



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

House of Commons Debates

VOLUME 147 • NUMBER 036 • 2nd SESSION • 41st PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Tuesday, January 28, 2014

—

Speaker: The Honourable Andrew Scheer

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HOUSE OF COMMONS

Tuesday, January 28, 2014

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1000)

[*English*]

PRIVACY COMMISSIONER

The Speaker: I have the honour to lay upon the table the special report of the Privacy Commissioner entitled “Checks and Controls: Reinforcing Privacy Protection and Oversight for the Canadian Intelligence Community in an Era of Cyber-Surveillance”.

[*Translation*]

Pursuant to Standing Order 108(3)(h), this report is deemed permanently referred to the Standing Committee on Access to Information, Privacy and Ethics.

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[*English*]

CANADA-HONDURAS ECONOMIC GROWTH AND PROSPERITY ACT

Hon. Peter Van Loan (for the Minister of International Trade) moved for leave to introduce Bill C-20, An Act to implement the Free Trade Agreement between Canada and the Republic of Honduras, the Agreement on Environmental Cooperation between Canada and the Republic of Honduras and the Agreement on Labour Cooperation between Canada and the Republic of Honduras.

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

* * *

INTERPARLIAMENTARY DELEGATIONS

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present, in both official languages, the reports of the Canadian group of the Interparliamentary Union respecting their participation at the 129th IPU assembly and related meetings in Geneva, Switzerland from October 4 to October 9, 2013.

ACCESS TO INFORMATION ACT

Mr. Pat Martin (Winnipeg Centre, NDP) moved for leave to introduce Bill C-567, An Act to amend the Access to Information Act (transparency and duty to document).

He said: Mr. Speaker, I thank my seconder.

I rise today to introduce the bill to amend the Access to Information Act to strengthen the powers of the Information Commissioner. Conservative members present may recognize the elements of the bill, as they are all taken directly from the Conservative election campaign of 2006, when Conservatives purported to believe in open government.

The bill would give the Information Commissioner the power to order the release of documents and to have those orders enforced as if they were judgments of the Federal Court. It would codify the duty to create and retain documents and would introduce a public interest override to oblige disclosure of documents when the Commissioner determines that public interest outweighs the need for secrecy. It would make cabinet confidences an exclusion subject to the opinion and review of the Commissioner, and it would ensure that all exemptions from disclosure are justified only on the basis of harm and injury that would result from disclosure, not from blanket exemptions.

Freedom of information is the oxygen that democracy breathes. It is a fundamental cornerstone of our democracy that the public has the right to know what its government is doing, and that right should be subject only to a very few and specific exclusions.

It is our hope that these simple reforms would help shine the light of day on the workings of government, and in doing so elevate the standards of ethical behaviour and good public administration.

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

* * *

• (1005)

[*Translation*]

FORMER CANADIAN FORCES MEMBERS ACT

Mr. Tarik Brahmi (Saint-Jean, NDP) moved for leave to introduce Bill C-568, An Act respecting former Canadian Forces members.

Speaker's Ruling

He said: Mr. Speaker, I am pleased to have the opportunity today to introduce a bill that will allow our veterans to get the best health care, even after they have left the Canadian Forces.

It is important to remember that too many of our young heroes, particularly those who served in the hell that was Afghanistan, came home physically and psychologically broken, and too many of them made the ultimate sacrifice.

This bill will allow our military personnel to continue receiving the same level of health care after being honourably discharged from the Canadian Forces.

I am encouraged by the fact that the government and Conservative members never miss an opportunity to remind us how much they support our military personnel and their families.

This is a tremendous opportunity for the members of all parties to turn words into actions by supporting a change that would provide justice to those who have made sacrifices for us.

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

* * *

[*English*]

PETITIONS

CORPORATE SOCIAL RESPONSIBILITY

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, I have three petitions. The first petition calls upon the Government of Canada to mandate corporate social responsibility. The petitioners are appalled by the activities of the extractive industry, particularly in the eastern Congo, where they see the iron fist of Canada against indigenous populations.

They would allow the CSR to be legally binding here, and they would reinvalidate Bill C-300, which was a vote that was lost in the last Parliament.

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, the second petition is signed by literally thousands of Canadians, again concerning the implementation of binding legislation with respect to corporate social responsibility, the rule of law and good governance and democracy.

The petitioners call upon the Government of Canada to adopt legislation which would be binding upon the EDC and other Canadian corporate bodies and be contingent upon compliance with corporate social responsibilities. They also call upon CIDA, which is of course now defunct, to comply with the—

The Speaker: I would like to remind the hon. member that members are supposed to provide a very brief summary when they are presenting a petition and certainly not to read it.

It looks like the member has some other petitions, so I will ask him to keep that in mind as he tables them.

Hon. John McKay: Mr. Speaker, I will take that admonition seriously.

EXPERIMENTAL LAKES AREA

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, the third and final petition concerns the Experimental Lakes Area. The petitioners call upon the Government of Canada to

recognize the importance of the Experimental Lakes Area and to reverse the decision to close and defund the Experimental Lakes association.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Mr. Speaker, I ask that all questions be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

POINTS OF ORDER

ORAL QUESTIONS—SPEAKER'S RULING

The Speaker: On December 9, 2013, the House leader of the official opposition raised various issues relating to question period. Other members from all parties in the House have from time to time voiced similar concerns. In view of the desire for clarification regarding the rules and practices governing the conduct of question period, I undertook to return to the House and I would like to take a few minutes now to address the principles that govern this proceeding.

A good place to start is Chapter 11 of the second edition of *House of Commons Procedure and Practice*, which describes the evolution of question period from an historical perspective. What is immediately apparent is that the practice of members posing oral questions to the government has been a part of our daily proceedings since before Confederation. The longevity and staying power of this practice flows from the very principles that underpin our system of parliamentary democracy.

● (1010)

[*Translation*]

As *House of Commons Procedure and Practice*, Second Edition, states at page 491:

The right to seek information from the Ministry of the day and the right to hold that Ministry accountable are recognized as two of the fundamental principles of parliamentary government. Members exercise these rights principally by asking questions in the House. The importance of questions within the parliamentary system cannot be overemphasized and the search for or clarification of information through questioning is a vital aspect of the duties undertaken by individual Members.

[*English*]

That is not to say that it is only recently that the conduct of question period has become a topic of public debate. On the contrary, virtually every Speaker at one time or another has had something to say about question period.

Speaker's Ruling

In the 1870s, for example, when question period was still in its infancy, Speaker Anglin declared that members ought to confine themselves to seeking information from the government and that it was not appropriate to "proceed to descant on the conduct of the Government". By the 1940s, Speaker Glen was pointing to the need for questions to be brief and that these "must not be prefaced by any argument". It was always understood, of course, that questions were to relate to matters that were "urgent and important". Other guidelines came and went, depending on the times.

[*Translation*]

In the early 1960s, Speaker McNaughton unsuccessfully tried to enforce several long-standing unwritten rules regarding the content of questions.

In 1964 a report by a special committee set out certain guidelines respecting questions and went so far as to say that "answers to questions should be as brief as possible, should deal with the matter raised, and should not provoke debate".

[*English*]

In the 1970s, O'Brien and Bosc tell us at page 495, question period became "an increasingly open forum where questions of every description could be asked", this despite Speaker Jerome having identified several principles underlying QP and issuing guidelines for its conduct. Many attributed these developments to the advent of the television era, but whatever the cause, this trend to a more freewheeling question period continued unabated by a statement made by Speaker Bosley in the mid-1980s aimed at curtailing the lack of discipline.

A simple review of the section entitled "Principles and Guidelines for Oral Questions", found at pages 501 to 504 of O'Brien and Bosc, shows just how many of these "guidelines" have fallen into disuse, some fairly recently. Throughout all these changes, one thing remains clear: the Speaker, as the servant of the House, can enforce only those practices and guidelines the House is willing to have enforced. Very often the particular circumstances of the moment dictate how far the Speaker can go without unduly limiting the freedom of speech of members.

[*Translation*]

But when content causes disorder, the Speaker must step in, all the while acting within the confines of our rules and practices. This is particularly necessary given that this House is one of the few Westminster-style deliberative assemblies where neither the question nor the topic of the question need be submitted beforehand. While this certainly makes for a lively and much watched parliamentary exercise, it does little to make the Speaker's job any easier.

The main purpose of question period is undoubtedly the opportunity it provides to the legislative branch to seek information from the executive and to hold the government to account. This opportunity is particularly important for the opposition parties. We all recognize that the opposition has the right and, indeed the duty, to question the conduct of the government, and every effort must be made in the enforcement of our rules to safeguard that right. But the government can only be held to account for matters that fall within its administrative responsibilities.

[*English*]

For example, that is why my predecessors and I have frequently ruled out of order questions regarding election expenses. Elections Canada is an independent, non-partisan agency of Parliament. While in a technical sense there is a government minister responsible for Elections Canada—the minister transmits the agency's estimates, for example—the fact remains that the Chief Electoral Officer reports to the House through the Speaker. As Speaker Milliken noted in a ruling given on October 22, 2007, at page 209 of *Debates*, it is difficult to ask questions about Elections Canada to the government unless there is a link to the administrative responsibilities of the government—a link such as questions about changes to the law respecting Elections Canada, for example.

It is for similar reasons that questions that concern internal party matters or party expenses or that refer to proceedings in the Senate or the actions of senators, or indeed of other members, risk being ruled out of order. On the latter point, as Speaker Milliken stated in a ruling on June 14, 2010, found in *Debates* at page 3778, "...the use of [...] preambles to questions to attack other members does not provide those targeted with an opportunity to respond or deal directly with such attacks." Thus, unless a link to the administrative responsibilities of the government can be established early in the question to justify them, such questions can be and indeed have been ruled out of order by successive Speakers. I discovered this myself once, when in my early days in the opposition a question of mine was ruled out of order by Speaker Milliken.

As always, however, the Speaker faces many challenges in applying the rules the House has set out. Any time a speaker rules a question out of order, the member concerned will claim a legitimate reason for asking it: will claim that it is in the public interest, will claim it is something that Canadians have a right to know, will claim that there is no longer a distinction between acting as party leader and leading the party in the House, and the list goes on.

[*Translation*]

But the Speaker must adhere to the longstanding principle that question period is intended to hold the government to account. I have to look at whether the matter concerns a government department, or a minister who is exercising ministerial functions, as a minister of the Crown, and not just as a political figure or as a member of a political party. The Speaker must ask whether the question was actually touching upon those types of government responsibilities, or whether it was about elections or party finances or some other subject unrelated to the actual administrative responsibilities of the government.

Speaker's Ruling

[English]

These principles apply to everyone who gets an opportunity to pose questions in question period, including backbench members of the governing party. Indeed, because the fundamental purpose of question period is to provide a forum for the legislative branch to hold the executive to account, it is meant to be an opportunity—for those government members fortunate enough to get the floor—to ask probing questions of the government on matters that fall within its administrative responsibilities. That said, it is not surprising to hear what might be called “friendly” questions from these members, since they are, after all, supporters of the government.

However, lately we have witnessed a growing trend: we hear preambles to questions that go on at some length to criticize the position, statements, or actions of other parties, members from other parties, and in some cases even private citizens before concluding with a brief question about the government's policies.

What we have, therefore, is an example of a hybrid question, one in which the preamble is on a subject that has nothing to do with the administrative responsibility of the government but which concludes in the final five or ten seconds with a query that in a technical sense manages to relate to the government's administrative responsibilities.

The House needs to ask itself if, taken as a whole, such a question—a lengthy preamble and a desultory query—can reasonably be assumed by a listener to respect the principles that govern question period. I would submit that it is because this formulation is actually about other parties and their positions, not about the government, that I have had to rule such questions out of order from time to time.

