other measures, be read the third time and passed, and of the amendment.

The Speaker: The House will now proceed to the taking of the deferred recorded division on the amendment of the motion at third reading stage of Bill C-60.

• (1530)

(The House divided on the amendment, which was negated on the following division:)

(*Division No. 743*)

YEAS

Members

Allen (Welland)	Andrews
Angus	Ashton
Atamanenko	Aubin
Bélanger	Bennett
Benskin	Bevington
Blanchette	Blanchette-Lamothe
Boulerice	Boutin-Sweet
Brison	Brousseau
Caron	Casey
Cash	Charlton
Chicoine	Chisholm
Choquette	Chow
Christopherson	Côté
Cotler	Crowder
Cullen	Cuzner
Davies (Vancouver Kingsway)	Davies (Vancouver East)
Day	Dewar
Dion	Dionne Labelle
Donnelly	Doré Lefebvre
Dubé	Duncan (Etobicoke North)
Duncan (Edmonton—Strathcona)	Dusseault
Easter	Eyking
Freeman	Fry
Gameau	Garrison
Genest	Genest-Jourdain
Giguère	Godin
Goodale	Gravelle
Groguhé	Harris (Scarborough Southwest)
Harris (St. John's East)	Hsu
Hughes	Hyer
Jacob	Jones
Julian	Lamoureux
Lapointe	Larose
Latendresse	Laverdière
LeBlanc (Beauséjour)	LeBlanc (LaSalle—Émard)
Leslie	Liu
MacAulay	Mai
Marston	Masse
Mathysen	May
McCallum	McKay (Scarborough—Guildwood)
Michaud	Moore (Abitibi—Témiscamingue)
Morin (Chicoutimi—Le Fjord)	Morin (Notre-Dame-de-Grâce—Lachine)
Morin (Laurentides—Labelle)	Mourani
Mulcair	Nantel
Nash	Nicholls
Nunez-Melo	Papillon
Péclet	Perreault
Pilon	Plamondon
Quach	Rafferty
Rankin	Ravignat
Raynault	Regan
Rousseau	Saganash
Sandhu	Scarpaleggia
Scott	Sellah
Sgro	Simms (Bonavista—Gander—Grand Falls—Wind- sor)
Sims (Newton—North Delta)	Sitsabaiesan
St-Denis	Sullivan
Thibeault	Toone
Tremblay	Turmel
Valeriote—	

Government Orders

NAYS

Members

Ablonczy	Adams
Adler	Aglukkaq
Albas	Albrecht
Allen (Tobique—Mactaquac)	Allison
Ambler	Ambrose
Anders	Anderson
Armstrong	Aspin
Baird	Bateman
Benoit	Bergen
Bernier	Bezan
Blaney	Block
Boughen	Braid
Breitkreuz	Brown (Leeds—Grenville)
Brown (Newmarket—Aurora)	Brown (Barrie)
Bruinooge	Butt
Calandra	Calkins
Cannan	Carmichael
Carrie	Chisu
Chong	Clarke
Clement	Crockatt
Daniel	Davidson
Dechert	Del Mastro
Devolin	Dreeshen
Duncan (Vancouver Island North)	Dykstra
Fantino	Fast
Findlay (Delta—Richmond East)	Flaherty
Fletcher	Galipeau
Gallant	Gill
Glover	Goguen
Goldring	Gosal
Gourde	Grewal
Harris (Cariboo—Prince George)	Hawn
Hayes	Hiebert
Hillyer	Hoback
Holder	James
Jean	Kamp (Pitt Meadows—Maple Ridge—Mission)
Keddy (South Shore—St. Margaret's)	Kenney (Calgary Southeast)
Kent	Kerr
Komarnicki	Kramp (Prince Edward—Hastings)
Lake	Lauzon
Lebel	Leaf
Leitch	Lemieux
Leung	Lizon
Lobb	Lunney
MacKay (Central Nova)	MacKenzie
Mayes	McColeman
McLeod	Menegakis
Menzies	Merrifield
Miller	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Nicholson
Norlock	Obhrai
O'Connor	Oliver
O'Neill Gordon	Opitz
O'Toole	Paradis
Payne	Poilievre
Preston	Raitt
Rajotte	Reid
Rempel	Richards
Rickford	Saxton
Seeback	Shea
Shipley	Shory
Sopuck	Stanton
Storseth	Strahl
Sweet	Tilson
Toet	Toews
Trost	Trottier
Truppe	Tweed
Uppal	Valcourt
Van Kesteren	Van Loan
Vellacott	Wallace
Warawa	Warkentin
Watson	Weston (West Vancouver—Sunshine Coast—Sea to Sky Country)
Sky Country)	Wilks
Weston (Saint John)	Wong
Williamson	Yelich
Woodworth	Young (Vancouver South)
Young (Oakville)	
Zimmer— 153	

Nil

PAIRED

The Speaker: I declare the amendment defeated.
The next question is on the main motion.

Hon. Gordon O'Connor: Mr. Speaker, if you seek it, I believe you will find agreement to apply the results of the previous motion to the current motion, with the Conservatives voting yes.

The Speaker: Is that agreed?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: There does not seem to be consent.

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

Some hon. members: Yea.

Some hon. members: Nay.

The Speaker: In my opinion the nays have it.

And five or more members having risen:

● (1540)

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

(Division No. 744)

YEAS

Members

Ablonczy	Adams
Adler	Aglukkaq
Albas	Albrecht
Allen (Tobique—Mactaquac)	Allison
Ambler	Ambrose
Anders	Anderson
Armstrong	Aspin
Baird	Bateman
Benoit	Bergen
Bernier	Bezan
Blaney	Block
Boughen	Braid
Breitkreuz	Brown (Leeds—Grenville)
Brown (Newmarket—Aurora)	Brown (Barrie)
Bruinooge	Butt
Calandra	Calkins
Cannan	Carmichael
Carrie	Chisu
Chong	Clarke
Clement	Crockatt
Daniel	Davidson
Dechert	Del Mastro
Devolin	Dreeshen
Duncan (Vancouver Island North)	Dykstra
Fantino	Fast
Findlay (Delta—Richmond East)	Flaherty
Fletcher	Galipeau
Gallant	Gill
Glover	Goguen
Goldring	Gosal
Gourde	Grewal
Harris (Cariboo—Prince George)	Hawn
Hayes	Hiebert
Hillyer	Hoback
Holder	James
Jean	Kamp (Pitt Meadows—Maple Ridge—Mission)
Keddy (South Shore—St. Margaret's)	Kenney (Calgary Southeast)
Kent	Kerr
Komarnicki	Kramp (Prince Edward—Hastings)
Lake	Lauzon

Lebel
Leitch
Leung
Lobb
MacKay (Central Nova)
Mayes
McLeod
Menzies
Miller
Moore (Fundy Royal)
Norlock
O'Connor
O'Neill Gordon
O'Toole
Payne
Preston
Rajotte
Rempel
Rickford
Seeback
Shipley
Sopuck
Storseth
Sweet
Toet
Trost
Truppe
Uppal
Van Kesteren
Vellacott
Warawa
Watson
Sky Country)
Weston (Saint John)
Williamson
Woodworth
Young (Oakville)
Zimmer— 153

Leef
Lemieux
Lizon
Lunney
MacKenzie
McColeman
Menegakis
Merrifield
Moore (Port Moody—Westwood—Port Coquitlam)
Nicholson
Obhrai
Oliver
Opitz
Paradis
Poilievre
Raitt
Reid
Richards
Saxton
Shea
Shory
Stanton
Strahl
Tilson
Toews
Trottier
Tweed
Valcourt
Van Loan
Wallace
Warkentin
Weston (West Vancouver—Sunshine Coast—Sea to
Wilks
Wong
Yelich
Young (Vancouver South)

Morin (Chicoutimi—Le Fjord)
Morin (Laurentides—Labelle)
Mulcair
Nash
Nunez-Melo
Péclét
Pilon
Quach
Rankin
Raynault
Rousseau
Sandhu
Scott
Sgro
sor)
Sims (Newton—North Delta)
St-Denis
Thibeault
Tremblay
Valeriote— 119

Routine Proceedings

Morin (Notre-Dame-de-Grâce—Lachine)
Mourani
Nantel
Nicholls
Papillon
Perreault
Plamondon
Rafferty
Ravignat
Regan
Saganash
Scarpaleggia
Sellah
Simms (Bonavista—Gander—Grand Falls—Wind-
sor)
Sitsabaiesan
Sullivan
Toone
Turmel

PAIRED

Nil

The Speaker: I declare the motion carried.

(Bill read the third time and passed)

Hon. Peter MacKay: Mr. Speaker, I have a point of order arising from today's question period. In a question, the member for Scarborough—Guildwood made a definitive statement that a member of the Canadian Forces, Corporal Kirkland, had been released from the Canadian Forces.

I can now confirm that is not the case. There were papers signed and explained to him that had to do with his future career. He wilfully signed those papers, but I can confirm that he has not been released from the Canadian Armed Forces.

Hon. John McKay: Mr. Speaker, I actually have my hands on these papers. I really do not want to get into what is essentially confidential information, but I would think that the minister would prefer to read this document and make his assessment as to whether Corporal Kirkland, when he returned to CFB Shilo, was in fact offered his military discharge.

The Speaker: This sounds like material for a future question period, perhaps. I am not sure it is a point of order.

ROUTINE PROCEEDINGS

[English]

INTERNATIONAL CIVIL AVIATION ORGANIZATION HEADQUARTERS

Hon. John Baird (Minister of Foreign Affairs, CPC): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to table, in both official languages, the treaty entitled “Supplementary Agreement Between the Government of Canada and the International Civil Aviation Organization Regarding the Headquarters of the International Civil Aviation Organization”, done at Montreal, May 27. An explanatory memorandum is included with the treaty.

This is great news for Montreal, great news for Canada and great news for Quebec.

NAYS

Members

Allen (Welland)
Angus
Atamanenko
Bélangier
Benskin
Blanchette
Boulerice
Brisson
Caron
Cash
Chicoine
Choquette
Christopherson
Cotler
Cullen
Davies (Vancouver Kingsway)
Day
Dion
Donnelly
Dubé
Duncan (Edmonton—Strathcona)
Easter
Freeman
Garneau
Genest
Giguère
Goodale
Grogulé
Harris (St. John's East)
Hughes
Jacob
Julian
Lapointe
Latendresse
LeBlanc (Beauséjour)
Leslie
MacAulay
Marston
Mathysen
McCallum
Michaud

Andrews
Ashton
Aubin
Bennett
Bevington
Blanchette-Lamothe
Boutin-Sweet
Brosseau
Casey
Charlton
Chisholm
Chow
Côté
Crowder
Cuzner
Davies (Vancouver East)
Dewar
Dionne Labelle
Doré Lefebvre
Duncan (Etobicoke North)
Dusseault
Eyking
Fry
Garrison
Genest-Jourdain
Godin
Gravelle
Harris (Scarborough Southwest)
Hsu
Hyer
Jones
Lamoureux
Larose
Laverdière
LeBlanc (LaSalle—Émard)
Liu
Mai
Masse
May
McKay (Scarborough—Guildwood)
Moore (Abitibi—Témiscamingue)

Routine Proceedings

[Translation]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Andrew Saxton (Parliamentary Secretary to the President of the Treasury Board and for Western Economic Diversification, CPC): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's responses to seven petitions.

* * *

[English]

COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS

Mr. David Christopherson (Hamilton Centre, NDP): Mr. Speaker, I have the honour to present, in both official languages, the 15th report of the Standing Committee on Public Accounts in relation to its study of chapter 6, Special Examinations of Crown Corporations—2011, of the spring 2012 report of the Auditor General of Canada.

Pursuant to Standing Order 109 of the House of Commons, the committee requests that the government table a comprehensive response to this report.

FOREIGN AFFAIRS AND INTERNATIONAL DEVELOPMENT

Mr. Dean Allison (Niagara West—Glanbrook, CPC): Mr. Speaker, I have the honour to present, in both official languages, the 12th report of the Standing Committee on Foreign Affairs and International Development. This report is a result of a study done by the Subcommittee on International Human Rights and is entitled, "Conflicting Realities: Reform, Repression and Human Rights in Burma".

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this report.

* * *

[Translation]

NAVIGABLE WATERS PROTECTION ACT

Ms. Anne Minh-Thu Quach (Beauharnois—Salaberry, NDP) moved for leave to introduce Bill C-527, An Act to amend the Navigable Waters Protection Act (Lake Joseph and other lakes and rivers).

She said: Mr. Speaker, I would like to thank the member for Drummond for seconding this bill, which is designed to add several rivers, waterways and lakes in four Conservative Quebec ridings to the too-short list of waterways that will continue to be protected. Less than 2% of Canada's waterways are being protected.

Among the waterways this bill would add is the Chaudière River, which runs through a large part of the Quebec region of Beauce. Chutes-de-la-Chaudière park, near Lake Mégantic, is an important spot because numerous outdoor and tourist activities take place there.

Lac des Abénaquis, near Sainte-Aurélie, is known for its fishing. There is a fishing tournament there every summer. The fact that this lake is no longer protected because of Conservative legislation

means that the right to fish and the right to navigate are no longer guaranteed.

That is why we, the NDP, have introduced bills such as this one. First of all, we want members of the public to know about the changes, and second, we want them to try and change the Conservatives' minds about Bill C-45, which has resulted in less than 2% of our waterways being protected.

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

* * *

● (1545)

[English]

CONSERVATION OF NATIONAL HISTORIC SITES ACT

Mr. Gordon Brown (Leeds—Grenville, CPC) moved for leave to introduce Bill C-528, An Act to provide funding for the conservation of national historic sites.

He said: Mr. Speaker, I would first like to thank the hon. member for Edmonton Centre for seconding my private member's bill.

I am happy to rise today to introduce this bill. It is an act to provide funding for the conservation of national historic sites. This bill would provide the means by which individuals and corporations could donate money to be used for the preservation of national historic sites and receive tax receipts. It also sets out how the money would be used.

Our national historic sites are important cultural places that help link us to our past, but there are costs to repair them, and those costs are increasing all the time. In my time at the St. Lawrence Parks Commission, when it oversaw the operation of Fort Henry in Kingston, I saw this first-hand. People came forward with ideas to contribute and get tax receipts.

There are additional national historic sites that need long-term support, such as the Rideau Canal in my riding of Leeds—Grenville, as well as Fort Wellington and the Delta mill and other national historic sites. This bill would help do that. It would help to see that these sites plan for the major restoration work that always needs to be done.

I look forward to this bill being debated and passed in order to help all of our national historic sites.

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

* * *

NAVIGABLE WATERS PROTECTION ACT

Ms. Linda Duncan (Edmonton—Strathcona, NDP) moved for leave to introduce Bill C-529, An Act to amend the Navigable Waters Protection Act (Slave River).

She said: Mr. Speaker, I am pleased to table my bill, an act to amend the Navigable Waters Protection Act for Slave River. I wish to thank my colleague, the member for Western Arctic, for seconding this bill, which is of great significance to his constituents.

Routine Proceedings

The purpose is both simple and necessary. It will add the mighty Slave River, flowing from Alberta to the Northwest Territories, to the substantially diminished list of rivers the government has deemed worthy of protection.

According to David Livingstone, former director of Indian and Northern Affairs' water division:

Life in the North has always revolved around water in an intimate way that many other jurisdictions have lost. The value of water in the North is the same as the value of water to people who live in deserts: central to life.

This bill actually amends the 2012 Budget Implementation Act. Why? The government, absent any advance consultations, including with those directly impacted, used its budget bill to further eviscerate this century-and-a-half-year-old protection law.

The Navigable Waters Protection Act, originally enacted to guarantee navigation rights, has been upheld by the Supreme Court of Canada as an important trigger for federal action to protect rivers and lakes. The law, pre-evisceration, served as key trigger for federation assessment and permitting.

The decision to remove protective measures for the Slave River was made absent any consultations with the aboriginal peoples who have a long-standing connection to the river. In so doing, the government violated its overriding constitutional duty of prior consultation and accommodation of aboriginal rights and title.

According to Cheyenne Paulette, former chief of Smith's Landing First Nation, located on the banks of the Slave River:

The Slave River has sustained our people since time immemorial. We have a vision for the river that ensures it will continue to be a home for our people for all time, and we know many other Northerners share our vision.

For centuries the river has provided the major transportation route between Fort Fitzgerald in the Northwest Territories and Fort Chipewyan. According to elder François Paulette, who was raised on the river, the Slave River is considered sacred and is to be respected.

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

* * *

●(1550)

PETITIONS

SEARCH AND RESCUE

Mr. John Rafferty (Thunder Bay—Rainy River, NDP): Mr. Speaker, I have hundreds of signatures, mostly from residents of Ontario. They are concerned about the closure of the Thunder Bay Marine Communication and Traffic Services Centre.

The petitioners are worried that the closing of this centre puts at risk and threatens the lives of fishers and all sorts of other people who use these waters. They are calling upon the House to reverse the decision to close the Thunder Bay Marine Communication and Traffic Services Centre in the name of safety for the lives of all mariners and for the safety of the marine environment.

SHARK FINNING

Mr. Fin Donnelly (New Westminster—Coquitlam, NDP): Mr. Speaker, I rise to present two petitions from thousands of Canadians.

The first petition calls on the House to implement a shark fin import ban. The petitioners say that measures must be taken to stop the global practice of shark finning and ensure the responsible conservation and management of sharks.

The petitioners are calling on the Government of Canada to immediately legislate a ban on the importation of shark fin to Canada.

SEARCH AND RESCUE

Mr. Fin Donnelly (New Westminster—Coquitlam, NDP): Mr. Speaker, my second petition calls on the government to save the Kitsilano Coast Guard station.

The petitioners say that the recent decision by the federal government to close the Kitsilano Coast Guard station is a grave mistake that will undoubtedly cost the lives of those in peril on the shores and waters near Vancouver Harbour, which is of course the busiest port in the country.

The petitioners call on the Government of Canada to rescind this decision and reinstate full funding to maintain the Kitsilano Coast Guard station.

LYME DISEASE

Mr. David Tilson (Dufferin—Caledon, CPC): Mr. Speaker, I have a petition from a number of citizens, all from the province of Ontario.

The petitioners are concerned with Lyme disease. They say a number of things about this disease, including that Canadians will benefit from the establishment of a national standard of care for the treatment of Lyme disease, a coordinated national effort to track the spread of the disease and increased public education and awareness to better prevent and detect instances of Lyme disease in Canada.

The petitioners call on the government to convene a national conference with provincial and territorial health ministers, representatives of the medical community and patient groups for the purpose of developing a national strategy to work towards ensuring the recognition, timely diagnosis and effective treatment of Lyme disease in Canada.

Routine Proceedings

PAN-CANADIAN CONCUSSION STRATEGY

Ms. Kirsty Duncan (Etobicoke North, Lib.): Mr. Speaker, I am pleased to present six petitions regarding concussions. The signatures were collected by two extraordinary young women in my riding, Sandhya and Swapna Mylabathula, who spent almost three years working on a bill proposal for a pan-Canadian concussion strategy. Concussion can deeply impact individuals psychologically, neuropsychologically, socially and economically. Those living with this brain injury deserve comprehensive action and support. The petitioners call on the government to enact a pan-Canadian concussion awareness week; a pan-Canadian strategy for prevention, diagnosis and management; and a centre for excellence in concussion research.

VENEZUELA

Mr. Wladyslaw Lizon (Mississauga East—Cooksville, CPC): Mr. Speaker, I am honoured to present two petitions on behalf of Canadians residing in Ontario, mainly Venezuelan Canadians. They ask the House to turn its attention to the fact that since the last presidential election in Venezuela, electoral human rights and civil rights of the Venezuelan people have been shamefully violated. They ask our government to take a strong position in this regard and plead for a peaceful and democratic resolution to this crisis.

• (1555)

[*Translation*]

EMPLOYMENT INSURANCE

Mrs. Anne-Marie Day (Charlesbourg—Haute-Saint-Charles, NDP): Mr. Speaker, I have three petitions calling on the Government of Canada to reverse its decision about Bill C-38 and the devastating changes to employment insurance made in the spring of 2012.

GENDER PARITY

Mrs. Anne-Marie Day (Charlesbourg—Haute-Saint-Charles, NDP): Mr. Speaker, my last petition is about Bill C-473, which seeks to achieve gender parity in federal crown corporations where ministers appoint individuals.

EMPLOYMENT INSURANCE

Mr. Philip Toone (Gaspésie—Îles-de-la-Madeleine, NDP): Mr. Speaker, today I am pleased to present a petition signed by several thousand people from my riding, Gaspésie—Îles-de-la-Madeleine, who oppose the employment insurance reforms in Bill C-38.

The petition condemns the reform and calls on the Conservatives to cancel it and undertake consultations if they ever want to start another employment insurance reform process. They should start by talking to people. Then their reforms should be based on the needs of people in the regions, not faulty reasoning.

THE DEAF AND HARD OF HEARING

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I am pleased to present a petition signed by hundreds of people from across Canada, from Vancouver, British Columbia, from Edmonton and Okotoks in Alberta, from Montreal and the Laurentians in Quebec and from Dieppe and Moncton in New Brunswick.

All of these people are calling on the Government of Canada to look into issues related to discrimination against people who are deaf or hard of hearing.

Discrimination against this group of people is currently at the heart of a case involving the Income Tax Act. Canadians would like parliamentarians to support Bill C-246, An Act to amend the Income Tax Act (hearing impairment). This bill would enable people who are deaf or hard of hearing to benefit from the disability tax credit.

[*English*]

IMPAIRED DRIVING

Mr. Mark Warawa (Langley, CPC): Mr. Speaker, I am honoured to present two petitions. The first highlights the sad fact that last year 22-year-old Kassandra Kaulius was killed by a drunk driver. A group of people, called Families for Justice, who have also lost loved ones to impaired drivers want to see tougher laws in the implementation of new mandatory minimum sentencing for those persons convicted of impaired driving causing death.

SEX SELECTION

Mr. Mark Warawa (Langley, CPC): Mr. Speaker, the second petition I have from beautiful Langley is with regard to gendercide. The petitioners highlight that 92% of Canadians believe that sex-selective pregnancy termination should be illegal, and that there are over 200 million missing girls in the world right now. They ask for Parliament to condemn this worst form of discrimination against girls.

FISHERIES AND OCEANS

Mr. Bruce Hyer (Thunder Bay—Superior North, Ind.): Mr. Speaker, I would like to present a petition on behalf of residents from Thunder Bay and across much of Ontario protesting the closure of the Thunder Bay Marine Communications and Traffic Services centre. It covers an area all the way from Lake Winnipeg down through Lake Superior, all the way to Lake Huron. It ensures the safety of boaters throughout that entire series of watersheds. They ask us to reverse the government's decision to close that centre.

CLUSTER MUNITIONS

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, I would like to table a petition from people from St. Albert, Edmonton and Calgary who want greater action to be taken by Parliament on dealing with cluster munitions.

The petitioners want amendments to Bill S-10 to close the loopholes, making it clear no Canadians should ever be involved in the use of cluster munitions, including explicit prohibition on investment in cluster munition production, and to add mention of the positive obligations Canada has assumed in signing the Convention on Cluster Munitions.

Routine Proceedings

● (1600)

INTERNATIONAL CO-OPERATION

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, I have three petitions as well that I wish to table for Development and Peace. The petitioners call on Parliament to adopt the following policy goals:

Demonstrate international responsibility by recommitting Canada to contribute 0.7% GDP to official development assistance; prioritize responsive funding to those NGOs that support work with CIDA; and, in the spirit of global solidarity, provide in full the funding of \$49.2 million requested by Development and Peace over the next five years.

THE ENVIRONMENT

Mrs. Carol Hughes (Algoma—Manitoulin—Kapusksing, NDP): Mr. Speaker, I am pleased to table petitions about the restoration of the Great Lakes water levels. There are over 400 names on this petition from southern Ontario; western Ontario; northern Ontario, including Sault Ste. Marie and North Bay; B.C.; and Alberta.

As members may be aware, this spring the International Joint Commission tabled its study on the international Great Lakes and it should be noted that the IJC made some pretty strong recommendations to the federal government for actions to investigate the restoration of Lake Michigan and Lake Huron levels. It is not just about the ecological concerns, but also about the economic and safety concerns.

The petitioners are asking that the Canadian federal Ministers of Natural Resources; the Environment; Fisheries and Oceans; and Transport, Infrastructure and Communities increase their efforts significantly to halt and reverse the ongoing loss of water in the Great Lakes, especially Lake Huron.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Andrew Saxton (Parliamentary Secretary to the President of the Treasury Board and for Western Economic Diversification, CPC): Mr. Speaker, if Questions Nos. 1,322 to 1,325 could be made orders for returns, these returns would be tabled immediately.

The Acting Speaker (Mr. Barry Devolin): Is that agreed?

Some hon. members: Agreed.

[Text]

Question No. 1322—**Mr. Jean Rousseau:**

With regard to the 2013-2014 Main Estimates for the Canada Border Services Agency: (a) how many positions were cut, broken down by program; (b) what will the sources of spendable revenue be, broken down by amount; (c) what will the sources of professional and special services expenditures be, broken down by (i) service, (ii) contractor, (iii) amount; and (d) what will the sources of other subsidies and payments expenditures be, broken down by (i) subsidy, (ii) payment, (iii) amount?

(Return tabled)

Question No. 1323—**Mr. Philip Toone:**

With regard to the commercial wharves in the province of Quebec and the Atlantic provinces: (a) what commercial wharves are in operation today, broken

down by (i) province, (ii) riding, (iii) municipality; (b) of the wharves mentioned in (a), what are the estimated repair costs, broken down by (i) province, (ii) riding, (iii) municipality, (iv) wharf; and (c) of the wharves mentioned in (a), what are the estimated maintenance costs, broken down by (i) province, (ii) riding, (iii) municipality, (iv) wharf?

(Return tabled)

Government Orders

Question No. 1324—Ms. Elizabeth May:

With regard to the Canada-China Foreign Investment Promotion and Protection Agreement (FIPA), and new developments in investment arbitration which have arisen since the text of the agreement was finalized in early 2012: (a) has the government conducted any study on the fiscal risk or regulatory impacts that may arise from the litigation and resolution of the North American Free Trade Agreement (NAFTA) claim against Quebec's moratorium on gas fracturing (also known as fracking); (b) has the government reviewed its approach to reservations in the FIPA and other treaties that provide for investor-state arbitration in light of the decision in *Mobil Investments Inc. and Murphy Oil Corporation v. Government of Canada*, with particular reference to the fact that a majority of the tribunal rejected Canada's argument by concluding that subsidiary measures (introduced under legislation that was reserved under the treaty) must be consistent not only with the reserved legislation but also with prior subsidiary measures introduced under the relevant legislation; (c) has the government examined Canada's vulnerability to investor claims arising from domestic court decisions and domestic judicial doctrines, as in the recent *Eli Lilly* claim against Canada and the *Deutsche Bank* award against Sri Lanka; (d) on what basis does the government conclude that its previously-stated intention not to violate the Canada-China FIPA is a prudent and reasonable assumption given that Canada has been found to have violated similar obligations in Chapter 11 of NAFTA in the past and faces numerous outstanding NAFTA Chapter 11 claims; (e) has the government assessed its risks and liabilities arising from investor-state arbitration under the Canada-China FIPA in light of the experience of other countries pursuant to other treaties that provide for investor-state arbitration (for example, bilateral investment treaties, Central America Free Trade Agreement, the Energy Charter Treaty) or has the government limited its assessment in this regard to the experience under Chapter 11 of NAFTA, and, if so, on what basis does the government conclude that the experience under the former is not relevant to the Canada-China FIPA; (f) with particular reference to the fact that the government has cited projections that Chinese outbound investment may reach \$1 trillion by 2020, and given that Canada's share of Chinese outbound investment in 2011 was approximately one sixth of total Chinese outbound investment, does the government accept that it is reasonable to expect that Chinese investment in Canada will reach one hundred billion dollars or more during the minimum lifespan of the Canada-China FIPA, and, if the government does not accept this, what steps does the government intend to take to limit the amount of Chinese investment in Canada; (g) has the government committed in writing to cover all costs and liabilities arising from investor-state arbitration claims under the Canada-China FIPA where such claims arise from measures of a provincial, territorial, municipal, aboriginal, or other sub-national decision-maker in Canada; (h) is the government aware of any connection between the payment of \$15 million by Ontario to the claimant in *St. Mary's VCNA, LLC v. Government of Canada* and the claimant's agreement to withdraw its NAFTA claim against Canada and to agree to the related consent award with the government; (i) is the government aware of any payment of compensation by Quebec to the claimant in *William Jay Greiner and Malbaie River Outfitters Inc. v. Government of Canada* in relation to the claimant's withdrawal of its NAFTA claim against Canada in that case; (j) were Canadian Embassy staff in Beijing consulted on or involved in the negotiation of the Canada-China FIPA during 2011 and 2012, and if so, (i) what was the process for consulting Canadian Embassy staff and how were they involved, (ii) was the process similar to that used in previous consultations with the in-country Canadian embassy or consulate for the negotiation of other bilateral investment treaties, and if so, in what respects; (k) with regard to the Canada-China FIPA, has the government done an assessment of the implications of extending the FIPA's performance requirements obligation to provincial and other sub-national decision-makers, with particular reference to the fact that Article 1109 of NAFTA exempts existing provincial measures from the performance requirements obligation referred to in NAFTA Article 1108; (l) as a result of the most-favoured-nation treatment clause in NAFTA, will the Canada-China FIPA's extension of the performance requirements obligation to the provinces and other sub-national decision-makers allow U.S. investors to bring claims against Canada arising from provincial decisions or other measures in circumstances where Canadian investors would not be able to bring claims against the U.S. where the challenged measure was taken by a U.S. state or other sub-national decision-maker; (m) has the government done any assessment of the implications of not extending the treaty's reservations on aboriginal rights, pursuant to Annex II of the Canada-Peru Free Trade Agreement, to Article 9 of the Canada-China FIPA on performance requirements, with particular reference to the fact that the comparator reservation in NAFTA does extend to NAFTA Article 1108 on performance requirements; (n) has the government done any assessments of potential conflicts or inconsistencies between the provisions of the Canada-China FIPA and Chapter 6 (Energy and Basic Petrochemicals) of NAFTA and, in particular, the provisions on measures restricting imports and exports of energy and basic petrochemical goods; (o) with regard to the Final Environmental Assessment of the Canada-China FIPA, who decided and how was it determined that (i) there was no

causal relationship between the Canada-China FIPA and inbound Chinese investment in Canada, (ii) there was, as a result, no environmental impact from the FIPA, and on what evidence did the government rely to make these determinations; (p) how many public submissions did the government receive as part of its Environmental Assessment of the Canada-China FIPA, and how many public submissions did the government receive for each other FIPA negotiated for which an Environmental Assessment was conducted; (q) which negotiators and environmental experts were involved in the Environmental Assessment of the Canada-China FIPA and how were the environmental considerations of the experts and the public integrated into the negotiating strategy; (r) what, if any, studies has the government undertaken to assess the impact on future model bilateral investment treaties of extending most-favoured-nation treatment in the Canada-China FIPA to treatment accorded under any bilateral or multilateral international agreement in force on or after January 1, 1994; (s) how will the government ensure that any settlements of claims against Canada under the Canada-China FIPA, or under any other treaty that provides for investor-state arbitration, to which a provincial government is a party will be made public; and (t) does the government know if China has ratified the Canada-China FIPA?

(Return tabled)

Question No. 1325—Mr. Lawrence Toet:

With regard to federal transfers, grants, contributions, bilateral agreements or any other arrangements, what were the amounts paid out to the government of Manitoba (including through municipalities in Manitoba) in 2011 and 2012, broken down by the (i) year, (ii) name of the program under which the funding was allocated, (iii) individual amount?

(Return tabled)

[English]

Mr. Andrew Saxton: Mr. Speaker, I ask that the remaining questions be allowed to stand.

The Acting Speaker (Mr. Barry Devolin): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

TAX CONVENTIONS IMPLEMENTATION ACT, 2013

BILL S-17—TIME ALLOCATION MOTION

Hon. Ted Menzies (Minister of State (Finance), CPC) moved:

That, in relation to Bill S-17, An Act to implement conventions, protocols, agreements and a supplementary convention, concluded between Canada and Namibia, Serbia, Poland, Hong Kong, Luxembourg and Switzerland, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes, not more than five further hours shall be allotted to the consideration of the second reading stage of the Bill; and

that, at the expiry of the five hours provided for the consideration of the second reading stage of the said Bill, any proceedings before the House shall be interrupted, if required for the purpose of this Order, and, in turn, every question necessary for the disposal of the said stage of the Bill shall be put forthwith and successively, without further debate or amendment.

The Acting Speaker (Mr. Barry Devolin): Before I proceed with this, I also wish to inform the House that because of the deferred recorded divisions, government orders will be extended by 30 minutes this evening, or tomorrow morning as the case may be.

Government Orders

Pursuant to Standing Order 67.1, there will now be a 30-minute question period. I now invite hon. members who wish to ask questions to rise in their places so the Chair has some idea of how many members wish to participate in this debate. As there is a significant number, in the questions and comments we will follow a similar procedure to that during debate. The members will have about a minute and 15 seconds to put their questions and a similar amount of time for response.

The hon. House Leader of the Opposition.

• (1605)

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, I will put my question to my friend across the way. We are engaged now in another shutting off of debate. The Conservatives have broken every record known to Canadian parliaments by a long shot now, where we have so many that we start to lose count.

The curiosity for us is that, without breaking any confidentiality, we engaged in good faith negotiations about this bill and some others that have since been shut down by the Conservative government. We were working out a way for the House to be productive because, in the thrust, we support the legislation.

For the government to move time allocation, it may in fact actually cost the House more time using the process that it is, as opposed to doing what parliaments are meant to do, which is try to work together to make good things happen for the country. We are in the process and not so much the substance of this particular bill.

On the process, I have to ask my friend, what is going on over there? We try to reach out and make things work, and assign a little bit of certainty to the way the debate will progress so that we can move legislation forward and make it better, perhaps. The government slams open an open door.

What about time allocation and shutting down debate does the Conservative government love so much? Why is it addicted to cutting off the conversation that is our Parliament and allowing MPs to do their work?

Hon. Ted Menzies: Mr. Speaker, I think anyone watching this debate will recognize that my friend across the way and I actually get along quite well on many things. I do want to share with him that what I am addicted to is actually getting things done for Canadians.

When we see a piece of legislation that the hon. member just said opposition members support, I would suggest that we should probably get on with it as quickly as we can. This process is necessary to make sure that we get these pieces of legislation. We have repeatedly had to do this, because we have heard speeches time and time again in debate where we could almost hit replay on some of the speeches. I have even sat in my office sometimes when I am not on duty and watched.

That is not an expeditious use of those members' time, our time or the time of the House. It is very important. Canadians have listened to this. To Canadians who are listening to this debate, I would encourage them to understand the principles behind what it is that we are passing.

There have been 100 days of discussion and debate on this. I think it is time to move on.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, my view differs quite substantially from what the minister has just stated. In fact, the government's attitude toward due process is quite shameful.

Ever since we have had the Conservative reform majority government, there has been a negative change in attitude that comes right from the Prime Minister's Office. It is disrespectful to the proper procedures here inside the House of Commons. Every member of this chamber should be very much aware of the degree to which the Conservative government is preventing legitimate, due diligent debate on a wide variety of bills.

We have done this now over 40 times. That is over 20 hours absolutely wasted because of the government's need to bring in time allocation. It is shameful. The Leader of the Government in the House of Commons and the Prime Minister are doing a great disservice to Canadians and to our democratic system.

My question is not for the minister, but rather for the Leader of the Government in the House of Commons, who has a responsibility in good faith to negotiate with opposition parties. The question is very simple. Why is he refusing to negotiate in good faith with all opposition parties in the House, so that bills can be dealt with in a more timely fashion and in the best interests of all Canadians?

• (1610)

Hon. Ted Menzies: Mr. Speaker, I do not want to speak for other ministers. They are quite capable of speaking for themselves.

However, in answer to that, the urgency we feel is in getting this piece of legislation passed, which is very much a housekeeping piece of legislation that has received more than 100 days of parliamentary debate. Folks back home watching this would say that should be enough for all witnesses who would like to comment on this to appear and for all parliamentarians who would wish to comment on it to have ample opportunity to do that.

However, I sense a bit of sensitivity coming from the Liberal Party perhaps because we are working on stopping international tax havens. I am sure there is some sensitivity on behalf of the Liberals. They do not want to see this happen because one of their caucus members actually has \$1.7 million in a tax haven, as my understanding would have it.

I think we should get on with fixing this as fast as we can.

Mr. Murray Rankin (Victoria, NDP): Mr. Speaker, I have the honour of being the official opposition's revenue critic and do not know of the 100 days of which my friend speaks. If he is referring to the other place, there are no representatives from the official opposition there.

I understand we offered an arrangement to get what the parliamentary secretary properly calls a housekeeping bill to the floor for debate, but there are things that need to be talked about. Canadians want to see some debate on this matter.

Government Orders

Is the parliamentary secretary using time allocation to show Canadians that the Conservatives do not trust the parliamentary process? Is that why time allocation is being applied when we are in favour of this bill? Could he explain that?

Hon. Ted Menzies: Mr. Speaker, forgive me if I am not understanding the reasoning here, but if the opposition members are indeed in favour of it then why should we not move forward with this piece of legislation and actually accomplish what it very definitively sets out?

This is a double taxation agreement with countries such as Namibia, Serbia, Poland, Luxembourg, Switzerland and Hong Kong. These are important trading partners. They are not just trading partners but very important financial sectors, especially Hong Kong. We do a lot of financial transactions back and forth with Hong Kong. A lot of our financial institutions are doing an incredible amount of work. At last count we have three-quarters of a million Canadians living in Hong Kong.

We think this is very important. If the hon. members on both sides of the House are in support of it, let us move on to another piece of legislation about which we can have some reasonable debate. If everyone is in favour of it, let us vote for it.

[*Translation*]

Mrs. Anne-Marie Day (Charlesbourg—Haute-Saint-Charles, NDP): Mr. Speaker, we should all have counters on our social media screens to watch the numbers go up: 38, 39, 40, 41, 42, 43.

Every time there is an obstacle and we lose time in the House because of a time allocation motion, we should see the number go up. Perhaps if we all had that on our television screens, then this government might understand that we are entitled to speak in the House. This is the only way to inform our constituents about what is happening with bills if they do not attend the committee hearings.

[*English*]

Hon. Ted Menzies: Mr. Speaker, indeed there has been an opportunity, which is all recorded, that being the debates that happened within the Senate, within the Senate committees. I would encourage hon. members to go back to that.

Once again, if all hon. members support this piece of legislation, then we should make the best use of our time and get on with the substantive discussions. I am sure the Speaker would encourage us to do that. We are offering the time to actually debate this piece of legislation, to talk about the benefits of it.

I might share with this House that I just had meetings with the OECD, and one of the primary roles it is playing right now is on base erosion and profit shifting. It is doing a consultation paper for the G20 leaders when they meet later on. Every country is concerned, but specifically the OECD members, with this profit shifting, a term we are not used to using here but I think pretty much explains itself, that being the shifting of profits to lower tax jurisdictions.