[Translation]

To complicate matters, as I said on December 1, 2011, (Debates, p. 3875), the Speaker is called upon to make decisions about the admissibility of questions on the fly. In that regard, since members have very little time to pose their questions and the Chair has even less time to make decisions about their admissibility, it would be helpful if the link to the administrative responsibility of the government were made as quickly as possible.

[English]

Accordingly, these kinds of questions will continue to risk being ruled out of order and members should take care to establish the link to government responsibility as quickly as possible.

[Translation]

With this approach in mind, let me turn now to the issue of answers to questions.

There has been much discussion recently about the nature of answers during question period, with calls for the Speaker to somehow intervene, citing practices in other countries.

[English]

It is true that there may be slight differences in the way question period is managed elsewhere due to each country's unique set of traditions, but it is equally without doubt a widespread practice and tradition in Westminster-style parliament that the Chair does not judge the quality or relevance of answers.

For instance, it states on page 565 in *Parliamentary Practice in New Zealand*, third edition, that:

While Ministers are required to “address” the question asked in their replies, whether the reply provided actually “answers” the question asked is a subjective judgment. It is no part of the Speaker's role to make such a judgment.

[Translation]

In South Africa, a similar practice prevails and, according to the *National Assembly Guide to Procedure*, 2004, on page 211, “the Chair regulates the proceedings in the House, (but) it is not possible for the Chair to dictate to Ministers how they should reply to questions”.

[English]

In the United Kingdom, Erskine May's *Treatise on The Law, Privileges, Proceedings and Usage of Parliament*, 24th edition, at page 356 states:

The Speaker's responsibility in regard to questions is limited to their compliance with the rules of the House. Responsibility in other respects rests with the Member who proposes to ask the question, and responsibility for answers rests with Ministers.

Each parliament has its own traditions. Successive speakers in our House have maintained our tradition of not intervening in respect of answers to questions, and I do not intend to change that. For me to deviate from this long-standing practice would require an invitation from the House, probably stemming from a review of our rules by the Standing Committee on Procedure and House Affairs.

[Translation]

Given the widespread concern and commentary about question period, all members may want to consider how the House can improve things so that observers can at least agree that question period presents an exchange of views and provides some information. The onus is on all members to raise the quality of both questions and answers.

[English]

While the framework, mechanisms, and procedures associated with question period have evolved with time, its *raison d'être* and core principles have remained intact. All members, both in government and in opposition, need to ask themselves: Is question period a forum that Canadians can look at and conclude that it constitutes a proper use of members' time?

[Translation]

The principle of responsible government is that the government has to provide an accounting for where the money goes and to provide reasons for why decisions are made. In the Chair's view, it takes a partnership between the opposition and the government to demonstrate a willingness to elevate the tone, elevate the substance, and make sure that question period is being used to do the job that we were elected to do, which is to represent our constituents, advance ideas, and hold the government to account.

Business of Supply

[English]

In conclusion, I will continue to rule questions out of order that do not establish a direct link to the administrative responsibilities of the government. In the same sense, so-called hybrid questions will also continue to risk being ruled out of order when this link is not quickly demonstrated. Members should take care when formulating their questions and establish this link as soon as possible in posing their questions to ensure that the Chair does not rule what may be a legitimate question out of order.

The onus is on all members to raise the quality of questions and answers during question period. The Chair notes with interest that the Standing Committee on Procedure and House Affairs has been instructed to undertake a review of the Standing Orders. As the servant to the House, the Chair will endeavour to implement any changes to the Standing Orders or to question period that the House chooses to adopt.

I thank all hon. members for their attention to this important matter.

* * *

● (1020)

PRIVILEGELETTER TO THE HON. MEMBER FOR TERREBONNE—BLAINEVILLE—
SPEAKER'S RULING

The Speaker: I am now prepared to rule on the question of privilege raised by the member for Terrebonne—Blainville on December 9.

I would like to thank the hon. member for raising the question, as well as the hon. House leader of the official opposition and the parliamentary secretary to the government House leader for their interventions on the matter.

The hon. member for Terrebonne—Blainville has shared with the House her view that a letter widely distributed by Senator Dagenais has unjustly impugned her character and reputation. She also decried what she described as the belittling, sexist, misogynistic, personal, and hostile tone of the letter. Finally, citing *House of Commons Procedure and Practice*, she called on me to find a *prima facie* question of privilege on the grounds that this attack on her reputation constituted an impediment to her ability to perform her parliamentary functions.

The Chair is of course cognizant that these sorts of communications, whatever their origin, always have the potential to be hurtful and damaging, but the Chair is also obliged to assess such situations in the light of parliamentary precedent.

O'Brien and Bosc, at page 109, contains a passage that illustrates that a direct link must exist between the situation giving rise to the complaint and the ability of members to perform their parliamentary functions:

In order to find a *prima facie* breach of privilege, the Speaker must be satisfied that there is evidence to support the Member's claim that he or she has been impeded in the performance of his or her parliamentary functions and that the matter is directly related to a proceeding in Parliament. In some cases where *prima facie* privilege has not been found, the rulings have focused on whether or not the parliamentary functions of the Member were directly involved.

● (1025)

[Translation]

In the current case, the member herself cited a ruling by Speaker Fraser that stresses the importance of the link to the performance of parliamentary functions and distinguishes between statements made in the House and statements made outside. Clearly, the communication which has given rise to this situation did not occur on the floor of the House, and so the normal channels remain available to the member.

Speaker Milliken, in a ruling given in February 2009, said as much. There are, in fact, many Speakers' rulings in a similar vein, as has been noted.

Without minimizing the seriousness of the complaint or dismissing the response by the hon. member, it is difficult for the Chair to determine, given the nature of what has occurred, that the member is unable to carry out her parliamentary duties as a result. Accordingly, the Chair must conclude that there is no *prima facie* question of privilege.

[English]

That being said, as the member herself has pointed out, she has the same recourse as any other citizen faced with attacks on her reputation or attacks she considers defamatory. That is a decision she will have to make. In the meantime, the Chair is constrained by the many precedents that establish that a direct link with parliamentary functions is essential in such cases.

I thank the House for its attention.

GOVERNMENT ORDERS

[English]

BUSINESS OF SUPPLY

OPPOSITION MOTION—CANADA POST

Ms. Olivia Chow (Trinity—Spadina, NDP) moved:

That, in the opinion of the House, door-to-door mail delivery is a valuable service provided by Canada Post, and that this House express its opposition to Canada becoming the only country in the G7 without such a service.

She said: Mr. Speaker, I would like to split my time with the member for Rosemont—La Petite-Patrie.

Instead of mailing out a holiday greeting card to brighten the lives of Canadians in December, the government sent a grim and dismal message. It allowed the CEO of Canada Post to announce a five-point plan to disaster. It is a plan that includes slashing services to over five million Canadians while hiking up prices, cutting jobs, and harming the economy. It is a plan that will hurt not only ordinary Canadians but small businesses and even major corporations as well.

On Friday the National Association of Major Mail Users met in my riding of Trinity—Spadina in Toronto. These are major corporations and businesses such as Canadian Tire. They too rely on Canada Post. They too are calling on the government to set aside this destructive plan.

Business of Supply

They will be hit hard by the outrageous 15% increase on bulk mailing, which means higher prices for lower service. Their mailings will no longer go door-to-door to their prime customers in densely populated urban areas. That will directly affect their profits, and it will directly affect the price they must charge consumers to protect their profits. It will make them less competitive. Consumers will be hurt and business will be hurt, but will Canada Post gain? Probably not, because business will resort to other ways to reach their customers, and Canada Post revenues will die. Again, it is a five-point plan to disaster.

Here are the words of Kathleen Rowe, president of the National Association of Major Mail Users:

Transaction Mail is 50 per cent of Canada Post's revenue, and large volume users are over 80 per cent of that. An accelerated migration forced by conditions imposed by Canada Post means small and medium business will suffer from even greater increases on this as well as the many competitive products of Canada Post. This is a lose-lose scenario.

That is what the National Association of Major Mail Users said: it is a lose-lose. Urban seniors and people with mobility issues said it is a lose-lose. Hundreds and thousands of people have been able to live in dignity in their own homes, but without mail service, they will be vulnerable. Therefore, it is a lose-lose situation for them. They deserve better.

The CEO keeps saying he is looking for robust services for seniors. I think he believes that all seniors are robust people themselves, or at least will become so when they have to hobble out on icy sidewalks in sub-zero weather like today to collect their pension cheques from a community mailbox in some back alley.

I invite him to come to my neighbourhood to see how people would manage. My mother and thousands like her would say it is a lose-lose. That is what Canadian families are saying as they face an increase of over 50% in the price of stamps, as ordinary Canadians are hit with the highest increases in this mockery of a plan. Mail will become an unaffordable luxury. That is a lose-lose situation.

That is what charities and small businesses also say. That is what people living in cities like Toronto, Ottawa, Halifax, and Vancouver are saying from coast to coast in cities where there is no convenient room to start building and securing community mailboxes.

That is what people living in remote regions and rural areas are saying as they see post office hours cut back and a few post offices even closed. These are people who stay connected by mail and who need it for everything from medicine to school supplies to electronics.

● (1030)

That is what police said, who are concerned about protecting the security of community mailboxes and protecting against fraud in urban neighbourhoods. They say it is a lose-lose situation. Also, that is what postal workers said, whose efforts have enabled Canada Post to earn a profit in 16 of the last 17 years. It is a lose-lose situation.

There is only one tiny group of winners in this five-point plan to disaster, and that is the CEO of Canada Post and his 22 vice-presidents. He is earning over \$0.5 million and a 33% bonus. Wow, he is the winner. They think they can get away with this travesty because the government is turning a blind eye. However, the Prime

Minister and the minister will surely win nothing by following this course. They may use their majority to defeat a motion and allow this disastrous plan to stand, but in the next election they will truly understand the meaning of "lose-lose". The current government must be held to account. That is the purpose of this motion today.

However, it does not have to be a lose-lose situation. I spoke to the major mail users on Friday, and I noted that there are so many opportunities. If we look at other models around the world—other models in the G7 where every country still provides door-to-door delivery in urban areas while facing the same challenges as Canada Post—we see there is an excellent business case for the return of postal banking, providing services and meeting needs not met by the traditional banking sector. According to the Canadian Centre for Policy Alternatives, one million Canadians do not have banking services. They rely on payday loan companies such as Money Mart to access funds and are paying enormously high interest rates. France's La Banque Postale, New Zealand's Kiwibank and Switzerland's PostFinance all provide banking services and thus increase their profit and revenue. There is no reason why Canada Post cannot consider doing the same. This would mean competitive new banking services for Canadians, giving diversity of choice and reaching people who fall through the cracks. At the same time, it would generate revenue and stability that would boost and strengthen Canada Post and support our postal services.

Why is the government not looking at this? It works in other countries. I do not mean just postal banking, but truly innovative approaches to support e-commerce, not the half-baked plan provided by the CEO of Canada Post. Why would Canada choose failure rather than success? We can strengthen and expand our postal services, rather than slashing them and letting them bleed. Canadians deserve a win-win proposition from this House and from Canada Post, from the current government.

Let us deliver. Let us pass my motion and move forward.

● (1035)

Mr. Jeff Watson (Parliamentary Secretary to the Minister of Transport, CPC): Mr. Speaker, I listened to the member with some interest here. If they want to look at what international examples there are, since the member raised a few, they will see that in the EU they are fully competitive and have no postal monopoly. Many are privatized. Many slashed their workforces by up to 40%, and they have expanded franchise counters significantly. Canada Post has not even proposed doing most of those things.

Business of Supply

However, I do have a question on postal banking, which she raised as a possible solution. In the example of New Zealand, the post office created the bank there and then had to capitalize the bank out of postal revenues to the tune of about \$360 million. Sure, while Kiwibank may be profitable, in the end New Zealand just announced it is slashing service delivery, closing post offices and, as a result, laying off about 1,000 postal workers. Is that the example the member is thinking of?

Can the member tell us, since the Canadian Centre for Policy Alternatives could not, who will capitalize a postal bank? How much capitalization will come out of postal revenues? Does she think Canada Post can afford to create a bank?

Ms. Olivia Chow: Mr. Speaker, let us talk about our postal service and Kiwibank. I have the information here. Canada Post is proposing to slash 4,000 jobs. This is just for Canada Post. In addition, the hike of 15% in bulk purchasing price will result in the laying off of workers in small and medium-sized businesses. It said so itself. In New Zealand the bank made an after-tax profit of \$79 million for the year ending June 30, 2012, 276% more than 2011, when it made \$21.1 million. It is extremely profitable.

The government refuses to look at other examples. It is not just New Zealand. There is Italy, France's Banque Postale, Switzerland and all of them, which are post financed. The postal banking in Switzerland started in the 1900s and, in fact, has a workforce of 22,000 employees and is the second largest employer in Switzerland. Here is a model of success and, instead, the Conservatives want failure.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, last December we heard from the government through Canada Post that its intentions are to implement significant slashbacks to prevent mail delivery. This is at a time at which we have an incredible workforce within Canada Post, whether they are letter carriers, mail distributors, sorters or so forth.

It was interesting to listen to the previous question, in which the member seemed to say that we should be looking at huge slashes in the post office. When I look at it, the government's response to all the slashing and the cutbacks at Canada Post seems to be that seniors will get more exercise. That seems to be the logic that the government or Canada Post was using. How bizarre.

My question to the member is this. Could she maybe expand upon her comment with regard to the 22 vice-presidents now in Canada Post? What does she think they do?

• (1040)

Ms. Olivia Chow: Mr. Speaker, I am not sure precisely what the 22 vice-presidents do, but I know what Canadians want. There was a poll recently that said close to two out of every three respondents—which is 63%—to a Stratcom poll supported Canada Post expanding revenue-generating services, including financial services like bill payments, insurance and banking. They want expanded service, not slashing, burning, increasing fees, hiking rates and killing jobs.

[*Translation*]

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Mr. Speaker, the unending saga of the Conservatives as they continue to lay waste to public services is sadly unfolding before our

eyes. This time, it is our postal services that are the target of their ideology.

Let us look a little more closely at the magical and extraordinarily brilliant plan that has been concocted to—as they put it—“save” Canada Post and guarantee its future. First, thousands of good jobs will be eliminated. Second, services to the public and businesses will be cut. Third, costs are going to jump 15%. This is quite a recipe for success.

In the private sector, this would certainly work very well; therefore, there can be no doubt that these measures will ensure the success of our postal services in the future! What is the justification for all these cuts that are affecting our fellow citizens, as well as our SMEs? Canada Post is said to be on the verge of collapse; ruin is just around the corner. If we do nothing, disaster will befall and we will have to cut everything.

The Minister of Infrastructure was making alarmist comments yesterday on CBC radio. He went as far as saying that Canada Post is now losing hundreds of millions of dollars, and if nothing was done, the losses would amount to one billion dollars per year. Let us get back to the facts. Canada Post has been profitable for 16 of the last 17 years. That is not bad. During that period, it accumulated \$1.7 billion in profits. That is not a disaster; things are not that bad.

In 2012, the Canada Post Group of Companies had profits of \$127 million, while the Canada Post sector made \$98 million. The only year in the last 17 that showed a loss was 2011. Well, what did the Conservatives do in 2011? They locked out the employees of Canada Post. That, of course, does not help generate revenue. The year 2011 was rather exceptional, because Canada Post was also obliged to make pay equity payments. That is a good thing, because we are in favour of pay equity, but it is not representative. This was a one-time expense.

Yes, mail volume is down, but parcels are up. Yes, there are more online purchases, but that does not mean there is less mail. There are fewer letters, but if a consumer buys a Christmas present for their child online, the package still has to be delivered to their home. That is what Canada Post is there for. There are ways of investing in what works best, that is to say parcels, and also in the online services Canada Post has begun to offer. The idea is that we should be looking for new ways of generating new revenue. We should not dismantle a public service that Canadians value and rely on.

They confront us with the Conference Board of Canada study, but it is based solely on the only year in the past seventeen that showed a loss, namely 2011. In our view, this is not representative, and the billion-dollar loss expected in 2020 is not a sure thing. On the contrary, we would do well to look at Canada Post's successes over the last 17 years and decide to focus on new kinds of revenue. For example, banking services are a significant part of the solution.

Business of Supply

I would like to point out that, by the remotest of chances, the CEO of Canada Post is on the board of directors of the Conference Board of Canada. There is every appearance of a slight conflict of interest. Other studies point to a better future for Canada Post, with no need for drastic cuts. I will come back to that.

We are talking about the possible elimination of 8,000 jobs. That is no small thing. That is 8,000 good jobs that will not be available for our young people who will soon be on the job market. It is a hard blow for our communities. Those 8,000 jobs at \$50,000 a year represent a loss for our communities of \$400 million in terms of payroll. That will hurt our businesses, our cities and our villages.

With regard to the impact on service, if the Conservatives go through with their plan, 5 million Canadians will no longer enjoy home delivery of their mail. That is huge. According to Canada Post, this is not that serious, because already, two-thirds of Canadians do not receive their mail at home. That depends on how you juggle the numbers. Again, we can set the record straight.

• (1045)

Canada Post now considers that if you live in an apartment block, with a little mailbox in the lobby, you do not have home delivery. That is the case for most of the homes in Rosemont—La Petite-Patrie, for example. This means that if you are inside your building and you go downstairs to get your mail in the morning, you are not deemed to have home delivery because the mail did not come directly to your door. Canada Post includes you in the group that does not get home delivery, which is rather absurd.

My brother lives in Saint-Antoine-sur-Richelieu, by a concession road. His house is some distance back from the road, with of course a mailbox at the side of the road. Again, that is not regarded as home delivery, because the letter carrier does not come to the door.

So you can make numbers say many things. In fact, two thirds of Canadians and of Quebecers currently receive their mail at home, and these people will be deprived of an important service.

This is going to cause problems for seniors. We live in a northern country. Freezing rain, ice and snow banks are commonplace. It is not true that all seniors will be able to get out every day to get their mail. They will be cut off from this contact. People with reduced mobility are worried. How can we ensure that these people get the essential information and mail that they need?

The Advocacy Center for the Elderly, FADOQ, the Canadian Association of Retired Persons and the Council of Canadians with Disabilities have all voiced their concern about this reform. The reform will also have a negative impact on SMEs, as well as on charities, which hold a mail-out fundraising campaign every December. Their mailing costs will jump by 15%.

Here in Ottawa, the Ottawa Food Bank has expressed its concern. Even the Canadian Federation of Independent Business is wondering how its members will cope.

If Canada Post goes ahead with its plan to dismantle postal services, Canada will be the only G7 country that does not have door-to-door mail delivery. I am sorry, but that is not really something to be proud of.

[English]

Canadians like their postal service. They appreciate this public service, this link with the rest of the community. Citizens do not want to scrap 8,000 good jobs for our youth. We do not need to cut services. Right now, seniors are worried. People with disabilities are worried. It is not Deepak Chopra's bad joke about the benefits of taking a walk for exercise that will reassure them.

Canada Post has challenges, but there is no reason to panic. In the last 17 years it has generated profits for 16 years. In that period it has made more than \$1.7 billion, which is not too bad.

For the future we need to seek new revenues for Canada Post. Why not look at banking services like a few countries already have, countries like the United Kingdom, France, Switzerland, Japan, New Zealand, or Brazil?

People know which side NDP members are on. We are on the side of seniors, small businesses, charities and ordinary citizens. Let me guess that Conservatives are on the side of the president and the 22 vice-presidents of Canada Post who are paid more than \$10 million per year. We are on the side of postal workers and young people of this country who are looking for a good job.

• (1050)

[Translation]

The Canada Post reform that has been presented will create a serious mess. Canada Post is making things up as it goes along. It is true that the community boxes Canada Post is proposing to set up everywhere work fairly well in new residential neighbourhoods. Why? Because things were planned that way. The community boxes were a result of consideration and planning. In densely populated urban areas, such as Rosemont—La Petite-Patrie, such a thing would be practically impossible.

I have a very simple question for my Conservative friends. Where are they going to put these boxes? They need to come to the corner of Beaubien and Christophe-Colomb and show me where they are going to put these community boxes. That is why the City of Montreal is opposed to the changes proposed by Canada Post and has already passed a resolution in this regard.

What Canada Post needs is new revenues. Sixty-three percent of Canadians agree with that option, which already exists.

Japan Post Bank is the world's largest savings bank, with \$2.15 trillion—that is \$2,000 billion—in deposits in Japan's postal system. New Zealand set up a postal banking system called Kiwibank, which is the largest New-Zealand-owned bank. Kiwibank generates 70% of the profits from this public service. In Italy, postal banking services generate 67% of Poste Italiane's profits. In Switzerland, PostFinance generates 71% of Swiss postal revenue.

A 2005 Library of Parliament report supported the idea of having Canada Post establish banking services and said that they should exist. Three of Canada Post's former presidents agree.

Business of Supply

If the Conservatives want to save this public service and avoid privatization, Canada Post needs new tools and new revenue. Post offices should offer banking services.

[*English*]

Mr. Phil McColeman (Brant, CPC): Mr. Speaker, I listened intently to the previous two members describe the situation of losing door-to-door service. As they mentioned in their speeches, a third of Canadians currently do not have door-to-door delivery. In his speech, the member talked about it being planned and it therefore being okay for the person who is disabled and for the senior in the new development who wants to own a new home.

The question I am driving at here is what is this advocacy really for? Is it to increase door-to-door delivery for every Canadian? I ask because for decades, in certain communities, and especially that of the member for Trinity—Spadina, new developments have had communal mailboxes. They work because neighbours, communities, and organizations recognize the need of seniors and the disabled and take care of them within the community. It happens right now for a third of Canadians.

I wonder what this is all about. Is this all about supporting the big militant union that Canada Post has? Or is it about Canadians who, when they buy a new home, currently go to the communal mailbox and take care of their seniors and disabled neighbours? I know that because I have a son who is in that situation.

I ask you, what is this really about?

The Deputy Speaker: I would ask all members to direct their questions and comments to the Chair, not to other members of Parliament.

The hon. member for Rosemont—La Petite-Patrie.

Mr. Alexandre Boulerice: Mr. Speaker, it is about preserving good public services. That is what it is all about.

[*Translation*]

According to the Conservatives' logic, if one-third of Canadians do not have home delivery, then it is only fair that no one get home delivery. That way, everyone is equal.

Just because people do not have home delivery does not mean that things are perfect and that the community is well served. We are saying that we need to look ahead, to the future, and ensure that Canada Post is financially viable.

I would like to talk about banking services. For more than a century after Confederation, banking was part of Canada's postal services. From 1867 to 1968, post offices offered banking services. In 1908, there was \$47 million in deposits, which is the equivalent of \$1 billion today.

It should be noted that the regulations governing post office savings accounts are still part of the legislation. We would not even need to make any legislative changes to exercise that option and move forward.

• (1055)

[*English*]

Ms. Elizabeth May (Saannich—Gulf Islands, GP): Mr. Speaker, I just came back, as we all did, from visits in my constituency. I held

town hall meetings in eight locations and had over 1,300 constituents come. At every single meeting, the question of losing postal service and what is happening to Canada Post came up everywhere. People are desperately concerned that they are going to lose the ability to get their mail at home .