That is part of what we are doing here. Since the Liberals started this process of these tax treaties, there have been 30 of them that have been set out in legislation in this government and previous governments. It is nothing new. Hon. members could have done their

homework to see exactly what we are doing and why we are doing it. There was ample time for that.

● (1615)

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, the truth is that this is the 43rd time the Conservatives have imposed closure.

Mrs. Carol Hughes: Forty-four.

Mr. Peter Julian: It is the 44th, the member for Algoma—Manitoulin—Kapusking is reminding me.

Mr. Speaker, the government has even lost track of the number of closure motions it has brought in. Every single time, it has another excuse, something else it rolls out to say it should not be debated in Parliament for this reason or it should not be debated in Parliament for that reason.

The reality is that the debate that should be held on this issue is around the Conservatives' failure on tax evasion. They slashed a quarter of a billion dollars from CRA. They have killed 3,000 positions for people who are supposed to be looking out and doing the follow-up through CRA. Of course, the Conservatives do not want that to come out in public, so they want to shut down debate. They want to ensure that in Parliament we are not debating the reality of the current government's complete and utter failure on tax evasion.

Now, the other reality is that the government gets it wrong when it rushes through legislation, as members know. There are a number of pieces of legislation before the courts, and there are others that have had to be redrafted because the Conservatives botched the drafting in the first place. That is another important role for Parliament, to ensure we can identify where the Conservatives have screwed up this time.

My question for my hon. colleague is simply this. Why do Conservatives constantly try to shut down debate when we all know it is their record that is the problem?

Hon. Ted Menzies: Mr. Speaker, to answer the question on records, today we reached another record milestone. We moved tax freedom day two weeks ahead. That is because of this government's policies of not just sitting in the House and debating issues but actually getting it done. If we waited for the NDP to support us on everything it opposes, we would probably not have a million more Canadians working today than were working in the depths of the recession in 2009. Every successive budget, every successive policy change that we put forward, to not only help Canadians get back to work but to help those who could not find a job have access to EI, the NDP voted against. It would have us in the position of some of the countries we look at in Europe that are in recession.

Canada has an incredible record. When he talks about records, I do not mind repeating the fact that last month 54,000 young people got a job. Youth employment has been a challenge for us all. We have had many questions in this House, and rightfully so. We are concerned about our youth. If we were to travel to Europe, we would see 60% youth unemployment. We do not have that here. Ours is still too high, but there are 54,000 more of them working this month than last month. We think that is a pretty good record.

Government Orders

Mrs. Carol Hughes (Algoma—Manitoulin—Kapuskasing, NDP): Mr. Speaker, as we mentioned a while ago, this is the 44th time the government is limiting debate on important bills. If they were that important, why did it not bring them forward before? That is the question of the day, really. Also, if they were that important, why were those bills not actually tabled here in the House, as opposed to in that other house of unelected senators?

The member across talked about the fact that we actually voted against certain bills and that this is why the government is moving time allocation. It is talking about the EI bills. Let me tell members that we voted against the EI changes in the budget because they do not respond to the needs of Canadians and the government is going in the wrong direction.

He also talked about the concerns for youth, yet here is a government that has cut back on that.

I spoke to a gentleman just this past weekend who used to work for the federal government, in the industry part, in skills training. He said we are not going forward; we are actually going backward.

My question for the member is this. Why does the government continue to not allow proper debate to take place where it should be taking place, right here in the House, and what was the urgency on this?

• (1620)

Hon. Ted Menzies: Mr. Speaker, there certainly is urgency to most of these pieces of legislation that we are putting forward. There was certainly urgency with respect to the budget bill that was passed just a few moments ago in the House.

Talking about urgency, if these tax treaties are not passed in this spring session of Parliament, they will not come into force on January 1. They need to be passed in the spring session in order to be enacted with all the countries with which we are working. There is urgency to this legislation. We need to get it done.

We were not sure if the opposition wanted to debate these. The NDP is sensitive on this. That party has individuals in its caucus, apparently, who do not believe in paying taxes. We are concerned about the Liberals because they are protecting a senator who has pretty much taken her money offshore and hidden it in a tax haven. We are a little concerned about how serious those parties are about protecting taxpayers' money.

We have put in place 75 different changes to tighten up tax loopholes. That is the right direction to go in, and we will continue moving to protect taxpayers.

Mr. Bernard Trottier (Etobicoke—Lakeshore, CPC): Mr. Speaker, I would like to thank the minister for clarifying the importance of getting these tax treaties passed. He mentioned that if this legislation is not passed within this calendar year, we might not be able to implement things by January 1, 2014. It might have to be postponed until January 1, 2015.

Could the minister perhaps explain the importance of tax treaties when it comes to overall trade with certain countries? If tax treaties are not in place, what would be some of the impediments to our trade with various countries, and what would that mean ultimately for jobs and economic growth in Canada?

Hon. Ted Menzies: Mr. Speaker, we cannot reiterate that enough, and I thank my hon. colleague for raising that.

The fundamental purpose of the bill is to prevent double taxation. People do not like paying their taxes but they understand that if we want social programs, if we want to fund education or health care, then we all have to pay our taxes, but we should only pay our fair share of taxes.

International companies can move their money around. We want to make sure that, if taxes are not paid in this country, then they are indeed paid in the country where that company is making its profits. That is one important issue, especially the more international companies become. Allocating taxing rights between Canada and its treaty partners over different categories of income is very important. This gets very complex. I will leave it up to the accountants to perhaps explain it in detail.

Prescribing the method of relief for double taxation for different types is important. We need to describe that, and it is in the legislation. I would encourage all hon. members to read that.

The fundamental principle behind this legislation is preventing the avoidance and evasion of taxation. We have willing partners who are going to sign on to this agreement. It is time to move on to protect tax integrity in this country.

[*Translation*]

Mr. Romeo Saganash (Abitibi—Baie-James—Nunavik—Eeyou, NDP): Mr. Speaker, one of the things that strikes me in this debate on a time allocation motion is that the government seems to forget that Canadians elected us not just to represent them in this august chamber, but also to provide good governance for all Canadians. We must work for all Canadians in the House of Commons and the committees, the institutions that are here on Parliament Hill.

In the current context, it is very difficult to convince the majority government that it is not necessarily taking the best approach. This time allocation process prevents us from making adjustments to certain bills, which should not be discussed at this time and are not in the interest of Canadians. That is why this process is being used.

I get the impression that we are again being prevented from debating a bill that has some serious flaws. We were supposed to debate Bill S-2 earlier, but the agenda is being changed again today. This is one of many examples that illustrate that there are flaws. The government just seems to want to leave as soon as possible and not correct the flaws that exist in a number of bills.

• (1625)

[*English*]

Hon. Ted Menzies: Mr. Speaker, I would remind the hon. member that the motion says that there are five hours more of debate. I would think that if the discussions are precise, pointed and accurate, without members elaborating as the preceding member did, we could perhaps hear those comments. I would encourage the hon. member to come prepared to have a very specific debate.

Government Orders

There was a question before about the introduction of these pieces of legislation. Traditionally, these treaties are introduced in the Senate. There is time in the Senate for those proceedings. The House is a very busy place. The Senate has time to review them and to provide the background information. It came from the Senate, and it is time we moved it forward.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I am sure that the minister is aware of a gentleman by the name of Dimitri Soudas. He should know of him. He was chief of staff for the Prime Minister's Office. He is no longer there. He had serious tax issues. He was not paying his taxes for a number of years. We are looking at the current scandal in the PMO with regard to the Senate. He likes to talk about individuals who do not pay taxes. This is yet another example, right in the Prime Minister's Office.

I am wondering if he could comment on Mr. Soudas and what he feels Mr. Soudas should be doing or why it is he did not pay his taxes to Revenue Canada. Does he have any thoughts on that?

The Acting Speaker (Mr. Barry Devolin): Before I go to the minister, I would again remind all hon. members that questions and comments should be related to the bill before the House. I understand that in the course of discussions, examples are used and the debate wanders at times, but I would ask all hon. members to do their best to focus on the matter before the House.

The hon. Minister of State (Finance).

Hon. Ted Menzies: Mr. Speaker, I try not to interfere in individuals' lives, as other individuals in the House might want to do. My advice to Mr. Soudas would be to go back and get the raise due to him, because he never was chief of staff to the Prime Minister.

What we are talking about are international agreements in which Canada and other countries agree to protect their tax bases. I referred earlier to base erosion and profit shifting. That is the erosion of a tax base. The opposition may not understand that concept. Basically, it is making sure that people and corporations pay their fair share of taxes either in this country or in other countries where they may be doing business. It is no more complex than that.

There are about 30 pieces of legislation. We have many of these agreements in place, and we continue to put them together to protect our tax base. Not only that, but some of the countries we are dealing with today I would suggest are still developing countries, so we want to help them protect their tax bases. It is very important, not just for us but for them, that we move forward on something these countries have both agreed to for the benefit of their taxpayers and ours.

• (1630)

Mr. Robert Chisholm (Dartmouth—Cole Harbour, NDP): Mr. Speaker, we are not actually talking about Bill S-17 at the moment. We are talking about the government's motion to limit debate so that we cannot talk about Bill S-17.

Over the last number of weeks, what we have heard from the government is that if we disagree with it, we are anti-Canadian and traitors. If members do not speak properly, then the Conservatives are going to move time allocation on these various bills.

It is not up to the member to determine how I am going to present myself in the House. It is up to my constituents. I am here because

the people of Dartmouth—Cole Harbour who voted for me decided that they wanted me to come here to speak to bills, such as Bill S-17.

With its tendency to bring in time allocation, the government is suggesting that it is going to decide how much time I am going to have to speak on it, regardless of what I want to say. The member opposite now suggests that if he decides that I am not articulate enough or am not getting to the point quickly enough, as he would identify it, the government is going to bring in time allocation on that basis. I have wondered why it is that it will not agree to abolish the Senate, but now I understand that it wants to abolish this chamber. It wants to eliminate all free speech for the commoners, for the people of Canada.

Hon. Ted Menzies: Mr. Speaker, that was a rather mythological sort of question, I would suggest. I am not presuming that my hon. friend across the way would not be precise and concise in his presentation. I have listened to him on many occasions. I listened to him in the leadership debate for his party, and he was very articulate. We encourage him to continue with that. He will have time during this debate to actually bring the concerns of his constituents forward.

Forgive me if I repeat myself, but we have listened to many speeches in this House that are basically a mirror image of the speech that was just presented. I do not think that is a good use of those hon. members' time or of members' time on this side. We actually want to move forward with the protection of the tax system in this country and in the countries we are dealing with in Bill S-17.

[*Translation*]

Ms. H el ene Laverdi ere (Laurier—Sainte-Marie, NDP): Mr. Speaker, I have two basic questions about this specific bill.

If it was so urgent, how come the Conservatives were not able to arrange for us to have the time we needed to thoroughly debate this bill? This is in itself an example of their incompetence, and it shows why it is important to take time to study bills thoroughly. We cannot trust the bills they give us. That is the first thing.

The second thing is more general and has to do with the number of time allocation motions we have had under this government. This has to be a Guinness world record. My question is very simple. The Conservatives are preventing us from thoroughly discussing bills in committee and are moving time allocation motions here in the House. What are they afraid of? Can they not back these bills up?

[*English*]

Hon. Ted Menzies: Mr. Speaker, with 100 days of debate, I would repeat what I said earlier, for anyone listening to this debate at home.

We have very limited time to actually sit in this House or in the other chamber and debate substantive issues. One hundred days is a big chunk of our parliamentary calendar. We think it is appropriate that we now move forward and get this bill to the next stage. It is very important and critical for those countries and for fairness to the taxpayers in all the countries involved.

Government Orders

● (1635)

[Translation]

The Acting Speaker (Mr. Barry Devolin): It is my duty to interrupt the proceedings and put forthwith the question necessary to dispose of the motion now before the House.

[English]

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Barry Devolin): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Barry Devolin): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Barry Devolin): In my opinion the yeas have it.

And five or more members having risen:

The Acting Speaker (Mr. Barry Devolin): Call in the members.

● (1715)

[Translation]

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

(Division No. 745)

YEAS

Members

Ablonczy	Adams
Adler	Aglukkaq
Albas	Albrecht
Allen (Tobique—Mactaquac)	Allison
Ambler	Ambrose
Anders	Anderson
Armstrong	Aspin
Baird	Bateman
Benoit	Bergen
Bernier	Bezan
Blaney	Block
Boughen	Braid
Breitkreuz	Brown (Leeds—Grenville)
Brown (Newmarket—Aurora)	Brown (Barrie)
Bruinooge	Butt
Calandra	Calkins
Cannan	Carmichael
Carrie	Chisu
Chong	Clarke
Clement	Crockatt
Daniel	Davidson
Dechert	Del Mastro
Dreeschen	Duncan (Vancouver Island North)
Dykstra	Fantino
Fast	Findlay (Delta—Richmond East)
Flaherty	Fletcher
Galipeau	Gallant
Gill	Glover
Goguen	Goldring
Gosal	Gourde
Grewal	Harris (Cariboo—Prince George)
Hawn	Hayes

Hiebert	Hillyer
Hoback	Holder
James	Jean
Kamp (Pitt Meadows—Maple Ridge—Mission)	Keddy (South Shore—St. Margaret's)
Kenney (Calgary Southeast)	Kent
Kerr	Komarnicki
Kramp (Prince Edward—Hastings)	Lake
Lauzon	Lebel
Leaf	Leitch
Lemieux	Leung
Lizon	Lobb
Lunney	MacKay (Central Nova)
MacKenzie	Mayes
McColeman	McLeod
Menegakis	Menzies
Merrifield	Miller
Moore (Port Moody—Westwood—Port Coquitlam)	
Moore (Fundy Royal)	
Nicholson	Norlock
Obhrai	O'Connor
Oliver	O'Neill Gordon
Opitz	O'Toole
Paradis	Payne
Poilievre	Preston
Raitt	Rajotte
Reid	Rempel
Richards	Rickford
Saxton	Seeback
Shea	Shipley
Shory	Sopuck
Stanton	Storseth
Strahl	Sweet
Tilson	Toet
Toews	Trost
Trottier	Truppe
Tweed	Uppal
Valcourt	Van Kesteren
Van Loan	Wallace
Warawa	Warkentin
Watson	Weston (West Vancouver—Sunshine Coast—Sea to
Sky Country)	
Weston (Saint John)	Wilks
Williamson	Wong
Woodworth	Yelich
Young (Oakville)	Young (Vancouver South)
Zimmer — 151	

NAYS

Members

Andrews
Ashton
Aubin
Bennett
Bevington
Blanchette-Lamothe
Boutin-Sweet
Caron
Cash
Chicoine
Choquette
Christopherson
Côté
Crowder
Cuzner
Davies (Vancouver East)
Dewar
Dionne Labelle
Doré Lefebvre
Duncan (Etobicoke North)
Dusseau
Eyking
Fry
Garrison
Giguère
Goodale
Groguhé
Harris (St. John's East)
Hyer
Jones
Karygiannis
Lapointe
Latendresse

Privilege

Laverdière	LeBlanc (Beauséjour)
LeBlanc (LaSalle—Émard)	Leslie
Liu	MacAulay
Mai	Marston
Masse	Mathysen
May	McCallum
McKay (Scarborough—Guildwood)	Michaud
Moore (Abitibi—Témiscamingue)	Morin (Chicoutimi—Le Fjord)
Morin (Notre-Dame-de-Grâce—Lachine)	Morin (Laurentides—Labelle)
Mulcair	Nantel
Nash	Nicholls
Nunez-Melo	Papillon
Péclet	Perreault
Pilon	Plamondon
Quach	Rafferty
Rankin	Raynault
Regan	Rousseau
Saganash	Sandhu
Scarpaleggia	Scott
Sellah	Sgro
Simms (Bonavista—Gander—Grand Falls—Windsor)	
Sims (Newton—North Delta)	
Sitsabaiesan	St-Denis
Stoffer	Sullivan
Thibeault	Toone
Tremblay	Turmel
Valeriote — 117	

PAIRED

Nil

The Acting Speaker (Mr. Barry Devolin): I declare the motion carried.

* * *

● (1720)

[English]

PRIVILEGE

ELECTIONS CANADA

Mr. Craig Scott (Toronto—Danforth, NDP): Mr. Speaker, I rise to speak on behalf of the official opposition on the question of privilege that was raised on June 5 by my hon. friend from Avalon with regard to whether or not the members for Selkirk—Interlake and Saint Boniface should be allowed to continue to sit and vote in the House, despite having allegedly contravened certain sections of the Canada Elections Act.

The member for Avalon makes some very good points, relying on a ruling from Speaker Lamoureux in 1966, on the role of the House in relation to the courts and the House in relation to the Speaker in a situation that involved the right of an MP to sit and vote in the House when he had not complied with the then-in-force 1960 Canada Elections Act provisions with respect to filing campaign expense returns.

At the outset of my remarks, I would note that it is passing strange that once again the House is seized of a matter relating to the government's so-called interpretation of the Canada Elections Act.

Over the past number of years we have seen time and again questions cast over Conservative campaign dealings, from the in-and-out scandal of the 2006 election campaign to the recent Federal Court judgment on widespread fraudulent robocalling to suppress the electoral process in 2011 to the many questions around Peter Penashua's campaign expenses, and the list goes on.

The legitimacy of our electoral system is constantly being called into question by the Conservatives, and this is something that does leave many Canadians concerned.

The Chief Electoral Officer, whom I will refer to as the CEO, has determined that two members of the House, the MPs from Saint Boniface and Selkirk—Interlake, have breached the Canada Elections Act, section 457(2) by refusing to correct their expenses returns from the 2011 election as requested by the CEO.

It is important to read section 457(2) for the record. It says, “The Chief Electoral Officer may in writing request the candidate or his or her official agent to correct, within a specified period, a document referred to in previous subsections”.

A letter was sent by the Chief Electoral Officer to the Speaker of the House of Commons, drawing his attention to the breach and also drawing to his attention section 463(2) of the Canada Elections Act, which says, “Suspension of the MPs from sitting and voting is mandatory if corrected returns are not filed”.

Section 463(2) reads:

An elected candidate who fails to provide a document as required by section 451 or 455 or fails to make a correction as requested under subsection 457(2) or authorized by 458(1) shall not continue to sit or vote as a member until they are provided or made, as the case may be.

In his letter, which I have read online on the CBC's website as it has not yet been tabled in this House, the CEO did not state expressly what action he expected would follow receipt of the letter, whether from the Speaker or from the House. He noted 463(2) did require a mandatory suspension of the MPs right to sit and vote, but he also noted that the MPs had a right to challenge him in court. While he did not cite the provisions, the Canada Elections Act itself provides for this right of recourse to a judge in section 459.

Section 459 reads:

A candidate or his or her official agent may apply to a judge who is competent to conduct a recount for an order...relieving the candidate or official agent from complying with a request referred to in subsection 457(2).

Those are the three applicable provisions in the act.

Before addressing the argument from the member for Avalon, please allow me to first address the closely related issue that was also raised last week by my colleagues in the third party in the House, namely that of tabling the correspondence between the Chief Electoral Officer and the Speaker. The Speaker stated on Friday that no statutory authority or Standing Order suggested that the tabling of this correspondence was required and that, as a result, he did not agree that tabling of the correspondence filed was within his responsibility as Speaker.

I would acknowledge that the Chief Electoral Officer's letter was never framed as a letter to the House directly and that in the letter the CEO appeared to indicate the provision in the Canada Elections Act on access to a judge had some relevance to the application of the suspension provisions 463(2).

• (1725)

Nonetheless, I would respectfully submit that disclosure of this type of information is preferred and that the letter should nonetheless have been tabled for the information of all members of the House. Here I would observe that just as there may be no statutory or Standing Order obligation on the Speaker to table a letter in these circumstances, there is also no prohibition. There is accordingly, at the very least, a power to table the letter and for that reason alone, it would have been desirable to do so.

Given the way in which the letter from the Chief Electoral Officer was framed and the ambiguity over what actions the Chief Electoral Officer expected from the Speaker, it is understandable that the Speaker would have wished to take a little time to determine how to present the significance of the letter at the time of tabling it, but from the moment the Speaker decided that no suspension was in order until court proceedings had dealt with the matter, it was desirable for the House to have known about the letter along with his explanation as to how he understood what followed from that letter. That would have given members of the House a better basis for deciding whether their own privileges had been breached, because they would have heard his arguments for why he at least preliminarily believed, that is if the Speaker remains open to changing his view on this, that one, suspensions under 463 are not triggered until court rules and two, it is for the Speaker to make this determination on behalf of the House.

I have just expressed the issue of tabling the letter in terms of at least a power that the Speaker has and I have also talked in terms of it being desirable. However, I must now add, with great respect, that the official opposition believes that while there is no express obligation to table, either found in the Canada Elections Act or the Standing Orders, there is nonetheless an implied obligation. This obligation, we believe, both flows from the relationship between the Speaker and the House and from the substantive issues addressed in the letter.

On the obligation to disclose flowing from the relationship between a Speaker and members of the House, I would observe that this honourable House cannot function without the Speaker and the House as a whole working in concert. As such, there should be a strong presumption of disclosure with respect to any correspondence that implicates, or may implicate, the House and the privileges of its members.

That said, perhaps disclosure that is obligatory for this reason, that is due to the relationship between the Speaker and the House, need not necessarily always be done by way of tabling. Perhaps the Speaker may judge that disclosure be done among the respected parties' House officers, who are well positioned to receive and share this information with their caucuses. Of course independent members of the House would also need to be informed if a tabling to all MPs is not chosen as the mechanism. Perhaps this is something that the Standing Committee on Procedure and House Affairs could look at as it looks at other proposed changes to the Standing Orders in order for there to be future clarity on expectations.

On the obligation to disclose flowing from the underlying substantive issue, here there is something of a chicken and egg challenge. If the correct position is that members should be suspended under section 463, at the moment that the Chief Electoral

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Officer has determined that section 457(2) has not been complied with, the House, acting in concert with the Speaker, would need to give effect to that consequence, but members cannot know of the violation and the fact that two of their colleagues should not be permitted to sit and vote if the Speaker does not make the House aware the moment the Speaker is himself made aware of the state of affairs. Members would not even know their privileges are being breached unless, as was the case here, the media discovers the two MPs considered to be in violation of section 457(2) are seeking judicial review through the courts.

Restated, for MPs to be able to raise a question of privilege about their privileges being breached by the fact members continue to sit and vote, members need to be aware that the Chief Electoral Officer has in fact determined that section 457(2) of the Canada Elections Act has been violated and that section 463(2) has therefore become applicable. They should not have to rely, I respectfully submit, on media reports about a court case having started, nor an access to the letter through other avenues. Obviously, the Speaker may want to start with the chicken where members may want to start with the egg.

• (1730)

Statements from spokespersons for the Speaker did suggest that he may not see any possibility of privilege arising because suspensions are not yet applicable. If that is correct, then it is understandable that the Speaker may have taken the view that therefore no obligation to disclose the letter is generated, at least until a court has ruled and upheld the Chief Electoral Officer.

I am not sure about how the Speaker would characterize the state of affairs exactly. He may view the situation as being one whereby section 463 does not yet apply, pending the outcome of court proceedings, or perhaps he sees section 463 suspensions as having actually been triggered by the Chief Electoral Officer's determination but has then, in some sense, decided to stay the suspension as a court might stay an administrative order.

Put differently, for two sets of institutional reasons—the role of the courts and the Speaker's role—he may take the view that suspensions were triggered but are to be held in some sort of abeyance for the time being.

Mr. Speaker, you can see how speculative I have been in the foregoing, for the very reason that we have not had a statement or ruling from the Speaker on how he interprets his and the House's roles with respect to the three relevant sections I quoted earlier. For this reason alone, we do indeed look forward to hearing from the Speaker.

The Speaker will, of course, now be ruling in response to the question of privilege raised by the member for Avalon, who raised the matter only because word had emerged via the press of the Chief Electoral Officer's determination. However, with the benefit of hindsight, I would suggest that it probably would have been much cleaner if we had had from the outset a tabling of the letter simultaneously with an explanation of the Speaker's proposed approach.

All of this requires me to speak to the question of privilege raised by the member for Avalon beyond the interconnected question of the disclosure of the letter.

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In a nutshell we, the NDP and official opposition, believe that one way or another, the two MPs should not be sitting or voting for as long as either they fail to provide corrected returns as requested by the Chief Electoral Officer or they have not yet secured a court judgment in their favour.

We are conscious that the Canada Elections Act specifically provides for recourse to a judge at first instance in section 459, and we in no way question the legal right of the two MPs to go to court nor the right of the House to lift any suspension if the MPs do prevail before that judge.

However, we view the burden as having always been on the members to satisfy the Chief Electoral Officer that their returns are correct within the structure of the Canada Elections Act. There is nothing expressed or implied in subsection 459(1) that says the burden of persuasion shifts to the Chief Electoral Officer now that the matter is going to court.

It is also important to note that administrative orders or determinations are not stayed as a matter of course in our legal system when the subject of such an order decides to seek judicial review. Normally, an applicant for judicial review must apply to court to stay the order while the case is being heard, and usually a statute creates a specific procedure for applying for such a stay, a procedure not found in the Canada Elections Act. If the court decides not to stay, often on the basis that an irreparable harm test has not been made out, the order stays in effect while the court proceedings continue.

The House is sovereign in applying those parts of statutes relevant to its own internal proceedings with respect to the rights and obligations of MPs, of which the rights to sit and to vote are very much core rights. Thus the House, acting through or with the Speaker, can—and, I submit, should—look at this as essentially a question of whether the suspensions triggered under subsection 463(2) should be stayed pending the outcome of the judicial review.

We believe that no such dispensation should be given under the circumstances at hand. We reach this in large part on the basis of our understanding of and respect for the Chief Electoral Officer's role within the compliance scheme of the Canada Elections Act.

To understand the deference we feel is owed to the CEO in this context such that we should treat the determinations he made as correct until proven otherwise, it is helpful to know more about the role of the Chief Electoral Officer.

● (1735)

The Chief Electoral Officer is an officer of Parliament who is charged with wide management and supervisory powers over the electoral system.

In the recent 2011 Federal Court of Appeal judgment in the case of Callaghan, which concerned the in-and-out scheme used by the Conservative Party in the 2006 election, the Federal Court of Appeal, in a unanimous three-judge decision, upheld the position of the Chief Electoral Officer. The court accepted that it was reasonable for the Chief Electoral Officer to conclude that the Conservative Party and official agents for Conservative candidates had operated what some would characterize as a kind of or analogous to a money

laundering scheme to allow the Conservative Party to exceed its national election spending limits.

The court noted that 67 Conservative candidates' official agents have participated in this in-and-out scheme, along with the Conservative Party.

In the course of vindicating the position of the Chief Electoral Officer, the court described the Chief Electoral Officer's role.

In paragraph 22, the Federal Court of Appeal emphasized the “neutrality of the office” of the Chief Electoral Officer and further went on to note:

To underline the importance of the position to the maintenance of democracy in Canada, the [Chief Electoral Officer of Canada] is a Parliamentary officer, who holds office on terms similar to those of a superior court judge....

In general, the court of appeal observed that:

...the [Chief Electoral Officer] has wide supervisory responsibilities for the conduct of elections, and the powers and functions necessary to administer the Act.

Just as relevant is how the Federal Court of Appeal in the Callaghan case contrasted the Chief Electoral Officer's approach to the Canada Elections Act with what would have been the results if the court had not agreed with the Chief Electoral Officer and instead had interpreted the Canada Elections Act in a way the Conservative Party was advocating before it.

The court of appeal found that the Conservative Party's arguments would:

...reduce the role of the [Chief Electoral Officer]...in connection with candidates' statements of their election expenses to a degree that does not fit with the statutory scheme and its objectives.

It also dismissed what I can only see as, frankly—and these are harsh words—an Orwellian argument of the Conservative Party that the Chief Electoral Officer was somehow himself a threat to democracy:

...to interpret the CEOC's powers as including the power to look beyond the documents submitted by candidates and registered political parties in their electoral campaign returns cannot plausibly be said to compromise democracy. Questioning the propriety of an election expense is a routine matter...

Finally in this case, the court of appeal also had the following to say about the nature of the arguments that the Conservative Party had been using to justify its election expenses scheme, this cost-shifting arrangement, as it was euphemistically called:

The respondents' interpretation of subsection 465(1) would weaken compliance with the limits set by Parliament on the amount of money that candidates may spend on their election and can recover by way of reimbursement from public funds. Abuses could well proliferate, and the statutory objective of promoting a healthy democracy through levelling the electoral playing field undermined.

That was paragraph 77.

To the extent that the House does have the power to hold in abeyance the suspension under subsection 463(2), which I have been calling in effect “staying” the suspension, the facts of the concrete situation before this House are relevant on the question of whether the members in question should benefit from a stay.

Here we would note that the members for Saint Boniface and Selkirk—Interlake have interacted for two years with the Chief Electoral Officer in a manner that, quite frankly, does not suggest a great urge to co-operate with the Chief Electoral Officer.

It is generally recognized that the practice of Elections Canada is to give candidates, official agents and parties the benefit of the doubt and to do what it can to assist these actors to be in compliance with the act, yet this situation has dragged on for two years, with the two members of Parliament, our colleagues, advancing interpretation of the expenses sections of the act that, as far as we know, no other candidates, official agents, or parties across Canada have had difficulty complying with.

We are now virtually as close to the next election as to the one in 2011. Justice delayed is justice denied.

● (1740)

All of this is relevant to whether or not the House should hold the suspensions in abeyance, that is, to exercise its discretion to do that, keeping in mind that the members do have a right to access the court under section 459 but do not have a right to have their suspensions stayed in the meantime. If those suspensions were to be stayed, it would be a matter of the exercise of discretion by the House.

There is another part of the concrete context that the NDP believes to be relevant as to whether the House should exercise its discretion to hold the suspensions of the two members in abeyance. Here I am referring to the proven record of the Conservative Party and some of the Conservative MPs of abusing court processes so as to delay and obstruct, as well as the pattern of non-co-operation with Elections Canada by the government for seven years across a range of issues starting with the in-and-out cost-shifting scheme as far back as 2006.

With respect to this latter point, we are all well aware by now of the findings of the Federal Court in the McEwing case, decided recently on May 25, in which Justice Mosley found that there had been orchestrated and widespread fraud across Canada, very likely using data from the Conservative Party's voter information database, while there was insufficient evidence of the consequences of this fraud to justify nullifying the elections of six Conservative MPs.

While the government has done its level best to present the judgment as some sort of victory, it has ignored and, frankly, tried to get Canadians to ignore other findings by the judge, who, I might add, is one of the most respected judges in Canada.

Justice Mosley first observed that the Conservative Party had “made little effort to assist with the investigation at the outset despite early requests”.

It is a well-known fact that this began with a Conservative Party of Canada lawyer dragging his heels for three full months before even responding to a request from Elections Canada's investigators to interview Conservative Party campaign staff, after which we have no idea how much longer things then continued to drag out before some interviews took place. This is the same lawyer, I understand, who is now representing the members for Saint Boniface and Selkirk—Interlake in their court challenges against the Chief Electoral Officer.

Second, in the McEwing case Justice Mosley roundly condemned the behaviour of the Conservative Party during the proceedings, making it clear that the Conservative Party of Canada is more interested, frankly, in burying the truth than anything else. He observed variously that the six Conservative MPs—and really, that means the Conservative Party and its lawyers—“...engaged in trench warfare in an effort to prevent the case from coming to a hearing on

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the merits”, that they engaged in “...transparent attempts to derail this case” and that “...the stance taken by the respondent MPs from the outset was to block these proceedings by any means”.

Keeping in mind the trust placed in the Chief Electoral Officer by the Federal Court of Appeal in the Callaghan case, a trust shared by the official opposition, and the reasons there are no special factors favouring the exercise of the House's discretion in favour of the members for Saint Boniface and Selkirk—Interlake that would speak in favour of suspending their suspensions, so to speak, let us consider some more of the facts so we understand why the official opposition does not believe that there are factors that would suggest the House should exercise the discretion to hold the suspensions in abeyance.

It transpires that Elections Canada has been interacting with these two members with respect to the accuracy and adequacy of their election returns from the 2011 general election, with the matter under contention concerning the correct costing of signage used by the candidates during the election as well as, at least for one of them, a donation website.

The Chief Electoral Officer evidently came to the conclusion that the two members could not be counted on to co-operate and correct their returns as Elections Canada had requested them to do under subsection 457(2) of the Canada Elections Act by a deadline of May 17 of this year. The members sent a response that the Chief Electoral Officer determined did not comply with this subsection 457(2) request because the requested corrections simply were not made.

Accordingly, when the May 17 deadline passed, the Chief Electoral Officer determined that subsection 463(2), the suspension provision that I read out earlier, was now applicable.

It will be noted that subsection 463(2) states a legal consequence, namely that a violation of section 457(2) triggers mandatory suspension of a member of Parliament from the right to sit and vote.

● (1745)

However, it is silent in at least three salient respects: one, it does not expressly say that the Chief Electoral Officer's determination that there has been a violation is all that is necessary for the suspension to be triggered; two, it does not expressly say that a suspension may be delayed until a court has determined whether the CEO is correct that the required amendments had not been made to the return; and, three, section 463(2) does not state or even hint at the mechanism within the House for a suspension to be effectuated. Is it for the Speaker to determine and, if so, when, or is it for the Speaker to put before the House for the House to determine and, if so, when?

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It can be seen that the silences in section 463(2) both point to and generate the special complexity of the matter before the House, which is that there are no fewer than four institutional actors who may have either an interpretive or implementing role with respect to whether section 457(2) has been violated and, if so, what the consequences are of such a violation. These are the Chief Electoral Officer, the courts, the Speaker and the House itself. Layered onto this complexity are the interests, of course, of the two MPs, whom the Chief Electoral Officer has found not to be in compliance with the act, in two respects: on the one hand, their legal rights under the Canada Elections Act statute, and, on the other hand, their privileges as elected MPs in the House.

The next essential point is that the Chief Electoral Officer evidently determined that the way to initiate a section 463(2) suspension is to write to the Speaker of the House of Commons to inform the Speaker of the relevant facts and legal provisions. This is, as I am repeating myself on this point, what the Chief Electoral Officer did in two separate but virtually identical letters relating to each MP, dated May 23, 2013. Because these letters are central to both the question of the trigger for a section 463(2) suspension, as well as to the merits of the question of privilege raised by my hon. friend from Avalon, allow me, please, to summarize several important features of the Chief Electoral Officer's letters. I believe it to be especially important to summarize these elements because I imagine the careful formulations found in the Chief Electoral Officer's letters likely influenced the Speaker's own view on what the correct course of action was in response to those letters.

The first point is that each letter is addressed to the Speaker and, while the addressee is referenced in the address section as the Speaker of the House of Commons, there is no other reference to the House in the body of the letter. The second point is that each letter takes the form of bringing to the attention of the Speaker a series of what I might call legal facts, but there is no explicit request that the Speaker do anything in particular in relation to those facts.

The third point is that the CEO does make plain that in his official capacity, he has determined that the members for Selkirk—Interlake and Saint Boniface have violated section 457(2) by failing to correct their returns. The fourth point is that the Chief Electoral Officer then observed that the effect of the failure to correct returns under section 457(2) is suspension of the members from sitting or voting until the returns are corrected, again pursuant section 463(2). However, he leaves this observation as a general statement and does not draw explicit conclusions as to whether this means the MPs must now be prevented from sitting or voting as a matter of law as an immediate consequence of his determination that section 457(2) has been violated.

On the surface of the letters, the most that can be said about the approach the CEO has taken is that he has drawn to the Speaker's attention that section 463(2) is applicable, but he does not expressly talk about the timing or mechanism for that suspension, other than the simple fact that section 457's violation triggers section 463's applicability. That said, such circumspection on the part of the Chief Electoral Officer would, of course, be consistent with the Chief Electoral Officer recognizing that Parliament is in control of its own processes and the Chief Electoral Officer assuming that it was not for

him to specify what the Speaker and the House may, must, or should do.

The fifth point is that the Chief Electoral Officer then observes that a person in the position of the members from Saint Boniface and Selkirk—Interlake can go to court to seek relief from the requirement they comply with his request to correct their returns, but he does not specify the legal basis for being able to go to court, although we can assume that he is referring to section 459(1), which I read out earlier.

● (1750)

One can only surmise that the Chief Electoral Officer viewed it as relevant, and views it as relevant, to what the Speaker may or must do in response to his letter, that the act provides for judicial recourse. Again, of course, this is also consistent with the Chief Electoral Officer accepting that it is a matter for the House to decide whether, in effect, to stay the effects of the Chief Electoral Officer's determination; that is, to hold the suspensions in abeyance while the matter went to court and also, with prudent judgment on the part of the Chief Electoral Officer, not to appear to be instructing either the Speaker or the House.

Sixth, and finally, with respect to the letter, the CEO does note that the MPs had not yet, at the time of the letter, applied for relief to the courts under section 459, but he would alert the Speaker if they did. Allow me to observe that after the Chief Electoral Officer did send his letter to the Speaker, the two MPs did indeed file applications in Federal Court under section 459(1), as was noted in the interventions of the member for Selkirk—Interlake and the member for Saint Boniface last Friday.

My understanding is the Chief Electoral Officer then did alert the Speaker, as he said in the letter he would do, that applications to challenge his determination of a breach of section 457(2) had been filed by the MPs. It would appear that the trial date for the member for Saint Boniface has been set down for June 21, and that for the member for Selkirk—Interlake for a date in September.

If I have understood his arguments properly, and I may have not, the member for Avalon would seem to be asserting two interconnected propositions.

First, section 463(2) suspensions apply immediately upon the Chief Electoral Officer determining there is a breach. In this respect, in a subsequent intervention a colleague of the member for Avalon added that the rationale for the immediacy of the suspensions is that section 463(2), in his estimation, is intended as a tool to force or coerce members into complying with the duty to file accurate returns. The provision in that sense is neither about criminal nor civil remedies, but it is a compliance mechanism if this is an accurate paraphrase of what the member for Winnipeg North intended. The implication of this position is that we should operate on the presumption that the Chief Electoral Officer is accurate in his interpretation of the act, but the presumption will only be rebutted after an MP decides to go to court and if that court then does side with the member over and in preference to the Chief Electoral Officer.

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Second, the member for Avalon recognizes that immediate application of the suspension cannot occur without some kind of institutional action; it does not occur in the air, so to speak. Suspensions occur within the province of Parliament and thus a mechanism or process in Parliament must take place in order to give effect to the legal state of affairs ordained by section 463(2). The member for Avalon argues that the House decides whether members should be suspended from sitting or from voting, and not the Speaker, relying on a precedent from a 1966 ruling by Speaker Lamoureux in particular. One assumes the member for Avalon is referring to a plenary vote in this House, but perhaps he is also still leaving it open, although he did not speak to this, that an appropriate committee of this House may be charged with the matter, such as the procedure and House affairs committee; or perhaps he would also accept some sort of staged procedure whereby the Speaker takes some initial step and the House then backs up the Speaker with respect to that step.

These two points together seem to ground the breach of privilege that the member for Avalon claims existed and continues to exist. On the one hand, his and other members' privileges, including my own, are breached because the members for Selkirk—Interlake and Saint Boniface are still sitting and voting rather than being suspended. On the other hand, privileges are breached because the Speaker has not placed this matter in the House's hands for its determination.

There are two further contentions. I will call them the third and fourth propositions, which are implied, not actually stated, by the member for Avalon, but I think they follow.

Third, if the mechanism the member for Avalon believes is applicable is a vote by all MPs in the House, this would seem to imply that it is the duty of all MPs to simply give effect to the interpretation of section 463(2), according to which a suspension is immediate because the Chief Electoral Officer has determined that an inadequate return has been filed. That is, while we would vote, we really should only be voting in one way.

● (1755)

It bears noting that there is something less than a guarantee that this reconciliation of the first and second propositions—that a suspension is immediate and that the House carries out the suspension—will actually be what would result from a vote in this House were a vote to take place. Here, I would note two rather obvious points: one is that the governing party has a majority of votes in the House; and the other is that the government House leader has already stated that he interprets section 463(2) suspensions not to apply immediately, but, rather, only once court proceedings have confirmed that the Chief Electoral Officer is correct. If I had to predict, a vote at this stage in this House is not likely to result in the immediate suspension of the MPs.

It is for this reason, Mr. Speaker, that we believe it is especially important for this House to hear from you on what you believe to be the mutual relation and limits of your and members' powers when it comes to this issue of suspension of members' rights to sit and vote.

There is a fourth proposition that would seem to be necessarily implicit in the views of the member for Avalon that the House, not the Speaker, decides whether a suspension will take place. Here I am looking back to the opening comments I made at some length about

the letter sent to the Speaker by the Chief Electoral Officer. That proposition is that the House must know whether a violation has occurred that triggers section 463(2) suspensions. That translates into a corollary proposition that the Speaker must have a duty to inform the House when he becomes aware that the Chief Electoral Officer considers section 457(2) to have been breached. It is somewhat unclear to me whether the member for Avalon intended to contend that his privileges were also breached because the letters had not been tabled, but, to me, such a contention does flow logically from the argument that MPs' privileges are breached if the Speaker decides to delay the suspension of members after receiving letters from the Chief Electoral Officer rather than putting the matter to the House for decision.

It is here that the member for Avalon relies on the precedent of the ruling of the Speaker on March 1, 1966 in the *House of Commons Debates* 1966, page 1939, when Speaker Lamoureux addressed a question of privilege raised by the then member for Yukon, Mr. Nielsen. The then member for Yukon had argued that his privileges as an MP had been breached because the then member for Montmagny—l'Islet, Mr. Berger, had continued to vote despite not having filed his elections return by the deadline.

While by no means identical to the current Canada Elections Act language or the structure found in sections 457 to 463, the detailed section 63 of the old 1960 Canada Elections Act, which was in force in 1966, does have some close parallels to the current law, at least in three respects. One, failure to file an adequate return is a breach of the act, which, two, produces a suspension of the MP until the return is filed, but, three, that also provides for the MP to apply to a court to seek relief from the application of the act. Section 63(12), in effect, allowed a candidate, Mr. Berger, to apply to a judge to have the judge declare that he had a good excuse for not filing his return on time.

With respect to this third and final element, Speaker Lamoureux noted that a government minister had risen to argue on behalf of Mr. Berger that "...section 63...provides that if members fail to carry out the provisions of the act, there is a remedy provided in the courts, and that therefore this would be a matter for the courts to consider." This does parallel the argument we heard from the government House leader here in this House.

The Speaker goes on to discuss the 1966 ruling, and refers obliquely to, "the judgment delivered on February 24...by Chief Justice Dorion". He does not clarify what the judgment is within that ruling. However, a little bit of digging turned up the fact that the judgment had actually been read into the record three days earlier by the Speaker on February 28, 1966. The judgment is reproduced in the House of Commons *Debates* 1966 on page 1843 and it reads very briefly indeed, and I will read it:

● (1800)

We, the undersigned, Chief Justice of the Superior Court of the Province of Quebec, sitting for the district of Quebec, on the applicant's petition, after having examined the facts alleged in the petition and the documents produced, excuse the applicant...

That is Mr. Berger.

....for failing to file his election expenses return;

AUTHORIZE the applicant to submit the said return within fifteen days from the date of the present ruling;

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AUTHORIZE the applicant to act as if his return had been filed within the time limit prescribed by law.

It is unclear from reading only the text of Speaker Lamoureux's ruling in 1966 that a court had already granted relief to Mr. Berger for failing to file his return on time. This ruling had occurred on February 24, three days after Mr. Neilsen had raised the question of privilege on February 21.

Thus, when the Speaker ruled on March 1, the question of whether he or the House had the power to suspend the MP was addressed in the context of the court having already absolved the MP, and thus the grounds for suspension having been dissolved in that sense, at least from the point of view of the act as it had been applied by the courts.

What is interesting here—and this does support the way in which my colleague, the member for Avalon, argued the relevance of the 1966 ruling—is that Speaker Lamoureux did not rule that the matter underlying the question of privilege had become moot because the court had already absolved Mr. Berger, despite the fact of that determination.

Instead, the Speaker treated it as still a live issue, as to whether Mr. Berger could still be suspended. The reason he treated it as a live issue was that he relied on the reasoning in a classic English case called *Bradlaugh v. Gossett*, decided in 1884 by the three-judge Court of Queen's Bench.

He took it as a given that the judiciary, based on this judgment, could not intervene in matters relating to the internal management of the affairs of the House of Commons to the point that the House has the power to decide on an interpretation of a statute for its own purposes that may conflict with the interpretation that the courts had given or would give the same statute.

In that 1884 *Bradlaugh* case, the Speaker had refused to allow a recently elected MP to be sworn in because he had been disruptive in the House. I am assuming that was prior to the election.

The House of Commons then backed the Speaker with a resolution calling on the Sergeant at Arms to enforce the Speaker's ruling by barring the MP from the House. The MP went to court to seek an injunction against the Sergeant at Arms enforcing the House resolution, and members can guess what the result was.

He argued that the House had acted contrary to the Parliamentary Oaths Act, had misinterpreted it. Lord Coleridge, Chief Justice of the Court of Queen's Bench, in writing the lead judgment commented, simply, in a longer judgment:

If injustice has been done, it is injustice for which the Courts of law afford no remedy.

To make it clear, Speaker Lamoureux decided that a decision by a court that Mr. Berger was no longer in violation of his duty to file his return on time did not mean the House could not itself act on a differing interpretation of the Canada Elections Act.

Now we come to his second and final step in his reasoning. Speaker Lamoureux then decided that he as Speaker did not have the authority to decide whether Mr. Berger should be suspended on behalf of the House. Here, he invoked a Speaker's precedent from this House of Commons in 1875, in which the issue arose of whether

an MP could take a seat and vote despite not having signed the roll and taken the MP's oath.

The Speaker, in 1875, had called the House's attention to the issue and the House sent the matter to a House committee, after which the MP's vote was annulled.

Speaker Lamoureux ended his ruling by concluding, from this precedent, the following:

...it is not within the competence of the Speaker to decide as to the question of substance or as to the disallowance of a vote, and that such decisions are to be made by the house itself.

What then transpired? I cannot say for sure, but the last record I can find in the House of Commons *Debates* seems to have been a brief comment right after the Speaker's ruling by Mr. Neilsen, when he said:

...I would like to study it in more detail before deciding whether any further procedure should be taken.

The reason for my being able to find nothing more after that, I submit, is very likely that the matter ended there. It would not seem a stretch to assume that Mr. Neilsen decided to let the matter drop, because after Mr. Berger had acted on his right to seek relief in the courts, he was no longer in violation of the act from the point of view of the judicial system.

● (1805)

For the House of Commons to have nonetheless invoked its pure right to do so, for it to have acted on its formal right to suspend a member for violation of the Canada Elections Act based on its own view of whether a member was in violation, would most likely have raised eyebrows from the point of view of the rule of law, as there is some sort of coherence between what the House does and what the courts do.

Allow me to restate that the NDP believes that, as a general rule, formal suspension should be carried out within the House when the Chief Electoral Officer alerts the Speaker and thus this House that non-compliance with section 457(2) has triggered the applicability of section 463(2). The whole compliance framework of the Canada Elections Act works properly only if there is due deference to the special role of the CEO within that framework, as well as acknowledgement that the system can only really work when MPs and parties co-operate in good faith with Elections Canada and the Chief Electoral Officer.

Also, we cannot forget the importance of the role of the Chief Electoral Officer as an officer of Parliament. Such officers must surely have a reasonable expectation that Parliament will assist them when Parliament is in a position to. In this context, the act would need to be clear, certainly a lot clearer than it is, or create a necessary implication that the procedural rights of MPs to challenge the Chief Electoral Officer in court include not only the right to go to court but the right to have their suspension in this chamber held in abeyance. The act simply does not go that far.

Government Orders

I end by noting that we respectfully leave it to the Speaker as to how to deal with the 1875 Speaker's ruling precedent relied on in the 1966 Speaker Lamoureux ruling and with Speaker Lamoureux's ruling itself. The House will recall that this ruling said that the Speaker may not suspend a member, but only the House can do so; yet we should also be aware that it is a single precedent that is almost half a century old and that may be operating on the basis of a somewhat too stark division of labour as between the Speaker and the members of the House. In this regard, we note the description found at page 306 of *House of Commons Procedure and Practice*, second edition, where it is stated:

The office of the Speaker derives its authority from the House and the holder of the office may accurately be described as its representative and authoritative counsellor in all matters of form and procedure.

We trust the good counsel of the Speaker on this matter and appreciate the position the Speaker may find himself in as a result of the absence of an express prescription in the Canada Elections Act or guidance in our Standing Orders as to how the suspension of a member pursuant to section 463(2) can be executed. Suspension likely does need a procedure within the House beyond a decision of the Speaker himself, but there may be mechanisms to achieve this beyond an immediate and direct putting of the matter to a majority vote in the House. In this regard, I would end by observing that this honourable House cannot function without the Speaker and the House as a whole working in concert. We look forward to the Speaker's view on how this can take place in future in this matter.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, I will not take long. I had not signalled the Speaker that I would make a substantive question of privilege on this matter.

However, since I have not had an opportunity to speak on the floor of the House before to this issue, I just want to thank the member for Toronto—Danforth for a very thorough, erudite and helpful submission. I wish to support every word of what he just put forward to this House.

The Acting Speaker (Mr. Bruce Stanton): I thank the hon. member for Saanich—Gulf Islands for her additional comments on the matter and will get back to the House as necessary on the matter.

* * *

● (1810)

TAX CONVENTIONS IMPLEMENTATION ACT, 2013

The House resumed from June 3 consideration of the motion that S-17, An Act to implement conventions, protocols, agreements and a supplementary convention, concluded between Canada and Namibia, Serbia, Poland, Hong Kong, Luxembourg and Switzerland, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes be read the second time and referred to a committee.

Mr. Murray Rankin (Victoria, NDP): Mr. Speaker, I rise today to speak to Bill S-17, which is a lengthy statute to deal with certain double taxation conventions between Canada and Namibia, Serbia, Poland, Hong Kong, Luxembourg and Switzerland. This is second reading debate. I want to say at the outset that the official opposition supports the bill.

I would like to divide my comments into four parts: first, the process that led us here; second, the issue of time allocation; third,

just what double taxations are designed to achieve; and fourth, comments about international tax avoidance and tax evasion and why the bill is such a baby step in that direction.

Bill S-17 is 103 pages long. The bill started in the Senate, and lest anyone say this represents a great illustration of the utility of the other place, the government itself has acknowledged that this is routine legislation, and I note that since 1976, there is a convention that bills of this sort, dealing with tax convention legislation, originate in the Senate. In fact, there have been 30 different pieces of tax convention legislation in front of Parliament since 1976.

The bill is designed to bring into effect certain bilateral income tax conventions with the countries I mentioned. It is not a bill that represents significant, staggering, revolutionary change. On the contrary, I think the Parliamentary Secretary to the Minister of Finance accurately characterized the bill as a routine housekeeping type of statute. That was confirmed by the member for Pickering—Scarborough East who said in this place on second reading, “I am delighted and pleased to rise...to kick off the debate on a rather technical and routine piece of legislation”, to which I say that is entirely accurate.

Let me set the stage by saying the New Democratic Party supports harmonization and greater clarity for taxation laws and likes to bring into force these kinds of tax treaties, which as I will describe, are based upon a model tax treaty convention that the OECD generated many years ago and renewed quite recently.

The parliamentary secretary, while in the other place, referred to this as somehow a major step forward in the fight against international tax evasion. For reasons I will describe, that is entirely not accurate.

Let me speak to the second point I wanted to raise, which is the issue of time allocation. The government today, in a rather embarrassing stunt, decided that 43 times it would use what is in effect a closure motion, time allocation, to deny the House the opportunity to scrutinize a bill. It is embarrassing for democracy and shameful. When asked to justify it during the debate on time allocation, the Parliamentary Secretary to the Minister of Finance asked why we do not just pass it, since we support it. He said something about how this is a very important bill dealing with tax havens.

The bill is important. It is routine. However, it takes baby steps to deal with the crisis in tax havens and international tax avoidance, a matter I would like to speak about later in my remarks.

Government Orders

I presume the government is anxious to tell its base that the New Democratic Party, the official opposition, is somehow made up of unreasonable people who refuse to co-operate, and that is why it has to allocate time to debate the matter. We support the bill, and I guess I am just too new here to understand why it needs time allocation when we support this measure. He also said that there had been 100 days of debate on this measure. Surely that is not accurate. Surely he means that maybe it has been before the Senate for 100 days. If that is what he means, I wish to say that the official opposition has no members in that place and I hope it never does.

What is this legislation about? Canadians might not be familiar with double taxation conventions of this sort, so let me say a few things about the nature of this important legislation.

• (1815)

There are perhaps 90 tax conventions Canada has entered into since the 1920s. They have been a routine feature of international law since then. What are they for? The taxation treaties are designed to avoid imposing double taxation in both what is called the source country and the country of the taxpayer's residence. This is distinct from what the government is trumpeting as a great success, which is what are called TIEAs, tax information exchange agreements.

The Conservative government just did one in March, to great fanfare, with Panama. That was said to be a great step forward in the fight against tax evasion and international tax havens. I have news for the government. Panama is a notorious tax haven made up of many banks with lots of drug money, and Canada thinks that by entering into a tax information exchange agreement with that country, it is a great step forward.

One has to know what to ask for under these tax information exchange agreements. That is the basis of some of the provisions of the bill before us, which we are debating today. Many speakers before the finance committee said that they were essentially useless.

Yes, there are some good reasons for these tax conventions, such as the need to promote investment in various countries where the non-resident invests or works, and in fairness, to prevent Canadians and others from paying tax on the same income in two different countries. The concept is very simple. The concept is to avoid paying taxes twice and to set certain standards as to how income from those things will be treated. Dividends are treated differently than interest. Royalties are treated differently than capital gains.

The OECD, of which Canada has long been a member, has entered into a tax convention treaty that sets down these types of standards with fairly, by now, routine amounts of tax for different kinds of income. That is precisely what this double taxation treaty has done. That, as I said, is by now commonplace.

A country like Canada enters into these solemn conventions, and it is very hard, and should be very hard, to get out of them. One can enter into a protocol that has to be negotiated if it is to be modified. Indeed, there are a couple of protocols in this bill dealing with changes to the long-standing arrangements with Switzerland and Luxembourg. Frankly, the protocols can be changed, but there is still a solemnity. It takes some time. People intend at the international level to enter these for long periods of time, and they should be, and are, difficult to change.

The treatment of different kinds of income I have already described, and the OECD has made that very clear. The details I can confirm in this statute are entirely consistent with what other tax conventions of this kind have done for these different kinds of income. However, there are many other ways and progressive things going on in the world that the bill has nothing to do with. Let me give an example.

There was a recent agreement between the United Kingdom and Switzerland such that British nationals who have money in a Swiss account are subject to the Swiss government determining if they are British nationals, and if so, remitting to the U.K. tax authorities 30% in taxes of the amount in that Swiss account. It is much like a withholding tax. The British person could agree to self-identify and say, yes, he or she is a British citizen, and pay a lower amount of 5% or 10%. Thus, it is an incentive to self-identify if someone has money in a tax haven. Why does Canada not do something like our allies are doing? Nothing like this exists in this fairly routine statute.

What is the bill not about? The parliamentary secretary has told us that it is about international tax evasion and tax havens. I do not think so. It is not about international tax avoidance.

Next week, the G8 is meeting in Northern Ireland. The leader of the United Kingdom, Prime Minister David Cameron, has made it one of his three key priorities to address this crisis in tax havens. It is estimated that we are talking about between \$10 trillion and \$30 trillion in tax havens abroad.

• (1820)

It is estimated that the Canadian treasury is losing perhaps \$7.8 billion every year to tax havens. Canadians need to understand that this is not arcane tax law. It is money that could be in our treasury to pay for goods and services for Canadians. Other Canadians are not paying their fair share, therefore requiring us to do more.

People are outraged by these abuses. Fortunately, the press has done a great job in recent months to show the enormity of this problem. The figures are staggering, the cost is enormous and people are demanding action. I salute the Prime Minister of the United Kingdom for his leadership. I regret that the Canadian government is very much the caboose on that train.

New Democrats will continue to push the Conservatives to take real action on tax havens. We did a supplemental report to the finance committee's study on tax havens and brought out a dozen or so recommendations for meaningful change, not radical change, which, of course, the government resisted. They were the kinds of changes our allies are bringing forward to address this crisis.

While we support the routine negotiating and updating of tax treaties such as this, we will continue to push harder against Conservative policies that have failed to protect the integrity of our tax system and that are furthering the erosion of our tax base.

Government Orders

Let us talk about the priorities of the government in going after tax havens. As I said, the parliamentary secretary would have us believe that there is real action going on in Canada and that we are really serious about this. That may be so, except for the fact that the statistics speak for themselves.

I quote an order paper question, Q-1174, of February 14 of this year, because there has been a lot of misinformation about whether there are cuts at Canada Revenue Agency. The minister reported that after the budget, which we dealt with today, Bill C-60, 2,568 full-time equivalents will be lost to the Canada Revenue Agency. They trumpet two areas: the international audit program and the aggressive tax planning program of the Canada Revenue Agency. In the last four or five years, the government confirmed, in the order paper question I just mentioned, there have been cuts in those as well.

Therefore, the notion that somehow we are serious about tax cheats, that we are out there with both feet and doing our thing like our allies is demonstrably not so. If they could characterize this as an investment, perhaps they could understand the enormous amount of money that could be made if they got serious, just as our allies have. I will provide examples of that in a moment.

Joseph Stiglitz, the Nobel Prize winning economist, wrote in *The Guardian* on May 27, 2013:

Our multinationals have learned how to exploit globalisation in every sense of the term—including exploiting the tax loopholes that allow them to evade their global social responsibilities.

He talks about transfer payments, whereby, as he says firms "make up" the prices of goods of services that they charge each affiliated entity and so forth to avoid paying their fair share of taxes. We have seen that. We have seen that the Cirque du Soleil uses a subsidiary in Luxembourg, a low-tax jurisdiction, to not pay its fair share of taxes in Canada. The Irving family is notorious for this. Of course, there is Apple, Starbucks and Google, and the list goes on. People are outraged.

Canadian firms are just as involved in the creative use of tax havens to avoid paying their fair share. It is the kind of thing that finally seems to be getting attention, albeit not from the Conservative government.

What can be done? What have the French done? They have published a black list of tax havens with bank-secrecy laws. They are simply saying that their French development agency will not operate in the 17 countries that are on the list. Is there any such list in Canada? I do not think so.

They have signed the multilateral Convention on Mutual Administrative Assistance in Tax Matters and have agreed to share information, on request, from other countries—and here is the punchline—with the optional provision for automatic tax information exchange. What does that mean? Luxembourg, Singapore and Austria, all sensitive, traditional bank-secrecy jurisdictions, are among the 50-some countries that have agreed to automatically exchange tax information to help foreign nations clamp down on tax debtors and allow countries to conduct wide-ranging, multi-party tax investigations.

● (1825)

The Globe and Mail reported yesterday, as did the *Financial Post* today, that Canada is opposing the automatic tax information exchange agreements. To use my analogy again, if there is a train, we barely make the caboose on that train.

Let me talk about what the OECD Secretary-General, Ángel Gurría of Mexico, has recently said about the kind of things this convention deals with:

The [international tax] rules which we have built since the 1920s were meant to avoid double taxation....The problem is we've moved from double taxation to double non-taxation.

I will continue the quote:

Now we don't tax anybody because we've built a set of codes and regulations and law...and culture...where we facilitate the fact that co-operations, through transfer pricing practises, put their profits in low-tax jurisdictions and therefore do not pay what would be considered to be their fair share.

He also said that taxing IT companies such as Google and Amazon had become especially difficult, as they are apparently based in the "ether".

You can move anywhere and it doesn't matter where you originate the information or where you register the company, basically the consistency is that they [the companies] want to pay less tax.

This is hurting developing countries a great deal as well, as their wealth is taken to tax havens, and Canada has not been aggressive on that score either.

I said I would talk about what other countries are doing. I have given some examples.

The Swiss government and the Americans have been involved in serious negotiations involving their bank secrecy and enablers that come to that country to get Americans to not pay their fair taxes. In 2009, UBS, the largest Swiss bank, agreed to enter into a deferred prosecution agreement with the United States. The bank eventually turned over 4,450 client names. It paid a \$780-million fine after admitting criminal wrongdoing and selling tax evasion services to wealthy Americans.

Do we think Canadians are not part of that? We know that they are. Do we think the Canadian government is putting in the energy to deal with this crisis it should? Of course it is not.

That is why the NDP's supplementary report to the finance committee lists a number of things we think need to be done. The government refuses to measure this problem, as our allies have done. The measurement of the tax gap and the like they scoff at as being irrelevant.

I wish it could finally follow the practice of the French, the Australians and the British in doing the right thing, but it does not seem to want to. It cut services. CRA does not have the warm bodies to do the job that is required, and we are supposed to believe that this is different.

We support the bill. We think it is a bill that is in line with modern tax practice in avoiding double taxation. It makes sense at one level. However, when it is sold as something it is not, we have to stand and tell the government that the emperor has no clothes.

Government Orders

It is a great housekeeping bill. I am glad we have a deal with Serbia. I am glad we have a deal with Namibia. I am glad we have a deal with countries that are our allies. However, why can we not see the need to really get serious about tax evasion?

I note that the government has been given information recently, that it had the information from the international consortium that was doing the tax evasion studies and that it had the opportunity to move forward, and it did not. It said in this House that it will take all measures to do so. It did not.

I am hoping, when our government is in the G8, that it shows a tiny bit of leadership on this issue and gets on board with Mr. Cameron, gets on board with the Americans, gets on board, indeed, with all of the G8 and says, "Canada is here to play as well. We're not simply going to take a back seat or ride in the back of the train, in the caboose, on such an important issue".

Hon. Julian Fantino (Minister of International Cooperation, CPC): Mr. Speaker, I am a bit confused listening to the hon. member going back and forth on the issue of supporting the bill, but, but, but.

I wonder if the hon. member is aware, and he should be aware, that Canada has entered into similar negotiations and has achieved similar results with some 90 countries, which means that, obviously, Canada and these other countries are on the same wavelength on these issues. There are a number under consideration presently.

I wonder if the hon. member could get a bit more specific about what his problem really is when he is speaking in favour of a bill but then proceeds to criticize it. I cannot get it. Maybe other people can.

When he criticizes Canada, at the very same time, the hon. member is also criticizing these other countries with which Canada has these agreements in place and with which it is also negotiating for more as we speak.

• (1830)

Mr. Murray Rankin: Mr. Speaker, I said on two occasions during my remarks that there were 90 such conventions, so I do not think I can be corrected on that matter. I also said that these types of arrangements had been around since 1920 and that the OECD, of which Canada is a proud part, had done a lot to provide uniformity on these measures. He seems to be confused about my position, so maybe I can say it again.

We support the bill. It is just too bad it is 20th century legislation when we are now in the 21st century and our allies are charging ahead to do real things with automatic tax information exchange agreements. Looking at the provisions of this bill, the government used the old-fashioned exchange agreements.

The point is that this legislation is going nowhere near as far as is required to address this crisis.

Mr. Jasbir Sandhu (Surrey North, NDP): Mr. Speaker, when there are tax evaders out there, everyday Canadians end up paying those taxes.

I listened to my hon. colleague's speech. It is very clear that other governments, whether it is the UK or the Australian governments or other G8 nations, have taken steps to reign in these tax evaders. It would seem to me that the Canadian government is just doing this

piecemeal deal now that it is going to the G8. Would the member comment on that please?

Mr. Murray Rankin: Mr. Speaker, I would agree entirely with my colleague's thoughtful intervention.

It is a matter of some sadness to me that the government's rhetoric is all about going after tax evaders, all about a crisis and tax havens and so forth. The government announced a while ago that it was going to put \$30 million over five years, having already cut 2,000 people from the job and \$250 million. We are now supposed to believe this serious action.

What Canada is doing is an embarrassment at the international level. *The Globe and Mail* reported on it recently. *The Financial Post* has reported on it. It is not me that is saying it.

Canada has to get on board with automatic tax information exchange agreements, measuring the problem, doing the kind of things that Mr. Cameron, a Conservative prime minister, wants to do, not just talk and do so little.

[Translation]

Mr. Philip Toone (Gaspésie—Îles-de-la-Madeleine, NDP): Mr. Speaker, I would like to thank the member for Victoria.

I know that he works very hard in his riding, and I am sure that his constituents greatly appreciate the fine job he does representing them in the House of Commons. His comments on fiscal issues are second to none.

[English]

Today being Tax Freedom Day, the member has made it very clear that when it comes to overseas tax evaders everyday is Tax Freedom Day. The government has a lot to be reproached about for making it possible for Canadians to celebrate Tax Freedom Day today, but it is not talking about everyone else who is evading paying their taxes. This day could actually come much more quickly than what the government leads us to believe.

We need to work a lot harder at this. The member's speech made it clear that there were a lot of things we could do that could lead to much better tax fairness in the country.

Just today, Canadians for Tax Fairness indicated that Statistics Canada surveys have indicated that overseas Canadians are putting away in the 12 biggest tax havens in the world over \$170 billion worth of revenue that the government could be taxing. I wonder if the member could speak more to the fact that perhaps the government is unaware that all of this money is available.

What makes the Conservative government so slow at reacting to this when we know this money should be taxed in order to pay for the services Canadians deserve?

• (1835)

Mr. Murray Rankin: Mr. Speaker, the amount of money that the same organization, Canadians for Tax Fairness, has indicated every year is lost bears repeating. Its study shows it is \$7.8 billion. The Tax Justice Network, of which it is a part, has done enormously good work around the globe in trying to come up with a figure. As I said, the Conservative government refuses to even try to measure that tax gap.

Government Orders

I think the reason the government does not see this as a problem is that it does not see it through the lens of investment. If it characterized this as making an investment of a few billion dollars in return, maybe that would get through to it, maybe then it would see that this could be an investment well worth making.

It is an issue of fairness all right because that \$7.8 billion would, as my hon. friend said, allow us to reach Tax Freedom Day months earlier, because that \$7.8 billion would now be available, even some portion of it, so we would have more money so Canadians would achieve tax fairness a few weeks or months earlier.

There are fairness issues and there are equity issues, but there are simple bottom line issues. If the government saw it as an investment, maybe then it would get it.

[*Translation*]

Ms. Anne Minh-Thu Quach (Beauharnois—Salaberry, NDP): Mr. Speaker, I would like to thank the member for Victoria for yet another informative speech. He always provides statistics and specific examples. It is clear that he does his homework before sharing his point of view.

Something he said earlier really struck me. A total of 3,000 full-time positions will be cut at the Canada Revenue Agency. The people being cut will not be able to investigate the money being lost to tax havens. Billions of dollars are lost and are not being reinvested into the fight against climate change, for example. It would mean more money in our economy.

The Conservatives made \$29 million in cuts to Parks Canada when we are trying to attract visitors. Our parks create ecotourism jobs, for example, which means jobs for the regions. The Conservatives are slashing family farms. They are cutting everywhere; meanwhile, the money from uncollected taxes could be reinvested in my area's economy, ensuring sustainable, high-quality positions.

Can the member again explain how all these job cuts—and the fact that we are losing money that should be coming back to us from companies—are negatively affecting our economy?

[*English*]

Mr. Murray Rankin: Mr. Speaker, I appreciate that the hon. member has put these cuts in the personnel of the Canada Revenue Agency in a very interesting context and much broader context. She talked about parks, climate change, family farm regulation and so forth.

The cuts the government has made to public services to Canadians are having real impact. I know the Conservatives like to say that these are back office jobs that have been cut and we should not worry, that it will not affect their fight against tax havens. That is what they say in the context of CRA.

In my community of Victoria, I keep getting seniors telling me that they do not have telefile anymore. There is no front counter service. That has all been cut. It is as if we are supposed to believe, with the millions and millions of dollars that have been cut and, if I use the government's figures, 2,568 more people will be cut after the budget goes through, that this has no consequence in the real world.

What do the Conservatives think we are? Of course there will be consequences and the examples the hon. member has given on climate change and parks are just examples that we could replicate throughout Canada Revenue Agency's experience just as much.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, it is a pleasure to rise to speak to Bill S-17. Taxation and taxes is always a hot topic. No matter what day of the year it is people always want to talk about taxes. One thing that they like to tie to taxes is the idea that it is an absolute necessity. Government has to generate revenues and part of those revenues is taxes. I will make reference to a multitude of different types of taxes shortly.

I will first start off from the whole aspect of what I made reference to earlier today. There are some bills that I believe are fairly straightforward, standard and receive a considerable amount of support. When we look at Bill S-17, we find there is substantial support of all entities in the House to see the bill ultimately pass. The objections are reasonable in what it wants to accomplish. I do not think we have too many advocates suggesting that we should be creating tax havens. We might hear some differences in whether the government is doing enough. Again, I will provide some further comment on that point shortly.

First and foremost, what I want to start off with is why we have Bill S-17 before us today and the manner in which the government has brought it forward. It concerns me because even though the bill we have before us is relatively non-controversial, the government has made it more controversial. The reason why we might want to speak to it that much more is because of the manner in which the government has chosen to bring in the legislation.

I have been a parliamentarian for a number of years and have had the opportunity to negotiate session wind-ups, albeit at the provincial level, but it is a parliamentary system very similar to the type of procedures that happen in the House of Commons. As we look to our days winding down here, in my beloved home province of Manitoba the legislature is winding down its session. However, it looks as though its session will go on well into July if we believe some of the reports. What is interesting about that with respect to the relevancy of that bill is that it is all about taxes.

In Manitoba, the NDP government of the day is increasing the provincial sales tax from 7% to 8%. There is an issue surrounding the balanced budget legislation. There was supposed to be a referendum, but that was not held. I suspect the reason being is that the government would likely lose the referendum because there is no appetite to see the provincial sales tax increased, especially when the province next door is decreasing its sales tax and that gap continues to grow. The bottom line is there is a bit of a stalemate happening there.

Government Orders

As much as I might not necessarily be a strong advocate for the New Democrats in the province of Manitoba, I do respect the fact that they are going through a process and are not yet putting in limits in the form of closures, from what I understand. This is with respect to a bill that is exceptionally controversial and no doubt will receive hours of debate and go into committee, which is a different system. I believe there are close to 200 Manitobans who have expressed an interest in wanting to talk about taxes in that legislation. Therefore, there is what I classify as due process. There they have controversial legislation where there is no unanimity within the legislative chamber.

● (1840)

Contrast that to Ottawa, where we have a bill, subject matter, taxes, tax evasion and tax havens. We seem to have wide support for the bill and its passage, yet we have a government that has brought in time allocation. This is not the first time it has brought in time allocation. I believe this is already the 40th, 41st or 42nd time that the government has brought in time allocation. I have had the opportunity on numerous occasions, probably 30 times or even more than that, to stand in my place to talk about the serious nature of time allocation. It is serious, when we have a majority government making a decision before the House to define the amount of time to be allocated for debating Bill S-17.

When I listened to the Minister of State for Finance, he indicated that we have had a piece of legislation before the House for 100 days, trying to give people who may be following the debate the impression that for 100 days, we have actually been debating Bill S-17, and that the government is doing us a huge favour by bringing in time allocation.

Nothing could be further from the truth. We might have had a few hours, not even a full day of real debate inside the House of Commons on this issue, yet it is the perception. The government has made the decision that it will limit the amount of opportunities for members of Parliament to address the issue of taxes.

When I had the opportunity to review Bill S-17, I had the opportunity to talk about taxes in general and the whole issue of fair taxation, spending smarter and so forth. I believe that is what the constituents of Winnipeg North would want me to do, to express concerns I might have on the legislation and to talk about taxation policies.

We have 300-plus members of Parliament, and the government has said that it wants a very limited number of MPs allowed to speak to this legislation. I am grateful to my party. It made sure I was afforded the opportunity to express my concerns. On this bill, I suspect that if there was any goodwill coming from the government House leader, maybe even working with the Minister of Finance and approaching opposition parties, negotiating, talking about what kind of legislation it is, how many hours would we like, then respective caucuses could work with their colleagues to get a sense of how long the debate could or should be.

We have all sorts of ways to enable legitimate, full, wholesome debate on bills that are deemed important, where members of Parliament want to stand up and address their concerns. The government, through this whole time allocation addiction it has, is preventing that.

The unfortunate thing is that in principle we support Bill S-17 because of its objectives and what it hopes to accomplish. I suspect it may not even have required five hours of debate. I do not know, because we had no sense of interest within our own caucus or whether it was brought to our caucus; I have no idea how many New Democrats would have chosen to speak to it.

Even though in principle I support the bill we are talking about, what upsets me is the fact that the government continues to use time allocation in order to get through its legislative agenda.

● (1845)

I want to emphasize how important it is that we recognize that we have seen a significant change in attitude in the Prime Minister ever since he received his majority Conservative/reform government. It has been a significant shift in attitude. He has been very disrespectful toward individual members when it comes to their participation in debate.

The government has invoked time allocation, another form of closure, on legislation that definitely should have had a lot more debate. As a result of the government's inability to negotiate in good faith, now we find that every time it introduces a bill, either one day later or even sometimes on the same day, a time allocation motion is invoked. We are seeing that again today on Bill S-17. That lack of respect for proper procedure inside the House of Commons is going to hurt the government. Conservative members may not realize that today, but at the end of the day, it will have an impact.

Canadians respect our democratic system. They appreciate the fact that there is a proper process to be followed. The degree of the Conservative government's lack of respect for due process will become better known. It is an issue I plan to raise significantly going forward, because the frequency is the greatest insult to the House.

I will conclude my remarks on the issue of the process by saying very clearly that no government in the history of Canada has used time allocation in the fashion the Conservative government has, and we are only two years in to a majority government. I want to emphasize that particular point.

Let me get to taxation.

When we look at what the bill would ultimately do, we think of achieving bilateral agreements. What we are attempting to do is ratify them through this legislation. We can have as many of these bilateral agreements as ultimately can be developed and passed through the House, but that will not really address the issue to its fullest degree. If we want to deal with the issue of tax avoidance or people hiding money or not paying their fair share, then we have to look at resources and to what degree we are allocating resources to those authorities, such as the Canada Revenue Agency, and its ability to go after those individuals who feel they do not have to pay their fair share of taxes.

Government Orders

Former prime minister Paul Martin allocated \$150 million to combat international tax evasion. We took the issue of tax evasion very seriously, so \$150 million was put in the Liberal Party's last budget in order to combat tax evasion. If we follow that through, in 2009 we could ultimately argue that \$150 million had a fiscal impact of about \$2.5 billion. When we think of how effective that \$150 million was in terms of being able to return \$2.5 billion to the coffers in some fashion or another, that shows very clearly and decisively just how effective it would be to allocate the appropriate resources in order to avoid tax evasion. That is very important.

●(1850)

The other issue is with respect to bilateral information. At the end of the day, bilateral information or establishing some sort of an exchange framework is one way to deal with this. Those who participate in tax evasion are very creative: they come up with different ways to avoid having to pay taxes. Working toward the larger, multilateral information exchange framework is ultimately the next best way, I would argue, to clamp down on those companies that are participating in tax evasion.

I want to very briefly comment on the issue of taxation, in general.

We all know that governments need to have revenue in order to function. What I would like to see, and I believe what most Canadians want to see, is that the money collected is in fact being spent smart. As a taxpayer, I want, number one, to pay my fair share. I do not want to have to pay more, but I am prepared to pay my fair share. I think a vast majority of Canadians have that attitude. The other concern is that they want the sense that those tax dollars are being spent wisely.

On both of those fronts, there is a wide belief that this is not taking place today. It does not matter what level of governance, there is this suspicion that the government is just not doing enough. I think what we need is the Prime Minister and his government to take the issue of tax evasion more seriously and look at how we can have multilateral agreements to ensure that those who try to avoid paying taxes are held accountable. The government, the Canada Revenue Agency, must be empowered to do what is necessary to ensure that people pay their fair share. I believe that is quite reasonable.

●(1855)

When I look at Bill S-17, it is a step forward. However, I do not believe that the government is doing enough. All we need to do is look at the last Paul Martin budget where there was a huge investment of tax dollars to deal with the issue of tax evasion. The return for that \$150-million investment was overwhelmingly positive.

If the government had its priorities right, I think that there is so much more out there that we could benefit from. A more aggressive government would ensure that all Canadians paid their fair share.

I will save my comments in terms of spending that money in a better fashion for another debate on another bill. For now, suffice it to say, there needs to be a lot more improvement.

I will conclude my remarks by saying when we talk about taxes, it is important that we recognize that taxes come in many different

forms, whether it is hiking up tariffs, the PST, income tax and many others. I look forward to this bill passing. If there are any questions, I am more than happy to answer.

●(1900)

[*Translation*]

Mr. Philip Toone (Gaspésie—Îles-de-la-Madeleine, NDP):

Mr. Speaker, I thank my hon. colleague for his interesting remarks. However, they were sometimes difficult to follow. It is hard to know whether the information was 100% reliable.

For instance, he said:

[*English*]

Those who participate in tax evasion are very creative.

[*Translation*]

I would like to point out that Paul Martin himself was perhaps a little too creative when it came to tax evasion. Representatives of his family business, Canada Steamship Lines, were repeatedly criticized for failing to pay their fair share when they created subsidiaries in Barbados, for example. Barbados is a known tax haven.

Frankly, it is pretty hard for us to understand how the Liberal Party can tell us that, on the one hand, it spent up to \$150 million to fight tax evasion, while on the other hand, the prime minister of the day owned a business that seemed to be evading taxes. I am having a very hard time understanding my Liberal colleague's logic.

If Canada Steamship Lines, which has subsidiaries in Barbados, did not pay its fair share in either Canada or Barbados, how is it that the Government of Canada spent \$161 million on contracts with Canada Steamship Lines and its subsidiaries until 2004, the last year for which I have statistics, yet Canada Steamship Lines did not pay its fair share of taxes?

I am having a very hard time understanding my Liberal colleague's point. I would like him to explain Paul Martin's tax evasion.

[*English*]

Mr. Kevin Lamoureux: Mr. Speaker, the important word the member used was “seemed”. He said it seemed as if there was tax evasion. If the member genuinely believed what he is trying to give the impression of to those who might be watching, then he should feel comfortable enough to go outside of the House of Commons chamber and say that the former prime minister did some sort of illegal activity and make the accusation he just made here outside the House. I suspect his comments would be greatly watered down.