For those members across the way, it is true that some places have community boxes, as it is, but many of my constituents are looking at these changes and cutbacks in other areas. For instance, Fulford Harbour is losing some its hours within Salt Spring Island.

Canadians deserve postal service.

Could the member expand on the excellent point he made that in other countries, postal services are diversifying to remain competitive, that there is more than one model of cutbacks and higher stamp prices to be able to have a viable postal service.

[*Translation*]

Mr. Alexandre Boulerice: Mr. Speaker, I thank my colleague for her excellent question.

She is absolutely right with her first point. People—seniors, but also ordinary people—are very worried about what will happen and about the loss of home delivery.

One woman has started a petition in Quebec. She has already collected over 130,000 signatures, which is a significant number. Every day people come up to us in the street. At our office, we have started petitions, and tens of thousands of people have signed them. Paper petitions are circulating. I had a foot and a half of them on my desk when I came in yesterday.

Canada Post certainly could look at diversifying in the future. We could create a chartered bank. We could work with an existing bank. We could develop partnerships or take care of things and manage them ourselves.

We have seen many different models, such as the models in Switzerland, Great Britain, New Zealand and Italy. They have slightly different models, but they all combine postal and banking services. Regardless of how it is done, it works, so why do we not apply that here?

Hon. Lisa Raitt (Minister of Transport, CPC): Mr. Speaker, I thank you for the opportunity to speak to the motion moved by the member for Trinity—Spadina.

[*English*]

I fully appreciate that the postal network is essential to the national economy, businesses and communities that rely on the mail, but it is equally important to the increasing number of retailers across Canada who need a reliable and affordable delivery network to ship their products to the growing ranks of online shoppers.

There is no question that as the postal system evolves, we do need to protect vulnerable individuals, small businesses and rural communities.

Canada Post Corporation operates at arm's length from the government. I remind the House that since 1981 Canada Post has had a mandate to operate on a self-sustaining financial basis. It is responsible for meeting that mandate and managing its own operations, including day-to-day business and financial decisions.

Business of Supply

These decisions are growing more difficult because we are shifting to a digital society that sees more of us communicating online. Not only do we send fewer, if any, cards and letters, but bills, statements and payments are also being sent and paid digitally more and more often. Most companies and governments, indeed, are actively encouraging Canadians to switch to electronic alternatives to save money and time, and to increase security.

Polling does confirm that Canadians' habits are changing. Almost half of households say they now send two pieces of mail or less per month, and that is reflected in far less business for Canada Post. In the first nine months of 2013, mail volumes declined by 184 million pieces. That is a 5% decline compared to the same period the previous year.

Not only has the volume of letters dropped, but also the volume of business mail by more than 17% per address in the last four years. Moreover, revenue from direct marketing mail dropped by 2.7% in 2012 because companies, too, are switching to Internet alternatives.

The bottom line is that Canada Post delivered one billion fewer letters in 2012 than it did in 2006. Domestic mail volumes have dropped by almost 25% since 2008, and will continue to decline in the future. The direction of change is clear and irreversible.

However, there is a silver lining. There is an upside to trends for Canada Post. Canadians are shopping online, and that has helped parcel volumes grow by about two million pieces in the first nine months of 2013 compared to a year earlier. As a result, Canada Post's parcel revenue was up \$32 million or 11.2% from the third quarter of 2012.

E-commerce is driving demand for delivery of packages from online retailers and distributors to homes and businesses. Many of us can actually attest to that, because I am sure that many members have actually started ordering Christmas and birthday gifts online instead of going into shops.

Delivery of these purchases is one area that Canada Post is keen to capitalize on, and it has a good product to offer. It is a leader in the business-to-consumer parcel delivery market in Canada.

However, these efforts do not make Canada Post self-sufficient. The growth in parcel business is simply not enough. It does not make up for the larger declines in the personal mail and the direct marketing mail volumes.

The corporation is addressing the negative impacts of this information revolution on their business. It has undertaken a major revitalization effort. It is updating its technology, its equipment and networks. This includes installing state-of-the-art optical readers, sorting equipment and restructuring carrier routes.

It has also launched its own digital products to meet Canadians' changing needs and expectations, such as e-post and its vault service. These measures are expected to generate \$250 million in savings by 2017. Even with these improvements, Canada Post is losing money, some \$129 million before tax in the third quarter of 2013 despite seeing solid growth in parcel delivery at the same time.

●(1100)

Canada Post has operated profitably for 16 consecutive years. That is as recently as 2011. However, a recent report prepared by the Conference Board of Canada projects annual operating deficits of nearly \$1 billion by 2020. Parcel volume is forecast to increase by 26% over the same period, but it remains a small share of total mail traffic.

The situation is not sustainable. Not only parliamentarians but all Canadians should be very concerned that the corporation is posting significant losses. Given that the financial well-being of Canada Post operations has direct implications for Canadian taxpayers, it is important that every effort be made to mitigate risks to the public purse.

Canadians expect us to be sound stewards of the government's finances, and they do not want to be on the hook for significant losses that have been forecast based on the current business model. To this end, I want to emphasize that the Conference Board study pointed out that direct household delivery is the most expensive delivery method. It costs twice as much a year as service to community mailboxes, and it is only provided to one-third of Canadian households as we speak.

The status quo is not an option, and that is why Canada Post has no choice but to find more effective ways to provide its mandatory services while reducing its costs. It has consulted with Canadians. It has explored all of its options, and it has developed a five-point action plan to secure its future. What its plan is intended to do is align the corporation's services with the choices Canadians are making, and it will put it back on track to achieve financial viability over the long term. One of the most cost-effective ways to do this is by increasing the use of community mailboxes.

As members may be aware, and as I have already said, two-thirds of the population already receives mail and parcels through community mailboxes, grouped boxes, lobby mailboxes, or curbside rural mailboxes. An entire generation has grown up knowing only this form of delivery, and quite frankly, it offers numerous advantages to Canadians. For example, individually locked mail and small packet compartments, as well as larger locked compartments, are available for the secure delivery of parcels. That really is useful for people who work outside the home during the day and cannot be home to receive deliveries. People can also let mail accumulate while away on vacation knowing that it is safely stored in their private box. Mail is locked at all times, and it is secure until the customer receives it.

Under Canada Post's five-point plan, the remaining one-third of Canadian households, which is about five million people, that still receive their mail at the door will be gradually converted to community mailbox delivery over the next five years.

Business of Supply

While this motion focuses on community mailboxes, it is important to understand that this is just one of the ways Canada Post is taking action to improve its financial performance. To give an example, the corporation is introducing a new tiered pricing structure for letter mail that will better reflect the cost of serving customers this way. Those who buy stamps in booklets or in coils will pay 85¢ per stamp, with discounts for customers who use the mail most, something that will be welcomed by small businesses.

In addition to this change, it will strengthen its retail network by opening more franchise postal outlets and stores across Canada. These businesses are conveniently located in communities, and oftentimes they are in shopping centres. That adds benefits: longer hours and better parking. As well, they enable busy Canadians to do their shopping in one place.

To further increase its competitiveness, Canada Post is also making changes to its internal operations to increase the efficient flow of parcels and mail through the network to its customers. To give an example, it is adopting faster computerized sorting equipment and is consolidating its operations by processing mail and parcels in a central location. It is also providing more delivery employees with fuel-efficient vehicles so that the same employees can deliver both mail and parcels.

These improvements will result in not only cost savings to the corporation but in more reliable delivery to Canadians, along with better parcel tracking capabilities.

• (1105)

Greater use of technology to keep pace with the digital revolution will mean that fewer workers are needed, and that is the fifth part of Canada Post's plan. It will reduce its workforce through attrition, and it will work with labour groups to address the sustainability of its pension plan.

As the House knows, the corporation's labour costs are much higher than its competitors'. A leaner, more flexible, competitive workforce will enable Canada Post to respond quickly to the changing marketplace. Reducing costs will benefit its customers, too, as lower costs will allow the corporation to maintain a high level of service at reasonable prices. Collectively, these measures will help Canada Post satisfy the fast-changing needs of Canadians while fulfilling its mandate to remain financially self-sufficient so that it avoids becoming a burden on taxpayers.

Canada Post, as has been noted already in this debate, is not alone in reinventing itself in the face of challenges posed by the information age. The business models of mail services in countries all over the world are being challenged by the reality that people are using traditional mail on a less frequent basis, other than to send and receive parcels.

Different countries have adopted different approaches. For example, the United Kingdom has privatized Royal Mail. Denmark and Sweden decided to merge their postal services. The Netherlands opted for massive layoffs of postal workers in favour of part-time contractors. Both Italy and Australia have diversified their financial services, their logistics, and telecommunications. The key is that a one-size-fits-all approach does not work for a complex issue.

What Canada Post has come up with is a made-in-Canada approach to declining mail volumes. It says that it will enable it to remain self-sufficient and sustainable over the long-term. Canada Post's actions are in line with the global transformation of postal services that are changing to meet modern-day demands. The strategies laid out in its five-point action plan will help to ensure that the corporation is on solid financial footing and that it truly reflects Canadians' choices and their needs.

The Government of Canada supports Canada Post in its efforts to fulfill its mandate of operating on a self-sustaining financial basis in order to protect taxpayers. We recognize that it must modernize its business and better align its postal services with the choices of Canadians in today's digital age.

• (1110)

[*Translation*]

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Mr. Speaker, I thank the minister for her speech.

I still have a hard time seeing how a society can move forward when it replaces good jobs with lower-paying jobs and full-time jobs with part-time jobs.

I have a simple question to ask, but first I would like to share a quote:

For international postal operators, the primary new business line being entered is financial services. In some countries, such as Japan and Great Britain, financial services have been a core element of the post office for many years....

According to a discussion paper of the United Nations Department of Economic and Social Affairs, banking revenues in many countries are actually essential to generate profits from their postal networks.

What said that? It was the Conference Board of Canada, in its report that the minister is using to claim that we need to make these changes.

Why does Canada Post not look at offering banking services at its branches, as recommended in the Conference Board of Canada's report, which the Conservatives love to quote?

[*English*]

Hon. Lisa Raitt: Mr. Speaker, to address the member's question specifically, as I said in my speech, Canada Post reviewed all of its options. It took the report from the Conference Board of Canada and went through what it thought it could possibly do in response to its deteriorating financial situation. It did not want to go into the area of financial services, and we fundamentally agree with that.

First of all, we have a very strong banking system in this country, one that we are very proud of. In fact, that is what made us get through the recession. I thank the Minister of Finance for his decisions along the way. In addition, though, it does not make sense to offer additional banking facilities for the same reason we are talking about Canada Post today; people are moving to online banking. That is the fundamental reason Canada Post has to make these changes. People are choosing different methods.

Business of Supply

While I appreciate that the opposition believes that this is a solution, it is more of the same. The reality is that we need to address this matter. We need to address it head on, and we support Canada Post's plan.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I wonder if the minister could answer the question that no doubt many letter carriers and mail sorters are asking. We have a president at Canada Post. We have two group presidents at Canada Post. We have seven senior vice-presidents at Canada Post. We have 12 vice-presidents at Canada Post. What is the cost for that administration? What is the actual cost of the Conference Board's report? Could she provide us with those two costs?

Hon. Lisa Raitt: Mr. Speaker, Canada Post is better placed to answer specific financial questions. However, if I may draw a comparative, to manage and deal with the Canada Post operation, which is a huge logistics chain, it has a certain number on its executive team. To manage the same membership, the union has 15 national executives. They match up. They recognize the fact that they have to have representation and they have to have management, so I do not believe that this is a fair and accurate argument.

Canada Post has been asked about its overhead. It has been asked about cutting management as it has postal carriers, through attrition, laid off and not have their positions anymore. It will ensure that the executive team will match and reflect the changes coming into place as expenses decrease and revenues increase.