Government Orders

If we want to talk about individuals, we have to be very careful. If I were to bring up individuals, much as we have seen the Conservative caucus do during S. O. 31s, where they constantly cite not one but two NDP, and I underline “NDP”, members of Parliament who are not paying their taxes. The member needs to be very careful. I would argue that there is an equally strong case to be made, if not a stronger case to be made, with regard to his two colleagues, members of Parliament who sit with him today, than there is with former prime minister Paul Martin. If he believes that Paul Martin did something illegal, then I would challenge him to have the courage to say outside the House that there was illegal activity and let Canada Revenue Agency know about it. However, I suspect he would not do that. I suspect that because he used the word “seemed”.

Let there be no doubt that there are many Canadians across the country who, when they process their tax returns, look at ways to minimize the amount of tax they have to pay, and there is nothing wrong with doing that. The problem is when individuals choose not to pay their taxes, as are the allegations with two of his colleagues, which is a problem, or when people conduct themselves in an illegal way to avoid paying taxes.

I do not think the Liberal Party has to make apology any more than the New Democratic Party, especially if we apply the relevance of time. As of today, there are two members of his own caucus whose behaviour is being questioned on the issue of paying their fair share of taxes.

• (1905)

Mr. Jasbir Sandhu (Surrey North, NDP): Mr. Speaker, I heard the question from my hon. colleague, and I think he was talking about closing the loopholes that currently exist in our system. The newspaper this morning said that Canadians for Tax Fairness cited recent statistics from Statistics Canada that show that in the top 12 tax havens around the world, Canadians have stocked away \$170 billion. If we taxed those \$170 billion, we could have \$7.8 billion in additional revenue. Where is that additional revenue going now? It is going on the backs of Canadians.

I googled “tax evasion” just now, and the top four or five news articles say that France is expanding its inquiry of tax evasion, India is also going after tax evaders, the U.S. is cracking down on virtual currency tax fraud and the headline in the *Ottawa Citizen* says, “Canada slammed for lagging behind in fighting tax evasion...”. This is from just punching it into Google. This is just today's news.

I know the G8 summit is taking place. It would appear that Canada has been dragging its feet and we can do more to collect that \$7.8 billion. I would like the member to comment on that, please.

Mr. Kevin Lamoureux: Absolutely, Mr. Speaker. I applaud the member for the question. At the end of the day, we lose billions of dollars in annual revenues that should be coming into our coffers. Can anyone imagine what we could do with those billions of dollars? It could go to deficit reduction, reducing other forms of taxes for the middle class and others, or not having to increase other forms of revenue. If only we had a government that was prepared to do more.

Canada is lagging behind, and that is the reason I used the example of the \$150 million that was put into fighting tax evasion back in 2005 under the last Liberal administration. That \$150 million

is ultimately responsible for generating close to \$2 billion. That is a whole lot of money that I would argue assisted in preventing us from having to increase other taxes.

Again, I want to emphasize that Canadians as a whole believe that taxation is something in which people have to participate. People have to pay taxes, but we ask that taxes are fair and that we do not allow individuals to get away with things such as tax evasion. This upsets people, and justifiably so. People who put in 40-hour work weeks making \$20 or \$25 an hour, or whatever it might be, are paying hard taxes. They want to ensure that the guy who is making \$3 million a year or \$500,000 a year is also paying his taxes. They have a right to feel comfortable in knowing their government truly cares, to the degree in which it is going to fight to ensure that everyone is paying their fair share.

We need to invest more time, energy and resources, and work toward international multilateral agreements on information sharing.

Mr. Wladyslaw Lizon (Mississauga East—Cooksville, CPC): Mr. Speaker, I appreciate the opportunity to speak today to the second reading of Bill S-17, the tax conventions implementation act, 2013.

Over the years, our government has worked hard at signing many tax treaties to help improve our system of international taxation. Bill S-17 would add to Canada's ongoing measures to update and modernize its network of income tax treaties with other countries, which is one of the most extensive in the entire world. Canada has tax treaties in place with a whopping 90 countries, including most of our major trading partners, and is working on agreements with other jurisdictions. Bilateral income tax treaties like the one before us today help us to prevent double taxation, thus creating tax fairness for all Canadians, and ensure everyone pays their fair share, something we know we must do.

Tax treaties also eliminate tax barriers to trade and investment. As we noted in the economic action plan 2013, deeper trade and investment relationships in more overseas markets help support jobs and growth in Canada. In this respect, Bill S-17 would provide benefits to both taxpayers and governments by setting out clear rules that would govern tax matters relating to cross-border trade and investments. The treaties covered in Bill S-17 would promote certainty, stability and a better tax climate for taxpayers and businesses in Canada and these treaty countries. While these treaties would help to secure Canada's position in the increasingly competitive world of international trade and investment, they would also help combat tax evasion.

While Bill S-17 is a relatively standard, routine and innocuous piece of legislation, these new and updated treaties would strengthen Canada's already-strong network of tax treaties. Bill S-17 proposes to implement tax conventions, either new or updated, with Canada and Namibia, Serbia, Poland, Hong Kong, Luxembourg and Switzerland. With these six new and updated treaties adding to the 90 tax treaties already in existence, we could be proud that Canada boasts one of the largest networks of bilateral tax treaties, ensuring a fair and competitive international tax system.

Government Orders

I mentioned previously why the legislation before us today is a standard fare, but it is nonetheless very important in achieving the above goals. Bill S-17 would help to stop tax cheats and help to combat tax evasion. It would create tax fairness and prevent double taxation. Finally, it would help improve international trade and investment.

Cyndee Todgham Cherniak of LexSage Professional Corporation said this recently to the Senate banking committee:

Tax treaties facilitate trade. Tax treaties are symbols of cooperation, trust and friendship between nations. Tax treaties prevent double taxation.... They improve stability, transparency, fairness, procedural fairness and tax certainty relating to international trade and transactions. Tax treaties are good for Canadian businesses with activities abroad through branches, subsidiaries and other business enterprises. Tax treaties are good for individuals, employers, directors of corporations, students, shareholders, et cetera.

We can all agree on the importance of working with other countries to provide tax fairness for Canadians, and the bill before us today would do just that.

Tax treaties like those in Bill S-17 complement our Conservative government's overall commitment to a more competitive tax system, one that improves the standard of living of all Canadians. Tax treaties like those in Bill S-17 directly support and encourage cross-border trade in goods and services, which in turn helps Canada's domestic economic performance.

● (1910)

Moreover, Canada's wealth as a proud trading nation depends on a strong global marketplace where information, investment and technology flow with ease.

In fact, during the Senate committee's examination, Nick Pantaleo, a well-respected tax expert with PricewaterhouseCoopers LLP, remarked that:

...a key objective of the Canadian government is to pursue new and deeper international trade and investment relationships. This is not surprising given that more than 60 per cent of the Canadian economy and one in five jobs in Canada are generated by trade. In my view, tax treaties contribute towards the success of such global trading arrangements.

Accordingly, the tax treaties contained in Bill S-17 are a critical tool in strengthening Canada's trade and investment relationships, creating jobs for Canadians here at home.

How does Bill S-17 do that? I would like to take a moment and discuss one particular issue dealt with in this legislation and tax convention implementation through the years, preventing something called double taxation.

Double taxation in the international sense arises as a result of the imposition of taxes in two or more countries on the same taxable income for the same period of time. The treaties in Bill S-17, through bilateral rules, would help avoid double taxation and ensure that taxpayers pay tax on the same income only once.

The Canadian income tax system generally taxes residents on their worldwide income. However, in recognition of the fact that a foreign country may also have a right to tax income earned in that country by a Canadian resident, Canada will provide a credit for foreign income taxes paid, and vice versa. Indeed, if this rule did not exist, there would be unfair consequences for taxpayers, who would be

punished for trying to grow or expand their Canadian businesses internationally.

Simply put, nobody should have their income taxed twice—at least, this is what we think on this side of the House. The exception may be the high-tax NDP. Unfortunately, without a tax treaty like those contained in Bill S-17, that is exactly what would happen, and I am happy this legislation will address that problem.

In the time I have left today, I would like to single out how Bill S-17 would be beneficial to Canada's relationship with its dear friend, Poland.

Canada and Poland enjoy a close relationship, including growth in trade and investments as well as increasing military co-operation and academic relations programs. Canada is home to a vibrant community of nearly one million Polish-Canadians, and since 2008, Poles can travel to Canada visa-free with their e-passports, further expanding people-to-people ties among our citizens.

In February 1998, Canada was the first North Atlantic Treaty Organization country to ratify Polish accession to the organization. Since then, Canada has become a leader among NATO countries in language and peacekeeping training in Poland, with hundreds of Polish officers and senior general staff having received training in Canada and Poland.

Further, Canada and Poland co-operate closely through multi-lateral initiatives as valuable partners in NATO, in Canada-EU relations and across a wide range of United Nations organizations and initiatives, including the International Security Assistance Force in Afghanistan.

With regard to academic relations, there are seven Canadian studies programs in Polish universities that conduct research, offer courses and organize conferences on Canada. Some have extensive library holdings and are a rich source of information for Polish students, researchers, academics and the general public.

Finally, Canada and Poland are also seeing rapid growth in our cultural relations. Canadian artists frequently entertain audiences in Polish cities.

● (1915)

Given our two countries' close ties, in 2009 two important agreements between Canada and Poland came into force: the social security agreement, which coordinates pension benefits between the two countries, and the youth mobility agreement, which allows youth from Canada and Poland to travel and work in the other country for up to one year.

In May 2012, during Polish Prime Minister Donald Tusk's visit to Canada, a new tax convention that will reduce tax barriers and encourage increased trade and investment between the two countries was signed.

Government Orders

This convention is a significant element of Bill S-17, which will further develop and facilitate Canada and Poland's mutual economic relationships and will eliminate double taxation with respect to taxes on income and on capital.

The impetus for the new convention with Poland, which was signed on May 14, 2012, was the need to replace the existing tax convention signed in 1987 in order to reflect current Canadian tax treaty policies.

The new convention will continue to contribute to the elimination of tax barriers to trade and investment between Canada and Poland and will help further solidify the economic links between us.

This convention remains consistent with the government's long-standing commitment to seek out new trade and investment opportunities for Canadians and to promote economic prosperity.

In addition to the close relationship Poland and Canada share, we also enjoy excellent trade relations. Poland is Canada's largest merchandise trading partner in central and eastern Europe. In 2011, the value of bilateral trade was \$1.69 billion.

Canadian exports to Poland amounted to \$251 million and included primarily machinery, electrical and electronic equipment, mineral ores, scientific and precision instruments and vehicles.

Canadian imports from Poland were valued at \$1,439 million in 2011, with top sectors being machinery, furniture and bedding, aircraft and spacecraft products and electrical machinery.

EU membership, coupled with Poland's resilience during the recent global economic slowdown, makes it an attractive investment destination for Canadian companies.

Canadian cumulative direct investment in Poland totalled \$411 million in 2011. Major Canadian investors in Poland include such companies as Pratt and Whitney Canada and Bombardier Transportation.

Hon. members, this convention also modernizes the income tax system between our two nations. Most countries, including Canada and Poland, tax their residents on their worldwide income. Moreover, when a resident of a particular country derives income from sources in another country, it is not uncommon for that other country to subject that income to tax.

The convention recognizes this international taxation dynamic and sets out under what circumstances and to what extent Canada and Poland may tax the earnings of one another's residents.

The convention also provides that when income, profits or gains may be taxed in both countries, the country of residence is to allow double tax relief against its own tax for the tax imposed by the country of source.

Specifically, the convention sets a maximum withholding tax rate of 5% for dividends paid to a company that holds directly at least 10% of the capital in the company that pays the dividends, and a maximum rate of 15% in all other cases.

The convention also generally limits to 10% the maximum withholding tax rate on interest and royalties. As well, the

convention limits to 15% the maximum withholding tax rate on payments of pension income.

• (1920)

It includes a provision that limits the potential for double taxation arising from the application of Canada's taxpayer migration rules without restricting Canada's ability to tax its departing residents under pre-departure gains.

Finally, it includes the latest standard of the Organisation for Economic Co-operation and Development on exchange of tax information in order to assist Canadian tax authorities in the administration of Canadian tax laws.

In conclusion, trade and foreign investment are major engines of economic growth. Canada relies on open markets as a source of opportunity and a stimulus to efficiency, which in turn contributes to economic growth and rising incomes. Openness to trade, investment and global economic engagement are thus critical to Canada's long-term prosperity.

Bill S-17 is another step forward in ensuring the reduction of trade and investment barriers with our close ally, Poland. Considering the close relationship Canada and Poland have, it is only fitting that we ensure that our tax policies reflect the same mutual advantages. Further, Bill S-17 adds to Canada's low-tax commitment, ultimately allowing Canadians to keep more of their hard-earned money.

Since 2006, we have introduced more than 150 tax relief measures for Canadian families, individuals and businesses. The overall federal tax burden is the lowest it has been in 50 years. As a result, the average family of four now receives over \$3,200 in extra tax savings. Going forward, we will continue to open markets and keep taxes low in pursuit of our main objective of increasing jobs, growth and long-term prosperity.

With that, I urge all members to vote yes on Bill S-17 and yes to closer Canada-Poland relations, stronger international trade relations and tax fairness.

• (1925)

[*Translation*]

Mr. Matthew Dubé (Chambly—Borduas, NDP): Mr. Speaker, I thank my colleague for his speech.

He spoke at length about what Canada is doing abroad to combat tax evasion. We support this bill. It is important to note that this is an administrative bill, the kind that comes up intermittently to update various conventions signed with various countries.

The morning papers reported that Canada is not working with other countries to fight tax evasion. Many initiatives are in the works to do just that.

The member talked about the economic power of countries working together, free trade, information exchange and so on.

Government Orders

If those things truly matter to the government, can the member explain why it will not be participating in the efforts of the rest of the international community and why it will not be going beyond the administrative measures we support in this bill?

[*English*]

Mr. Wladyslaw Lizon: Mr. Speaker, I think the hon. member's question goes way beyond the scope of the bill that we are debating here today. Actually, one of the aims of the bill and those tax treaties is to make sure that people cannot avoid taxes.

I suppose the hon. member understands that all these treaties were negotiated by teams from the respective countries over the years. They came to certain agreements. With the ratification of those treaties, we will move forward to make sure that there are no tax havens, that the information on taxation is exchanged and that residents of our countries would not be double-taxed and would not be subject to unfair taxation.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, one of the things I made reference to when I had the opportunity to address the legislation was the fact that government needed to do more than just bring in the legislation, which is almost a given. One would expect the legislation that we have today.

Does the member not see the value or merit in giving additional resources to the Canada Revenue Agency so it can have the resources necessary to get tough with tax evaders? Does he not agree that would be a good step forward?

● (1930)

Mr. Wladyslaw Lizon: Mr. Speaker, it is hard not to agree with the member and there is always a way to improve. We should all work together to ensure that everybody pays his or her fair share of taxes. That would include the members of the NDP caucus who chose not to participate and pay their fair share of taxes.

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, before I speak, I would like to reply to my colleague's inappropriate statement.

Any Canadian has the opportunity to approach Revenue Canada and negotiate a payment of taxes over time, which is the situation here. It is time the Conservatives stop slurring hon. members of the House.

However, the issue here is the rising loss of revenue to the country by people who evade taxation. The member raised something very interesting. My colleague asked why the government did not go a step further, for example, along the lines of what the U.K. did with Switzerland. It reached an agreement where the U.K. could recoup up to 30% of the taxes that should have been paid to it.

When the government entertained these agreements, why did it not take a harder line in what should be included in the agreement? Do the Conservatives have a shopping list such that they have agreements with 999 countries, or are they actually seeking to improve the system of taxation so we can recover taxes and not have tax evasion in our country?

Mr. Wladyslaw Lizon: Mr. Speaker, Bill S-17 includes tax treaties with certain countries because some are renegotiated treaties, which is a step forward.

I was speaking about the Canada-Poland treaty, which is an improvement from the previous treaty that was negotiated in 1987. It reflects the new worldwide situation and new regulations in both countries. When the previous agreement was signed, Poland did not have personal income tax. It adopted personal income tax in 1991, which was four years after the previous treaty was signed. Of course this had to be reflected.

Therefore, for all those treaties, when they are renegotiated and up for improvements, we move forward and improve the situation.

[*Translation*]

Mr. Pierre Jacob (Brome—Missisquoi, NDP): Mr. Speaker, I thank my colleague for his speech.

I would like to ask him why the Conservatives keep refusing to estimate how much money Canada is losing to tax havens and tax evasion. The United Kingdom, the United States and even Australia have all produced estimates of their tax gap.

[*English*]

Mr. Wladyslaw Lizon: Mr. Speaker, I indicated in my previous answer that the work did not end. There is always improvement that has to be made. We all work toward ensuring that everybody pays their fair share of taxes in our country.

Mr. Jasbir Sandhu (Surrey North, NDP): Mr. Speaker, it is very clear from the speeches that we all agree everyone needs to pay his or her fair share of taxes. Conservative members say one thing and do another. If we look at their record, they have cut \$250 million to the CRA, which is equivalent to 3,000 full-time employees. If we are not going to make investments in people to go after tax cheaters, how will we collect that?

Would my hon. colleague not agree that we need to make an investment in CRA and hire people to go after tax evaders instead of making cuts to the Canada Revenue Agency?

● (1935)

Mr. Wladyslaw Lizon: Mr. Speaker, I am surprised anybody would suggest that the efficiency of any organization should be measured by the number of people employed. Many changes have been implemented. There was a lot of investment made in Canada Revenue Agency. There are technological innovations that will help us with the workforce that exists.

Therefore, I do not know why we should say that if there are less employees, we will be less efficient. That is absolutely not true. We are in the 21st century. We do not need 100 million people employed in one agency to be efficient.

[*Translation*]

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I am pleased to rise to speak to Bill S-17. I would have been much happier if this did not come on the heels of another time allocation motion moved by the government.

The government does not want us to debate the principles of this bill. That is what I want to focus my comments on during the 20 minutes I have been given, because this aspect is extremely important. Today, by presenting Bill S-17, the government is telling us that it has everything all worked out.

Government Orders

The Senate had the chance to debate the bill, but I will not get into the credibility of senators for now. The Conservatives think that by introducing this bill, they are accomplishing something. The sad thing is that the opposite is true.

[English]

First, let us start off with the issue of what we are talking about here. We have had a number of Conservatives who have tried to raise the issue of tax debt. It is true that on any given occasion, in fact, in every one of the ridings of the Conservatives who are here today, about 6% of Canadians fall behind on their tax debt. As they are Canadians, they endeavour to catch up and pay their taxes. There are those who fall behind and they are Conservatives, Liberals and New Democrats. The important thing is that those individuals eventually catch up. That is part of the \$29 billion in uncollected tax debt that is being paid back.

I would like to speak to a broader issue which is the issue of the uncollected tax debt that Revenue Canada is seemingly unable to follow-up on. My colleague from Surrey North mentioned a few minutes ago the issue of the government saying that it was going to take on tax havens and that it was getting that uncollected tax debt. However, at the same time it would be cutting cut one-quarter of a billion dollars out of Revenue Canada's overall expenditures, cut 3,000 employees and somehow this time, even though Conservatives have screwed up pretty well everything else they had over the last seven years, they would get it right.

The Auditor General had something to say about that in the report that came out this spring. It is important to note, when we talk about what the Auditor General referenced, that he has seen his department cut back severely under the government. The government does not seem to like independent thought around issues of financial accountability and fiscal transparency. Even though the Auditor General's department has been cut back, here is what he said:

The level of tax debt is driven by the economic climate, tax policy, taxpayer behaviour, and the Agency's efforts to collect taxes in a timely manner. In Canada, 94 percent of individuals...pay their taxes to the Agency on time. However...there is always a balance of unpaid taxes...

Those taxes get paid later on. As I mentioned earlier, in every one of our ridings, about 6% of our constituents have fallen behind. For Conservatives to denigrate those people who are endeavouring to catch up is something that is quite disrespectful. However, the reality is in each and every riding we are looking at about 6% of Canadians who work to catch up.

However, the Auditor General found on the corporate sector it was actually 90% where the taxes that were owed were paid on time. Therefore, there is a much bigger problem in the corporate sector.

It gets worse when we talk about large tax debts. This is obviously why the Conservatives wanted to shut down debate on this. As we bring forward the pathetic Conservative record in terms of tax debt in the corporate sector, Conservatives are understandably embarrassed by their inability to put in place a tax sector that functions.

This is what the Auditor General said about the Canada Revenue Agency, and we are talking about the mega accounts of tax debt. He said:

When we reviewed the additional criteria for accounts over \$10 million, we found that the Agency did not meet its targets for danger of loss reviews; they were either missing or not adequately documented in [about half]...the...accounts that required them. A danger of loss review is important, since it will allow the Agency to act quickly where the taxpayer may be disposing of assets instead of paying a tax debt.

● (1940)

That is very interesting. Among ordinary Canadian families, there is a fall of about 6%, but when we are talking about the large accounts, the \$10 million accounts, Conservatives failed about half the time. That is fascinating. Half the time they failed. This is interesting, because when we talk about the overall issue of uncollected tax debt, it should be no surprise to any of us that the Conservatives' failure on this is one reason there has been a substantial increase in uncollected tax debt. You will recall, Mr. Speaker, that they have now slashed 3,000 of the positions of hard-working public servants in the Canada Revenue Agency, so it is going to get even worse.

In other words, in 2006, the Conservatives came into power, and there was about \$18 billion in uncollected tax debt. What is it after seven years of the Conservatives mismanaging pretty well everything they touch? I would say that they cannot even run a peanut stand, but that actually would be doing a disservice to people who run peanut stands. We saw how they incredibly botched the F-35 debacle, with \$8 billion moving up to somewhere around \$40 billion, and apparently that was without engines. When we see that kind of fiscal mismanagement, we have to just shake our heads.

On uncollected tax debt, it is the same kind of thing. The Conservatives started with \$18 billion, and after seven years of Conservative mismanagement, we are now up to \$29 billion. That is an increase of 57% in uncollected tax debt. If people say they are surprised and cannot believe that the Conservative government would be this awful and ineffectual, and they ask why it is that there is that substantial increase, they would have to come back to the Auditor General's report. In the Auditor General's report, we see that even in the case of danger of loss reviews for accounts over \$10 million, the Conservatives are simply incapable of getting the job done.

A very wealthy man owing \$10 million, according to these Conservatives, will get off scot-free. It is not a problem if people owe millions of dollars. The Conservatives just say that it is fine, that they will slash the jobs of the people who are supposed to collect that money, because the Conservatives do not really care. That is why they have had a 57% increase in uncollected tax debt over the course of just a few years. My goodness. Since Conservative governments cost all Canadians so much in terms of quality of life and the fiscal mismanagement they are showing, we simply cannot afford too many more years of Conservatives. Fortunately, in 2015, Canadians will put an end to this, and they will be putting in place an NDP government that actually knows how to manage the tax system.

Government Orders

What do we mean when we talk about going beyond the uncollected tax debt? We have seen Conservative failure there. That is why the Conservatives prudently say, since the New Democrats would be talking about this for the next few days, that they will just invoke closure and shut down the debate so that hopefully, Canadians will not find out how badly they have botched the issue of uncollected tax and how much worse it will be because of the slashing and the cuts to the Canada Revenue Agency.

We have to ask about the money that has been put in tax havens. That has not even been calculated. We understand that. They have gone from \$18 billion to \$29 billion, an increase of 57%. That is the uncollected tax debt we know about. However, let us look at tax havens and the level of investment being pumped into tax havens. In 2011, about 24% of Canadian investment overseas went into tax havens. Going back a few years, it was in the single digits, but under the Conservatives, we have now moved to a situation where about a quarter of overseas investment goes into tax havens.

● (1945)

Given how badly the Conservatives have botched the issue of uncollected tax debt, one can imagine that the issue of tax havens is of major concern. However, what we have is a Conservative government that seems to be unwilling to deal with this fundamental issue. We are talking about tens of billions of dollars invested in tax havens overseas. The Conservatives just do not seem to care very much about that.

I have just a little aside. My grandmother was orphan. She came from England. She came to Canada to start a new life in her 20s. It was quite brave at the time. She had to take a ship across the Atlantic Ocean and take a train all the way across Canada. This was a young woman who decided that she wanted to start her new life in Canada.

She had an expression she loved to use. She would say that somebody who is not thinking very far ahead is being penny wise and pound foolish. Of course, that is a reference to English currency. Penny wise and pound foolish is what applies to this Conservative government.

It cut back and slashed \$250 million from Revenue Canada. It slashed 3,000 positions and says that it is being penny wise, yet it is being pound foolish when we see the billions of dollars of uncollected tax debt that has accumulated under the Conservative government and the tens of billions of dollars that are now flowing freely offshore into tax havens.

Members will recall that the NDP raised this a few years ago, even before the lightning breakthrough in 2011 that gave the NDP official opposition status, with 100 strong NDP members of Parliament, who come from all walks of life and really reflect the diversity of this country in a way that has never been reflected on the floor of the House of Commons. Even before that, we were raising this issue of tax havens on the floor of the House of Commons.

Members will recall the famous Canada-Panama trade agreement the Conservatives brought forward. We raised concerns at committee, and not only the NDP but also a number of other people who were concerned about Panama's status as a tax haven. It was not just me speaking. The Internal Revenue Service in the United States

said very clearly that Panama does not have the transparency that is required. It is a tax haven.

At the time, we had Todd Tucker, of the Public Citizen's Global Trade Watch, come forward and say that Panama was one of the world's worst tax havens and that the Panamanian government had deliberately allowed Panama to become one of the worst tax havens in the world.

The Conservatives got it in their heads to actually put in place the Canada-Panama free trade agreement that would worsen that issue of tax haven status. Members will recall that the Liberals were just going along for the ride, as they usually did. They were the accomplices pushing along with the Conservatives saying that it was a great idea. Only the NDP caucus stood up and said that we could not sign a trade deal until we had an official tax treaty with Panama, because otherwise, we would be worsening the situation and would be making even worse the possibility of money transferred from Canada to Panama simply going into a tax haven, one of the worst tax havens in the entire world.

That was in January 2011. I dare say, two years later, yet again, the NDP has been proven right. We were right to say that it was the wrong thing to do.

I think, implicitly, the Conservatives are trying, through their Prime Minister's Office talking points, to say that they now want to somehow take action against tax havens. I think what the Conservatives are really saying is that the NDP members were right and that the Conservatives were wrong and are sorry. We accept the apology from the Conservatives, but that is not good enough. What they actually have to do is make things right, and that means not signing these types of free trade deals when what they actually do is enhance the tax haven status of these countries they are signing deals with.

Here is the real problem. We have a situation whereby hundreds of Canadians are now sending their money offshore. Again, those are estimates that come from a variety of sources. This is an increasing problem that is more and more manifest right across Canada. We are seeing tens of billions of dollars flowing offshore now. A quarter of our investment in this country is going offshore to tax havens.

● (1950)

We are seeing an additional \$170 billion, it is estimated by the Canadians for Tax Fairness, going into 12 global tax havens. That means a difference of about \$8 billion a year in tax income, yet we are seeing the Conservative government do nothing except offer Bill S-17. It has signed a few agreements, yes. That is good. We support that on this side of the House, but that does not resolve the problem in any way, shape or form.

Government Orders

What it does, in this case, is allow a bit of cover for the Conservative government. It may have messed up with the Canada Revenue Agency. It may have messed up by cutting thousands of positions that would have allowed it to go after tax evaders in the corporate sector that are taking money offshore with impunity. Having messed up on the uncollected tax debt, having messed up, as well, on the whole issue of money going into tax havens, the government now presents Bill S-17. It is saying that it resolves all the various problems that exist on the issue of tax havens and uncollected tax debt.

New Democrats actually have a different and smarter idea about the kinds of things needed to resolve this issue. As is our normal practice, Mr. Speaker, having been a member of Parliament with long experience, you know that what the NDP always does is bring forward a wide variety of solutions to resolve issues, because we get the job done. I wanted to get in another plug, because I know it particularly embarrasses my Conservative friends. It is not meant unkindly.

This morning we had the debate on the parliamentary budget officer that was proposed by the member for Outremont and the leader of the official opposition. We had a chance, yet again, to talk about the fiscal period returns issued by the ministry of finance that have shown, for 20 years running, that NDP governments are by far the best at managing money, balancing budgets and paying down debt.

That is not me speaking. That is the federal ministry of finance, which is surely not a hotbed of social democrats yet, but it will be. It will be a hotbed of social democrats in a couple of years, and that means that we will have even better financial management than we have shown at the provincial level. We are number one provincially. Just imagine an NDP federal government, with all those social democrats with all that great experience of being number one at balancing budgets and paying down debt, then being able to change the priorities of the federal government so that Canadian families actually benefit. We would have the housing we need, the kind of health care system we need, high-paying jobs for Canadians rather than low-paying jobs for temporary foreign workers, which is where the government seems to love to put the emphasis, and perhaps, more importantly, a transparent, accountable government that actually honours and respects Canadian taxpayers.

At the finance committee level, New Democrats offered a whole range of amendments. We talked about the federal government studying and measuring, to the greatest accuracy possible, Canadian tax losses to international tax havens and tax evasion to determine the Canadian federal tax gap. Australia has done that. The United Kingdom has done that. The U.S. has done that. It is time for Canada to actually measure the tax gap.

We talked about greater transparency and telling Canadian corporations that they have to disclose all taxes paid in other jurisdictions. We also said that the Auditor General should evaluate the success of the Canada Revenue Agency in prosecuting and settling cases of tax evasion. We put all those forward, and the Conservatives rejected every single one.

New Democrats are going to vote for Bill S-17. The reality is that if we really want an effective income tax system, in which

everybody pays according to what they earn, and there are not these tax havens and growing tax debt, then Canadians have to elect an NDP government in 2015, and that is what they are going to do. I have no doubt about that.

• (1955)

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, I want to thank the member for Burnaby—New Westminster for his speech and his passion, which he always shows.

One thing he highlighted in his speech was the \$29 billion purported to be offshore now. Here is some news that came out recently. Heinrich Kieber, the whistleblower who brought this forward in 2007, offered the information to the Conservative government. The information is now being used by the British and the Americans. They paid a fee to Mr. Kieber to get that information. That could have been used in 2007-08 and going forward to prevent that \$29 billion growing to what it is today, which is a national embarrassment.

Mr. Peter Julian: Mr. Speaker, the member has a lot of wisdom and experience in the House of Commons and is always the one asking the right questions at the right time in the House of Commons. I just wanted to compliment him on his great work here.

It is amazing. The Conservatives like to talk a big game about how they are willing to take on these tax havens, but every single action that they have taken, every decision they have made over the last seven years, has actually proven the contrary. The uncollected tax debt has grown exponentially, nearly 60% on the Conservative watch. The number of tax havens, of course, has grown. The amount of money estimated by Canadians for Tax Fairness is \$170 billion in 12 of these special tax havens that the Conservatives seem to want to show a green light to. Then, as the member mentioned, when there is an opportunity to actually crack down on these tax havens and get these corporations to pay their fair share of taxes, the Conservatives say no. That is why they do not have much credibility on this issue.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, Bill S-17 deals with tax treaties, as we know, with a number of countries. It is an interesting collection: Namibia, Serbia, Poland, Hong Kong, Luxembourg and Switzerland.

However, relative to collecting on tax debt, I was prompted by the member's comments about cutting back on staff at CRA. I am wondering if he is familiar with the train of reports we have had since 2006 from the auditor general pointing out that the CRA seemed to have a very poor understanding of where the tax debt was and why it was rising. It was failing to use its risk assessment models properly. The auditor general, for years, has found that CRA staff tends to go after smaller debts, harassing what I think of as regular folks, and leaving aside the millionaires. The large, low-hanging fruit is with the millionaires. Does the hon. member have any comments on the pattern of CRA tax collection?

Government Orders

Mr. Peter Julian: Mr. Speaker, that is really one of the major points I hoped to bring forward tonight. That is why the Conservatives have wanted to shut down debate. This is the 44th time now they have invoked closure. They always have another excuse. Tonight it was because people support the bill itself. I guess beyond that, what they are actually saying is they hope that no one brings forward their shoddy record on uncollected tax debt and allowing these tax havens. Of course, even though we are operating under closure, we have no hesitation in bringing forward the shoddy record of the Conservatives.

The reality is, as I pointed out and as was pointed out in the auditor general's report, the \$10 million debts are the ones the Conservatives just seem to let go by, but they go after individual taxpayers to pay their fair share and catch up on monies they owe to Revenue Canada.

● (2000)

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, I would like to thank the hon. member for the enthusiasm that he puts to what is described as a pretty straightforward, not terribly exciting bill. He can turn any topic into a subject everyone wants to pay attention to.

Those watching the proceedings today would have to be a little appalled. What the government members of the day were celebrating earlier on, before we got into debating this bill, which is supposed to be all about collecting taxes, was tax freedom day. Therefore, I would like to ask the member how he feels about how seriously taxpayers in Canada are going to take the government on how serious it is about collecting taxes?

Conservatives like to stand up every day and if they do not say it once they say it a dozen times that they are going to lower everyone's taxes. One of the things that troubles me is the amount of money not paid in taxes. That is free use of our resources. The excuse always is we will keep the royalties low on resources because we get the revenue in taxes. Then we find out that not all those taxes are being paid. I wonder if the member could speak to that.

Mr. Peter Julian: Mr. Speaker, the member for Edmonton—Strathcona is a very courageous voice in the House of Commons. She stands up for Albertan families and is the best member for Alberta bar none. There is no doubt about that. She is an amazing member of Parliament, one of the best in Canada, as well.

She makes a very important point that for many in the corporate sector, with tens of billions of dollars flowing offshore, tax freedom day is actually December 31st. They do not pay any taxes and the Conservatives are saying that is okay and if they owe a lot of money, they do not have to worry. The Conservatives will just let them get by. If they want to spend tens of billions of dollars in tax havens, they do not have to worry, because the Conservatives will let them get by. However, if a single mother in Burnaby—New Westminster gets behind on her taxes, not only will she have to pay her taxes, which would be fine for anybody across the country, she will have the Conservatives denigrating, attacking and disrespecting her.

They are the two-faced Conservatives. On the one hand, for ordinary families, the Conservatives going to make sure that they pay. On the other hand, if they are in the corporate sector and they want to send tens of billions of dollars offshore, the Conservatives

say that is just fine and dandy. That is why they will be defeated in 2015. Canadians see that hypocrisy.

Mr. Jasbir Sandhu (Surrey North, NDP): Mr. Speaker, the member for Burnaby—New Westminster is one of the strong voices from British Columbia.

I am multi-tasking here, and I was googling “tax evasion” in the news of the day. From what I see on the news here, the first headline is *France Expands Inquiry of Tax Evasion at UBS*. The second headline I see is about Italy going after tax evaders. I see that the U. S. is cracking down on virtual currency tax evasion. This was posted in the news within four or five hours. I see India doing it, France is again doing it. The headline I see from Canada here, and this is actually from the *Ottawa Citizen* this morning, says, “Canada slammed for lagging behind in fighting tax evasion as G8 summit looms”.

The G8 countries are partners. They are taking proactive steps to collect funds from these tax evaders. I do not see the Conservatives coming up with a concrete plan so that we can collect unpaid taxes.

Could the member comment on the trends that we are seeing across Europe and other parts of the world, and what the Conservatives are not doing?

Mr. Peter Julian: Mr. Speaker, the member for Surrey North is one of the bright new members of Parliament here. He brings a wealth of business experience and his experience in public safety from the justice institute in New Westminster. He brings all of that before the House of Commons and does a terrific job as a member of Parliament, representing his constituents in Surrey North.

He is absolutely right about this embarrassment of a government that we have. We have the Prime Minister of the United Kingdom, a whole host of European leaders and the United States wanting to take action. Canada is the international laggard. They want to have a corporate tax registry and the Conservative government says no. Why? I do not know why.

I mentioned earlier all of the recommendations the NDP brought forward to the finance committee. We have international links and we know what other governments are doing, so we brought forward the same suggestions that are going to be discussed in the United Kingdom and the Conservatives said no. That is why the Conservative government has the reputation of being a laggard when it comes to tax havens and of being a laggard in uncollected tax debt. It simply does not have credibility internationally.

That is why we need an NDP government to re-establish our credibility internationally. That is what—

● (2005)

The Acting Speaker (Mr. Barry Devolin): Order, please. Resuming debate, the hon. member for Don Valley East.

Mr. Joe Daniel (Don Valley East, CPC): Mr. Speaker, hopefully we can bring this discussion back to the bill that we are looking at.

Government Orders

I appreciate this opportunity to discuss Bill S-17, an act to implement conventions, protocols, agreements and a supplementary convention, concluded between Canada and Namibia, Serbia, Poland, Hong Kong, Luxembourg and Switzerland, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes.

Before I begin, I would like to take this opportunity to thank all the members of the banking, trade and commerce committee in the Senate for their thorough and timely review of this piece of legislation recently. I would also like to extend my thanks to the Minister of State for Finance for his appearance at the Senate committee as well as the other officials and witnesses for their attendance. Their insightful testimony on this subject, which can often be technical, was greatly appreciated.

I think I am speaking for all in saying that the information they provided was invaluable in helping Canadians obtain a clear understanding of how Canada's network of taxes, treaties and information exchange agreements functions. As Cyndee Cherniak of LexSage Professional Corporation, a leading international trade firm in Canada, told the Senate banking, trade and commerce committee earlier this year, and I quote:

Bill S-17 is a good law and should be supported....Tax treaties facilitate trade. Tax treaties are symbols of cooperation, trust and friendship between nations. Tax treaties prevent double taxation.... They improve stability, transparency, fairness, procedural fairness and tax certainty relating to international trade and transactions. Tax treaties are good for Canadian businesses with activities abroad through branches, subsidiaries and other business enterprises. Tax treaties are good for individuals, employers, directors of corporations, students, shareholders, et cetera.

I could not agree more. Tax treaties are a vital part of a government's overall approach to improve the tax system.

Currently, Canada has comprehensive tax treaties in place with 90 countries and continues to work on agreements with their jurisdictions. Bill S-17 is part of Canada's ongoing effort to update and modernize our network of income tax treaties, which helps prevent double taxation and tax evasion. In the past, Parliament adopted many similar tax treaties. In fact, beginning in 1976, governments, both Liberal and Conservative, brought forward 30 such pieces of legislation, and most recently, those concerning Colombia, Greece and Turkey. I should note that Canada maintains one of the world's largest networks of bilateral tax treaties. This is an important feature of Canada's international tax system, a feature that is key to promoting our ability to compete.

At the same time, the system must ensure that everyone pays their fair share of taxes. It is not appropriate that some corporations, both foreign-owned and Canadian, take advantage of Canada's tax rules to avoid taxes and that some wealthy individuals use offshore jurisdictions to help them hide income and evade taxes. In all of these cases, working Canadians and small businesses, among others, are left having to pay more taxes than they otherwise should. This is simply not fair.

To detect and deter the concealment of income, the Canada Revenue Agency needs information from foreign governments. To this end, Canada supports the international consensus to encourage jurisdictions to meet and implement the Organisation for Economic Co-operation and Development standards for international tax information exchange. That standard is implemented under the

bilateral tax treaties and tax information exchange agreements, like those being discussed today.