Ms. Joan Crockatt (Calgary Centre, CPC): Mr. Speaker, I find it unfortunate that we seem to consistently see from the NDP a sign that it is living in the past, when the world is changing all around it. I certainly saw the same sort of thing happen in the business I was in, the newspaper business. We saw 166 newspapers close in two years in the United States, because they did not adapt. We have seen similar issues in Canada.

I would like the minister to tell us why this move with Canada Post is actually going to put the post office employees and employee pensions on a much more secure footing for the future.

• (1115)

Hon. Lisa Raitt: Mr. Speaker, a Canada Post that is self-sufficient, lean, and effective is an organization that will protect the jobs of its workers and the pensions of its workers and former workers. That is a key. One has to have a business that is actually generating revenue to ensure that people who work for it can be taken care of. That is the ultimate goal. It is also to ensure that the Canadian taxpayer is not the one who has to step in to make up for the losses.

A lot has been written regarding the decisions of Canada Post and its five-point action plan. This is worthy of repeating in the House. It is an editorial I read recently. It talks about how the world is changing. It states:

The traditional postal business model that worked so well in the pre-digital era is increasingly out of step with today's reality. Everyone may love getting mail, but who wants to keep funding antiquated business models that are only drifting further into irrelevance with the march of progress?

I invite the opposition to get with reality.

[Translation]

Ms. Francine Raynault (Joliette, NDP): Mr. Speaker, in her speech, my colleague said that there will be an increasing number of postal outlets in locations such as convenience stores. Is this a way to quietly privatize Canada Post?

[English]

Hon. Lisa Raitt: Mr. Speaker, no, it is not. To privatize something, one has to show investors that they will actually get a return on their investments. Currently Canada Post does not fulfill any of that. It has a mandate to be self-sufficient. It is not self-sufficient.

This actually speaks to Canada Post listening to and hearing from its users and customers who want to be able to go to these postal outlets in their local pharmacies and shopping malls because of the convenience and the reasons I stated: better parking and easier access. A lot of us work 9:00 to 5:00. In fact, a lot of us work more than 9:00 to 5:00, and it is very difficult to get to the post office to retrieve a parcel or pick up mail that could not be delivered to one's house. It makes a lot of sense to be able to go to a place that has longer operating hours so that people can make their own choices as to when they want to receive their mail. It is a great opportunity for Canada Post as well. I know that Canadians enjoy the choice.

Mr. Ted Hsu (Kingston and the Islands, Lib.): Mr. Speaker, I have a couple of very simple questions for the minister.

First, did the minister approve the plan from Canada Post before it was released, yes or no?

The second question is, if so, does the minister believe that this is the best plan?

Hon. Lisa Raitt: Mr. Speaker, I will answer the second question first. I absolutely believe this is the plan that makes sense, yes. The reason is that Canada Post, which has a lot of experience and intelligence around the table, has consulted. It has asked for reports, has studied this issue, has looked around the world, and this is a made-in-Canada solution that, in the long term, will bring it back to self-sufficiency.

In terms of the first question; did I approve the plan? I have stated very clearly in my comments today that the Government of Canada supports Canada Post's five-point action plan.

Mr. Jeff Watson (Parliamentary Secretary to the Minister of Transport, CPC): Mr. Speaker, I have a report which notes that declining letter volume has accelerated since 2008, mail loss is increasing, and the pension deficit worsened. That is not from a Conference Board report, that is from an update on the Hooper report in the U.K. We have what witnesses at committee agreed was a structural problem. It is a global problem, and the only ones who have their heads in the sand are the New Democrats, who are quoting from a report authored by their former director of parliamentary affairs, and who think that everything is okay.

I would like the minister to correct one comment made by the official opposition critic, when she said there would be higher prices for lower services to businesses. Is it not, in fact, that the new costs would actually reflect the real or actual costs of doing business, not that they are going to somehow get lower service for the cost?

Business of Supply

•(1120)

Hon. Lisa Raitt: Mr. Speaker, the parliamentary secretary is absolutely correct, both in his comment and in his correction of what the opposition member said.

One thing with respect to this matter is that there has been criticism about the plan in its totality. When a corporation is obviously flailing, in terms of not having as much revenue as it once had, it has to adjust in two ways: it has to move the top line and reduce the expenses on the bottom line. That is what businesses do. It is not always about tax and spend, which is, unfortunately, what the opposition thinks it is.

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, it is an honour to be here to debate this important opposition day motion brought by the NDP, and I commend the NDP for bringing it. It is a very timely issue at the doors in our communities across the country. All of us as MPs are hearing about these proposed changes. All of us are getting feedback, and all of us are getting pressure from different parts of Canadian society with respect to the five-point plan put forward by, I would argue, not simply Canada Post but by the Government of Canada and the minister whom we have just heard speak. In fact, my thesis, the common thread that will weave itself through these remarks over the next 20-odd minutes, is that this report and effort brought forward by the Conservatives is simply not good enough.

I am privileged because Canada Post is headquartered in my riding. I have many neighbours and constituents who work with Canada Post. They may be managers. They may be financial officers. They might be postal workers. There are good people working with Canada Post, and I salute the good people with Canada Post, whether they are on one side or the other of, in my mind, a seemingly artificial divide between management and labour. There are good people in management, there are good people on the floor sorting mail, there are folks who are delivering mail now at night-time. There are a lot of good people with the corporation, and I salute and commend them for their years of service in helping to build the tradition of Canada Post.

However, having looked at this plan extensively, having heard from witnesses at committee, having heard from hundreds of Canadians across the country, and my colleagues here in the Liberal caucus today are nodding in agreement because they are getting the same feedback, this five-point plan is simply not good enough. It does not, in my mind, meet the abilities of Canada Post. It does not meet the creative possibilities for our crown corporation at all.

When the minister stands up and talks about other jurisdictions having to make difficult choices, she is only partly right. It is true that other jurisdictions like Canada Post are facing challenges, with respect to the sustainability of service, with respect to electronic communication, and with respect to a transition in their core business areas. However, when I hear the minister speak and highlight, for example, the changes going on now in Britain, I am hard-pressed not to believe that, in fact, the government's ultimate intention is to drive Canada Post into privatization. That is where the Conservatives would like to go. It is what they did with Atomic Energy of Canada Limited. It is what the Minister of Finance tried to do in Ontario with Ontario Power Generation's transmission lines before he created the 407 private highway. It is what they do.

They take cherished Canadian public services like the postal service, they take the corporation involved in delivering that cherished public service, and they begin to run it down. They begin to talk negatively about it. They begin to talk about its being too expensive. They talk about it as being, in the case of Atomic Energy, a sinkhole costing all kinds of money. They run down the asset and then they turn around say, "We really would like to see this asset privatized". It is part of the conditioning that the Conservatives use as a tactic with respect to Canadian citizens, instead of spending better energy and good energy in trying to improve a plan on a go-forward basis to keep postal services for Canadians who deserve them.

I have always believed that government has an obligation to get the big things right, and postal service is one of the big things that Canadians count on.

Going back to testimony that was heard at committee before Christmas, we remind Canadians that of course these changes were sprung on them the day after the House rose, just before the Christmas card delivery rush.

•(1125)

This plan was foisted on unsuspecting Canadians, on unsuspecting municipal governments, provinces, businesses, trade organizations, et cetera. We heard from these different actors in Canadian society when we convened the transportation committee to ask the president and CEO of Canada Post and other witnesses to give us their views because there had been no meaningful debate. What testimony confirmed is that Canada Post and the government under the Conservatives appear to be stuck in a time warp. It is the 1960s all over again: management versus labour, and labour versus management, and never the two shall meet.

We confirmed that the union heads never had a series of meetings with senior management at Canada Post. We confirmed that the minister would not meet with senior labour representatives. We confirmed that the minister—the fifth, by the way, in seven years—refused to bring management and labour together at one table to ask how we can find a better plan, a better approach going forward, for Canadians who count on Canada Post services.

It is an ill-thought-out plan. What we saw was Canada Post management retaining the good services of the Conference Board of Canada. Again, I am privileged to have the Conference Board of Canada headquartered in my riding. It is a good think tank. It does solid econometric analysis. So we had on the one hand management retaining the Conference Board of Canada and on the other we had labour retaining the Canadian Centre for Policy Alternatives. Each group decided to put up its blue-chip panellist research outfit, claiming that it had one answer and the other had the other answer. It was a clash of the research institutions.

Meanwhile, Canadians get a five-point plan sprung on them by surprise, and frankly, they do not care who has retained whom for their analysis or for their substantiation of the changes they want to bring to bear on Canada Post services. Canadians do not really care about that. They care about the net effects of what is being proposed by Canada Post, and these net effects are very serious.

Business of Supply

Before I turn to those net effects, I want to pick up on something the minister said earlier. This is a common refrain from the Conservatives, and it goes like this. They are not responsible for Canada Post's plan. They are not responsible for VIA Rail. They are not responsible for Atomic Energy of Canada. They are not responsible for the Port Authorities. No, says the Minister of Transport, they are all independent. They are all arm's-length, and they are all independent.

It reminds me of the magnificent moment years ago in the provincial legislature in Ontario. At least six of the frontline cabinet ministers here under the Conservative government were trained at the heels of Premier Michael Harris. Mr. Harris came to the floor and said that they were not the government. They came to fix the government, said the then-premier of a majority government.

It is a ruse. It is an attempt to distance oneself from responsibility, as the fifth minister in seven years with responsibility for Canada Post, by trying to label, to publicly disavow and disown, the crown corporation. That is very unfortunate because it leaves Canadians in the lurch. They do not want to see their government disown its responsibility for this crown corporation.

• (1130)

[Translation]

On the contrary, Canadians believe that it is the responsibility of the government and the Minister of Transport to ensure that Canada Post's plan makes sense for ordinary people. Clearly the plan presented by Canada Post will not help ordinary Canadians.

[English]

That is why we in the Liberal Party have decided to do three things.

First, we have submitted a number of access to information requests to get more information with respect to the government's correspondence. That is working. It is working hand in glove with the corporation because it is not Canada Post's plan; it is the Prime Minister's and the Government of Canada's plan.

Second, we are submitting a number of order paper questions to get more information on what is really going on for Canadians.

Third, yesterday I had the privilege of meeting with our Parliamentary Budget Officer. On behalf of my colleagues and our caucus, I asked that the Parliamentary Budget Officer perform a major investigation into the financial claims being made by the government that this will amount to savings or better fiscal probity for the corporation. We will get to the bottom of that by asking an independent body like the PBO, with the backstopping of Library of Parliament research, to find out whether the numbers being used by the Conference Board of Canada, for example, hold up to independent scrutiny. I am not casting aspersions on the good character or good faith of the Conference Board. However, I think it is incumbent on all parliamentarians to ask that an independent group examine these numbers.

Why do I conclude that it is the government's plan? When the plan was delivered we would have thought the government and the minister responsible for the corporation would have said "Thank you so much for the plan. We'll take it under advisement. We will

examine it. We'll come back to you after performing our own analysis and we'll respond." That is not what happened. Moments after the plan was released a statement was issued pronto presto which said that they support the plan 100%.

For the life of me, I cannot imagine how a single Conservative MP on that side of the House could look a constituent in the eye and say that this plan cannot be improved, that all of the creative possibilities were exhausted by 21 senior managers, labour representatives and the entire team at Canada Post. I cannot believe that any MP on the Conservative caucus who is hearing from constituents is able to assure them without a doubt that every single option was explored. They cannot because the Minister of Finance, through the Minister of Transport, is exerting pressure on the board at Canada Post to achieve the elimination of deficit numbers by 2015 so they can go forward and offer goodies to the Canadian people for an election campaign. Let us be honest.