Here at home, our Conservative government continues to work hard to keep our tax system up to date and competitive so that Canada can remain a leading player in the global economy. Action in support of a more competitive tax system is essential to create an environment that enables Canada's visionary entrepreneurs and industries to excel and that does not stand in the way of their success. Moreover, tax treaties are an integral element of our plan to improve the standard of living of all Canadians.

Tax treaties, like those in Bill S-17, directly affect cross-border trade in goods and services with our tax treaty partners, which in turn impacts Canada's domestic economic performance.

• (2010)

Over 40% of Canada's annual gross domestic product can be attributed to exports. Moreover, Canada's economic wealth each year also depends on foreign direct investment as well as the inflows of information, capital and technology.

In other words, the tax treaties contained in Bill S-17 would benefit Canadian businesses and individuals with operations and investments in countries covered by this legislation. Tax treaties foster an atmosphere of certainty and stability for investors and traders that can substantially enhance Canada's economic relationship with each country.

Another important facet of these treaties is that they include a mechanism to settle problems encountered by taxpayers, in particular where double taxation arises. Under this mechanism, taxpayers can bring to the attention of taxation authorities issues that arise from the interaction of our tax system with that of other treaty partners and seek a resolution on the issue.

In short, tax treaties provide individuals and businesses in Canada and other treaty partner countries with predictable and equitable tax results in their cross-border dealings. This can only have a favourable effect on the Canadian economy.

Likewise, the tax treaties in the bill have been designed with three goals in mind: first, to facilitate international trade and investment; second, to prevent double taxation and provide a level of certainty about the tax rules that apply to particular international transactions; and third, to prevent avoidance and evasion of taxes on various forms of income flows between the treaty partners.

Today's legislation is part of Canada's ongoing effort to update and modernize its network of income tax treaties, which will help prevent taxation and tax evasion.

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Let me go on to the issue of double taxation for a moment. Double taxation in an international sense arises as a result of imposition of taxes in two or more states on the same taxable income for the same period of time. This overlap between taxation by the country where the income is generated and taxation by the country where the taxpayer resides can have obvious adverse and unfair consequences for the taxpayer. Nobody wants to have their income taxed twice, nor should it be, but without a tax treaty such as those contained in today's bill, this is exactly what could happen.

Tax treaties ensure that double taxation relief is provided where both countries claim taxes on the same income. Tax treaties also allocate tax rights between two countries as a means of protecting taxpayers against potential double taxation. In some cases, the exclusive right to tax particular income is granted to the country where the taxpayer resides. This precludes taxation in the state of source and, therefore, double taxation.

For example, if a Canadian resident employed by a Canadian company were sent on a short-term assignment for, say, three months to any one of the treaty countries covered by the bill, Canada would have the exclusive right to tax that person's employment income. On the other hand, if the same person were employed abroad for a longer period of time, say one year, then the country where the person works could also tax the employment income. However, in this case under the terms of the tax treaty, through the foreign tax credit mechanism, Canada must credit that tax paid in the other country against the Canadian tax otherwise payable on the income. This is an example of how the allocation of taxing rights between countries and between bilateral tax treaties would ensure that individuals and businesses are taxed fairly.

One way to reduce the potential of double taxation is to reduce withholding taxes. These taxes are a common feature in international taxation. They are levied by a country on certain items of income earned in that country and paid to the residents of the other country. The types of income normally subjected to withholding taxes would include, for example, interest, dividends and royalties.

Withholding taxes are levied on the gross amount paid to the non-resident and represent the final obligation with respect to Canadian income tax. Without tax treaties, Canada usually taxes this income at the rate of 25%, which is a set rate under our own legislation for income tax.

• (2015)

Withholding tax rates in other countries are often as high or even higher. Tax treaties reduce rates for withholding taxes. For example, the treaties with Namibia, Serbia, Poland and Hong Kong in Bill S-17 would provide for a maximum withholding tax rate on dividends between affiliated companies at 5%. In respect to other dividends, those treaties would provide for a rate of withholding taxes set at 15%.

Reductions would also apply in respect of interest and royalties. Again, the treaties covered in this proposed legislation would promote certainty, stability and a better business climate for taxpayers and businesses in Canada and in the treaty countries.

Moreover, these treaties would help to secure Canada's position in an increasingly competitive world of international trade and

investment. Clearly, having modern international tax conventions, such as these contained in Bill S-17, is a key component of that goal.

Canada remains committed to maintaining a tax system that will continue to help Canadian businesses in their drive to be world leaders. Tax treaties like those in Bill S-17 would directly support cross-border trade in goods and services, which in turn helps Canada's domestic economic performance.

Moreover, Canada's economic wealth each year also depends on foreign direct investment, as well as inflows of information, capital and technology. In fact, during the committee's examination of this legislation, well-respected tax professional Nick Pantaleo, of PricewaterhouseCoopers, remarked that:

...a key objective of the Canadian government is to pursue new and deeper international trade and investment relationships.... In my view, tax treaties contribute toward the success of such global trading arrangements.

This is not surprising given that more than 60% of the Canadian economy and 1 in 5 jobs in Canada are generated by trade. It would seem clear that the tax treaties contained in Bill S-17 are a critical tool in strengthening Canada's trade and investment relationships and in creating jobs for Canadians here at home. That is especially the case with the agreement with Hong Kong.

Our government considers Hong Kong a priority in Canada's global trade efforts. Hong Kong is our third largest financial market in Asia and an important source of direct investment. It is Canada's 10th largest export market, including everything from telecommunications devices to train signalling systems to educational and financial services.

An example of the importance of Hong Kong in our trade efforts is an agreement between Canada and Hong Kong for the avoidance of double taxation, which the Prime Minister announced when he was in Hong Kong last November.

Of course the region itself is a key market for us, which is why Canada is at the negotiating table for the trans-Pacific partnership, which would open up new markets and increase Canadian exports to fast-growing markets throughout the Asia-Pacific region.

Our government is also working hard to forge stronger links through such multilateral organizations such as the Asia-Pacific Economic Cooperation and the World Trade Organization to which Canada, China and Hong Kong all belong.

The Canada-Hong Kong tax treaty would truly foster an atmosphere of certainty and stability that would enhance Canada's economic relationship with Hong Kong.

As the Canadian Manufacturers and Exporters noted of the Hong Kong tax treaty included in Bill S-17:

Hong Kong holds tremendous potential for Canadian businesses looking to establish a strong presence in China and...across all of Asia, and this Agreement will help fulfill this potential...

(It) reduces barriers to two-way trade and investment between Canada and Hong Kong.

Government Orders

Listen to the words of the Investment Industry Association of Canada, again in reference to the Hong Kong tax treaty included in Bill S-17, who said it would expand:

...savings and capital flows between our two markets...

Moreover, the attraction of Canadian equities would benefit Canadian financial firms expanding their wealth management business in Hong Kong and, through Hong Kong, to a market of over one billion Chinese.

To conclude, the treaties covered in this proposed legislation would promote certainty, stability and a better business climate for taxpayers and businesses in Canada and in these treaty countries.

More importantly, the treaties would help to secure Canada's position in the increasingly competitive world of international trade and investment.

● (2020)

[*Translation*]

Mr. Pierre Jacob (Brome—Missisquoi, NDP): Mr. Speaker, I thank my colleague for his speech.

How can the government explain the \$29 billion in uncollected tax debt reported by the Auditor General?

In other words, how can the government reconcile this tax mismanagement on one hand with its inaction on tax evasion on the other, as 24% of foreign investments are lost to offshore tax havens?

[*English*]

Mr. Joe Daniel: Mr. Speaker, clearly Bill S-17 is looking to improve on the situation we currently have and looks forward to dealing with the various tax situations between the countries to capture more of the taxes and return them to Canada.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, it would be more encouraging if the government would do more than just bring in legislation. Legislation is an important part of it. All of us recognize that. That is the reason the government is ultimately getting the support of all members of the House. We all recognize the importance of doing what we can, and legislation is a part of that.

However, the Conservatives have continuously refused to publish some sort of an official estimate of Canada's tax gap. How can we take the government seriously in terms of a strategy to deal with the tax evasion issue if it is not prepared to publish official information such as the tax gap, which would go a long way in not only identifying it and following through with it but dealing with such issues as increasing resources to Canada Revenue Agency, so we have the proper resources to go after those individuals who are evading our tax system?

Mr. Joe Daniel: Mr. Speaker, just because it is not being published does not mean that we do not keep track of it or are looking at that.

What we would do with this bill is enhance what we can do with other countries and make sure we can maximize the transfer of business, which would generate more revenue for Canada.

Mr. Bernard Trottier (Etobicoke—Lakeshore, CPC): Mr. Speaker, I thank the member for Don Valley East for his eloquent speech in which he hit all of the key points.

We are here to talk about tax treaties, but obviously there are other areas that are affected. He discussed the importance of foreign direct

investment in both directions in his speech: Canada and Canadian companies investing in companies overseas, which would like to have some tax treaties in place, as well as trade.

I would ask the member to talk about the impact of having tax treaties in place and how that facilitates increased foreign direct investment in both directions, and also increased trade in both directions.

Mr. Joe Daniel: Mr. Speaker, when we make life easier and reduce the bureaucracy between countries, there is much better opportunity for trade. By having these agreements, we would protect both Canadian companies doing business with the treaty countries and the treaty countries being able to work closely with us.

Clearly, an exchange of the phenomenal resources we have in this country in terms of providing services to countries like Namibia and Hong Kong and access to the Asian markets is a great opportunity. We need to stay with it and compete globally. That is why this bill is so appropriate.

● (2025)

[*Translation*]

Ms. Anne Minh-Thu Quach (Beauharnois—Salaberry, NDP): Mr. Speaker, this bill will be passed, but I would like to know what my colleague thinks of the fact that it is woefully short on content. Indeed, a closer look will show that instead of solving problems, it will create others.

Under this bill, 3,000 Canada Revenue Agency employees will be laid off as a result of \$250 million in budget cuts, I believe. There will be fewer people available to investigate and make businesses pay their taxes as they should. As a result, more money will be diverted to tax havens. This file is a losing proposition for Canada.

Given that that billions of dollars, 57% more money, is going to tax havens, how can this be considered a serious bill that actually targets the root causes of tax evasion? On top of not providing additional resources to the Canada Revenue Agency, the government is cutting the resources the agency already has.

[*English*]

Mr. Joe Daniel: Mr. Speaker, it would have been appropriate if the member had read the bill in detail, because one of the key aspects of it is the double taxation, which would actually increase our business with the countries we have these treaties with, thus helping us in that sense.

There are also opportunities to invest both ways and make sure that works well for us and increases our competitiveness on a global scale.

That is what is contained in Bill S-17.

[*Translation*]

Mr. Alain Giguère (Marc-Aurèle-Fortin, NDP): Mr. Speaker, we are talking about a very interesting agreement with Hong Kong and with countries such as Switzerland. The problem is that the agreement with Switzerland, in particular, does not solve the problem of Swiss banks and their bank secrecy. Switzerland is now, and will continue to be, a tax haven.

Government Orders

Can my esteemed colleague explain how it is that this legislation will mean that people who pay their taxes will not be penalized, but it will not prevent those who do not want to pay their taxes from continuing to do so, thanks to Switzerland's bank secrecy?

[*English*]

Mr. Joe Daniel: Mr. Speaker, the bill does not look at avoiding the issues with Switzerland specifically on taxes. It is designed to improve businesses and make our position as Canadians competitive globally. The bill would allow more business to take place, which in itself would generate a lot more taxes.

Mr. Mike Sullivan (York South—Weston, NDP): Mr. Speaker, some of what we have been talking about tonight has been about trying to catch tax cheats and the \$29 billion that sits outside of Canada's reach at the moment because it has effectively been hidden from our tax collectors.

However, at the same time that we are trying to find that money, we are cutting staff and funding from the Canada Revenue Agency, which means that there will be fewer people there to catch these cheats. Can we deal with that, effectively?

Mr. Joe Daniel: Mr. Speaker, technology has moved on from some of the days when my esteemed colleague was around. We can obviously do a lot better with the technologies we have, and I am sure there will be a lot of detail worked into how we can use those technologies to actually catch tax cheats.

That aside, this legislation is focused mainly on improving our position globally and on making sure that Canada stays competitive in the global picture.

● (2030)

[*Translation*]

Mr. Matthew Dubé (Chambly—Borduas, NDP): Mr. Speaker, I am honoured to share my time with my colleague from York South—Weston, who, based on what we just heard, is not up on the latest technology. However, I know that he is young at heart, so I am very happy to share my time with him.

In all seriousness, the bill before us today is very important. It is rare to see a bill that deals with such a topical issue. Just today there were a number of newspaper articles about tax evasion.

Before I talk about that, I want to clarify that the government seems to have a habit of mismanaging things. It talks about this bill as though it offered a tangible solution to the issue of tax evasion. In reality, although we support the bill, it simply contains routine measures to update different agreements with other countries.

It is important to update these agreements, maintain good relations with these countries and move forward with the process. However, at the end of the day, these routine measures, although important, are no substitute for resources, the staff and money allocated, in this case, to the Canada Revenue Agency, whose mandate includes trying to resolve this issue.

There are two things I want to talk about that have been in the news. The first is that the Canada Revenue Agency did not want to pay for a list of people who are evading taxes.

That is interesting, because on my way back to Ottawa, I listened to an interview with my party leader on 98.5. The NDP leader

explained what he found so shameful about the whole process. Unlike countries such as the United States, which seized the opportunity to obtain the information, punish people and collect the money, the CRA did nothing.

These people are very wealthy. They have lots of money. They are millionaires. They have millions and billions of dollars that they can hide elsewhere.

The NDP leader focused on those two points, and I think he was right to do so. This issue is a big deal not only to people in my riding but also to all Quebecers. We are debating this issue at the federal level here in Ottawa, but Quebec's National Assembly is debating this too. MNAs are talking about how they can put the brakes on tax evasion and collect that money.

The fact that all politicians are starting to work on this is a signal that people are saying enough is enough. They really want to see action on this issue.

Unfortunately, as I said at the beginning of my speech, that is not what we are seeing today. This is just a routine procedure to update various agreements.

The other relevant point is the one I find more interesting as I listen to my Conservative colleagues this evening. They have a different perspective on the issue. They talk about the potential benefits for free trade. The NDP understands the importance of that.

During the debate on the free trade agreement with Panama, for example, tax evasion was one of the main issues. People talked about how there was not a good system in place for exchanging financial information and how that might lead to even more tax evasion. People raised those concerns.

Government members are right when they say that fighting tax evasion and having a good information exchange system contributes to a relationship of trust that facilitates trade between countries. That is a fact. However, we have to look at other issues too, such as what is really going on right now.

The government talks about wanting to create an environment that fosters good relations with other countries, about eliminating tax evasion and facilitating free trade.

● (2035)

This morning a newspaper article talked about the G8 summit. There will be discussions about this, including with the Prime Minister of Great Britain. The countries that truly want to work together on fighting tax evasion will be involved in the discussions. After all, this is a matter that requires a great deal of collaboration because it is not limited to one country. We are talking about a number of countries. This collaboration is important.

Government Orders

This evening, we have heard Conservative members talk about the apparent willingness to create conditions that are conducive to eliminating tax evasion. Despite that, the article says that Canada will not be participating in these talks. It seems to be very reluctant, even absent, and it just does not want to work with the other countries on measures that might be put in place. We find that extremely disappointing. This goes against the message that the NDP wants to convey this evening.

If we really want to fight tax evasion and there are agreements or multilateral discussions with a view to implementing multilateral agreements, then we have a duty on an international level to take part in those discussions. This is a very significant way for us to be able to recover this money and establish good faith relationships that will also allow other countries to do the same thing. Accordingly, we hope to create an international environment that will be much more honest about tax evasion. This is a growing trend. Many of the cases we are dealing with these days require international negotiations and good faith relationships. The government is increasingly withdrawing from these processes. This trend is starting to take hold.

The Conservatives may well introduce yet another bill that is very routine. I cannot stress this word enough. We support this bill, although they are using it as an excuse to wax poetic about all their achievements on the international stage. However, the facts do not lie. This is what was in the news this morning. Among other things, the government is completely absent from the conversations taking place among countries with which Canada supposedly has good relations. These are countries like Great Britain, countries that are our allies and could easily help us create conditions that would lead to a solution.

To conclude, I would like to say that we support this bill and I am very pleased to have the opportunity to speak on this issue. Indeed, as I indicated, this issue is of great concern to my constituents. This evening I was able to answer some of the letters they have written me in recent months. The most common issues they raised related to equity between the middle class—the workers, the 98%, to use the popular term—and the very affluent people, those who have a lot of money and obviously benefit from tax evasion. This is a reminder that recovering this money can help people who work hard pay their taxes and benefit from the systems we put in place, the various democratic, social and other institutions established to help them. We recognize how important this is.

The first question has to do with fiscal fairness, but the other question the people of Chambly—Borduas often ask me has to do with Canada's actions on the international stage. That is why I focused so much on what we are seeing here this evening and in general. The government likes to talk about the grand gestures it is making internationally to fight the various negative situations, such as tax evasion, but unfortunately, it just cannot walk the talk. The people of my riding and from across Canada, I am sure, would like to see a lot more good faith on the part of the government, relationships that are much more multilateral and much more positive and constructive on the international scene. That would be good for everyone. This would largely solve the tax evasion problem and many other problems, I am sure.

I look forward to questions and comments from my colleagues.

● (2040)

[*English*]

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, it is fair to say that Canadians want to see tangible results. It was not that long ago when former prime minister Paul Martin brought forward in a budget a commitment of \$150 million to deal with tax evasion. That \$150 million ultimately led to an impact of somewhere in the neighbourhood of \$2.5 billion, which is a great deal of money.

The member makes reference to the legislation and, yes, we all support it. However, could he contrast the investment in providing financial resources to draw out more of that money that is being taken away from the tax base and what the government is doing in cutting back on resources to Canada Revenue Agency today?

[*Translation*]

Mr. Matthew Dubé: Mr. Speaker, although this is rare, I must admit that I agree with my Liberal Party colleague on the issue of resources.

However, I would not dare to comment on any potential impact, because we have not had a chance to see any concrete results. It is still a problem. I do not know what this means for the long term. However, one thing is certain: the point he raises regarding the lack of resources is the other problem.

He talked about the fact that all parties support the bill. As I have already said and I will say again and again, the bill does not represent a real gesture or a new gesture on this issue. The government must continue making updates.

The Conservatives need to stop trying to convince us that the bill is a new measure that will suddenly produce the financial and human resources needed to fight tax evasion, because that is completely false.

Mr. Pierre Jacob (Brome—Missisquoi, NDP): Mr. Speaker, I would like to thank the member for Chambly—Borduas for his energetic and fiery speech.

I would like to ask him a question. In addition to the social justice it would create, why is it important that everyone pay their fair share and why is it important that the money not be invested in far-off tax havens? I would like the member to explain how that works, whether in relation to the social safety net or infrastructure.

Mr. Matthew Dubé: Mr. Speaker, I would like to thank the member for his question. I am happy to know that he thinks I am energetic, even at this hour. That is a good sign.

His question is very relevant, and I will repeat the response given by the leader of the official opposition, the NDP, this morning on the radio during the interview that I mentioned during my speech. He spoke about people who make millions of dollars, billions even, in Canada and who put that money in tax havens. What is interesting is that in the majority of cases, these people have made their money and earned a living by benefiting from existing systems in society. Those systems are there to serve them, thanks to the government and taxpayers.

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When someone lives in a society, a community or a country and makes money or earns a living because of those systems, that person has a responsibility to invest in that same society, in that same community. However, the exact opposite happens with tax evasion. It is extremely alarming, and it poses a problem. I would go so far as to say that it shows a certain amount of contempt for the public.

[*English*]

Mr. Mike Sullivan (York South—Weston, NDP): Mr. Speaker, one of the things our friends in the third party suggested was that there had been some money spent on collecting from tax cheats. However, the Auditor General in fact said that at the end of 10 years of Conservative rule until 1994 and then again at the end of 13 years of Liberal rule in 2006, the amount of money being escaped from taxes was actually growing and growing significantly.

Could he comment on this?

• (2045)

[*Translation*]

Mr. Matthew Dubé: Mr. Speaker, that is precisely the problem. The situation gets worse every year. It is a downward spiral. There is no light at the end of the tunnel. Every year, the government seems to make more and more cuts and does nothing concrete.

I will now come back to what I was saying in my speech. Not only is the government not making the necessary investment and giving CRA the resources it needs to fight tax evasion, but it passes up the opportunity to take part in multilateral discussions at the international level. This has been going on for years. Everyone seems to have the answer, but no one seems to know the results.

[*English*]

Mr. Mike Sullivan (York South—Weston, NDP): Mr. Speaker, we are dealing again with another closure motion. The most important thing we could ever face in the government right now is that we sign six fairly routine international tax treaties with six different countries.

Canada's international reputation with treaties is not good. Canada's international reputation with treaties is that we sign them and then we break them, or we sign them and we do not keep them up, or we sign them and ignore them. An example is the tax treaty we have now with the United States. If people are American citizens or people that the United States deems to be American citizens, because even people who are born here are deemed by the United States to be American citizens, if they come to Canada after the age of 14 and have children in Canada, those children are now American citizens.

A woman in Calgary wrote to me because she was experiencing some serious financial pressures as a result of the lack of updating of the tax treaty with the United States.

She had a disabled son who the U.S. determined was a U.S. citizen because she came from the United States when she was 15. That U.S. citizen son had taken advantage in Canada of the disability tax credit. She had taken advantage of it and he had taken advantage of it. As a result, they had some tax savings in Canada.

However, when they filed their U.S. taxes, they discovered that the U.S. government did not recognize Canada's disability tax credit

and did not recognize the disability caregiver tax credit. As a result, any savings that they had were lost. Plus, they had to pay accountants \$2,000 each time to file these taxes with the U.S.

Canada has not taken any action on that. We are by far the furthest behind when it comes to these treaties with the U.S., our biggest trading partner. By far, the greatest number of Canadians who are of American descent and who are accidental Americans, as it turns out, are affected by that, yet here we are under closure dealing with these treaties which are routine. They are not, as the government has suggested, going to provide wealths of money to the Canadian government.

Therefore, this is part of a series, I think, of treaties that the Canadian government has signed that are not necessarily being kept up by the government.

I wonder whether these treaties actually go far enough and whether they will be kept up by the Canadian government, whether we will go after people who are trying to cheat on taxes in any systematic or realistic way.

We also have the examples of the Kyoto accord, which was an international treaty that was signed and then abandoned.

We have the UN Convention on the Rights of Persons with Disabilities, which was signed in 2010 and the government promised the UN that it would provide a report card in March 2012. We are still waiting and the UN is still waiting. This is another example of an treaty that was signed internationally and that was abandoned.

It is bad for Canada's reputation, a country that wants to sign tax treaties with other nations, that wants to be a progressive part of the tax system in the world, not just for tax purposes but for all kinds of purposes, for trade purposes, for environmental purposes, to have the ability to convince the United States to run a pipeline down through the U.S.

That is just a smattering of the examples of ways that Canada's reputation, internationally, has been suffering under the Conservative government.

Switzerland is one of the countries that is part of this bill. Right now, Geneva is hosting the United Nations Human Rights Council as we speak, which is looking into the issue of violence against women. We understand that Canada is reported to be disregarding recommendations on taking action against sexual violence against women and to be opposing sexuality education programs

Those reported actions are part of a trend of the government that I have noticed, which is leaving women out of economic action plan ads, leaving women out of suggesting that women's training should be equal to men, that women should be only trained as hairdressers and nail salon people. That is another example of the kind of attitude the government brings to these kinds of things. Women pay taxes, too. Women deserve the same kind of rights as men. Women should not be left out of the equation.

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• (2050)

The government suggested that today was Tax Freedom Day, whatever the heck that means. I went on the Fraser Institute website to see what Tax Freedom Day means and, in fact, in 2009 Tax Freedom Day was last Friday. Therefore, we are going backward. We are paying more tax now under the current government. How did that happen? It was earlier in the year in 2009. Is it a mistake maybe? It is all lies, damned lies and statistics when it comes to facts and figures.

The government has also suggested that Canadians, on average, are paying \$3,200 less in tax. Again, the Fraser Institute says that the average Canadian is paying \$3,100 more in tax now than in 2006. Where does the Conservative government get these unabashed statistics about taxes? It is part of the government's responsibility to deal with these tax treaties with other countries and this is a fairly routine thing that we support, although we do not want the government to try to take credit for this bill doing more than it would actually do. This bill would not find a way to solve a tax cheat problem.

If \$29 billion of money is waiting to be collected by the government, why is it not collecting it? More than signing this treaty, why is it not doing something about finding that money and putting it back in the coffers of the government? Can anyone imagine what the tax savings would be for ordinary Canadians if the government could find that \$29 billion? Can anyone imagine the amount of good that could come from it? We could almost afford the Senate—no, we could not.

An hon. member: Not that much.

Mr. Mike Sullivan: Not that much, no.

Under the Conservative government, the uber-rich in Canada actually pay less as a percentage of the overall tax pie than they did in 2006. The people in the 1% are getting hit less and less and the rest of us, the 99%, the ordinary Canadians, the ordinary working people of our country, are paying more.

An hon. member: That's unfair.

Mr. Mike Sullivan: That is completely unfair. This legislation does not actually deal with that, but it does deal with the notion of taxes, taxes that should be fair and should be treated fairly. People should not be doubled-taxed, yet the woman and her son in Calgary are being double-taxed because they will pay tax in the U.S. that they did not have to pay in Canada, which is not fair.

There is also spectre of the government now deciding that it is going to use technology, as the member for Don Valley East suggested, to go after the tax cheats. I had a phone call from a constituent just last week when he heard about the great tax cheats out there who made the mistake, he thinks, of writing to the Prime Minister because shortly after that he was audited. This is a senior on a fixed income.

That audit determined he owed \$80 from three years ago. He got a letter from Revenue Canada saying that if he did not pay that \$80, he could go to jail for five years. If he agreed with the CRA, he could pay the \$80, he would be fined and maybe not have to go to jail, but if he disagreed, he certainly would go to jail. That is what he thought

was going to happen. He ended up paying the \$80 and a \$150 fine. Why are we going after this little fish in this big fish pond? There are so many more people who are evading taxes by so much more than that. By spending the resources to go after a poor senior who apparently did not pay \$80 three years ago is doing ourselves a disservice.

• (2055)

Mr. Phil McColeman (Brant, CPC): Mr. Speaker, listening to the member's speech and knowing the party he represents is quite interesting. He talks about the notion of tax cheats, people who do not pay their taxes. The NDP knows that full well because there are members of its caucus, one being the critic for this very file, who have not paid their taxes. When he puts those people in that category, he is putting his own colleagues in that category. They are members of the House of Commons who have not fessed up and the Leader of the Opposition has not taken any action at all to ask those people to pay their taxes back and remove themselves from the party while they do that. We have heard nothing.

What is the member's opinion of that cheat situation?

Mr. Mike Sullivan: Mr. Speaker, it is one thing to park money offshore and avoid taxes, but it is quite another situation for individuals such as those the member referred to, who are in fact paying their taxes.

There was a dispute, and they are paying the taxes. There is no question that the money is getting paid.

Ordinary working Canadians are paying taxes. These people are paying taxes, as any ordinary working Canadian could and should. The issue is not that; it is that the \$29 billion that is not being paid to our treasury would go a long way toward alleviating some of the difficulties the government is in after losing track of \$3.1 billion.

Hon. Jim Karygiannis (Scarborough—Agincourt, Lib.): Mr. Speaker, I wonder if my colleague would share his views on the taxes that should have been paid by former Conservative prime minister Brian Mulroney when he took the \$300,000 and put it in the safe.

I wonder if he would also like to comment on whether Senator Mike Duffy should also be paying taxes on the \$90,000 present that he got from the Prime Minister's Office.

Mr. Mike Sullivan: Mr. Speaker, there are always good questions from that corner.

When a former prime minister admits to pocketing \$300,000 in cash and not paying taxes on it until many years later, it calls into question some of what our tax system is all about.

The people being complained about are apparently not avoiding taxes, because eventually they paid it. The same is true of Mr. Duffy. If Mr. Duffy has received money in the form of a gift that he has not reported to the tax department, there are serious consequences.

Ms. Niki Ashton (Churchill, NDP): Mr. Speaker, my colleague referred in his speech to the government's general doublespeak on issues, including tax fairness, and I would like to read into the record something that connects to the points he raised. It was said by Dennis Howlett, from the Canadians for Tax Fairness organization:

...the capacity of the CRA to go after tax cheats using tax havens needs to be increased significantly. While tax havens will require a concerted international effort, there is much more that Canada could be doing itself. The CRA internal audit document revealed that tax practitioners believe the CRA is not doing enough to catch or prosecute tax evaders.

Here we have a government that claims to be tough on tax fairness, when in fact we are hearing about significant cuts to the CRA and an inability to deal with the real issue of tax evasion and taxes being directed toward tax havens.

Could my colleague speak to that?

Mr. Mike Sullivan: Mr. Speaker, cutting CRA at a time when the Auditor General says there is \$29 billion out there that needs to be collected is a very strange move indeed.

If a government finds that there is money to be collected, it should increase the size of the tax-collecting agency and actually go after the very people who are hiding this tax.

The money in offshore bank accounts is not the money of ordinary working Canadians. It is not from the person running a mom-and-pop store on the corner of a street in Winnipeg or from people who are working for a living by putting in plumbing; it is from those with the ability and the wherewithal to hide money offshore.

Those are people much richer than you or I. Those are the people who are able to hide money, and we are allowing it to happen. The government ought to be spending a whole lot more money on the CRA to make sure those kinds of things stop happening.

• (2100)

Mr. Ed Komarnicki (Souris—Moose Mountain, CPC): Mr. Speaker, it gives me pleasure to rise today in the House to speak to Bill S-17 the tax conventions implementation act, 2013, at second reading. This is technical legislation that would implement Canada's recently concluded tax treaties with Namibia, Serbia, Poland and Hong Kong, as well as tax agreements with Luxembourg and Switzerland.

The conversation has gone far and wide and far beyond the extent of the treaties and what we are discussing today with respect to the legislation itself.

Bill S-17 is part of Canada's ongoing efforts to update and modernize its network of income tax treaties with other countries, which is one of the most extensive of any country in the world.

Canada has comprehensive tax treaties in place with 90 countries, and our government is hard at work on agreements with other jurisdictions in connection with tax evasion, if we want to call it that. The double taxation that we spoke of relates to occurrences between countries and to movements of income, capital and properties between countries.

I want to make it clear that Bill S-17 does not represent any new or significant change in policy and should be considered standard and routine, but very important, legislation. In fact, tax treaties covered by this bill, like their predecessors, are patterned on the OECD model tax convention, which is accepted by most countries around the world. The pattern has been set, and these treaties are negotiated along that line.

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As respected international tax commentator Jeffrey Owens, current senior policy adviser at Ernst & Young and former director for tax policy at the OECD, has noted, "Quite simply, the OECD model has established itself as the means of settling the most common problems that arise in the field of international taxation".

Once again I would remind members we are talking about international taxation and not taxation within the country and the residents of that country itself. Therefore, it goes without saying that the provisions in these particular treaties comply with international norms and are based on standards that are generally acceptable.

The tax treaties in this bill have been designed with three goals in mind.

The first is to prevent double taxation and provide a level of certainty about tax rules that will apply to particular international transactions. That is important. Every business wants to know what the rules are. Businesses want to have a measure of certainty and know what to expect, and of course we want to do away with double taxation to ensure that appropriate investments take place.

The second goal is to prevent avoidance and evasion of taxes in various forms of income flows between the treaty partners. If the income flow is simply done to avoid tax, it needs to be dealt with.

The third goal is to facilitate international trade and investment, both incoming and outgoing.

These goals are consistent with the findings of the 2008 report of the advisory panel on Canada's system of international taxation, convened by our government to make recommendations to enhance Canada's international tax advantage. Not only is Bill S-17 consistent with the findings of that report, but the panel's observations helped clarify the importance of today's legislation for the Canadian economy. This allows for investment to take place, it allows for jobs to be created, and it allows for the long-term prosperity of Canada.

According to the report:

Canada's system of international taxation is important to our country's competitiveness. At the global level, competitiveness is crucial to attracting high-value activities, spurring innovation, and creating skilled jobs. ... Improving the international tax system will enhance Canada's advantage to the benefit of all Canadians.

I will speak further about this legislation's specific objectives, but first I would like to highlight how the tax treaties help contribute to a competitive tax system in Canada.

As members will know, our government is committed to expanding Canada's network of tax agreements with other countries. Better transparency and information exchange for tax purposes are critical to ensuring that Canadian taxpayers report their income earned from all sources and pay the right amount of tax in Canada.

We are serious about combatting tax evasion through the negotiation of tax treaties and tax information exchange agreements, sometimes known as TIEAs.

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Since 2007, our government has brought into force 16 such agreements, signed three others and is actively negotiating with 11 other jurisdictions, including negotiations launched last year with Panama. Not only that, but we have provided the Canada Revenue Agency with even more tools to conduct international tax audits and enforcement.

● (2105)

As a direct result of action taken by our government, Canada continues to contribute actively to the efforts of both the OECD global forum on transparency and exchange of information and the G20, in order to further support the effective implementation of the OECD standard by all jurisdictions.

Our government understands the importance of open markets and full participation in the global economy and has shown continued leadership on the world stage by opposing protectionism and trade-restrictive measures. Canada believes open markets create jobs and economic growth for people around the world.

Indeed, the advisory panel identified the importance of trade as a key driver in improving Canada's system of international taxation. As the report noted:

Cross-border business investment has become central to the world economy. Global two-way trade is important to Canada's prosperity, as it is to that of other countries. New competitors are emerging, notably from developing economies. ... Canadian businesses need to be able to compete with them for investment on both the outbound and inbound fronts.

To support Canadian business investment abroad, attract foreign business investment at home, and strengthen our open economy, tax policy must keep pace with global trends.

Our government strongly supports cross-border trade and investment, but we must ensure that cross-border investment is not used to avoid taxes with complicated tax schemes. In this spirit, the advisory panel identified a type of cross-border transaction, generally referred to as "foreign affiliate dumping", as being abusive. These kinds of transactions reduce the Canadian tax base without providing any significant economic benefit to Canadians and need to be dealt with by legislation.

The panel recommended that a targeted measure be introduced to curtail these transactions while ensuring that legitimate transactions are not affected.

Foreign affiliate dumping transactions often involve a Canadian subsidiary using borrowed funds to acquire shares of a foreign affiliate from its foreign parent company.

Consistent with the advisory panel's recommendation, economic action plan 2012 announced rules to curtail foreign affiliate dumping transactions while at the same time preserving the ability of Canadian subsidiaries of foreign parents to undertake legitimate expansions of the Canadian-based businesses.

What we are trying to do is set the rules to ensure that people pay the tax they ought to pay and are not double-taxed, but also that they are not using means or mechanisms to create expenses or obviate income so that they do not have to pay taxes.

The new foreign affiliate dumping rules, where certain conditions are met, deal with deemed dividends to be paid by a Canadian subsidiary to its foreign parent to the extent of any debt funding

incurred by the Canadian subsidiary, or other non-share consideration given by the Canadian subsidiary, for the acquisition of the shares of a foreign affiliate. Any dividend that is deemed a dividend in that fashion would be subject to non-resident withholding tax, which would generally be reduced to 5% of the gross amount of a dividend by an applicable tax treaty.

Going forward, our government will continue to monitor developments in this area to determine whether further action is required.

Now I will return to the measures contained in the legislation before us today and speak further to the importance of tax treaties, a vital part of the government's overall approach to improving the tax system. Indeed, they are an integral element of our economic action plan to bring jobs, growth and long-term prosperity to all Canadians.

Tax treaties like those in Bill S-17 directly affect cross-border trade in goods and services with our tax treaty partners, which in turn impacts Canada's domestic economy. In fact, over 40% of Canada's annual GDP can be attributed to exports. Moreover, Canada's economic wealth each year also depends on foreign direct investment as well as inflows of information, capital and technology.

In other words, the tax treaties contained in Bill S-17 would benefit Canadian businesses and individuals with operations and investment in the countries covered by this legislation, not only for their investments abroad but also for those investments that come into our country and bring all of what I mentioned with them.

Not only that, but tax treaties foster an atmosphere of certainty and stability for investors and traders that can only serve to enhance Canada's economic relationship with each country.

Another important aspect of these treaties is that they include a mechanism to settle problems encountered by taxpayers, in particular when double taxation arises. It is very important that if there is a dispute, there is a way to settle it, and there is provision in these agreements as to how that might happen, not only with respect to the taxpayer but also with the two countries involved as well. Under this mechanism, taxpayers can bring to the attention of taxing authorities issues that arise from the interaction of our tax system with that of the other treaty partner and seek a resolution to the issue.

● (2110)

Eliminating administrative difficulties and unnecessary tax impediments is an important priority for the Government of Canada and an important component of international tax treaties. In short, these treaties will provide individuals and businesses in Canada and other treaty partner countries with predictable and equitable tax results in their cross-border dealings, which can bring only positive outcomes for the Canadian economy.

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As is common for tax treaties legislation, Bill S-17 would address double taxation issues, which occur internationally when two or more countries impose taxes on the same income for the exact same time period. Obviously that can happen, given the tax regimes of each country, and when it does, it needs to be dealt with. This would obviously be extremely unfair. Double taxation is not something that anyone would like and no parliamentarian would endorse, except, perhaps, the NDP, which is interested in spending and taxing on just about everything, not to mention the \$26-billion carbon tax.

Addressing this issue, it is a non-partisan one. It is very common for tax treaty legislation. I want to underline that by reading verbatim from a speech given by the current member for Scarborough—Guildwood, who was the parliamentary secretary to the minister of finance under the former Liberal government in 2004. I will quote at some length, because I think he establishes the premises of why these treaties are as important as they are. He said:

The first, and probably the most important, objective of tax treaties is to avoid double taxation and provide a level of certainty about the tax rules that apply to international transactions.

Again, I want to re-emphasize that we are talking about international transactions. The member continued:

Relief from double taxation is so very necessary and deserves to be discussed in some detail. The potential arises when a taxpayer lives in one country and earns income in another. Without a tax treaty, both countries could claim tax on the income without providing the taxpayer with any measures of relief for the tax paid in the other country. This is simply unfair.

To alleviate the potential for this happening, a tax treaty between the two countries allocates taxing authority with respect to a given item of income in one of three ways: first, the income may be taxed exclusively in the country in which it arises; second, it may be taxed in the country in which the taxpayer resides; or, it may be taxable in both the source country and the residence country, with relief from double taxation provided in some form, usually the country of residence.

The member was saying that there are a lot of factors at play and we want to establish that these are the rules of the game. If a person earns income, he or she will be taxed only once, in one place, by one country and if that does not happen, here is the mechanism that can correct that.

I also want to speak about withholding taxes, because a lot of this deals not only with earning income, but with dividends, the disposition of shares, the disposition of capital property and so on. Another way to ensure that double taxation does not exist is to lower or reduce something called "withholding taxes". This is another common feature of tax treaty legislation. Obviously, it can be burdensome, with a lot of red tape and hassle, not to mention tying up huge sums of money by virtue of withholding.

These taxes are levied in one country on a certain income earned in that country and are paid to residents in another country. Again, I am quoting from the member for Scarborough—Guildwood from when he was the parliamentary secretary to the minister of finance under the former Liberal government, who said:

Withholding taxes are a common feature of the international taxation system. In Canada's case, they are levied on certain payments that Canadian residents make to non-residents. These payments include interest, dividends and royalties, for example. Withholding taxes are often levied by a country on the gross amount of certain types of income paid to non-residents and such taxes normally represent the non-resident's final obligation with respect to income tax payable in that country with respect to that particular income.

There are obligations in the other country, there is withholding tax here, usually equally to what might be paid over there, when there are fairly large amounts of money being held. Tax treaties are important because they reduce the rates of withholding taxes and help to avoid double taxation.

● (2115)

Specifically with regard to Bill S-17, the treaties with Namibia, Serbia, Poland and Hong Kong provide for a maximum withholding tax on dividends between the affiliated companies at 5%. In respect to all other dividends, the treaties in Bill S-17 provide for a rate of withholding tax set at 15%. I should note that reductions also apply in respect of interest and royalties.

Our government is working with other countries to address the problem of double taxation. Another problem it is working on is to address tax evasion and avoidance, both tremendously unfair and steps that are harmful to our economy. The loss of revenue resulting from tax avoidance and evasion has the potential to adversely affect the efforts of governments in reaching important policy objectives.

Of course there will be certain sharing of information between the countries with respect to tax evasion, and that will help. Not only that, but tax evasion obviously places a disproportionate share of tax burden on honest taxpayers as has been mentioned in the House here earlier today. The government recognizes that one key component of the defence against international tax avoidance and evasion is through improved and expanded mechanisms for international co-operation and information sharing.

To facilitate that goal, treaties like those found in Bill S-17 permit the exchange of tax information between revenue authorities in accordance with standards developed by the OECD, and in doing so help them to identify cases of tax avoidance and evasion, and to act on them.

In conclusion, I would like to remind all members that Bill S-17 is not controversial, nor does it contain any surprises or contentious issues. There is little doubt that its benefits are clear. The treaties covered in this proposed legislation will promote certainty, stability and a better business climate for taxpayers and businesses in Canada and in these treaty countries.

Moreover, these treaties will help to secure Canada's position in the increasingly competitive world of international trade and investment. They comply with international OECD standards and will help ensure a stronger tax system for Canadians. They will help ensure our goal of tax fairness for Canadians.

They provide the rules of the road for foreign investment, for foreign movement of capital and income. This is something that investors and business would expect Parliament to deal with. It is important that Parliament deals with it at this stage, because the take-effect date is someplace down the road. We would like to see this particular legislation passed into law before the summer break.

I would ask all members to support this legislation.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, the idea behind the legislation is positive. I have made comment on that. It has the support of the Liberal Party.

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However, one of the things that we need to acknowledge right up front is that times are changing rapidly. There is so much more that the government could and should be doing to combat tax evasion. One of the things is to look at more of a multilateral approach based on information and the sharing of information. This would go a long way in dealing with the issue, more so than bilateral agreements that have been more of the norm but which I believe are nowhere near as effective.

My question to the member is, what does he feel the government should be doing in regard to the whole multilateral approach, and the issue of providing financial resources so that CRA has the ability to actually enforce this legislation?

Mr. Ed Komarnicki: Mr. Speaker, there is always the opportunity to do more. Obviously we need more legislation. However, it is important to pass the legislation that is before us that specifically deals with the countries outlined in it. As I mentioned before, these tax agreements have been signed with over 90 countries. The OECD has set sort of a pattern of what these tax treaties should look like, and the kind of rules of the road that should be incorporated and that most countries have started to adopt.

Obviously there will be an increase in the number of treaties that are being signed, and I think we need to continue pursuing them and pursuing them actively. More could always be done, but for now this is the treaty that is before the House. It has been negotiated. It is a positive thing that business would like to see passed. It is important that this particular government does that.

Additionally, and contrary to what has been said here, there have been significant investments targeted with respect to the enforcement provisions and the seeking out provisions that CRA may have with respect to international investments.

• (2120)

Mr. Mike Sullivan (York South—Weston, NDP): Mr. Speaker, my colleague did not deal with the issue of the failure of some of the existing tax treaties to deal with the changes in Canadian tax law. For example, the tax-free savings account is not part of what is reciprocated in the U.S. so people who have to pay U.S. taxes have to pay on any money that they invest in a tax-free savings account in Canada.

However, of more concern to me as the deputy critic for persons with disabilities is the disability tax credit, which is not available to those people who file taxes in both Canada and the U.S., who live in Canada, whose children live in Canada but who, by reasons of the U.S. government, are deemed to be U.S. citizens. As a result, those individuals are paying tax twice. I would think that the Conservative government would be working hard to try to resolve the issue of double taxation with our biggest trading partner, the United States.

I would ask the hon. member what the government intends to do about that.

Mr. Ed Komarnicki: Mr. Speaker, I would remind the member that this tax treaty deals with Namibia, Serbia, Poland, Hong Kong, Luxembourg and Switzerland. That is the legislation we are discussing. That is the legislation that needs to be passed. The member should look at it and read the bill as it applies to all these countries to see if there is are improvements, changes or amendments to make. If he supports it, he should support it.

With respect to the United States, it is nowhere in this document. It has nothing to do with this bill. I agree that there are probably a lot of issues that need to be dealt with between the two countries that I am sure are being looked at by the various levels and will be dealt with. However, that is not what we are talking about today, which is this particular legislation and ensuring that the rules of the road are understood by the parties of both countries.

I might also add that the OECD has set out what it thinks it should be. Basically, this ties into that. There should be more of these happening, notwithstanding there are other issues that need to be addressed as well.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, my question for the member for Souris—Moose Mountain is this.

I am well aware that we are here tonight to debate Bill S-17 and that it deals with tax treaties. I have not heard a single member of this place suggest that they do not want to vote for it. I find it strange that on a treaty and a bill of no consequence, which everyone supports, we have time for debate and we have committee hearings, but on something that threatens the sovereignty of Canada, such as the Canada-China investment treaty, we have neither had hearings nor adequate time for debate.

Would my hon. friend from Souris—Moose Mountain like to join me in urging that we still have time for debate before that treaty is ratified?

Mr. Ed Komarnicki: Mr. Speaker, I might remind the member that soon we will be off on summer break so time will be short.

To say that this treaty is of no consequence surely must mean the member has not read the legislation or has not listened to business, because business is quite clear. It wants this agreement. It wants to know what the rules of investment are. Billions of dollars are transferred that create jobs and long-term prosperity in both countries. Therefore, it is important that we deal with the legislation here today and that members are given the opportunity to debate this.

If we had said that members do not have the opportunity to debate this particular tax treaty, I cannot imagine what the member might have said. Perhaps, "We must have the time to debate it." We have provided the time to debate it and the member talks about something else.

I know there are a lot of other issues and a lot of other pieces of legislation. However, today we are dealing with this legislation. If the member wants to debate she should debate this legislation, not something else.

So far what I have heard from the opposition is a debate on all kinds of other issues that may be of some significance but nothing to do with the tax treaties. If you want time to debate, when time to debate is given, debate the issues before you and not something else.

• (2125)

The Acting Speaker (Mr. Bruce Stanton): I would just remind hon. members to direct their commentary to the Chair and not directly to hon. members.

Questions and comments, the hon. member for Scarborough—Agincourt.

Government Orders

Hon. Jim Karygiannis (Scarborough—Agincourt, Lib.): Mr. Speaker, it is indeed important that the member said that we should be debating issues that are important and this issue is certainly not less important than others.

Can the member stand on his feet and say how many bills that are very important to this country the government has brought closure to and has tried to asphyxiate the rest of this chamber from talking about?

Mr. Ed Komarnicki: Mr. Speaker, I do not know where the question is coming from with respect to this legislation. However, there is an opportunity for the member to debate this legislation, and it is important because it deals with the rules of the road for investment.

Notwithstanding what the member and other members have said, there has been specific funding allocated to ensure that appropriate investigation takes place and that CRA has the finances to increase the size of the national audit program, in fact, by 40%. There is a \$30-million investment to target international tax evasion and aggressive tax avoidance. That is what we are talking about and this legislation would provide for that. The government has taken some very concrete steps.

With respect to the member's question, which is not related to this legislation, when a particular piece of legislation does come before the House, he will have the opportunity to ask questions on that and he will get an answer. However, what he is talking about here has absolutely nothing to do with the legislation at hand and it does not matter how much he would—

The Acting Speaker (Mr. Bruce Stanton): Order, please. Questions and comments, the hon. member for Burnaby—New Westminster.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, we are speaking about Bill S-17. The reality is, as the member full well knows, that it is also a question of how the Conservative government implements these tax treaties. That is why we want to have a full discussion.

As well, the reality is that the government has been a colossal failure both in terms of uncollected tax debt and tax havens. We have seen a skyrocketing. Over the seven years of the Conservative government's watch, we have seen a 57% increase in uncollected tax debt because the government is fumbling the whole file. We have seen a doubling, almost \$170 billion, of money that is invested in 12 global tax havens.

Given the government's massive failure on both files, the question is very simple. In terms of Bill S-17, how can we trust the Conservative government to implement it properly when it has failed every other time?

Mr. Ed Komarnicki: Mr. Speaker, this agreement will be implemented and it will save a lot of dollars. However, I will address the question the member asked, which is not related to this bill.

Last year alone, over \$40 billion in tax debt was recovered and \$100 million collected in fines from 1,182 people who were convicted of tax violations. As well, in closing tax loopholes, the New Democratic Party opposed that legislation.

We are setting a culture that is taking place at several levels. Tax enforcement ensures that people are obligated to not only indicate what their income is so they can be taxed, but also that they pay their taxes when they are obligated to pay them. It is a culture of saying that not only should we get rid of tax avoidance, not only should we get rid of aggressive tax planning that tends to avoidance, but when we owe taxes, we also ought to pay them. It is a culture that says it is important to follow the rules and to pay when people ought to pay tax and not try to avoid that by putting money in an offshore account. I should have asked the other member about—

The Acting Speaker (Mr. Bruce Stanton): Order, please. We are out of the time allocated for questions and comments.

Resuming debate, the hon. member for Marc-Aurèle-Fortin.

[*Translation*]

Mr. Alain Giguère (Marc-Aurèle-Fortin, NDP): Mr. Speaker, from the outset, I wish to inform you that I will be sharing my time with my colleague from Brome—Missisquoi.

The NDP is in favour of this bill. For once, the Conservatives cannot accuse us of always being against the government. We are in favour of this bill, essentially because it is purely technical. It implements bilateral tax treaties with a certain number of countries, including Namibia, Serbia, Poland and Hong Kong, and makes amendments to treaties with Luxembourg and Switzerland.

This bill is worthwhile. It will make things easier for people who want to pay their taxes, who are not trying to defraud the government. Why would we be against virtue? We are pro-virtue. We are totally in favour of making it as easy as possible for people to pay taxes. However, I want to mention something important. Under Canadian tax law, any taxes paid in a foreign country are deducted from our nation's revenue. So much for savings.

This new rule makes it easier to pay taxes. Nothing more. If the government suddenly decided to harmonize tax regulations to make it easier for people filling out their tax returns, we would very much support that.

We disagree when the Minister of National Revenue and the Minister of State for Finance tell us that the bill is an important step in the fight against tax evasion. Nothing could be further from the truth, and that is dangerous. The head of our country's finances is telling us that this bill offers a way to combat tax evasion. That is not true. All this bill does is make it easier for people who want to pay taxes to file their tax returns.

I want to point out to the House that Luxembourg and Switzerland are tax havens. These countries allow financial institutions to have numbered accounts and to be protected by banking secrecy. This enables people to hide money and do so secretly. This will continue to be allowed. Switzerland will co-operate if we present a warrant and proof of criminal charges. However, it will not tell us whether the main people involved in trafficking cocaine in Canada have bank accounts there. Let us be realistic: we cannot expect any co-operation from them. It is quite sad.

Government Orders

The Auditor General already indicated that Canada's tax debt has significantly increased. It has jumped from \$18 billion to \$29 billion. These are people who openly declare that they owe money. Quite often, if they do not pay it is not because they are dangerous criminals but because they simply cannot.

When you are stretched to the limit because you have to pay your mortgage and car and grocery bills, and maybe buy clothes for your children from time to time, you might not be in a position to pay taxes. Self-employed workers are a good example of that. When they get a cheque, they do not set part of it aside to pay taxes. When they get that cheque, it is already spent on everything they owe. They do not want to cut their electricity or telephone, so that is what they pay. That is what accounts for the \$29 billion. That amount is absolutely not owed by people who have made use of tax havens. These are our neighbours, our friends and our parents who had a hard time paying taxes because they had too many other bills to pay. Paying taxes is an expense, just like groceries or the electricity bill.

• (2130)

This is a problem. When people cannot pay taxes, they are not able to pay all their other bills either. The \$29 billion represent a lot of people who will file for personal bankruptcy. That is quite often the problem.

The second problem with the \$29 billion is that the greater the debt, the less likely it is to be repaid. This bill does not solve this problem, and that is truly unfortunate. The bill is being presented as a significant piece of legislation that will get results. In fact, I do not deny its positive effects for people who are willing to pay taxes. Rather, the problem I see concerns those people who are unable to pay taxes either because they do not earn income or because they have too many bills to pay. The household debt ratio is now at 163%. The bill will not mitigate this problem.

There are huge numbers of tax havens, and Canadians have put their money in well-known tax shelters. Indeed, \$53 billion has been invested in Barbados, \$25 billion in the Cayman Islands and \$23 billion in Ireland. A total of \$13.8 billion has been invested in Luxembourg, a country with which we have treaties. Bermuda has received \$13.2 billion in Canadian investments. This represents 51% of Canada's foreign bank investments. This figure has doubled since 1987.

What was the government's response? It decided to cut the Canada Revenue Agency's budget by \$250 million. Europe, Spain, Italy, Portugal and Greece are in a deep economic slump, largely because they did not collect the taxes owed to the government. Not paying taxes is a national sport in those countries.

The level of debt in those countries shows that these people are particularly adept at tax evasion. Why do they do it? Simply put, it is because tax equality is non-existent. Why ask someone to work 40 or 60 hours a week to make ends meet and pay taxes when he knows full well that a mafia member in Sicily, a crooked politician in Greece or a flashy real estate developer in Spain will not pay taxes?

Why ask someone to keep paying taxes for services when the rich are not paying those same taxes? The poor man is paying the rich man's share. That lack of tax fairness is the main reason people in

certain European countries avoid taxes and shirk their responsibilities. This government is leading us down exactly the same path.

Instead of saying that they will do things differently since Spain's and Italy's economies have tanked, the Conservatives are following the worst examples. Then they say that they are doing well, that they are among the best. They should not be following the worst examples then. This problem will not go away overnight. Tax evasion requires two things. First, it requires the means to do it without getting caught. Second, it requires motivation, which exists when tax fairness does not.

The NDP has proven its good faith by supporting technical measures such as this bill. However, do not try to tell us that this law will solve the problem of tax evasion. That is untrue.

• (2140)

Mr. Pierre Jacob (Brome—Missisquoi, NDP): Mr. Speaker, I thank my colleague, the member for Marc-Aurèle-Fortin, for his very persuasive speech. Clearly the numbers are no longer a mystery to him.

Speaking of numbers, there is one that grabbed my attention. According to Statistics Canada, \$146 billion—one-quarter of our direct foreign investment—is hidden away in tax havens. That is money the government should be collecting, money that is not being spent here on infrastructure and services to improve our social safety net.

I would like my colleague to comment on the following two observations: people who do not have the means to use tax havens are the ones footing the bill, and people who are not paying their fair share are often the very same ones telling us that we have to cut spending.

Mr. Alain Giguère: Mr. Speaker, a similar observation was made in the United States.

For example, multi-billionaire Warren Buffett said it does not make sense for him to make millions while being taxed at a significantly lower rate than his secretary. That man pays his taxes. He does not try to evade taxes. When the government tries to get people to pay their taxes, it does not have much credibility.

Those who pay their taxes are the very ones whose services are being cut. That is a problem. The government is constantly asking people to pay. They are not getting the services they need, but they still have to foot the bill. If the Auditor General proved anything, it is that they, not the very rich, are the ones targeted by the CRA.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I want to congratulate the hon. member for Marc-Aurèle-Fortin on his excellent speech. As usual, he brings a wealth of experience as a lawyer and financial expert every time he speaks in the House.

Outstanding taxes are a real problem. As we know, the Conservatives have been completely incompetent when it comes to this issue. When they came to power in 2006, there was \$18 billion in outstanding taxes. Now there is \$29 billion, because they are not even capable of managing the issue of outstanding taxes.

Government Orders

What does my colleague think of the Conservative government's competence when it comes to managing issues such as outstanding tax accounts, which should be pretty easy to manage?

Mr. Alain Giguère: Mr. Speaker, this is particularly interesting, and I thank the hon. member for his question. This shows that he read the Auditor General's report carefully.

The Auditor General made an observation. He said that the CRA is targeting individuals and has put a system in place to collect taxes. However, this system does not apply to businesses. Oops.

The other problem has to do with people who have a lot of taxes to pay. I am talking about tax bills over \$10 million. The government's batting average is practically a big, fat zero. As for the little old lady who owes \$800, I guarantee she will be taken to the cleaners. The government has the resources to collect from her and it has no problem doing so.

The Conservatives call this double standard, which is an integral part of their economic policies, tax fairness. However, this is not tax fairness. The Conservatives are betraying the people who elected them. That is serious.

Mr. Pierre Jacob (Brome—Missisquoi, NDP): Mr. Speaker, I will use Bill S-17 to talk about tax evasion.

People take advantage of our excellent economy, our extraordinary education system and our infrastructure to make money, but some refuse to pay their fair share. They keep their profits in offshore bank accounts in order to avoid paying taxes in Canada. According to the OECD, an estimated \$10 trillion is hidden in tax havens around the world.

Every year, this scourge deprives Canada of \$5 billion to \$8 billion in revenues. According to Statistics Canada, between 2003 and 2008, Canadian investment in tax havens went from \$94 billion to \$146 billion. This is a quarter of our direct foreign investment.

As I already said, this is money that is owed to Canada. It is money that is not being spent here to renovate infrastructure or pay for services that would allow Canada to have a better social safety net. In the meantime, those who do not have the means to use tax havens are the only ones paying the bills. That is what my colleague calls tax fairness. Those who do not pay their fair share are often those who say we need to reduce spending. It is a great injustice that undermines the very foundation of our society. Tax evasion is one of the greatest challenges the federal government must face. Bill S-17 is a step in the right direction, but the step is far too small. Even though we will vote in favour of the bill, it is woefully inadequate.

Bill S-17 implements four tax treaties with Namibia, Serbia, Poland and Hong Kong. It also implements amendments to the treaties between Canada and Luxembourg and Canada and Switzerland. The purpose of the tax treaties is to avoid double taxation and prevent tax evasion. We support harmonizing tax laws and complying with OECD standards, and that is why we will support the bill. However, the government could do more.

Bill S-17 does not make any changes to Canada's policy. It is considered standard legislation of a routine nature.

To hear the Minister of Finance tell it, this bill is a major step forward in the fight against tax evasion. While it does contain provisions that will be useful to the government, it does not make up for the government's failure to take the major tax haven problem seriously.

The last budget was proof that the government is not taking the problem seriously. On March 20, 2013, 900 Canada Revenue Agency employees, including 400 tax auditors, received notices that they were in danger of losing their jobs because of budget cuts.

The Canada Revenue Agency's budget will be cut by about \$460 million by 2015. How is the agency supposed to fight tax evasion with fewer employees and resources?

My NDP colleagues on the Standing Committee on Finance proposed several recommendations to combat tax evasion. I would like to share some of those recommendations.

First, the Canada Revenue Agency should require Canadian corporations and all of their subsidiaries to disclose all taxes paid in other countries. This measure would result in greater transparency concerning their activities in offshore tax shelters.

● (2145)

Second, the auditor general should evaluate, on a regular basis, the success of the Canada Revenue Agency in prosecuting and settling cases of tax evasion.

Third, the federal government should create an efficient system to identify tax evasion enablers including accountants, lawyers and other professionals.

Last, the federal government should to move towards a system of automatic tax information exchange with other countries. This would be a much more effective way to fight tax havens than the bilateral agreements covered in this bill.

We made clear recommendations to ensure tax fairness for all Canadians. They deserve to know how much tax evasion is going on.

Despite our repeated requests, the Conservatives are refusing to measure how much tax fraud costs us. The Conservatives' failure to collect lost revenue means that Canadians who do pay their taxes are on the hook for a larger share of the cost of government programs.

Why do the Conservatives insist on doing the bare minimum with respect to the serious problem of tax evasion and tax havens?

We hope that the government will introduce major changes to solve this serious problem instead of giving us routine measures like Bill S-17. This bill will not solve the problem. As I illustrated earlier, tax evasion is serious. The government must act now. I urge the government to consider our recommendations.

Government Orders

• (2150)

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I really liked my colleague from Brome—Missisquoi's speech. He takes a very smart approach to this file, and it is always interesting to hear him speak in the House.

Under the Conservatives, Canadian investments in tax havens have nearly tripled. This is another Conservative failure. Before the Conservatives came to power, very few Canadians parked their money in tax havens. Now, under the Conservatives, these types of investments have soared. The Conservatives seem to want to encourage investments in tax havens.

Does my colleague from Brome—Missisquoi think that this is intentional on the part of the Conservatives or is it simply a result of their incompetence in managing this file?

Mr. Pierre Jacob: Mr. Speaker, I thank my hon. colleague for his question, which is excellent, as always.

I would not go so far as to say that this situation is a result of the Conservatives' incompetence, but it is a result of their interference and gross mismanagement. They are protecting their interests, big oil companies and big banks, as usual. The working poor are left out in the cold, as always. That is why we are standing up for workers.

Mr. Alain Giguère (Marc-Aurèle-Fortin, NDP): Mr. Speaker, I cannot help but notice government members' enthusiasm for talking and asking questions about a bill that will clearly not get the results that they want and that they promised to Canadians.

I could very well be reading out a muffin recipe and they would not even notice. That is how much they care about listening when we are talking about the tax and economic issues that affect our constituents.

My constituents are honest. They pay their taxes. When people do not pay, it is often because they are bankrupt, they are unable to pay or they are unemployed and so poor that they do not owe any taxes.

My question for my colleague is about the exact nature of bank transfers and how Canadian institutions are complicit but nothing ever happens to them.

Could he expand on that and tell us what an NDP government would do to prevent Canadian financial institutions from being complicit in making our country poorer?

• (2155)

Mr. Pierre Jacob: Mr. Speaker, I thank my colleague from Marc-Aurèle-Fortin for his excellent question.

The NDP wants everyone to pay their fair share, whether we are talking about big or medium-sized companies, but especially the big companies that have the means. The big oil companies must pay their fair share and contribute to Canada's growth. We want SMEs and employees to pay their fair share. We want everyone to do their part. That is the only way we can achieve social justice and equity within our current economic system.

[*English*]

Mr. John Carmichael (Don Valley West, CPC): Mr. Speaker, I am honoured to add my voice in support of today's important debate

on the 2013 income tax convention implementation bill, Bill S-17, another step toward lower taxes for all Canadians.

Today, on tax freedom day, I would like to place Bill S-17 into the larger context. Over the years, our Conservative government has really devoted considerable effort to keeping taxes low for Canadian families and small business. Indeed, since 2006, we have cut taxes over 150 times, reducing the overall tax burden to its lowest level in 50 years. We have cut taxes in every way government collects them—personal taxes, consumption taxes, business taxes, excise taxes and much more. We cut the lowest personal income tax rate to 15%, increased the amount Canadians can earn without paying tax, introduced pension income splitting for seniors, which was certainly well received by seniors in this country, and reduced the GST from 7% to 6% to 5%, putting an estimated \$1,000 back in the pockets of an average family.

Clearly, we believe that Canadian families should keep their hard-earned money. They know better what to do with it than does government.

We introduced and enhanced the working income tax benefit. We introduced the tax-free savings account, the most important personal savings vehicle since RRSPs. We increased the age credit amount by \$2,000. We doubled the pension income credit to \$2,000. We increased the amount recipients of the guaranteed income supplement, the GIS, can earn through employment, without any reduction in GIS benefits, from \$500 to \$3,500. Finally, we increased the age limit for RRSP to RRIF conversion to 71 years of age from 69.

Our strong record of tax relief has meant savings for a typical family of four of over \$3,200 annually. Not only that, but this action has resulted in over one million low-income Canadians being removed from the tax rolls.

However, the good news does not end there. Our government has introduced a number of tax relieving measures for small business. After all, our Conservative government recognizes the vital role small business plays in the economy and job creation. That is why we are committed to helping them grow and succeed. Over 90% of business in Canada is small business.

Indeed, since 2006, our government has taken significant action to support small businesses, including reducing the small business tax rate from 12% to 11%; increasing the small business limit to \$500,000; and eliminating the corporate surtax for all corporations in 2008, which was particularly beneficial to small business corporations, as the surtax represented a larger portion of their overall payable tax. There was much more.

Overall, our Conservative government low-tax plan has resulted in savings of \$28,600 for a typical small business since 2006. That is about a 34% cut in their total tax bills.

There is another part of this low-tax plan, and that includes establishing tax treaties to help improve our system of international taxation, and this is precisely what Bill S-17 will do.

Government Orders

Bilateral income tax treaties, such as the one before us today, are utilized to eliminate tax barriers to trade and investment. Such treaties achieve that purpose in a number of ways. Allow me to explain how. First, they provide greater certainty to taxpayers regarding their potential liability to tax in foreign jurisdictions. Second, they allocate taxing rights between the two jurisdictions so that the taxpayer is not subject to double taxation. Third, they reduce the risk of burdensome taxation that may arise because of high withholding taxes. Finally, they ensure that taxpayers are not subject to discriminatory taxation in the foreign jurisdiction.

• (2200)

These are the great benefits Bill S-17 would bring to the market. It would provide benefits to both taxpayers and governments by setting out clear rules that would govern tax matters relating to cross-border trade and investment.

This is extremely technical legislation, and I apologize in advance. Nevertheless, it is important for the flow of predictable global commerce. For instance, tax treaties permit a multinational business based in one country to be taxed in another country if that business has a substantial presence in that other country. In general terms, if the branch operations in a foreign country are well established and significant, the country where those activities occur will, in most cases, have primary jurisdiction for that taxation. In other cases, where the operations in the foreign country are relatively minor, tax treaties provide that the home country retains the exclusive right to tax its residents. Tax treaties also allocate taxing rights between the two countries as a means of protecting taxpayers from potential double taxation.

This takes several forms, and again, this is all very technical. First, treaties generally include a mechanism for resolving the issue of dual residency of an individual or company, where the individual or company would otherwise be considered to be a resident of both countries. Second, treaties assign the primary right to tax to one country, usually the country in which the income arises, and the residual right to tax to the other country, usually the country of residence of the taxpayer. Third, treaties provide rules for determining which country will be treated as the source country for each category of income. Fourth, and finally, treaties provide rules limiting the rate of tax the source country can impose on each category of income and establishes the obligation of the residence country to eliminate double taxation that otherwise would arise from the exercise of concurrent taxing jurisdiction by the two countries.

In addition to these substantive rules regarding allocation of taxing rights, tax treaties also provide a mechanism for dealing with disputes or questions of application that arise after the treaty enters into force. In such cases, designated tax authorities of the two governments consult with a view to reaching a satisfactory solution under which the taxpayer's income is allocated between the two taxing jurisdictions on a consistent basis, thereby preventing the double taxation that might otherwise result.

In addition to reducing potential double taxation, treaties also reduce burdensome taxation by reducing withholding taxes that are imposed at source. Under Canadian domestic law, payments to non-resident persons of certain passive forms of income, such as dividends, interest and royalties, are subject to withholding tax equal

to 25% of the gross amount paid. Many of Canada's trading partners also impose, under their domestic tax laws, similar levels of withholding tax on these types of income. Because the withholding tax does not take into account expenses incurred in generating the income, a taxpayer frequently will be subject to an effective rate of tax that is significantly higher than the rate that would be applicable to net income in either the source or residence country. The taxpayer may be viewed, therefore, as having suffered burdensome taxation. Tax treaties alleviate this burden by setting maximum levels for the withholding tax the treaty partners may impose on these types of income or by providing for exclusive residence-country taxation of such income through the elimination of source-country withholding tax.

• (2205)

Our government's goal is simple, to establish tax treaties that substantially reduce or, in the case of certain types of income, eliminate withholding taxes by the source country. In addition, we must include provisions that ensure that cross-border investors do not suffer discrimination in the application of the tax laws of the other country.

By delivering a favourable tax environment for Canadian businesses, we help them to compete and win internationally, increase investment and create jobs for Canadians.

Tax treaties like those in Bill S-17 would directly support cross-border global trade in both goods and services, which in turn would help Canada's domestic economic performance. The more foreign direct investment that flows into our country, the more investment in capital and in technology. This, in turn, results in more high-quality jobs for Canadians.

In fact, during the committee's examination, Nick Pantaleo, of PricewaterhouseCoopers LLP, remarked that:

...a key objective of the Canadian government is to pursue new and deeper international trade and investment relationships. This is not surprising given that more than 60 per cent of the Canadian economy and one in five jobs in Canada are generated by trade. In my view, tax treaties contribute toward the success of such global trading agreements.

He went on to add that:

It is important that Canadian businesses be provided with greater unfettered access to foreign markets, foreign investment protection and fair tax treatments in foreign nations... These factors are critical to Canadian business decision making and competitiveness. Access to more and bigger markets will help Canadian companies simply to be more productive.

It would seem clear that the tax treaties contained in Bill S-17 are a critical tool in strengthening Canada's trade and investment relationships and in helping Canadian businesses stay competitive and successful.

However, there is another critical part to these tax treaties. I have already mentioned that keeping taxes low is an important objective for our government and an important part of these tax treaties. However, keeping taxes low also means that all taxpayers should pay their fair share of taxes owing and not be able to hide their income offshore.

Government Orders

Better transparency and the effective exchange of information for tax purposes between taxation authorities are key to ensuring that Canadian taxpayers report their foreign income and pay the right amount of tax in Canada.

We are absolutely committed to combatting tax evasion through the negotiation of tax treaties, as well as tax information exchange agreements or TIEAs. Under the tax treaties and the TIEAs, the competent authority of one country may request from the competent authority of the other country such information as may be necessary for the proper administration of the country's tax laws.

The requested information will be provided, subject to strict protections on the confidentiality of taxpayer information. Because access to information from other countries is critically important to the full and fair enforcement of Canada's tax laws in order to combat tax evasion, the inclusion of an information exchange provision that is consistent with the standards set out in the Organisation for Economic Co-operation and Development, OECD, is an important component of Canada's tax treaty policy.

While TIEAs and tax treaties are critical tools in combatting tax evasion, our government has a number of other tools in its arsenal and a proven record. Overall, since 2006, and including the measures announced in economic action plan 2013, our government will have introduced more than 75 measures to improve the integrity of the tax system.

● (2210)

These measures will help close tax loopholes, address aggressive tax planning, clarify tax rules and combat international tax evasion. In fact, this action will result in closing \$2.5 billion in tax loopholes.

Additionally, economic action plan 2013 announced the stop international tax evasion program. This new program would allow the CRA to pay individuals with knowledge of major international tax non-compliance a percentage of the tax collected as a result of information provided. Other measures include, one, requiring Canadian taxpayers with foreign income or properties to report more information and extending the amount of time the CRA has to reassess those who have not properly reported this income; two, streamlining the process for the CRA to obtain information concerning unnamed persons from third parties, such as banks; and third, requiring certain financial intermediaries, including banks, to report their clients' international electronic funds transfers of \$10,000 or more to the CRA.

It is measures like these that would help to maintain the integrity of Canada's income tax system. This is important because, when everyone pays their fair share, Canada's tax rates can remain competitive and low. This means that Canadian families and businesses would pay less tax overall, keeping more of their hard-earned money.

To conclude, in an increasingly globalized economy where investment capital is highly mobile, a competitive business tax system is crucial. While Canada has performed relatively well in today's uncertain global economy, we cannot afford to become complacent. The treaties covered in this proposed legislation would promote certainty, stability and a better business climate for taxpayers and businesses in Canada and in the treaty countries.

More importantly, these treaties would help to secure Canada's position in today's increasingly competitive world of international trade and investment.

For the reasons I have highlighted today and many others, Bill S-17 would increase our ability to compete and harness the opportunities of a vibrant modern economy. For these reasons, I urge hon. members opposite to support this bill.

Hon. Peter Van Loan: Mr. Speaker, I rise on a point of order. When I rise in this House to give notice of a motion under Standing Order 78(3), I have to advise that an agreement could not be otherwise reached. These are not empty words. This reflects the state of discussions among the parties on a given bill.

At least twice in recent days, there have been general agreements among the parties about proceeding with a piece of legislation in a particular way. When we have tried to convert those agreements into a form the House could endorse so that the House may govern itself accordingly, the NDP balks. It says we should simply trust the NDP.

I know that many members across the way are former union negotiators or union leaders. I would never imagine that they would go back to their membership and recommend approval of a deal when all management says is "trust us".

Government Orders

With that in mind, and in the interest of securing agreement, I put forward the following motion before the House. There have been consultations with the parties, so it is my hope that there would be unanimous consent that on Tuesday, June 11, the House shall, during government orders, consider the third reading stage of Bill S-2, an act respecting family homes situated on First Nation reserves and matrimonial interests or rights in or to structures and lands situated on those reserves, followed by the second reading stage of Bill S-6, an act respecting the election and term of office of chiefs and councillors of certain First Nations and the composition of council of those First Nations, and followed, in turn, by the second reading stage of Bill S-10, an act to implement the Convention on Cluster Munitions; (b) during the consideration at the third reading stage of Bill S-2 when no member rises to speak or at the expiry of the time provided for debate pursuant to order made Tuesday, June 4, under the provisions of Standing Order 78(3), whichever is earlier, every question necessary to dispose of the said stage of the bill shall be put forthwith; and successively without further debate or amendment during the consideration at the second reading stage of Bill S-6 when no member rises to speak or at 5:30 p.m., whichever is earlier, every question necessary to dispose of the said stage of the bill shall be put forthwith and successively without further debate or amendment; (d) during consideration of the second reading stage of Bill S-10 when no member rises to speak or at 10 p.m., whichever is earlier, every question necessary to dispose of the stage of the said bill shall be put forthwith and successively without further debate or amendment; (e) when a recorded division is demanded it shall be deemed deferred in accordance with the manner provided in paragraph (b) of the special order adopted Wednesday, May 22; (f) upon the chair of the Standing Committee on Foreign Affairs and International Development or a member of the committee acting for the chair indicating on a point of order that the committee has ready a report respecting Bill S-14, an act to amend the Corruption of Foreign Public Officials Act, the House shall immediately revert to presenting reports from committees for the purpose of receiving the said report; and (g) upon the conclusion of proceedings on Bill S-10, the House shall take up adjournment proceedings pursuant to Standing Order 38.

• (2215)

The Acting Speaker (Mr. Bruce Stanton): Does the hon. government House leader have unanimous consent to propose the motion?

Some hon. members: No.

* * *

FIRST NATIONS ELECTIONS ACT

BILL S-6—NOTICE OF TIME ALLOCATION MOTION

Hon. Peter Van Loan (Leader of the Government in the House of Commons, CPC): Mr. Speaker, an agreement could not be reached under the provisions of Standing Order 78(1) or 78(2) or through some other arrangement, as we just witnessed, with respect to the second reading stage of Bill S-6, an act respecting the election and term of office of chiefs and councillors of certain First Nations and the composition of council of those First Nations.

Under the provisions of Standing Order 78(3), I give notice that a minister of the Crown will propose at the next sitting a motion to

allot a specific number of days or hours for the consideration and disposal of proceedings at the said stage.

* * *

PROHIBITING CLUSTER MUNITIONS ACT

BILL S-10—NOTICE OF TIME ALLOCATION MOTION

Hon. Peter Van Loan (Leader of the Government in the House of Commons, CPC): Mr. Speaker, an agreement could not be reached under the provisions of Standing Orders 78(1) or 78(2) with respect to the third reading stage of Bill S-10, an act to implement the Convention on Cluster Munitions.

Under the provisions of Standing Order 78(3), I give notice that a minister of the Crown will propose at the next sitting a motion to allot a specific number of days or hours for the consideration and disposal of proceedings at the said stage.

Ms. Elizabeth May: Mr. Speaker, I rise on a question of privilege, at this point. When the hon. government House leader rises and tells the House that there have been attempts to consult all members to obtain unanimous consent, any reasonable person would conclude that by normal practice by now, which is normal practice, as a member of this House whose consent is usually requested for such unanimous consent motions, I would have been approached.

I have not been approached and I believe this misleads the House as to the extent of consultations. I have no idea whether what he said was true in relation to the official opposition or the Liberal Party, but it certainly was not the case regarding me.

I am more than open to talk to the government House leader any time about finding ways to move things forward. I was never consulted, Mr. Speaker.

Hon. Peter Van Loan: Mr. Speaker, I was quite clear in my comments that this reflected discussion among the parties on the given bill at this stage. Normally, when we do get to an agreement between the official parties that are recognized in this House of Commons, then we do canvass the independent members of the House. We never got to that stage, unfortunately, here because of the inability to get consent from the NDP.

* * *

TAX CONVENTIONS IMPLEMENTATION ACT, 2013

The House resumed consideration of the motion that Bill S-17, An Act to implement conventions, protocols, agreements and a supplementary convention, concluded between Canada and Namibia, Serbia, Poland, Hong Kong, Luxembourg and Switzerland, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes, be read the second time and referred to a committee.

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, I listened to the speech with great interest. We have been criticized on this side for raising matters other than those in the bill. We heard a great deal about matters other than those in the bill and matters that probably should be in the bill.

Government Orders

I have taken the time to go through some of these treaties, with which the quite short statute deals. It raises a number of questions for me. For example, if we look at the treaty with Poland, article 24(3), it says:

In no case shall the provisions of paragraphs 1 and 2 be construed... to carry out administrative measures at variance with the laws and the administrative practice of that...Contracting State...to supply information which is not obtainable under the laws or...to supply information which would disclose any trade, business, industrial... secret or trade process... information...disclosure...contrary to public policy...

I see the same kind of provisions in the Luxembourg treaty.

It raises the question for me as to what mechanism does the government use to go about enforcing this statute against these countries and what has its experience been in trying to enforce these provisions with the other countries, for example, China? Does it have such an agreement with China?

• (2220)

Mr. John Carmichael (Don Valley West, CPC): Mr. Speaker, we have six agreements in place at this time, with Namibia, Serbia, Poland, Hong Kong, Luxembourg and Switzerland. Each of these is a bilateral agreement that has been established for multilateralists, as some of our colleagues opposite have referred to this evening. The goal is to enhance the quality of business in Canada for small businesses and to ensure that we grow our economy and investments.