[Translation]

Let us be honest. That is what the Conservatives are doing. That is why the Conservative members are so slow to ask important questions to improve the plan proposed by Canada Post. The Conservatives did not raise any questions. They do not have the right to raise questions. However, I am sure that they are listening to what their constituents are saying in their ridings.

[English]

Let us talk about some of the effects. Let us start with our seniors.

Everybody in this room and every Canadian knows that as a population we are aging. More and more of us are becoming older, more senior. We all believe, and say collectively to our seniors, that it is better for our seniors to stay in their residences. We facilitate choices to help seniors stay in their homes for as long as they can, to live independently with dignity and safety. We are now sending a message to our seniors that the mail service they require and depend on for their pension cheques, telephone bills and newspaper subscriptions will not be delivered to their door any more. Rather, they are expected to go to an outside location to pick up their mail. It is -27°C with the wind chill in the city of Ottawa. It is about -25°C to -30°C across the entire country, except for parts of the west. Do we really expect seniors to go outside?

• (1135)

I know that the president and CEO of Canada Post made remarks about fitness. Tongue-in-cheek, I said to him that this is some sort of postal ParticipACTION program but it is not serious. With ice and slush, winter, it is not serious for Canadians who are seniors living in their homes.

Let us talk about disabilities and Canadians with disabilities. We have a growing percentage of Canadians with disabilities, as this is also connected to an aging society.

[Translation]

In 2012, approximately 3.8 million people, or nearly 14% of Canadians aged 15 and older, reported being limited in their daily activities because of a disability. These results come from the 2012 Canadian Survey on Disability.

Business of Supply

[English]

Almost 14% of Canadians 15 years old and older reported being limited in their daily activities because of a disability. That is almost 14% today, and it is growing.

Leaving aside the unfortunate connection between poverty and disability in Canadian society, which is another issue, another debate, why are we saying to our Canadians with disabilities that they are not going to get mail delivery and that whatever mail they are depending upon they are going to have to pay more for sending and/or receiving?

I do not think this has been thought through, at all, in terms of the practical ramifications for Canadians with disabilities. That testimony was elicited from Bob Brown, who came to committee and told us that the Council of Canadians with Disabilities had not been consulted.

Similarly, again looking at effects, let us turn to our small businesses. The Conservatives love to say that small businesses are the engine of the Canadian economy. In fact we all agree, on all sides of the House, that is the case. Three out of four jobs are created by businesses with 50 employees or less. We know that to be the case.

However, when the president of the Canadian Federation of Independent Business came to committee to testify about these changes, he said they were blindsided. They were never consulted by Canada Post. They were never consulted by Transport Canada. The largest single trade association, representing tens of thousands of small businesses, was never asked what the effects would be for business if we raised prices for stamps, eliminated door-to-door postal service five days a week, et cetera. Not a single question was raised. No dialogue was ever had with this group.

The Conservatives cannot deny it. They know it. Very unfortunately, this is going to wreak havoc on our small businesses.

More and more Canadians are doing the right thing. More and more young people today are not asking the question of who is going to hire them. On the contrary, they are asking who they are going to hire. As a result, particularly by women, we are seeing more and more start-up businesses and more and more small businesses in people's homes. With these changes, the consultants, the IT experts, all those folks who are running small businesses, are going to be hit and hit hard.

Last, turning to our municipalities, the costs to municipalities, the maintenance of these community mailboxes, the location of these boxes and the potential expropriation of land was not thought through.

In a letter from Mike Bradley, Mayor of the City of Sarnia, he stated:

There has been no consideration or thought given that this will create a significant tax increase at the local level across this country from coast to coast and, while municipalities may look to other alternatives, there is also legal limitations through legislation....

• (1140)

This was not thought through. All of these effects on our seniors, on Canadians with disabilities, on our municipalities and small businesses is now wreaking havoc.

In conclusion, Canada Post can do better. This Minister of Transport needs to put labour and management together at one table and use our creative possibilities and our thinking to come up with a better plan so we are not the only OECD country in the world to eliminate door-to-door services, and effectively, under the guise of improvement, move toward the privatization of our postal system.

Mr. Jeff Watson (Parliamentary Secretary to the Minister of Transport, CPC): Mr. Speaker, I will make note that the member did not mention that the CFIB and its members did support the elimination of door-to-door delivery in all of Canada, and they said so at the hearing.

It is far easier to criticize a plan that somebody else has decided on. It is far tougher to wade through the complex issues and make the complex decisions and the sometimes tough decisions that result from complex problems. I did not hear any solution other than "let us have a dialogue" from the member opposite.

Since the member mentioned that there is an impact on seniors, and that was a very central point of his intervention, is he advocating an expansion of door-to-door delivery in Canada to the two-thirds of addresses that currently do not have it? Presumably, if seniors living in that part of Canada are adversely affected and cannot cope with it, the member must support an expansion of services.

First, does the member support an expansion of services? Second, how does he propose that Canada Post pay for an expansion of door-to-door delivery to the other two-thirds of Canada?

Mr. David McGuinty: Mr. Speaker, there we have it. What we see from the Conservative parliamentary secretary is that this is a zero-sum game; it is this five-point plan or nothing. That is exactly the kind of positional approach that tells Canadians it is their plan. It is not Canada Post's plan; it is the Conservatives' plan.

If I were the parliamentary secretary to the Minister of Transport, I would be asking questions like, "Are you telling us Canada Post that it is five days' elimination of mail delivery? Is it possible that we can get mail delivered every second or third day? Are you telling us Canada Post that you actually do not have the analysis to talk about the distributive effects on our small and medium-sized companies? Why haven't you?"

It is not worth rising to the zero-sum game of the parliamentary secretary. We need to go back to the drawing board. I have confidence that the management of Canada Post, the good officials at Transport Canada and the good people in our unions and labour movement can do better than this. They can come forward with more creative possibilities.

I often hear the Conservatives, as I heard the minister moments ago, dismiss outright the idea put forward by labour about postal banking services. I am not prepared to dismiss that outright. If someone had told Canadians 15 years ago that a major food retail outlet in this country would be selling mortgages at a store where one buys milk, they would not have believed it.

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There are many options for us going forward to make sure that we maintain our postal services. However, the plan to eliminate door-to-door service and to raise the cost of stamps, in my view, is being done because the corporation has been given four corners of parameters to operate within by the Minister of Finance and the Minister of Transport which is hamstringing their creativity.

• (1145)

[*Translation*]

Mrs. Djaouida Sellah (Saint-Bruno—Saint-Hubert, NDP): Mr. Speaker, I listened carefully to the speeches given by the minister responsible for Canada Post and our Liberal colleague.

We know that this is not the first time that this Conservative government has made announcements the day after the House of Commons adjourned. This proves once again that this government does not consult anyone before making important decisions that have a significant impact on our society.

My colleague said that this government is trying to distance itself from public institutions. I would like to add that not only is the government distancing itself from public institutions, but it is also working with people behind closed doors to try to dismantle these institutions, which are a valuable resource for Canada. This is not the first time that the Conservatives have tried to do this. Under former prime minister Brian Mulroney, 1,500 post offices across the country were shut down.

I would like to know whether my colleague is concerned that this government seems to be driving Canada Post into privatization.

Although the Liberal Party does not have a good track record when it comes to dismantling public corporations, I would like to add this question. Will the hon. member support the government's privatization of valuable crown corporations such as Canada Post?

Mr. David McGuinty: Mr. Speaker, I would like to thank the hon. member for her question.

First, as she said, it is not unusual for the government to make last-minute announcements when the House is not even sitting, as is the case here.

Second, I am convinced that the Minister of Finance, the Prime Minister and the Minister of Transport are working together to weaken the crown corporation known as Canada Post. The Conservatives are ideologically opposed to the idea that a government, which belongs to Canadians, should have for-profit corporations in its portfolio.

That leads me to believe that the real issue here is the privatization of Canada Post, as the member said. However, there will not be any specific debate on that. It will be handled under the table, with changes here and there. The issue of Canada Post and its future must be debated here, in the House.

I want to congratulate the NDP for moving this motion on their opposition day. The future of our postal service, this public service that people rely on, is too important for changes to be made in the backrooms, under the table, or behind closed doors.

[*English*]

Mr. Stephen Woodworth (Kitchener Centre, CPC): Mr. Speaker, it is quite an interesting debate and, quite frankly, I find it sad when a member such as the member opposite who was just speaking accuses the government of trying to do away with Canada Post. It is complete fiction and it is really kind of insulting, not just to the government but to all the people across Canada who may be listening to that kind of nonsense.

I would like to know from the member whether or not he recognizes that a fundamental change has been occurring in mail delivery. In the first nine months of 2013, mail volumes declined by 184 million pieces, or 5.1%, compared to the same period last year. In fact, in 2006, Canada Post delivered 1 billion more pieces of mail than in 2012.

I would like to ask the member if he is in fact able to get his head out of the sand. Does he recognize that Canada Post plays a different role in people's daily life than it did 10 years ago?

• (1150)

Mr. David McGuinty: Mr. Speaker, I really appreciate the member setting that up for me. It is kind of like playing T-ball. It is a really easy hit, but I am not going to go there because I do not think that is constructive for Canadians.

I would remind the member and the House that this is exactly what many members in the Conservative caucus said prior to the Prime Minister selling off Atomic Energy of Canada at a fire sale price to a Montreal-based engineering firm, after 57 years of AECL leading the planet in medical isotope production and nuclear power. Just before the Conservatives moved to dump that asset, they spoke this way as well, saying they would never sell this asset or move to privatizing.

There is clearly a pattern and a belief system with the Conservatives where they do not believe that the state should own for-profit corporations. That is why so many important players in Canadian society were left out of this entire debate. The CFIB was blindsided, the Canadian Association of Retired Persons was blindsided and the Consumers' Association was never consulted. All kinds of important groups were left out because this was a plan springing forth from PMO and PCO and the transport minister. We can do better than that.

In conclusion, we should go back to the drawing board, get both groups together and deliver a much better plan for Canadians going forward.

Ms. Niki Ashton (Churchill, NDP): Mr. Speaker, I will be splitting my time with my colleague from Rimouski-Neigette—Témiscouata—Les Basques.

We are here to debate an issue that has gripped Canadians over the last number of weeks. We New Democrats are here to propose an alternative way forward to the Conservatives' destructive agenda when it comes to Canada Post.

A few short weeks ago, the Conservative government supported Canada Post's announcement in taking an axe to our long-treasured postal service and making Canada the only G7 country to eliminate home delivery of mail.

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Today, I am proud of the NDP motion we have put forward. It is clear that we are on the side of Canadians from coast to coast to coast who want to uphold our postal service. However, besides our putting forward an alternative vision, the motion is a test for the Conservatives, to see if they are on the side of the majority of Canadians. It is a test for Conservative members of Parliament who represent urban centres where citizens depend on home delivery. It is a test for Conservative members of Parliament who represent rural areas, to see if they will stand up for their rural communities and oppose cuts to rural post offices. Canadians are watching this debate today. They will be watching closely how members of the Conservative government vote on the motion.

What is clear from today's debate and what we have seen from the Conservative government over the last number of weeks is the ultimate hypocrisy of this situation. We have heard some comments today about Canada Post's reasoning when it comes to the announcement. What we have also heard is that in facing a financial challenge, Canada Post has not done what certainly anyone running a business or even in government would do when facing a crisis, which is to come together and try to find a solution.

We have heard from organization after organization, whether it is the Union of Postal Workers, representatives of municipalities, people from the disabilities community or seniors organizations, that none of them were consulted by Canada Post to try to find ways forward to make our postal service viable.

This seems illogical to me. One knows that when one faces a situation like that, one tries to find a solution. It happens in our communities all the time. The government engages in these kinds of challenges. One brings people together; but that is not what Canada Post did. One also looks at alternatives, ways to create revenue that build on a long-term plan for this service; and Canada Post did not do that either.

The Canadian Centre for Policy Alternatives did its homework. It looked beyond Canada's borders—something the government has trouble doing—at models of postal banking that support people's banking needs, as well as their postal needs, and it looked at ways other countries do it, countries we look to for our source of other advice and ideas: New Zealand, Italy, countries we look to for good ideas on a regular basis. Yet Canada Post did not and has not looked at alternatives that could help make this service not just viable but continue to be prosperous.

It is not by accident that so many Canadians consider this to be a manufactured crisis in many ways, one that is extremely hypocritical and one where it is easy to ask this question. Is Canada Post's ultimate goal to privatize, and is the government's ultimate goal to support the privatization of Canada Post?

As the member of Parliament for Churchill, I have heard from many constituents over the last number of weeks. I have received hundreds of letters. Many people have signed our petition. People have walked into our office or have called me at home to talk to me about their concerns. Some of our communities do enjoy home delivery, and I will explain why it is so essential that it continue.

● (1155)

Flin Flon, one of those communities, was founded in 1927. It was built on the Canadian Shield. It is a community that has many seniors who have decided to stay in northern Manitoba close to their families because of mobility issues. It has infrastructure that is challenged in terms of the needs of the 21st century and the growth of the community. It is a community where people cannot imagine where community post boxes could possibly go. A couple of years ago, Flin Flon got an award for having the busiest post office in its region and the population it serves. Yet, instead of supporting a community like Flin Flon and the people who need the postal service, not only do we have this announcement of eliminating home delivery, but Flin Flon has also been told that it might lose its storefront. To add insult to injury, Flin Flon was also told that the storefront was going to be moved to a business address that does not exist in a building that sits empty and that is owned by a landlord who has never even heard from Canada Post. So members will forgive me, as the member of Parliament for this community, when I wonder, along with so many other people in Flin Flon, what kind of logic drives Canada Post's agenda on the macro and micro levels, because it certainly does not seem to be evident.

Thompson, a community established in 1956, also has infrastructure challenges. For the majority of this community, we cannot envision where any new postal developments could take place. Like many communities in the north, it suffers from extreme cold. Yesterday morning when I left my house it was -47C with the wind chill. That cold does not stop Rhonda, Jenn, Wendy, Jerilyn or Tara from doing their jobs day in and day out. However, that cold would mean that people, not just seniors or people with disabilities or those with young families, would no longer be able to just take a stroll down to the community post box and get their mail, or even just hop in a car, albeit it often will not work at -47C. I accept the fact that many people have not the faintest clue what -47C in northern Manitoba with howling wind might feel like. It is just not a reality.

However, instead of listening to the people from these communities, Canada Post has rammed through an agenda that not only does not serve the interests of our people but also makes their lives difficult, this for a service they have paid for.

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This announcement also will have a disproportionate impact on Canadian women. According to the CCPA, we know that 95% of the employees who work at Canada Post are women. This draws attention to the fact that the decimation of Canada Post will affect them disproportionately. In northern and rural regions like the ones I represent, the Canada Post jobs that women have are some of the best jobs they can have in our communities. They are secure jobs with pensions and benefits, supporting families and communities. We also know that cuts to the public sector always hurt women and exacerbate their social and economic inequality. It bears pointing out that the gender gap in Canada is alive and well. Women earn 72 cents for every dollar earned by men in this country, a statistic that has barely changed in 40 years. All of this conspires to damage women's equality and the overall social fabric of this country. Job cuts and privatization in the public sector hit women of colour, women with disabilities, women from immigrant backgrounds and aboriginal women the hardest. These women are often the last hired and the first to be let go, as we know from the public sector employees' union.

The Conservatives have broken their promise to protect Canadian communities, whether northern, rural or urban. Canadians will be watching how they vote today.

In conclusion, let us bring this debate back to where it counts, to our communities and the understanding that Canada Post belongs to Canadians. It belongs to my generation that depends on this service, to my parents who helped build this service and to our grandparents and people before us who helped create the Canada Post we have today. It is an integral part of our community. Postal workers connect us. They keep an eye on us. They ensure that we have the information, the goods and services we need.

• (1200)

This is a test where Canadians will find out where Conservatives stand: on their side or on the side of the CEOs and those who want to privatize our most essential services. Canadians deserve better. They deserve having our Canada Post protected.

Mr. Claude Gravelle (Nickel Belt, NDP): Mr. Speaker, I congratulate my colleague, the member for Churchill, and reassure the people of Churchill that they have never been so well represented in the House of Commons.

My question for the hon. member is quite simple. I went to a town hall meeting on January 22 concerning Canada Post and heard a lot of disturbing facts. One of the solutions that we would like Canada Post to look at is postal banking. At the town hall meeting, I heard from some of the people involved that four bankers are sitting on the board of Canada Post. I wonder if the fact that four bankers sit on that board might not influence Canada Post not wanting to get into postal banking so as not to take away some of the profits from those bankers' employers?

Ms. Niki Ashton: Mr. Speaker, I thank my colleague from Nickel Belt for his strong voice for northern people in his region. I recognize that the challenges posed by this announcement affect people in both our communities in very much the same way.

I want to thank him also for raising a critical point. The government has often referred to efficiencies and modernization in the context of the debate. The point that my colleague raises is a very

important one. Why is Canada Post not looking at a viable alternative such as postal banking, as other like-minded countries have done? Who is making those decisions? Why are these bankers part of a board that supports Canada Post and do not look at alternatives for supporting it? Maybe it is time to bring in some people to make decisions on behalf of Canada Post who actually want to see Canada Post survive and see it take on viable alternatives.

We also heard earlier about the 22 vice presidents that Canada Post has. If we are talking about efficiencies, who are these vice-presidents and what are they doing? What is their ultimate cost to Canadians?

That is why this crisis that Canada Post is speaking of is one that many Canadians do not see and why many Canadians wish that we could sit here and have a real debate about the real facts, rather than the manufactured ones we hear from the government.

• (1205)

Mr. Jeff Watson (Parliamentary Secretary to the Minister of Transport, CPC): Mr. Speaker, leave it to the member to have a Blockbuster Video mentality in a Netflix world.

On the subject of postal banking, the opposition's position is not very well thought out or supported by relevant global examples. Perhaps the member opposite could actually answer the question that her party's critic could not answer this morning. How much would it cost Canada Post to capitalize a bank, and how does she propose that Canada Post pay for the capitalization of a new bank and, for that matter, what would be the ongoing costs of operating postal branch bank outlets?

Ms. Niki Ashton: Mr. Speaker, I really appreciate my colleague's analogies aimed at making me look hip and happening. However, I hate to break it to him, but if he wants to be up with the times, it is probably best to listen to what a lot of young Canadians and young families are saying. They are saying that we should support our postal service, support the people who work for our postal service, who are often young, including young women, instead of using farcical language in the House of Commons.

If we are going to talk about the facts I suggest that the member across take some time to read the CCPA report. I realize he might be allergic to opening a document written by the CCPA because it is based on facts, research and evidence. These are all elements that the government seems to have an allergic reaction to.

However, the truth is out there. Postal banking can be a viable alternative. If we bring people to the table to make decisions about the long-term viability of Canada Post, we could have a serious discussion on postal banking, a discussion that is perhaps not taking place because of the kinds of viewpoints around the table now that do not support postal banking.

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I would ask the member across the way what he says to his constituents who want Canada Post to be supported. That is what it fundamentally comes down to. I do not know how anyone could stand here in good conscience and seek to destroy a service that matters to all of us and our communities.

[*Translation*]

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, I am pleased to rise in the House to speak to this motion.

Yesterday, the Minister of Infrastructure, Communities and Intergovernmental Affairs said that the government had no intention of debating the issue of Canada Post.

This is something of great concern to Quebeckers and Canadians. Since it is easy to forget what is at the heart of the debate, I would like to read the motion that we are discussing today, which was moved by the hon. member for Trinity—Spadina.

That, in the opinion of the House, door-to-door mail delivery is a valuable service provided by Canada Post, and that this House express its opposition to Canada becoming the only country in the G7 without such a service.

That is what we are debating today, regardless of how the government is trying to spin the decision made by Canada Post Corporation.

It is somewhat ironic, given that in June of 2001, the House sat for days on end debating a government bill forcing postal workers who had been locked out by Canada Post back to work.

It is ironic because the government argued, and did so for days, that home mail delivery was an essential service for the Canadian economy.

Today, two and a half years later, we find ourselves in a situation where the government is washing its hands of the whole thing and arguing that the modernization and future of Canada Post hinge on this necessary move.

Members have been arguing since this morning that the opposite is true. Moreover, they have made a case that Canada Post's decision is not only irrational and irresponsible, but it also flies in the face of the sound business practices that Canada Post should display to Canadians.

Let me remind hon. members that this decision spells the gradual end of home mail delivery and signals an increase in postal rates. The cost of a stamp is slated to increase anywhere from 35% to 55%. The goal is also to eliminate between 6,000 and 8,000 jobs, supposedly through attrition.

However, when we look at the business decisions and the strategy advocated by Canada Post, clearly the cuts will not come through attrition, but rather through the elimination of positions that, as my colleague from Churchill pointed out, are well paid. These are good jobs that come with benefits, something the government seems to want to distance itself from, not only in the public sector but in the private sector as well. The government seems to be taking an approach that adversely affects the economic security of Canadians.

We have also seen the Conservatives borrow freely from the New Democrats' consumer protection program. We saw this in the Speech from the Throne.

The Conservative government now has an opportunity to defend consumers directly. It talks about the taxpayers. These same taxpayers who are responsible for Canada Post, a crown corporation, are also users of postal services. Unfortunately, the Conservative government is washing its hands of this whole affair, when it has an opportunity to show its commitment to consumers.

What we have here is a government that is chicken. It has others do its dirty work. Canada Post and VIA Rail are just two examples of crown corporations that have taken drastic steps to slash services to which Canadians are entitled.

The government is washing its hands of this affair by maintaining that they are crown corporations and that it does not wish to interfere with their business decisions. I wish to remind the government that while they are crown corporations, the government is a 100% shareholder in these corporations. If a majority shareholder in the private sector were to show the same degree of nonchalance as the Conservative government is showing toward Canada Post, not only would it quickly find itself with a worthless portfolio, it would be singled out by the public and the business community as totally irresponsible.

We are not asking the federal government to manage all of Canada Post's decisions, but to argue that the government bears no responsibility even though it is the majority shareholder—not just a majority shareholder but the sole shareholder—in Canada Post defies logic, in my opinion. What I find interesting is that Canada Post announced its plans the day after the House wrapped up its work in Ottawa.

● (1210)

We were not able to debate this in the House. This decision has been extremely unpopular, which is clear from public opinion and what people who are concerned about the end of home delivery are saying. The government says that this was Canada Post's decision and that it knew nothing about it. That is false; the government knew.

On this point, I can quote Jean Lapierre, who was a member in this House. Today he is a political columnist, but he was the minister of transport from 2004 to 2006, so he was the minister responsible for Canada Post Corporation. The day after the Conservative government's decision, he was asked about it. He thinks that decision was irresponsible, because it was made without any real consultation, and that it was a Conservative decision intended to kill Canada Post.

He was also asked if the government likely knew about the decision. He said yes, and for two reasons. The first reason is that the government pays for Canada Post during times of deficit, although there have not been too many of them. However, there is one right now, and the government has to make up the shortfall, given that Canada Post is a crown corporation. The second reason is that Canada Post would not make this kind of decision. I quote Mr. Lapierre:

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Canada Post would definitely not make such a drastic decision without consulting the government, because the government will have the unenviable task of defending that decision.