The member opposite asked about China. Clearly the FIPA is designed to protect the parties on both sides of that agreement, in Canada and in China, and protect Canadian businesspeople doing business in China. It is new. We are hoping to have it completed shortly, but the reality is that it is designed to provide protection by Canadians for Canadians in their dealings overseas.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I will reserve my comments until tomorrow regarding the government House leader's attempt to get unanimous consent of the House with regard to forewarning us about time allocation.

The member is fully aware that all political entities in the House of Commons will support the bill for the vote coming up. However, the larger issue is ensuring that we get the necessary additional financial resources or other resources to the Canada Revenue Agency to ensure we can avoid tax evasion. I used the example of \$150 million under the Paul Martin government a number of years ago and the positive impact it had in dealing with tax evasion.

Why would the Conservatives, at this point, be cutting back on the resources going to the CRA?

Mr. John Carmichael: Mr. Speaker, tax evasion is something that we all abhor and would fight against. Clearly, as a government, it is something on which we are cracking down. My understanding is that the CRA is well within its resources to meet the demands and will meet the objectives of cracking down on tax evaders in our country.

Mr. Mark Adler (York Centre, CPC): Mr. Speaker, I would like to begin by thanking my colleague from Don Valley West, who gave a very technical approach to this very complicated issue of tax treaties.

As my friend knows, Canada has been very aggressive in terms of negotiating tax treaties with other countries around the world. In fact,

we have 90 tax treaties and 16 TIEAs that we have negotiated with other countries around the world. TIEAs, of course, are done in the absence of a tax treaty.

I would like to just raise a couple of ironies here and I would like to get the member to comment on them.

First, I would like the member to comment on the importance of individual Canadians paying taxes. I say that for two reasons. One reason is that I sit on the finance committee and we had the revenue critic for the NDP come before the finance committee and ask us to do a study on tax evasion. It turns out the member has not been paying his taxes.

Second, I would like the member to comment on the second NDP member who also has not been paying his taxes. He put forward a private member's bill to serve his own advantage in terms of averaging his income out over a number of years, claiming that he worked in the cultural industry and that it would be fairer to people who worked in the cultural industry to do that. In fact, he was doing it to benefit himself.

I would like to ask my friend if he could comment on the importance of what the NDP is claiming to be huge tax evaders, when the NDP has tax evaders within its own caucus. Could he comment on the importance of all Canadians paying their fair share of tax?

• (2225)

Mr. John Carmichael: Mr. Speaker, clearly, our government is focused on balancing the budget, on meeting the obligations of the country, growing our economy and creating jobs for Canadians. In order to achieve all our goals, every Canadian has to do their fair share in meeting their tax obligations.

On my friend's comments, tax evasion is an offence. It is something to which we should take strong exception. I support his comment that whoever in the country is not paying their fair share of taxes should be held accountable and should be forced to meet their obligations. That is how we will meet our obligations as a nation.

I should add that over the period, Canada has had the strongest job creation record in the entire G7. We are recognized by the OECD as a leader in global economies. That is because we are doing things right, economically. Our banking system is solid and we are meeting our obligations in collecting our taxes. Therefore, absolutely, all Canadians have an obligation.

[*Translation*]

Mr. Alain Giguère (Marc-Aurèle-Fortin, NDP): Mr. Speaker, my distinguished colleague from Ontario has given me the perfect opportunity to talk about fraudsters. Perhaps the member could tell us more about the following question. When someone uses \$90,000 of taxpayers' money to pay back money stolen from the Senate, is that \$90,000 taxable? When someone invoices \$300,000 for personal expenses, that is income. Will senators also be taxed on that income? Will they declare that money on their tax returns?

We live in a glass house, and people who live in glass houses should not throw stones.

Government Orders

[English]

The Acting Speaker (Mr. Barry Devolin): Before I go to the hon. member for Don Valley West, just a reminder to all hon. members to try to keep their questions, comments and answers related to the matter before the House.

The hon. member for Don Valley West.

Mr. John Carmichael: Mr. Speaker, I have to reject the premise on which my hon. colleague placed his question. First, he talked about \$90,000 of taxpayer money. The understanding of the House, to the best of our knowledge and the information we have, is that was paid by a private individual. It is being addressed through audits and through various sources, including the Ethics Commissioner, and those issues will be addressed.

I hear him on living in glass houses. The only problem is that tonight we are living in a glass House of Bill S-17 and talking about tax treaties. Quite frankly, his question has no bearing whatsoever on that.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, it was unfair for the member for York Centre to attack the member for Jeanne-Le Ber. We all know that tax avoidance is not the same as tax evasion. During this debate, I have googled McCarthy Tétrault. It is already advising its well-heeled clients how to avoid the implications of various tax measures, whereas the artistic community, many of whom survive on less than \$12,000 a year, but one year might have good earnings, has been working as a group for many years as a matter of good public policy to fix this by allowing averaging out for people in that community.

It is unfair and it is not just the member for York Centre. There is a continual effort to beat up on one member of the House who was very active in the ACTRA community before being elected. I just feel it is egregious.

Mr. John Carmichael: Mr. Speaker, I did not hear a question per se, but within any tax system, there are provisions that allow and provide a road map for taxpayers to pay their taxes, in specific instances, within economic action plan 2013. The member mentioned McCarthy Tétrault as one example of a company that provides advice to its clients. Every auditing firm and legal firm across the county does, similarly, in helping their clients to meet their tax obligations in a fair and legal way.

• (2230)

Mr. Chungsen Leung (Parliamentary Secretary for Multiculturalism, CPC): Mr. Speaker, I am thankful for this opportunity to speak at second reading of Bill S-17.

As members know, this bill would implement Canada's recently concluded tax treaties with Namibia, Serbia, Poland, Hong Kong, Luxembourg and Switzerland. These new and updated fees would augment Canada's strong network of tax treaties.

Indeed, currently Canada has comprehensive tax treaties in place with 90 countries, one of the world's largest network of bilateral tax treaties. This is an important feature to Canada's international tax system, a feature that is key to our ability to compete.

As part of Canada's ongoing effort to update and modernize our network of income tax treaties, Bill S-17 would achieve two important objectives.

First, it would help combat tax evasion by ensuring Canada works with other countries to stop tax cheats. Clearly, I would hope that all parliamentarians and Canadians would agree that everyone should pay their fair share of taxes.

Second, it would help encourage global trade by preventing double taxation.

In my time today, I would like to focus specifically and in greater detail on what the tax treaties with Namibia, Serbia, Poland, Hong Kong mean.

First I will speak about Namibia.

Canada's proud and active engagement with Namibia dates from 1977 to 1982 negotiations on the United Nation settlement plan. Canada actively supported Namibia's independence in 1989-90 and provided military peacekeepers, police monitors, election supervisors and technical experts.

On the global stage, there are a number of areas in which Canada and Namibia actively co-operate. These include the Kimberley process, to control the trade in conflict diamonds, initiatives to control high seas overfishing and the commercial seal harvest.

Bilateral merchandise trade between Canada and Namibia was \$238.2 million in 2011, with Canadian imports from Namibia accounting for \$230.3 million of that, largely uranium oxides and Canadian exports to Namibia include cereals and machinery.

There are significant opportunities for investment in Namibia. Currently, the major focus for Canadian investors is mining, particularly diamonds and uranium. Cumulatively, Canada's foreign direct investment in Namibia reached \$20 million at the end of 2010, most of which was in the mining sector.

The impetus for the convention with Namibia, signed on March 25, 2010, the official term for tax treaty, was to contribute to the elimination of tax barriers to trade and investment between Canada and Namibia and to help solidify the existing economic and financial dealings between the two countries.

It is consistent with the government's commitment, as announced in the 2008 Speech from the Throne, to seek out new investment and trade opportunities for Canadians and to promote greater global prosperity.

The convention generally follows the pattern of other tax treaties already concluded by Canada. Accordingly, it generally follows the format and language of the Model Tax Convention on Income and on Capital of the Organisation for Economic Co-operation and Development, OECD.

Government Orders

Most countries, including Canada and Namibia, tax their residents on their worldwide income. Moreover, where a resident of a particular country, known as the “country of residence”, derives income from sources in another country, for example, from a business located there, it is not uncommon for that other country, known as the “country of source”, to subject that income to tax.

The convention recognizes this international taxation dynamic and sets out under what circumstances and to what extent Canada and Namibia may tax the earnings of one another's residents.

The convention also provides that where income, profit or gains may be taxed in both countries, the country of residence, if it taxes, is to allow relief from double taxation against its own tax for the tax imposed by the country of source.

In the case of Canada, effect is given to the relief obligations arising under the convention by application of the general foreign tax credit system provisions of Canada's domestic law or relevant exemption provisions of the law where applicable.

Again, let me recap and expand the highlights of the convention.

The convention sets a maximum withholding tax rate of 5% for dividends paid to a company that holds directly at least 25% of the share capital of, or controls directly or indirectly at least 25% of the voting power in the company that pays the dividend and a maximum rate of 15% in all other cases.

The convention also limits to 10% the maximum withholding rate on interest and royalties, except that no tax may be withheld on interest paid to the government or a pension fund or in respect of debt finance by Export Development Canada or a debt of a government.

• (2235)

It also includes a provision that limits the potential for double taxation arising from the application of Canada's taxpayer migration rule without restricting Canada's ability to tax its departing residents on their pre-departure gains. It also includes the latest standard of the OECD on exchanges of tax information in order to assist Canadian tax authorities in the administration of the Canadian tax law.

Let me talk about Serbia. Relations between Canada and Serbia, formerly with Montenegro, part of the Federal Republic of Yugoslavia, and the state union of Serbia and Montenegro, redeveloped quickly following the overthrow of Slobodan Milosevic's regime in October 2000. In 2006, Canada welcomed Serbia's admission into NATO's partnership for peace program and to La Francophonie as an observer.

Canada is encouraged by the democratic and economic transformation of Serbia and its commitment to achieving greater integration and co-operation with the European Union and its institutions. The international community, including Canada, is helping Serbia make a successful transition to a free market democracy, develop strong regional co-operation with its neighbours and maintain its own citizens' security. Canada and Serbia enjoy strong people-to-people relationships and benefit from cultural and academic exchanges. In 2006, Canada and Serbia signed a readmission agreement and later that year an air transport agreement, which allowed for the resumption of direct flights between the two countries in June 2007.

In 2010, the two countries signed a memorandum of understanding on the prosecution of war crimes, crimes against humanity and genocide.

Canada-Serbia trade has increased almost tenfold over the past five years. In 2009, bilateral trade in goods totalled just under \$60 million. In addition, Canada's investment commitments in the region, including Montenegro, reached more than US\$500 million in 2007 and have been increasing steadily. Important Canadian investments have recently been made or committed in the areas of real estate and construction, tourism, agriculture, informatics, and energy and mining, among others. Opportunities for further Canadian investment include road, rail and urban transportation infrastructure upgrading and construction.

As such, the impetus for the convention with Serbia signed on April 27, 2012, which is the official term for the tax treaty, was to contribute to the elimination of tax barriers to trade and investment between Canada and Serbia and to help solidify the economic links between the two countries. It is also consistent with the Canadian government's commitment, as outlined in the 2008 Speech from the Throne, to seek out new investment and trade opportunities for Canadians and to promote global prosperity.

Like Namibia, the convention generally follows the pattern of other tax treaties already concluded by Canada. Accordingly, it generally follows the format and language of the model tax convention on income and on capital of the Organisation for Economic Co-operation and Development.

Also like Namibia, most countries, including Canada and Serbia, tax their residents on their worldwide income. Moreover, as I described earlier, where a resident of a particular country derives income from sources in another country it is not uncommon for that other country to subject that income to tax. The convention recognizes this international taxation dynamic and sets out under what circumstances and to what extent Canada and Serbia may tax the earnings of one another's residents.

Let me recap the highlights from the convention: it sets the maximum withholding tax rate of 5% on dividends paid to a company that controls directly at least 25% of the voting power of the company that pays the dividends and a maximum withholding tax rate of 15% will apply to dividends paid in all other cases.

The convention also limits to 10% the maximum withholding tax rate on interest and royalties, except that no tax may be withheld on interest paid to the government or the central bank. The convention also limits to 15% the maximum withholding tax rate on payments of pension income.

Clearly, members will notice that the provisions for both Namibia and Serbia were very similar, if not identical, and this is an extremely important point as it demonstrates how routine and standard this legislation and its provisions are and what they represent.

Government Orders

However, I would like now to conclude by talking about Hong Kong and here we will notice some minor variations on what I have laid out for Serbia and Namibia. Let me first talk about Canada's special relationship with Hong Kong. Our bilateral relationship with Hong Kong reflects long-standing and comprehensive political, commercial and people-to-people ties.

● (2240)

I should also note that even though Hong Kong is a special administrative region of the People's Republic of China, it is governed under the "one country, two systems" approach set out in the *Basic Law*, a document often referred to as the Hong Kong mini-constitution. Under this approach, Hong Kong is guaranteed its own legislature, legal and judicial systems and economic autonomy under a capitalist system and a way of life for at least 50 years.

Overall, the *Basic Law* provides Hong Kong with a degree of autonomy. Indeed article 151 of the *Basic Law* provides that Hong Kong may on its own conclude and implement an agreement with foreign states in fields such as economic, trade and financial fields, including tax treaties.

Canada and Hong Kong enjoy good co-operation on a large range of topics including public health, legal matters, and trade and investment. Relations are further bolstered by formal agreement initiatives on issues such as mutual legal assistance in criminal matters, air services, film and television co-operation and Internet learning. Canada and Hong Kong also enjoy productive co-operation in the context of multilateral organizations to which they are both members such as the Asia-Pacific Economic Co-operation forum, APEC, and the World Trade Organization.

In terms of trade with Canada, Hong Kong is the third largest financial market in Asia and an important source of foreign direct investment to Canada. As of 2011, Hong Kong was the second largest destination in Asia after Japan for Canadian foreign direct investment, larger than both China and India. Hong Kong is Canada's tenth largest export market and is also Canada's third largest export market in the world for beef and fourth largest market for fish and seafood.

In addition to natural resources and agricultural products, Canadian exports to Hong Kong include everything from telecommunications devices to train signalling systems, to educational and financial services. I should also note that the Canadian Chamber of Commerce in Hong Kong is one of the largest Canadian chambers outside Canada with over 1,200 members. There are over 180 Canadian companies in Hong Kong, 15 of which have established their regional headquarters in the city with a further 33 maintaining regional offices and 44 more with local offices.

Like Serbia and Namibia, the impetus for the agreement with Hong Kong signed on November 11, 2012, was to contribute to the elimination of tax barriers to trade and investment between Canada and Hong Kong and to help solidify the economic links between the two jurisdictions.

The new agreement also generally follows the pattern of other tax treaties already concluded by Canada and the OECD model, like Serbia and Namibia. The agreement also provides that where income, profits or gains may be taxed in both countries, the country

of residence is to allow double tax relief against its own tax for the tax imposed by the country of source like Serbia and Namibia. The one variation is on resident taxation.

Unlike most jurisdictions, which tax their residents on their worldwide income, Hong Kong administers a territorial tax system under which residents and non-residents are taxed only on income arising in, or derived from, Hong Kong. Consequently, the residence articles of the treaty as regards Hong Kong reflects this state of affairs.

Capital gains are generally not taxable in Hong Kong, unless they are derived from a transaction in the nature of trade, in which case they are taxed as ordinary income at the regular applicable corporate or personal income tax rate. Moreover, there is no withholding tax imposed in Hong Kong on interest payments or dividend distributions made to non-residents.

Royalty payments made to non-residents are deemed to be taxable in Hong Kong if such payments are for the use of, or a right to use intangibles in Hong Kong or outside Hong Kong and where such royalty payments are deductible for income tax purposes in Hong Kong. In such cases, a withholding tax of 17.5% is imposed on 30% to 100% of the gross amount of the royalty payment.

For these reasons that I have highlighted today related to the three countries I have mentioned and many others, Bill S-17 will increase our ability to compete and to harness the opportunities of a vibrant, modern global economy. I urge the House to support this bill.

● (2245)

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, I thank the member for trying to make this topic interesting. As he spoke, I appreciate that he gave a lot of detail about why these particular nations have been chosen for Canada to enter into agreements with. I think the obvious question that arises is why these particular nations? Is it Canadian corporations interested in shale gas activity in Poland and the mining in Namibia? Why have these particular nations been singled out and are similar agreements being sought with nations where we also send aid workers to ensure that their revenues are similarly protected?

Mr. Chungsen Leung: Mr. Speaker, the member opposite is quite right in what she mentioned. When we negotiate tax treaties for our country, it is like two business partners. We have to arrive at an understanding of how we are prepared to do it. There may be a lot of conditions that lead up to the reason why we would negotiate a tax treaty. One of them, in the case of Namibia, had to do with Canadian companies mining there for diamonds and uranium oxide. In another case, there are Canadian aid workers in those areas to help better the country after natural disasters or human conflicts.

Government Orders

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I have had the opportunity to express this thought to other members of the Conservative Party. Yes, the legislation is good and Liberals want all members to vote in favour of it. At the end of the day, we can set up a legislative framework, but we have to have the financial resources to ensure that we can get the tax evaders. It is important to recognize that a vast majority of Canadian businesses or individuals around the world are quite straightforward and honest, and pay their taxes. A relatively small percentage go out of their way to participate in tax evasion.

The issue is this. Does the government recognize that cutting financial resources to the CRA is not going to result in more prosecutions of individuals or companies that participate in tax evasion?

Mr. Chungsen Leung: Mr. Speaker, I disagree with the premise of the member, that in order to solve this problem, we simply need to dedicate more resources. As business partners, it is far more intelligent to share information with the countries we are dealing with by dedicating resources to electronic detection and getting the co-operation of the other countries to assist us with tax information. It is a far more efficient way of identifying where the sources of income are and taxing them accordingly.

Mr. Bernard Trottier (Etobicoke—Lakeshore, CPC): Mr. Speaker, I liked what the parliamentary secretary described as a business partnership between countries. Obviously, Canada likes to have a lot of trade with various countries. There are 90 other countries in the world with which we have tax treaties and these are six more. In fact, these are four new ones and amendments to our tax treaties with Luxembourg and Switzerland.

My question for the hon. member is to ask him to describe the importance of having tax treaties like this when it comes to investment, trade, business development, new business opportunities and direct foreign investment. This is one of the foundational elements. There are other things, of course, such as mobility agreements, bilateral agreements on social security, and so forth. I would ask him to tell us why this is an important cornerstone to establishing a better relationship between Canada and other countries.

• (2250)

Mr. Chungsen Leung: Mr. Speaker, prior to entering politics, I spent 40 years doing business with 35 or 36 countries around the world. Before entering a country to do business, it is absolutely vital to have a clear understanding of the road map of the local business culture, the legislative framework, import-export regulations, permits and taxation. It is also important that in our international global economy, we need to understand both sides of the trading countries. Therefore, it is absolutely important that these regulations are set forth as we negotiate our business relations with foreign corporations.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, any tax agreement is only as good as the enforcement provisions that are contained within it, as members know. Now we have a situation in which it appears that the Minister of National Revenue actually refused data on hundreds of Canadians who were hiding money overseas. The information was offered to the current government on a silver platter. The information was being provided

to the government, and the government, unlike other, deeper-thinking governments, refused to take that information.

Given how lamentably bad the Conservative government's record is on the level of tax debt climbing by 57%, the doubling of the amount, the tens of billions of dollars invested in tax havens overseas with the government basically rubber-stamping that, and then the Minister of National Revenue refusing to take information on the hundreds of Canadians hiding money overseas, how does the member think the current government has any credibility whatsoever when it comes to the issue of tax fairness?

Mr. Chungsen Leung: Mr. Speaker, again I totally disagree with the member's line of thinking.

First, there is no crime in having money overseas. Any international businessperson will say that we need to have international accounts, and that is precisely why we are negotiating with countries such as Switzerland and Luxembourg, which have in the past been tax havens in not disclosing the holders of their bank accounts. This information is now exchanged among the various taxing authorities around the world, and there is a way of tracking the source of that income.

Also, as I remember from my public accounting days, the Canadian tax system is probably one of the fairest systems in the way that it is administered, and we certainly have the co-operation of the five countries that concur with us on this aspect.

The Acting Speaker (Mr. Barry Devolin): In accordance with an order made earlier related to this piece of legislation, there are 16 minutes remaining.

Resuming debate, the hon. member for Surrey North.

Mr. Jasbir Sandhu (Surrey North, NDP): Mr. Speaker, I will try to sum up my thoughts for my constituency in the 16 minutes I have. It is an honour to speak to Bill S-17 on behalf of my constituents of Surrey North.

Basically the bill would bring into being bilateral income tax treaties with a number of countries in accordance with the OECD tax treaty standards. Basically we support harmonization and greater clarity of taxation laws, as well as bringing tax treaties into line with OECD standards, and therefore we will support the bill at this stage.

The Conservatives would have us believe that somehow the bill would address the elephant hiding here. The elephant is tax evasion, and the bill does not address tax evasion at all.

Before I get to the big elephant in the House, the one the Conservatives do not want to talk about, let me tell a story. My daughter was here about a month ago during her recess, and she had a chance to spend about three days with me.

She asked me what time allocation was. A 16-year-old was asking me what time allocation was, and I tried to explain it to her by telling her that time allocation was basically shutting down debate. It is a word I learned when I got here from my friends the Conservatives. They have now used it about 43 or 44 times.

Government Orders

I explained to my daughter that it was used when the Conservatives wanted to shut down debate and did not want to debate the bill before them. They do not want MPs who represent their constituents to give their views, so they basically shut down debate.

My daughter said, “That is not democracy. You should be able to represent our constituents and speak freely in this House”.

A 16-year-old understands that it is important to have the views of constituents and what they want in their constituency represented by their members of Parliament. A 16-year-old understands it.

We have seen time allocation after time allocation used by Conservatives in shutting down debate. That is not right whether we support the bill or not, and of course we support the bill. We want to highlight how we can improve the bill, and we would encourage the Conservatives to take some of those ideas to make the bills better and improve them.

One of the elephants that has not been addressed in the bill is tax evasion. We have heard reports. I have listened to very informative debate by my NDP colleagues highlighting what needs to be done and what is being done around the world, yet we have the Conservatives dragging their feet on addressing the big elephant in the room, which is tax evasion.

I had a chance to cruise through a number of headlines while listening to speaker after speaker this evening. I looked up tax evasion in Google News, and the first seven articles were about France taking on tax evaders, Italy taking on tax evaders. A headline from India said that the Indian government is going after tax evaders. I saw a headline from the United States to the effect that they are going after virtual tax evaders. These are headlines within the last six or seven hours.

Then I saw a Canadian headline about tax evasion. The headline from the *Ottawa Citizen* was basically that the Conservatives are dragging their feet in tackling tax evasion.

● (2255)

Our partners around the world, the G7 countries, our closest allies—Japan, the United States, Italy, Germany and the United Kingdom—have taken a leadership role in tackling tax evaders and getting additional revenue for the government.

My friend from Burnaby—New Westminster asked a very valid question. The Canadian government was offered information on hundreds of tax evaders, as my friend from Burnaby—New Westminster said. The Conservative government was being handed this information on a platter so that it could look at these tax invaders and go after them. What did the Conservative government do? Nothing. It did nothing.

There is another report, and we can look at some of the facts and figures. I know my Conservative friends do not believe in facts and figures, but \$170 billion is being invested by Canadians in 12 of the largest tax haven countries, so there is a lot of money being invested in tax havens offshore by Canadians. It used to be a figure in the single digits back in the 1980s and 1990s, but under the Conservative government it has gone up to double digits. In fact, it is about 24%.

There is \$170 billion going offshore, and the tax that we could collect from this, estimated by Canadians for Tax Fairness, is calculated at about \$7.8 billion. That is what the Canadian government is losing because it is not going after the tax billionaires.

In this House, I have heard member after member talk about tax fairness and paying our fair share. I can assure members that hard-working people, people such as plumbers, electricians, taxi drivers, truck drivers and the professionals in my community, pay their fair share of taxes.

It is time for the millionaires to pay their fair share. The average person does not have the ability, or enough money, to put money offshore. Average working Canadians pay their fair share of taxes, but those with resources, those with tens of millions of dollars, are able to put this money offshore. That is \$7.8 billion that we could have collected this year alone.

Why are my Conservative colleagues not going after this revenue? In fact, the money we could collect from offshore, the \$7.8 billion, is being put on the backs of Canadians. We could use that money to reduce the largest deficit ever, a deficit that has occurred under the current government.

Let us talk about that. It is under the current government that we have had the largest deficit. It is not only a large deficit; we have also increased our debt by \$200 billion under the Conservative government.

A few weeks ago I had a chance to stand up and ask a question. It was a very simple question. I asked who was going to pay for that \$200 billion, the debt that Conservatives have accumulated over the last number of years. I did not get an answer. I would still like to get an answer on who is going to pay for that.

Mr. Peter Julian: Where is the \$3 billion?

Mr. Jasbir Sandhu: That is still missing. We do not even know about the \$3.1 billion. We have asked, and we will keep asking. Hopefully in a few weeks, we will hear. The Conservatives have the whole summer to figure out where that \$3.1 billion is. We are going to give them the summer to figure out if they can find that \$3.1 billion.

The facts are that we could use this tax money to reduce our deficit, which is the largest under the Conservative government. However, the Conservatives have put no proposals forward. They are laggards in the G7 in coming up with progressive policies to go after these cheats so that we can recoup the money that has been lost by Canadians.

● (2300)

At the end of the day, it is Canadians who will end up paying for the mismanagement by the government.

I know that the Conservatives do not answer, but I asked them who was going to pay for the debt they have accumulated over the last six or seven years. In fact, they have not had a surplus budget. They call themselves fiscal conservatives. They have not had even one surplus budget. Who is going to pay for this? It will be my children, their children, their grandchildren and my grandchildren. It is unfair to leave the largest debt to our children.

Government Orders

We have ways we can collect this. Again, Conservatives have a chance to recoup some of the money being siphoned off to offshore accounts.

We talked about fiscal conservatives and their ability to manage budgets. They have not had a surplus.

Let me talk about their trade deficit. When the Conservatives came in, they had a \$26-billion trade surplus. That means that we sold \$26 billion more than we bought from other countries. That is good for Canada. It creates jobs. If we sell more of our products overseas, we create local jobs here. That is good. However, under the Conservative government, we have had a trade deficit of over \$50 billion. That means that we are buying \$50 billion more in goods coming into Canada than we are selling to other countries.

Not only that, under the Conservative government, our merchandise trade deficit is the largest ever. I mention that because that is how we create secondary well-paying jobs. However, under this government, we have had failure.

That is the Conservatives' record, whether it is on deficits or on trade. These are the two things they often talk about, but they do not tell us about the other side. They tell us that they have signed this or that trade deal, but the trade deficit just keeps growing. We asked on the trade committee to look at why we have a large trade deficit. They did not want to study that.

Not only that, getting back to Bill S-17, my hon. colleagues, the NDP finance committee members, offered a number of suggestions as to how we could go after these tax evaders. One of the suggestions we offered was the following:

That the federal government study and measure, to the greatest accuracy possible, Canadian tax losses to international tax havens and tax evasion, in order to determine the Canadian federal "tax gap".

They do not even want to go there. They do not even want to look at the deficit.

Mr. Mark Adler: We did that.

Mr. Jasbir Sandhu: I know that the member across the aisle is interrupting, but these are the facts.

I will read another one for him. Maybe he will comment on this one. Here was another suggestion:

That the Auditor General evaluate, on a regular basis, the success of the Canada Revenue Agency in prosecuting and settling cases of tax evasion.

Here is a practical way to find out how well our system is working, yet the Conservatives do not want to do that. If we do not know how much we could collect and how much we are losing in revenue through tax evasion and tax havens, how are we going to know how much is out there?

I know, going back to the same premise I talked about before, that if the Conservatives do not like the facts, they will change them or make them up. We have seen that over and over again. That seems to be a regular occurrence with the government.

• (2305)

There are many other suggestions we made, which make practical sense, to bring in more revenue and catch those cheaters and evaders

so that we can reduce our deficit and offer the programs Canadians need. All we have seen are cuts from the current government.

It does not make sense to me. If they were going to go after tax cheats, one would think there would be a need for more inspectors and workers to go after those people. The Conservatives have actually cut CRA people in the last number of years.

Again, we will support this bill, but the elephant in the room is still not being addressed by the current government, and that is tax evasion.

• (2310)

[*Translation*]

The Acting Speaker (Mr. Barry Devolin): It being 11:10 p.m., pursuant to order made earlier today, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the second reading stage of the bill now before the House.

[*English*]

Is it the pleasure of the House to adopt the motion?

Some hon. members: Yes.

The Acting Speaker (Mr. Barry Devolin): Accordingly, the bill stands referred to the Standing Committee on Finance.

(Motion agreed to, bill read the second time and referred to a committee)

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FAMILY HOMES ON RESERVES AND MATRIMONIAL INTERESTS OR RIGHTS ACT

The House resumed from June 4 consideration of the motion that Bill S-2, An Act respecting family homes situated on First Nation reserves and matrimonial interests or rights in or to structures and lands situated on those reserves, be read the third time and passed, and of the amendment.

Mr. Randy Hoback (Prince Albert, CPC): Mr. Speaker, I would like to inform the House that I will be sharing my time with the Parliamentary Secretary to the Minister of Finance and member for St. Boniface.

I am proud to stand today in support of Bill S-2. There is absolutely no doubt in my mind that this proposed legislation offers a balanced and effective solution to an unjust problem that continues to affect individuals living on reserve today. The problem is that a legislative gap currently exists for individuals living on reserve that is preventing them from accessing the same rights and protections to matrimonial real property rights and interests as all other Canadians take for granted every day. That is because provincial laws only protect the MRP rights and interests of those who live off reserve.

Government Orders

The result is that some Canadian individuals have fewer protections and rights, simply because of where they live. Very few first nations in Canada have developed MRP laws under other enabling federal legislation, which means that the majority of individuals living on reserve lack protections and rights similar to those living off reserve. Given this reality, the legislative gap represents an inequality that can no longer be tolerated.

Our government believes that Canadians should not be denied access to basic rights and protections simply because of where they live. That is why our government is responding to the calls of aboriginal women, parliamentary committees, international bodies, and even the Manitoba NDP for urgent action to finally eliminate this long-standing legislative gap that has caused so much pain and suffering for some of the most vulnerable people in Canadian society, specifically women and children living in first nations communities.

We believe that family violence, wherever it occurs, should not be tolerated and that the rights of individuals and families to an equal division of the value of a family home must be protected, regardless of where they live. Aboriginal women and children living on reserves should not have to wait any longer to benefit from the same rights and protections people living off reserve are afforded. They deserve and expect no less.

On April 30 this year, Ron Swain, the National Vice-Chief of the Congress of Aboriginal Peoples, appeared before the Standing Committee on Status of Women and argued that not backing this bill is disallowing equality for all aboriginal people. Our government agrees with this view, and I call on all hon. members to support this long overdue legislation, thus ensuring that the matrimonial rights of all Canadians are protected.

This legislative gap can lead to heartbreaking injustice. For example, an abusive husband can evict his wife and children from their family home, and no court in the country has the power to intervene. Bill S-2 would protect the matrimonial rights and interests of all individuals who live on reserve. Furthermore, it would allow the courts to apply first nations law, thus allowing first nations to formalize its traditional dispute resolution processes and remedies. The legislation would also ensure that until a first nation was able to create its own laws, federal rules would provide families with rights and protections similar to those afforded people living off reserve.

Over the years, a wide range of groups have studied this matter. Parliament has pursued legislative solutions for many years, including studies by parliamentary committees as to what such solutions might entail and how they might be implemented. In 2003, the Standing Senate Committee on Human Rights published "A Hard Bed to Lie In: Matrimonial Real Property on Reserve", a report with many valuable recommendations. Central to its conclusion was the need for the development of cultural sensitivity laws.

The Standing Committee on Aboriginal Affairs and Northern Development also investigated the issue and heard testimony from dozens of witnesses. Bill S-2 was informed by the committee's final report, "Walking Arm-in-Arm to Resolve the Issue of On-Reserve Matrimonial Real Property", presented in 2005. The report concluded with two principal recommendations. The first reads, in part:

That, consulting with the Native Women's Association of Canada and the Assembly of First Nations to the extent possible, considering the urgency of the situation, the government immediately draft interim stand-alone legislation or amendments to the Indian Act to make provincial/territorial matrimonial property laws apply to real property on reserve lands.

Our government heeded this recommendation. Officials with Aboriginal Affairs and Northern Development Canada began the planning process in collaboration with the two national aboriginal organizations identified in this recommendation. During the planning process, the parties agreed to implement the second principal recommendation of the standing committee's report, which reads:

That, in broad consultation with First Nations organizations and communities, the government collaborate with those organizations and communities to develop substantive federal legislation on matrimonial real property for those First Nations that have not created their own laws on the subject matter within the time frame set out in the interim legislation. This legislation should cease to apply to First Nations that subsequently develop their own matrimonial real property regimes.

Our government followed these recommendations and allocated over \$8 million to aboriginal organizations and first nations to consult with members and stakeholders. A discussion paper outlining the issues and mapping out three potential legislative solutions was prepared. To coordinate the consultations and forge a consensus on a potential legislative solution, a ministerial representative was appointed.

• (2315)

During 2006 and 2007, more than 100 consultation sessions were held across Canada. Most of the sessions were led by the Assembly of First Nations and the Native Women's Association of Canada. The vast majority of the session participants were members of first nations. Dozens of groups also provided written submissions.

During the consultations, it became clear that there was overwhelming opposition to one of the potential solutions: incorporating relevant provincial and territorial laws into the Indian Act. As a result, this option was discarded entirely. The pattern of responsiveness to the stakeholder input has been repeated throughout the long development of the bill before us today.

Previous versions of this legislation were introduced in 2008, 2009 and 2010, and debates and committee review inspired a series of amendments.

When the Standing Senate Committee on Human Rights studied a previous iteration of the bill, Bill S-4, a total of 12 amendments were made to the proposed legislation. All of these improvements are included in Bill S-2.

With Bill S-2, this government chose to change elements of the bill to specifically address three criticisms most commonly directed at the previous version.

I would also point out that amendments were made when the bill was in the other place to further respond to the views of stakeholders. I believe Bill S-2 is not only an important bill but a necessary one, as it would finally close the intolerable legislative gap that continues to reduce so many to poverty, hardship and, too often, homelessness.

Government Orders

Bill S-2 is a progressive piece of legislation that would recognize first nations are best placed to develop their laws in this area. It would enable the courts to apply MRP laws developed by first nations. It would support sound governance practices in first nation communities and encourage self-reliance. Most important, Bill S-2 would protect some of the most vulnerable citizens and eliminate the injustice that tarnishes our country and has led to international criticism.

Under Bill S-2, first nations could develop, enact and implement MRP laws for their reserves. The content of the laws would be determined between the first nation government and its members alone. This would mean more transparency and accountability between first nation members and government.

For more than 25 years, women and men on reserves have lacked legal protection of their matrimonial real property rights and interests. Surely we can all agree that it is unacceptable to deny legal protection to a group of Canadians any longer simply because of where they live.

The time has come to eliminate this fundamental inequality. It is in our power as parliamentarians to do so.

I urge all members of the House to lend support to Bill S-2.

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, I find the statements being made on this bill very sad.

Organization after organization, first nation government after first nation government, first nation national leaders and regional chiefs have all said they oppose this legislation.

Yes, the government, finally pressured after many iterations of the bill, did provide for some consultation. What it did not do is listen to what it was told.

The same issues have been raised time after time by the first nations. They would like to have the opportunity to develop their own legislation. Many of them have strong customary laws. They are saying this is all very fine and dandy; however, they are asking how they resolve this if there is no housing. In many cases, in isolated communities, the women do not even have access to a bus to meet with a lawyer, let alone to pay the retainer for the lawyer to go to court.

I wonder if the member would advise the House what the first nation organizations and governments told them and in what way the bill would respond to what they were told.

• (2320)

Mr. Randy Hoback: Mr. Speaker, actually I am not surprised. When we look at the Conservative government and if we look back in history, we see it was John Diefenbaker who gave aboriginals the first right to vote. I am sure when he did that, the NDP sat in opposition and said it was not fair, it was not appropriate and they should not allow it to happen.

We see that happening here again. Instead of the NDP grabbing a piece of legislation that is based upon strong moral values and strong principles, it attacks it. It ignores the evidence that was gathered by aboriginal groups themselves. It ignores the recommendations that were gathered by those groups, also. It ignores the piece of

legislation, not based upon what is the right thing to do, but based upon party politics. That is pretty sad.

Mrs. Shelly Glover (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I take this bill to heart, and I want to thank my colleague, who just presented a description of what aboriginal women go through in their communities when they do not have these rights available to them.

I have seen myself, many times, women from reserves who are kicked off and who are afraid. When they speak out, they do not want us to tell members of the community that they are speaking to us, because they are afraid. Their children are still on reserve, they have been kicked off the reserve and they are desperately trying to get access.

I listened to the member across the way, from the NDP, talk about leadership and saying they do not want to do this. It has been 25 years that these aboriginal women have suffered in silence. They have asked for our help and, gosh darn it, we are going to do everything in our power to do that.

I want to ask the member for Prince Albert if he could address the 25 years of suffering in silence that we have heard of because there is no law in place to protect these women.

Mr. Randy Hoback: Mr. Speaker, it is intolerable to think that this has been going on for so long. I cannot put myself in the shoes of the people who are faced with the options they have, living on reserve in this type of situation.

Off the reserve, there are all sorts of options. People can seek legal advice and they can get the courts to intervene. However, on reserve, people cannot do that. They have no options. They have no ability to seek the courts or get any type of injunction.

If we look at the people who are asking for us to do this, we see it is actually the Manitoba NDP that is saying they need this legislation now and urgently. I cannot understand how the federal NDP cannot get along with its provincial cousins and actually get behind this piece of legislation and move it forward. It just bewilders me.

Mrs. Shelly Glover (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, it is a pleasure to speak today in support of Bill S-2.

Everywhere in Canada, there is legal protection when a marriage or common-law relationship breaks down or a spouse or common-law partner dies, except on reserve. Provincial legislation ensures that matrimonial real property assets are distributed equitably and that children and spouses have access to the protection they need when they need it, but there are no similar family laws to speak of in first nation communities.

Government Orders

Aboriginal women have been waiting for this legislation for a very long time. As a woman myself, from a Metis background, I find the fact that this situation still exists in Canada in 2013 absolutely appalling. Aboriginal women deserve to have the same rights as non-aboriginal women in Canada, and this bill would finally eliminate the current legislative gap and allow for matrimonial real interest laws to be applied on reserve.

More than 25 years ago, the Supreme Court ruled that provincial matrimonial real property laws do not apply to on-reserve communities because reserve lands fall under federal jurisdiction. Since the Indian Act is silent on this issue, the result is that a gap exists in the law respecting matrimonial rights and interests for residents on reserves. This gap is harmful for many reasons.

Most damaging is the lack of protection in the event of a family breakdown or the death of a spouse. For instance, I know first-hand of cases of wives and children left homeless and destitute after abusive husbands kicked them out of the family home. Many of them went on to be exploited sexually on the streets of Winnipeg, where I was a police officer for almost 19 years. They were desperate to find help, and this is the help they have been seeking for 25 years.

However, because of the Supreme Court ruling, the legal recourse in the courts available to every other Canadian is not available to those living on reserve. No judge, for example, has the authority to issue an order for emergency protection or temporary exclusive occupation of the family home if it is situated on reserve. That is why our government is acting.

I want to point out that matrimonial real property regimes do exist in a small number of first nation communities that are governed by the First Nations Land Management Act or by a negotiated comprehensive self-government agreement, and I want to commend those communities. However, Bill S-2 would extend matrimonial property rights to all first nations in Canada by creating a legislative alternative under which they could develop their own matrimonial real property laws, and courts would be able to apply these first nation regimes.

The legislation now before us is based on the premise that first nations are best placed to develop their own MRP laws. Those laws could reflect first nation culture and traditions, for instance. They might make use of an elders council or propose a remedial mediation process. As members recognize, people are more likely to respect and abide by laws that they have had a role in creating and that reflect their particular culture and traditions.

Indeed, several first nations are already well advanced in developing their own MRP laws, but without appropriate legislation, such as Bill S-2, the courts are not able to apply these laws, and some first nations, of course, may not be in a position to develop MRP regimes immediately or in the short term.

To ensure that this legislation would extend these basic rights and protections to all Canadians, and not just those living in communities where the governments have enacted legislation, Bill S-2 would also include provisional federal rules. This federal MRP regime, once enforced, would apply to first nations who have not developed their own MRP laws under Bill S-2 or other federal legislation.

These provisions would establish a federal regime based on the principle of equal rights for all Canadians, and these rights should not depend on where they live. All Canadians should have similar protections. Bill S-2 would end this unjust discrimination and help to ensure that all Canadians—men, women and children—living on or off reserve, have access to matrimonial rights and protections.

Opponents of the proposed legislation have made a number of points that I would like to briefly address.

Some critics assert that Bill S-2 fails to properly recognize the inherent rights of first nations to govern themselves respecting MRP. Well, I believe this critique to be false, and it completely misses the point of the legislation.

● (2325)

It ignores the need for federal legislation to fill the gaps, so that first nations can establish their own laws to do exactly that. The fact is that interested groups have unanimously agreed that this legislative gap needs to be resolved on an urgent basis. It should not be stalled because of the fact that some wish to have a broader discussion on the concept of inherent rights. For goodness' sake, 25 years is long enough. Let us get on with it.

There is also criticism concerning the adequacy of the consultation process that informs Bill S-2. This criticism is also misguided. After coming to power in 2006, one of our government's first orders of business was to embark on an extensive consultation process in partnership with national aboriginal organizations. In total, more than 100 consultation sessions were held in 76 sites across the country. Hundreds of people, most of them residents of first nations communities, took part in this process, and their feedback directly influenced the content of this legislation now before us.

I am talking only about when we got to power. However, since 2000 there have been special representatives and advisors, there have been special papers written, there have been forums, information sessions, consultations, and the list goes on and on.

Some may claim that there was not enough consultation, but to them I say this issue has been discussed for more than 25 years. Although the NDP is heckling me as I speak about the needs of these women at this present time, I will stand here and I will defend their right to have this law as long as I am alive.

Government Orders

I cannot imagine how much more consultation is needed to do the right thing. It is time to do the right thing. My colleague also stated that this is the fourth time this bill is before Parliament. Since its drafting in 2007, numerous improvements have in fact been made to the bill, many of which respond directly to the concerns voiced by a wide range of stakeholders, which includes first nations peoples. Changes were made to improve the bill before it was introduced again. For instance, there is no verification process in the legislation now before us. Similarly, Bill S-2 features a 12-month transition period and a lower ratification threshold.

I believe these changes further strengthen the bill and better support first nations. The proposed legislation offers a practical and balanced solution to a problem that has harmed women, men, children and families living on reserves for far too long. Each delay of its passage results in the continued denial of protections and rights for individuals living on reserves, particularly for aboriginal women and children.

In conclusion, let me talk about our aboriginal women, something I know just a little bit about. As I think about the aboriginal women, I want to reflect for a moment on what my aboriginal mother taught me. In aboriginal teachings, the moon is known as the grandmother moon. A full moon ceremony is special to us aboriginal women. I remember my mother talked about the moon ceremony. She explained that women's natural rhythms are connected to the changing cycles of the moon.

For this reason, we come together as women when grandmother moon's light is the fullest. In her light, we are able to connect with the brightness of our own inner light, to heal and to celebrate womanhood. The spirit of grandmother moon hears our deepest prayers at that time. The grandmothers teach us that when the moon is full, it is time for women's prayers to be expressed. Prayer is a powerful energy that supports us in manifesting the deep wishes that emerge from within.

Around June 25, many aboriginal women in Canada will be participating in and praying at a moon ceremony. I, too, will pray. I am going to pray that all aboriginal people are protected equally. I will pray especially for our women and children who have suffered far too long without matrimonial property rights, that have left them vulnerable and helpless, and far too often they have been left homeless.

This is long overdue legislation that deserves our full and immediate support. I am very disappointed in other members of this House. This is a no-brainer. This is a bill that all parties should be supporting without reservation, without hesitation, and with pride in what we want to succeed in giving all Canadian women and children and men across this country from coast to coast to coast. I will continue to support it. I will continue to urge members on the other side to do the right thing. I will continue to pray that this bill passes so that we can set this aside. It has been 25 years. Let us get on with it.

• (2330)

Ms. Niki Ashton (Churchill, NDP): Mr. Speaker, I had the honour of being part of the Standing Committee on the Status of Women in hearing first nations women from the grassroots and

women involved in leadership speak out against the government's colonial agenda as evidenced in Bill S-2.

The member across seemed to be compelled by her passion for the interests of on-reserve women, but first nations women have increasingly talked about the lack of non-legislative measures that follow Bill S-2 and legislation without the ability to implement it, and I know the member knows the lack of policing in northern first nations, without police, without shelters for women to escape to, without somebody to enforce a protection order. We felt there should be funding for courts to come into these communities and this legislation is mute on that.

Why does the member and her government insist on putting forward a paternalistic form of legislation without actually investing the funds that are necessary to make a difference in these women's lives? Enough rhetoric, where is the—

• (2335)

The Acting Speaker (Mr. Bruce Stanton): The hon. Parliamentary Secretary to the Minister of Finance.

Mrs. Shelly Glover: Mr. Speaker, the member is from Manitoba. She sat on that committee. Why did she not listen to Jennifer Courchene from Manitoba, who said very clearly she was kicked off a reserve? She wants to see that we provide some kind of law that prevents that from happening to other women. Why did she not listen to Jojo Sutherland, a female elder in our aboriginal communities who works with women who are transitioning from jail into their communities again? These women have suffered. Jojo Sutherland said "I was kicked off a reserve. I ended up being sexually exploited and prostituting myself. My children ventured into that world". They had nothing but one suitcase as she left the reserve.

The member ought to listen to the women who are suffering, many of whom disappeared as missing and murdered aboriginal women and do something for once.

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, we have just heard examples of real passion from two women who are speaking on an issue that is important to them. We should be respectful of that debate.

One of the concerns I have is this. I started reading the list of people who had expressed concerns with Bill S-2 such as the Native Women's Association, the Assembly of First Nations technical update of January 27, 2012, the National Aboriginal Women's Summit, Ellen Gabriel. I could go through a list of a number of people and groups who are concerned, including Dionne Schulze, Shawn Atleo, the Quebec Native Women, the Nishnawbe Aski Nation Women's Council, and there are more. I will not read them all, but the reality is that if we have that many people from that cross-section raising concerns with the bill, why would we not pause that extra bit longer and do it right to do the best we could to take those things into account? That is what I find difficult with this.

Government Orders

Mrs. Shelly Glover: Mr. Speaker, I do respect what the member opposite is suggesting, but there is just a long list of people who testified, for example, like the executive director of the National Association of Friendship Centres and many others, the Young Women's Christian Association. We had aboriginal woman, after aboriginal woman and the Congress of Aboriginal Peoples. They said that this was needed. The Supreme Court ruled 25 years ago that there was a legislative gap.

I would suggest for the member to please look at the facts. The facts are that the NDP at this point wants to support people who want catch-all legislation that would solve world poverty, that would end world hunger, that would solve every housing crisis we have ever known. It is not possible. Yes, I would love to come up with a legislative piece that would solve all of that, but in the interim it does not exist. Let us take a step forward and protect the most vulnerable.

The NDP members will have blood on their hands if they sit there and do nothing. I will not stand for it. I cannot stand for it.

Mr. Brad Trost (Saskatoon—Humboldt, CPC): Mr. Speaker, I appreciate the ability to participate in and be part of this debate. As some of my colleagues are indicating, passions are running high on this piece of legislation, and this piece—

Some hon. members: Oh, oh!

The Acting Speaker (Mr. Bruce Stanton): Order, please. The hon. member for Saskatoon—Humboldt has the floor. I am sure there are many who would like to hear what the hon. member has to say. If members have other things they wish to discuss with their colleagues, they may wish to take that out of the chamber. When we are in the House of Commons, when one member has been recognized, he or she has the floor and other members should be quiet so they can hear what he or she has to say.

The hon. member for Saskatoon—Humboldt.

Mr. Brad Trost: Mr. Speaker, before I get too far into my notes, I should indicate for both the House and your sake that I will be splitting my time with the Parliamentary Secretary to the Minister of Justice.

As I was saying when I started my speech, it is obvious from all sides of the House that this is an issue of passion. It is an issue that has been debated for many years, and it is interesting to listen.

I will not pretend to be an expert on the minutiae of the bill. I do not sit on any of the committees that have dealt with it, nor am I deeply enmeshed in some of the details, as some of my colleagues are.

However, I have been here for a few years. It is coming up on nine years now, and I do know that this is government legislation that has been before us a few times.

However, I want to give credit that the ideas behind it, the theme, were private member's legislation. My former colleague for Portage—Lisgar, Brian Pallister, took it upon himself to introduce this legislation as a private member's bill. It was the basic theme or idea we are dealing with tonight. I remember hearing him speaking about it here in the House. He was passionate about it.

That constituency is bedrock Conservative. This is not exactly an issue on which swing voters or political self-interest would particularly come into play, but Brian met a personal friend who had an experience on a reserve. He had been involved in a situation that this legislation would deal with. It was because of that passion that he got involved in this issue and began to drive it forward.

I congratulate him. He is now the leader of the Manitoba Progressive Conservatives and was the inspiration behind getting the unanimous consent of the Manitoba legislature—Progressive Conservatives, New Democrats and I believe one Liberal—to call upon this House to get moving with the legislation.

It is one of the things we need to do, because when Brian went forward on this, it was not for political gain and not because a major constituency needed the legislation, but because it was the right thing to do. He was inspired because of a real case and he needed to serve his people.

That is why I am asking all members of this House to look at this legislation seriously, to look at the underlying principles involved, because this legislation is about helping those who do not have the power to defend themselves.

Every politician comes to this place with an underlying philosophy, an underlying set of principles. What is government about? What is the purpose of government?

I believe the purpose of government is fundamentally to defend a few basic things. Government should be limited. Government should be restricted, but it should be about defending people's lives. The right to life is fundamental. It should be about defending their liberty and it should be about defending their property.

These are three rights, three fundamental things that intertwine, and it is for that reason and because of those principles that I will be supporting this legislation.

What is more fundamental to human life, particularly in a country like Canada, with our severe winters and our tough climate? We take pride in it and we brag about it, but if we did not have a place to live in winter in Canada, our very lives would be at stake. That is why we need to deal with this fundamental legislation.

When a family situation breaks down, it is almost always the female member of the couple—the woman in the household, often with children involved—who is deprived of a place to live. Then it is a matter of fundamental survival. It is not about wealth, privilege or prestige; it is about whether or not the person lives.

The bill also deals with basic liberties, because if something goes wrong—if there is a dispute, if there is some issue that cannot be resolved—a woman could be turfed out of her house. She is then restricted in her freedom and in what else she can do in her life. She lives in a constant state, in some respects, of being in her own little prison.

● (2340)

This is a bill about matrimonial property. This is about who owns, possesses and controls the physical aspects of life.

Government Orders

This legislation is fundamentally on the basic principles of why a government should be involved in something. That is why I support it. It is about fundamental justice. It is about the reason many of us got involved in politics, which is not to provide and protect those who are wealthy. Those who have money, property and connections can afford lawyers and another place to live. This piece of legislation seeks to help those who are weak and do not have the strength to always fight for what they need.

Some of the critics of this bill have criticized it and said that other things are needed. Absolutely. I am not here to argue that there are other things needed, whether programming, justice or police services. However, under no circumstances should we ever permit the perfect to be the enemy or the opposite of that which is good.

I do not think there is a single member of this House who thinks the underlying sentiments and the desire to do things in the bill are not proper and just. Members may disagree with aspects of the bill. There is dispute about who was consulted, who was listened to and who was not. However, I think every member of this House can fundamentally agree that when we seek to do something to provide and protect women and children who are being thrown out of their houses, we are doing what we should as parliamentarians. We are not here to look after ourselves. We are here to look after the needs of those who most need us in this country.

As I said earlier, I am not the greatest expert on this, but having listened to a few of the remarks, I will deal with a few issues according to the notes I have been given about things that can be done to help and I will answer some of the criticisms.

One of the criticisms I heard earlier from an opposition member, and I am assuming it was well meant, was that there would be difficulties accessing justice in remote communities. That is true. I have worked in the north in my career as a geophysicist in our three territories. In many places in remote communities, it is difficult to always have justice immediately on the spot.

However, the underlying intent of this bill is to provide legal certainty to make it easier for couples to come to an agreement so that they do not have to go to court. There would be regulations that would include provisions concerning applications made pursuant to federal rules to increase access to justice.

There are aspects concerning emergency protection orders for spouses or common-law partners who could apply for exclusive occupation of a home. There is a provision that should a spouse or common-law partner not be able to apply for an emergency protection order, a peace officer or other person may apply on behalf of that spouse or partner.

In remote communities, where it is difficult to have judicial access, lawyers etcetera, this bill makes provisions for them.

As was also said, this bill is not sufficient. We on this side of the House agree. There are other things to be done. I will just note that the economic action plan of 2013 provided \$24 million for a family violence prevention program, and there is other programming and funding.

As my time winds down, let me urge this House to think of the fundamental principles we need to look after and who we are here to

support. This bill is ultimately meant to look after those who are weak. It is a noble bill. There are disagreements about whether it is a perfect bill. I understand that, but let us not have the good and the perfect be at odds on this legislation.

● (2345)

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, the issue that has arisen over and over again in the consultations on this bill and has been raised by first nations governments, aboriginal women's organizations and, in many cases, aboriginal lawyers, is the problem that we are dealing with a matrimonial property regime that involves communal property. The solution put forward in this bill is that the provincial courts would be given responsibility to resolve these disputes, where it is not really clear. It is not as if the house is in the common-law husband's name only, or in the name of the two of them together. In most cases, the land is held communally.

That is one of the reasons why the majority of first nations, including first nations leaders, have been saying they need some other options. They need to have the government work with them so that they can develop the systems within their jurisdictions that fit within the legal regimes of their communities.

A number of amendments were proposed and all were rejected. When the government says it is open to additional solutions, could it respond to the issue of how we address the fact that we are talking about a completely different system of land regime on 99% of the reserves?

● (2350)

Mr. Brad Trost: Mr. Speaker, as I noted earlier, I am not an expert, not having sat in at all of the meetings of this committee. However, having read some notes in preparation for this debate tonight, a few thoughts come to mind.

First of all, it was noted that there would be educational packages for provincial judges to make them familiar with the context and other issues involving this. There would be an educational and integrative approach. Another thing that I noted, having listened to the debate tonight, is that reserves, particularly those that are more developed, advanced and interested in seizing the initiative, could take legislative initiatives of their own. They could apply their own decisions and cultures and shape this. That would also be done partially in the regulations, as is my understanding.

Having read and researched this, my understanding is that there would still be elements for flexibility. This piece of legislation is going to go forward. The majority of the House has indicated support for it, but there would still be ways to shape this going forward through education, regulation and dealing with the reserves that individually take their own initiative to expand matrimonial property rights for their membership.

Government Orders

Hon. Jason Kenney (Minister of Citizenship, Immigration and Multiculturalism, CPC): Mr. Speaker, I have heard New Democratic members of Parliament tonight suggest that they favour matrimonial property rights in principle but they just do not support this particular bill. I find that a bit peculiar and ahistorical, because I have been a member of this place for 16 years and I recall various private member's bills and various government bills to extend matrimonial property rights, all brought forward by Conservatives or members of the Conservative legacy parties during that 16-year period.

There have been many different bills, with different specifics and different features, but they all had one thing in common: they sought to extend matrimonial property rights to aboriginal women. They were all opposed by the NDP. In those 16 years, I do not recall a single New Democratic member of Parliament ever having risen in this place to propose a bill to extend matrimonial property rights.

Would my colleague not agree with me that this suggests evidence that the NDP is not really practically in favour of matrimonial property rights? Is it not analogous to its position on free trade? It says it is not against free trade, except it is opposed to every single free trade agreement.

Mr. Brad Trost: Mr. Speaker, I appreciate the comments from my hon. colleague and I would tend to agree with him. However, I would encourage opposition members to prove both me and my colleague wrong by actually taking one of their private member's slots and introducing their ideal legislation.

If they do desire to make this change, with all these years, perhaps the members there could provide their piece of legislation and their changes in a private member's bill and let the House debate those changes. The government bill will pass. If they think there are improvements, perhaps later on in this Parliament we can look at those improvements.

Mr. Robert Goguen (Parliamentary Secretary to the Minister of Justice, CPC): Mr. Speaker, I am very pleased to have the opportunity to speak in favour of Bill S-2. When the time comes to vote on the bill, I intend to vote in favour of it and I encourage all members of the House to do the same.

No one can dispute the fact that the bill is in the best interests of individuals living on reserves and that it creates a more fair and just Canada. Currently, very few laws exist to protect the matrimonial real property interests and rights of people who live on reserve.

Bill S-2 proposes to fill a gap in legislation that continues to affect the most vulnerable people in Canadian society, specifically women and children living in first nations communities. For most individuals, the problem begins with a relationship breakdown, or the death of a spouse or common-law partner. In many cases, this results in a woman, or her children, being kicked out of the family home and the law is powerless to help them. Many end up homeless, impoverished and isolated from their home communities.

As difficult as these circumstances are for those who are directly impacted, the suffering extends even beyond them. Grandparents may be denied daily access to their grandchildren. Siblings and friends may be forced apart. As a result, the negative impacts of these events can often be felt through the entire community.

It is hard to believe that we as parliamentarians have allowed this inequity to endure for more than 25 years. It is in our power, and so it is our responsibility, to eliminate causes of inequity such as this one. Moving ahead with this legislation now before us is clearly in the best interests of all Canadians, most particularly those likely to be affected by this legislative gap.

Bill S-2 proposes to fill the gap with a two-part solution. One part establishes a legal authority that first nations can use to design, ratify and implement laws governing marital property interests and rights on their reserve lands. This means that first nations could develop their own laws to meet the community's cultural and social needs and that the courts could apply these laws. The second part of Bill S-2 is a set of provisional federal rules that would, once in force, provide protection for individuals living on reserves unless, or until, first nations have ratified their own laws in this area.

The proposed legislation and the issues it addresses are quite complex. There is little doubt that these complexities confounded previous attempts to enact legislation. However, if we remain focused on the crux of the matter, that the legislative gap hurts individual citizens and perpetuates injustice, the path forward becomes perfectly clear.

Bill S-2, like any legislation touching on complicated and emotional issues, has critics. However, what is often overlooked is that the legislation now before us is the product of a comprehensive and collaborative national consultation and engagement process.

Many critics deride the consultation effort as inadequate, but the truth is that two national aboriginal organizations helped stage more than 100 consultation sessions at 76 sites across the country. Hundreds of people actively participated in these sessions. Over \$8 million was spent to facilitate the process. In addition, there was an extensive study of the previous version of Bill S-2, Bill S-4, when more than 30 witnesses appeared before the committee. Further, study by committee in the other place on Bill S-2 offered more opportunity for review and comment, as did the study by the Standing Committee on the Status of Women in the House. In total, 93 witnesses have appeared before committee. There should be absolutely no doubt as to the amount of consultation that has taken place. The changes that were made to Bill S-4, and now to Bill S-2, demonstrate that the government has heard the comments and responded.

I want to spend some time today explaining the degree to which Bill S-2 responds to the views expressed. The consultation sessions shaped the original bill in several significant ways. For example, as a direct result of the consultations, the bill rejects the application or incorporation of provincial family law. Instead, Bill S-2 proposes to enable first nations to design and ratify their own laws related to marital real property and interests. These laws would reflect a first nation's particular traditions and culture and could be applied by the courts.

Government Orders

Bill S-2 also proposes an interim solution to help first nations develop laws in this area.

● (2355)

Despite the best efforts of many talented people, at the end of the process full consensus on a legislative solution could not be reached due to the complexity of the issue. For further clarity on this point, I call to members' attention the final report of the ministerial representative. This wide-ranging document of more than 500 pages is a comprehensive resource for anyone who wishes to fully understand the issues in play. Point 213 of the report reads as follows:

The inability of the parties to articulate a link between the matrimonial real property initiative and the larger policy development processes that AFN and NWAC respectively are interested in, and that they have mandates to pursue, ultimately constituted a barrier to consensus.

This sentence goes a long way toward explaining why the effort initiated in good faith by this government, and funded by more than \$8 million in public funds, failed to produce a full consensus. The parties could not separate the need to eliminate specific causes of inequity from other policy development initiatives. In other words, instead of focusing on a specific problem that this legislation was intended to address, debate on the bill became a proxy for a much broader discussion whose scope goes beyond the intent of this bill.

Ultimately, the legislative gap continues to affect individuals living on reserves, as it has for more than 25 years. As many may recall, in the last Parliament a previous version of this bill was before us for consideration. At that time, the Standing Senate Committee on Human Rights conducted a thorough review of the bill and, as I have mentioned, heard from more than 30 witnesses, including representatives of national aboriginal organizations. First nations chiefs and other stakeholders were included. This review led to the adoption of 12 amendments to the bill in the other place. Unfortunately, the bill died on the order paper before it could be considered by this chamber.

Before introducing this bill in this new Parliament, three further improvements were made: the verification process was eliminated; a 12-month transition period was added; and the ratification threshold was lowered. I am convinced that all three of these measures strengthen the bill and that all three would facilitate the development of a first nations law in this area. They also respond directly to criticisms that the previous version was paternalistic and that the process for the ratification of a first nations law was too onerous.

Bill S-2 would finally fill this gap with a balanced and effective solution. It would authorize first nations to establish laws in this area based on their unique cultures and traditions, and after a 12-month transition period, Bill S-2 would establish a provisional federal regime to protect individuals living on first nations reserves that have no such laws in place. However, even after the provisional rules were in effect, first nations could still, at any time, develop and ratify their own laws. At the end of the day, it is Parliament's responsibility to make decisions about legislation that affects Canadians and, in particular, to ensure we protect our vulnerable citizens. That is why Bill S-2 is before us today.

I believe that Bill S-2 would effectively balance the rights of individual citizens and the collective interests of first nations. It

would eliminate inequity that continues to affect some of Canada's most vulnerable citizens. I urge all members of this House to set aside unfounded criticism and to endorse this legislation without delay.

● (2400)

Mr. Jasbir Sandhu (Surrey North, NDP): Mr. Speaker, it is my understanding that when we bring a bill to this House we consult with the parties who would be stakeholders and who would be affected by it. I have seen it over and over that the Conservatives will consult the stakeholders, but it is another thing to actually listen to them and take in some of the advice they might have to improve the bill. I have seen this not only in this House but in the committees. There are numerous reports and studies that have been generated over the last number of years in regard to dealing with this particular matter.

If they are not going to listen to the people they have consulted, what is the use of consulting them? Here we have first nations groups wanting to make changes to this bill, and also a number of women's groups have objected to this particular bill, so why consult when they are not going to listen to them?

Mr. Robert Goguen: Mr. Speaker, I would have to say that 25 years of consultation is fairly sufficient. Setting aside the rhetoric from my hon. friend, we have listened and we are acting. We will not let "perfect" be the enemy of "good".

This is a move forward. It is about equity. It is time to move. Twenty-five years is far too long.

● (2405)

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I am saddened by the tone of the government. It is extremely aggressive in places. The member was a little less aggressive than some of his predecessors speaking in the House.

However, the reality is that the recurring theme from the government has been that it consulted, that it worked with the Assembly of First Nations and the Native Women's Association of Canada and that this bill was the result of those consultations.

As the member for Surrey North just pointed out, the Assembly of First Nations is opposing the bill. The Native Women's Association of Canada is opposing the bill. Aboriginal organization after aboriginal organization is opposing the bill because the government did not get the job done effectively. It did not get it right.

It saddens me that the government is trying to ram the bill through now, when there are so many first nations organizations, some of whom they are citing, saying that the will bill will cause more problems than it will actually resolve.

The reality is, as members well know, when we are negotiating and discussing with first nations organizations, we have to listen.

My question for my hon. colleague across the way is very simple. Why did the Conservatives not listen to the aboriginal organizations that have voiced real concerns about the bill?

Government Orders

Mr. Robert Goguen: Mr. Speaker, I would invite the hon. member to sit in on the special committee for missing aboriginal women, where there is a legion of groups that have been consulted. Far many more of these groups are interested in what we are doing. They are backing that.

I am saddened by the fact that, as the Minister of Immigration has said, and he has been here for 16 years, never once has the NDP had the courage to do what is right for the people living on reserves who are being abused. It is time to move. It has been 25 years. If there is anything that is sad, it is the inability of the NDP members to understand their dilemma.

Ms. Mylène Freeman (Argenteuil—Papineau—Mirabel, NDP): Mr. Speaker, I keep hearing members of the government saying that the NDP has not brought forward legislation on first nations issues. That is because what needs to be done is to consult and work with first nations. We do have one bill about that. It is Bill C-469, presented by my colleague from Abitibi—Baie-James—Nunavik—Eeyou. It would enact, in this Parliament, that we would have to respect the United Nations Declaration on the Rights of Indigenous Peoples, which requires us as parliamentarians free, prior and informed consent.

I have constituents from Kanehsatà:ke. Ellen Gabriel, a very well-known native women's rights activist, was telling me she was not and they were not, consulted. They have not agreed. This issue is more complex and should not just be legislation rammed down our throats.

Mr. Robert Goguen: Mr. Speaker, I am not sure if there was a question there, but why should we talk about the United Nations.

Charity starts at the home. Here they are in Canada, on the reserves, asking for our help and the NDP is unable to lift a hand to feel their pain, to do what is right to right this inequity.

Ms. Niki Ashton (Churchill, NDP): Mr. Speaker, I am very honoured to rise in the House to speak on behalf of so many of my constituents and first nations people across Canada who have vehemently opposed Bill S-2.

I stand here on a day, as was noted earlier, five years after the anniversary of the current government's apology to residential school survivors, five years after the government made the most serious commitment to the first peoples of our country in committing to a new relationship, a new way of doing things and a new tomorrow. Unfortunately, all first nations people in Canada have seen since that day five years ago are more colonialist policies, more paternalistic attitudes, more impoverishment and more marginalization.

Bill S-2 is one step along that way. Not only is it not part of a new beginning or a new relationship, but Bill S-2 is part of a pattern of colonial legislation put forward by the government toward first nations. There was C-47 and Bill C-8. Now we have Bill S-6. All of these bills first nations people, their organizations and their leaders have opposed. It was clear during the Idle no More movement. First nations people rose up against the omnibus legislation that would impact their treaty and aboriginal rights, but they also very explicitly indicated that they were opposed to the series of bills, including Bill S-2, the government is putting forward.

I will remind members of the government that the Idle No More movement was started by four women from Saskatoon, who, with many indigenous women across Canada, rose up and said, "enough". They said enough to the colonial attitudes that have overrun their communities for far too long. They said enough to a government that has sought to impose their assimilationist views on their communities. They said enough to the status quo.

We have heard many references, in government members' feigned indignation, to the 25 years first nations women have waited. Colonialism has gone on for far more than 25 years, and first nations have had to put up with government after government, and the current government is no different, with the kind of attitude that is so unacceptable, so much against what Canadians want from their government, yet it continues on the same path.

The concerns around Bill S-2 are not philosophical. They are very real and very much based on extremely problematic elements of this legislation. First and foremost, there was the lack of nation-to-nation consultation. This is not a choice. According to our Constitution, there must be consultation with first nations.

Let us go further. The government signed the UN Declaration on the Rights of Indigenous Peoples. Bill S-2 breaks the commitment the government made to the UN declaration. Bill S-2 serves to attack treaty and aboriginal rights. Despite the fact that there are obtuse references to respecting first nations governance, we have not seen the government act on that notion in legislation after legislation. It is pretty rich to hear government members apply impassioned rhetoric when it comes to first nations people when, in fact, it fails to hear from the first nations people who are most directly impacted.

Let me get to some of the other major problems with this piece of legislation, and there are many. Just so we are clear, the NDP put forward reasoned amendments to this bill that involved a series of points, but I will list only a few. We noted that if these points were not recognized, in addition to our concern about the lack of consultation, we could not support Bill S-2. Again, it is not a philosophical discussion. Members will understand from the points I will raise that it is very real, based on factual points the government has absolutely ignored in its process of developing this bill.

Government Orders

● (2410)

Bill S-2 fails to implement the ministerial representative recommendations for a collaborative approach to developing and implementing legislation. The bill does not recognize first nations jurisdiction or provide the resources necessary to implement this law. The bill fails to provide alternative dispute resolution mechanisms at the community level. The bill does not provide access to justice, especially in remote communities. The bill does not deal with the need for non-legislative measures to reduce violence against aboriginal women. The bill would make provincial court judges responsible for adjudicating land codes for which they have no training or in which they have no experience. The bill does not address issues such as access to housing and economic security that underlie the problems on reserve in dividing matrimonial property rights.

It is clear that these points are not recognized in Bill S-2. There is no response to the serious concerns that first nations people raised both in our committee and in prior consultations regarding the bill. Also, it is not to say that this is the first iteration of the bill. The Conservative government has tried this on numerous occasions, and every time it has been clear that first nations people are opposed to the Conservatives' imposition of a paternalistic approach to matrimonial real property rights.

Certainly we heard tonight that, all of a sudden, the Conservative government has real concern regarding violence against aboriginal women, which are great words, but let us look at the actions.

It is no secret, and now we are entering a phase in our history where we are being shamed internationally for our lack of action in putting an end to the epidemic of missing and murdered aboriginal women. Over 600 aboriginal women in Canada have gone missing or have been found murdered in Canada, but the current government has done nothing but deflect the issue.

The Conservatives make these connections between missing and murdered aboriginal women in Bill S-2. Well, aboriginal people know that the current government is trying desperately to change the channel, and no one is buying it.

When we are talking about the issue of violence against aboriginal women, it is serious and it demands far more than a slap-in-the-face piece of paternalistic legislation. It requires real action. It requires sitting down with first nations and working with them. It requires making investments in non-legislative measures. It involves getting to the root causes of the violence that aboriginal women face.

We have heard that if the current government actually wanted to do something, it would respond to the calls for a national inquiry that have been going on for years in our country, yet it has not. If the government really cared, it would have responded to the calls for a national action plan to end violence against aboriginal women, but it has not. If the government really truly cared, it would do something about the excruciating levels of poverty that aboriginal women face in Canada, but it has done nothing.

Not only would I argue that the Conservative government has not done anything when it comes to the poverty facing first nations women, it has made it worse. The government has made it worse by the cuts it is imposing in terms of the services that first nations

people need. The Conservatives are making it worse by continuing to apply the 2% cap that the Liberal government in the past imposed on first nations. They are doing it now by going after the advocacy organizations, including the tribal councils, that are involved in delivering direct services to first nations, and that make a real difference when it comes to housing and education.

Not only is there a ton of hypocrisy coming from the Conservative government, in that all of a sudden it cares about violence against aboriginal women, it is shameful that the Conservatives would stand in this House and turn to the NDP or whomever else and accuse us, instead of looking to their own business.

This is a perfect case of changing the channel. Aboriginal people have seen this before and they are seeing it in spades with the Conservative government. They saw it when the Minister for Status of Women was quoted in the media as blaming the chiefs and leaders for why the bill was not going forward.

● (2415)

I had the chance to raise that exact point with leaders who came to our committee and some of them were women leaders as well. I read to them the kind of messages that the government was putting forward. I felt so ashamed that a federal government and its ministers, ministers of the Crown, would treat first nation leaders with such disrespect when they were doing nothing more on a bill like this than speaking out on behalf of their people, when leaders, women and men, were speaking out on the very real needs they had to put an end to the violence that first nation women face.

Let us talk a bit about some of those challenges. I reference the extreme levels of poverty.

One of the most recurring themes that came up in our committee was the lack of housing on first nations. Now some members, actually, on the government side in our committee asked what the connection was between housing and violence.

I do not think a lot of the members on the government side have spent time on reserve. I invite them to come to northern Manitoba. I invite them to come to communities like Pukatawagan, Opaskwayak Cree Nation, Gods River, Shamattawa, St. Theresa Point, Garden Hill, Berens River Bloodvein. I invite them to visit the houses where there are 15 people living inside a house, no, maybe even 21 people living inside a house, mould-infested homes.

I invite them to see what is like, to hear about the social tensions that have developed because people simply do not have a place to live. Why do they not have a place to live? Because they live on reserve and because they are under a federal system and successive federal governments, I would note. Currently the Conservative government has sought nothing more than to further impoverish people, than to further fill inadequate housing up with more people, than to limit the kind of opportunities these first nation people have to access the outside world and opportunities that may exist outside their community. Then it turns around and tells us that a document, Bill S-2, would end the social conflict and social tension that they face.

Government Orders

This is beyond insulting. It is beyond reproach. This is the face of colonialism. It is the face of a colonial government that has sought nothing more, time after time, than to further marginalize the first peoples of our country.

The NDP takes great encouragement from the first nation leaders, from the women and the men and the grassroots leaders, I will note particularly, who have stood up and who have stood up through their Idle No More movement. They said that they had enough of the government's attitude toward them. They have had enough of great sounding commitments, like the commitment of five years ago, the new relationship that came directly from the current Prime Minister, only to be followed by legislation after legislation, rhetoric messages that seek to divide Canadians, that seek to pit Canadians of various backgrounds against aboriginal Canadians, that seek to divide aboriginal communities among themselves, that seek to change the channel, instead of actually having a government that would step up, work with first nations, consult on a nation-to-nation basis, work in partnership and make the investments necessary.

These challenges are not going away any time soon. The violence against aboriginal women is certainly not going to go away as a result of Bill S-2.

I think of Joan Jack, the counsellor from Berens River, who so passionately spoke in our committee. She said that the bill would not save one life in Berens River.

I would encourage members of the government to look at the *Hansard* to hear the messages that we heard in committee, to hear the kind of opposition that exists against Bill S-2.

While we are talking about committee, we have heard government members tonight make various references to consultation and how they have heard from people and all of these things. If they wanted to hear from people so badly, why did they bring closure in on this debate? Why did they cut off debate, not only in the House but also at committee?

• (2420)

We had two weeks to look at this fundamental piece of legislation. I will put on the record that in those two weeks the government made sure we got to hear from the Congress of Aboriginal Peoples more than any other national aboriginal organization. The Congress of Aboriginal Peoples clearly expressed in its presentation that it does not represent on-reserve aboriginal people. Therefore, the question is this. Why would an organization that does not represent on-reserve first nations people be seen as the ultimate authority on this very piece of legislation?

I will not leave the surprise any longer. It is because it read exactly the kind of messages that the government wanted to hear. However, when it came to organizations like the Native Women's Association of Canada, the Assembly of First Nations and various band chiefs, various people with legal expertise, grassroots leaders who had real concerns with Bill S-2, who opposed Bill S-2, none of them got as much time to speak to it as the Congress of Aboriginal Peoples.

The Native Women's Association of Canada got eight minutes to speak to this bill with no questions and answers. It is truly shocking. The Assembly of First Nations got 10 minutes to present, and I am

stretching it by saying it had maybe 12 minutes of questions and answers.

The government turns around and uses the word "consultation" and uses the sentiment of indignation. Those of us who are standing in solidarity with first nations who did not have their voices heard or who had their messages cut off because the government was so eager to shut down the debate, we are the ones who are shocked and angered by the government's colonialist approach to first nations.

First nations deserve far better than the current government, which has sought nothing more than to further impoverish, further marginalize and further assimilate them. They deserve justice and respect. They certainly do not deserve a bill like Bill S-2. They deserve real leadership. I end off on that point.

We have heard the government members call on us, hoping we might change course. I would ask them to listen to the many people who they have blocked from the House and committee, the voices of first nations who would be most impacted by this bill. I would ask them to change course and free themselves of the colonialist approach they have taken to heart and start a new beginning, like the new beginning their boss talked about five years ago. It is time.

• (2425)

Hon. Jason Kenney (Minister of Citizenship, Immigration and Multiculturalism, CPC): Mr. Speaker, I found some of those remarks frankly outrageous and inflammatory, that the member suggested that any one government has "sought" to "impoverish" and "marginalize" people. In this place we might disagree about means, but surely we do not believe that any member of this House seeks to impoverish or marginalize Canadians. Perhaps the member, on sober reconsideration, would retract that.

She suggested that this bill is being rushed. This bill has been debated in this place for more than 15 years in various forms. That is not a rush. For 25 years, aboriginal women have been waiting for a legal remedy to their lack of access to matrimonial property rights. Twenty-five years is not a rush. The NDP can keep inventing specious process objections to represent the interests of a few powerful stakeholders, but eventually action must be taken.

She said that not many Conservatives have been on aboriginal reserves. This government has the largest number of first nations members of any government in Canadian history and represents 60% of aboriginal Canadians. Many of our members spend a great deal of time on reserves.

Finally, I would like to ask the member what she thinks about the fact that her Manitoba NDP government unanimously supported the passage of this bill on December 6 of last year, adopting a unanimous motion in the legislature, that the Legislative Assembly of Manitoba urged the federal government to pass Bill S-2. Why will she not listen to her own Manitoba NDP government?

Ms. Niki Ashton: Mr. Speaker, I certainly will not be retracting any comments that I made and I would encourage the member and his colleagues across to come and visit the first nations in my area and spend time with the first nations that they represent.

Government Orders

We have heard from national organizations that speak on behalf of their members, such as the first nations that are in their constituencies that oppose Bill S-2. We have heard from aboriginal women directly about their opposition to Bill S-2.

With regard to this constant reference to the 25 years, first nations people have fought against colonial attitudes for far longer, and they are not going to put up with a half-baked, entirely colonial approach to an important issue. Nobody is saying that matrimonial property rights are not an important issue, but the way that the government has carried itself on Bill S-2 and the way it is carrying itself on other bills that pertain to first nations reeks of colonialist and paternalistic attitudes.

It saddens me that in the year 2013, we have to have this conversation in the House of Commons.

● (2430)

The Acting Speaker (Mr. Bruce Stanton): The hon. member for Churchill will have seven minutes remaining for questions and comments, should she wish it, when the House next returns to debate on this question.

It being 12:30 a.m., pursuant to an order made on Wednesday, May 22, the House stands adjourned until later this day at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 12:30 a.m.)

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