Once again, Mr. Lapierre is a political columnist, but he was the minister responsible for Canada Post Corporation from 2004 to 2006.

The government had to know about this decision. Now it is not surprising to learn why the government was in such a hurry to end the parliamentary session, since it knew that this decision was going to be announced and it wanted to hide over the holidays to avoid having to talk about the decision.

Furthermore, the next day, apart from a press release from the Minister of Transport, no one was available to comment publicly on this unpopular and irresponsible decision by Canada Post Corporation, no one from the government or any of the 22 or 23 presidents and vice-presidents of Canada Post Corporation.

The government says it supports Canada Post's decision based on a Conference Board of Canada study published in April 2011. This has been mentioned a few times here in the House, and it bears repeating. That study, which seemed to show that Canada Post Corporation was headed towards deficits as high as \$1 billion in 2020, was based on hypotheses that proved to be erroneous or inaccurate.

According to one of them, Canada Post supposedly had a deficit of \$250 million in 2012, whereas in reality, Canada Post made a profit of \$97 million that year. The only two years in which Canada Post had a deficit were 2011, because of the labour dispute imposed by Canada Post, namely the lockout, and 2013.

We have to modernize Canada Post, because we are living in different times. We do not deny the fact that the volume of mail has decreased, and the trend is to email and other ways of distributing mail. We are aware of that on this side of the House. The fact is that a good company that wants to take up the challenges of the future has to be able to take steps to modernize.

However, between the status quo and the hammer blow of eliminating home delivery as suggested by Canada Post, there are numerous possibilities. They include studying the possibility of providing banking services, without necessarily establishing big banks that would compete with the big six. We could also reduce the frequency of home delivery, a much less drastic measure. Instead of delivering five days a week, Canada Post could deliver every two or three days. However, these possibilities have not been explored by Canada Post.

I maintain that this decision is completely irresponsible. The government is trying to hide behind the facile excuse that it is a crown corporation, whereas the government is completely and absolutely responsible for ensuring that Canada Post Corporation complies with the mandate given to it by Canadians and continues to provide proper service.

Ultimately, it is Canadians as the consumers of services who will have to bear these radical increases in rates, which have not been explained to them, together with solutions such as the termination of home delivery, about which there was no comprehensive consultation.

● (1215)

I therefore implore the government to look closely at the wording of the motion, support home delivery of mail and make sure Canada can have a postal service worthy of an industrialized country that is a member of the G7, but do so in a responsible way to ensure that Canada Post Corporation can survive into the future.

[English]

Mr. Dan Albas (Parliamentary Secretary to the President of the Treasury Board, CPC): Mr. Speaker, we certainly know that Canada Post is an important institution in this country, and it is good to have the debate.

Canada Post lost \$129 million before tax in the third quarter alone, and that is despite growth in parcels. If home delivery is as expensive as is said, then to continue with that service is going to cost Canada Post a lot more money. If it does not address these deficits, that is going to do more than just undermine its ability to run its operations: as we all know, Canada Post is currently facing a \$6.5 billion deficit in its pensions.

By continuing to support expensive services like home delivery, does the member not see that he and his party are actually undermining the ability of Canada Post to meet its pension obligations and putting at risk the pensioners who rely on that system, as well as future pensioners who are currently working towards it?

I would like the member to explain his position on that point.

[Translation]

Mr. Guy Caron: Mr. Speaker, I believe the hon. member is disregarding the irresponsibility of Canada Post's decision. No one is denying that Canada Post will be facing a major challenge in the future, with regard both to pensions and to the reduction of service volume and the volume of home delivery. Everyone here is aware of this. The question is whether Canada Post Corporation made a responsible decision and considered alternatives that were available. The corporation had a deficit last year. Over the previous 16 years, Canada Post was profitable. Can Canada Post look at different options and consult the public with respect to these changes? It has refused to do so or to consider other possibilities for perhaps facing up to its obligations in the future and the challenges that will arise. It is resorting to the most drastic solution, whereas the alarm bells were already ringing. With the growing popularity of email, it was already known that this would have a negative impact on home delivery of mail. Why did Canada Post and the Conservative government refuse to see that and to make plans to deal with the situation? Why are they refusing to look at other solutions that Canadians would be prepared to consider, but that would not be as drastic as the solution now being announced?

● (1220)

Mr. Raymond Côté (Beauport—Limoilou, NDP): Mr. Speaker, I thank my colleague from Rimouski-Neigette—Témiscouata—Les Basques for his very enlightening speech.

Business of Supply

I would like to discuss with him one aspect that he did not really touch upon. We have heard about rate increases, but it is the economically regressive aspect of these increases that will hit the middle class, seniors, small businesses and charities the hardest. Perversely, this will hit even harder those people who are fully dependent on postal services, who currently do not have Internet access or who do not know how to use it. This could potentially force people to invest in this technology or to try learning how to use it. I assume that in his riding there must also be problems associated with the availability of Internet services.

Could the member speak to all these challenges that will end up cutting people off from contact with the outside world?

Mr. Guy Caron: Mr. Speaker, this will indeed cause some very serious challenges. We have heard a lot about seniors who have a hard time getting around and who will be asked to go two, three, four or five blocks to get their mail, often in difficult circumstances. They will probably not try to get it every day. They will space out their trips, but that it is a difficult situation. Seniors' groups were among the first to speak out against and express their concerns about this situation. Small- and medium-sized businesses will see a massive cost increase of 35% to 55% with decreased postal services. Does that business model make sense? Not at all.

Is the Conservative government asking Canada Post any questions? As far as we can tell, it is not asking any. We are a 100% majority shareholder. I have to wonder why the Conservative government is hiding its head in the sand and ignoring all the possible options that might arise if it required Canada Post to be accountable to the government and taxpayers, as well as to the Canadian public that needs its services.

[English]

Mr. Jeff Watson (Parliamentary Secretary to the Minister of Transport, CPC): Mr. Speaker, I rise to speak to the motion calling on the House to oppose Canada Post's plan to realign mail delivery and the pricing of its postal services.

The fundamental issue in this debate is the threat to Canada Post's long-term financial viability, the serious risks this situation poses for taxpayers moving forward, and the urgent need for immediate action.

Let us review the facts. Canada Post, as an arm's-length crown corporation, is responsible for its operations, including business and financial decisions. Since 1981 it has operated under a mandate to provide postal services on a self-sustaining financial basis, and until recently it had succeeded in coping with the impact of falling mail volumes through incremental efficiencies and price increases. Then in 2011, for the first time in 16 years, it lost money and fell into a deficit. These losses were primarily due to rapidly declining letter mail volumes.

Letter mail is the fundamental problem at play here, and this downward trend is irreversible. Fewer Canadians are using the mail system, visiting post offices, or buying stamps. According to Canada Post, a typical Canadian household buys only one to two dozen stamps per year. Mail volumes have dropped almost 25% per address since 2008, and they continue to fall with no end in sight. This has sharply cut Canada Post revenues, and it is neither a fad nor a short-term problem.

People are choosing instant communication through text and email over mailing paper, with even banking and bill payments moving to the Internet. Major mailers in Canada, including governments, are making concerted efforts to reduce their use of postal services in order to cut costs to taxpayers and consumers. Ad mail faces intense pressure from online advertising as well as email and mobile options. As Canadians go online for their information, demand for print publications is also declining. Publishers are moving toward digital versions for tablets and phones.

The one area of growth is parcel delivery, where e-commerce is driving demand for delivery of packages from online retailers and distributors to homes and businesses. However, parcels make up a small percentage of total mail traffic.

Canada Post's 2012 annual report indicated that domestic mail volumes have dropped by 23.6% since 2008 and will continue to decline over the next five years. That means that the corporation's financial picture is not going to improve unless effective action is taken, and taken now. Its draft 2014-2018 corporate plan projects a loss of \$437 million in 2014, growing to nearly \$700 million by 2023. In short, the corporation's current business model no longer works. It cannot earn sufficient revenues to offset its costs. Without changes, the future viability of the postal service is, at best, uncertain. We should remember that Canada Post cannot long sustain losses like these without being forced to take even more drastic measures.

The move to electronic communication is a fact of 21st century life all around the world, not just in Canada. Those suggesting that Canada follow the direction taken by other countries may want to look more closely at their choices, which include the privatization of Royal Mail in the United Kingdom, the merger of the Danish and Swedish postal services, and massive postal workforce layoffs of up to 40% in countries around the world.

Canada Post has done what it could to generate savings through its 2008 postal transformation initiative. This includes installing state-of-the-art optical readers and sorting equipment and restructuring carrier routes. The result has been a projected savings of about \$250 million through to 2017.

● (1225)

Yet despite these improvements, the savings to date are not enough to ensure Canada Post's long-term financial health. Clearly, the corporation cannot avoid taking action to cut costs and raise revenues, action that reflects Canadians' changing habits and preferences.

Business of Supply

There will, undoubtedly, be a residual level of demand for mail services, but it is impossible to determine what that level will be. No single change would prevent significant and growing losses on postal operations, but coordinated steps that align service standards with Canadians' choices should enable Canada Post to return to financial stability.

This is the direction Canada Post announced it would take on December 11, 2013. Canada Post's five-point action plan proposes steps to meet Canadians' need for postal service while reducing costs substantially. Let us look at the proposal that gets the most attention: community mailboxes. The corporation proposes to move the one-third of Canadian households that still receive door-to-door delivery to these community mailboxes. Door-to-door delivery is easily the most expensive delivery method, with an annual cost more than twice as high as that for community mailboxes. The purpose of this change, according to Canada Post, is to save money by cutting a high-cost service that most Canadians already do not now receive.

Two-thirds of Canadians already receive their mail through community mailboxes, apartment lock boxes, at post offices in their communities or through end-of-laneway mailboxes. Community mailboxes provide secure mail storage and a convenient place to receive parcels and packets. The corporation has committed to working with people with mobility issues to meet their needs. Canada Post already works co-operatively with municipalities and provinces to find safe, non-obtrusive locations for community mailboxes.

The potential impact of this change on Canada Post's bottom line would be significant. It is expected to reduce the projected 2020 operating deficit by \$576 million. That is more than half the projected deficit. Community mailboxes also offer some advantages to Canada Post and its customers. With all deliveries done by motorized carriers, Canada Post could offer marketers opportunities to deliver direct mail items and samples that are too large for a postal carrier to carry; and the installation of community boxes for all residential addresses would support universal access to secure parcel delivery boxes. Any loss of convenience in letter delivery would be offset by increased convenience in parcel delivery. This is, according to Canada Post, a significant benefit given the rise in online shopping and parcel delivery.

Another target of criticism in the plan is the increase in the price of postage. The truth is that Canadians thus far have not been paying the full cost of delivering a letter. The announced increase would bring stamp prices more in line with the full cost of actual delivery. Currently, the price of a Canadian stamp is among the lowest of all developed countries, so there is still good value in sending mail.

According to the Conference Board of Canada, two-thirds of Canadians send two or fewer pieces of regular mail per month, and three-quarters of those surveyed no longer pay their bills by mail. As for businesses, some will be more affected than others. Canada Post says it will introduce a new tiered pricing structure for letter mail that will provide stamp discounts to consumers and businesses. This plan is a practical response to a clear and pressing problem that threatens the financial viability of this important service. It would help to ensure that Canada Post is on a solid financial footing and better reflects Canadians' current choices.

With fewer people buying stamps and mailing letters, we cannot afford to maintain a nationwide industrial system created to handle the large mail volumes of the last century. Clearly, not all Canadians are ready to forgo paper mail, so the answer is not to get out of the letter mail business entirely. Nor is privatization a real option; the same pressures would affect the private mail service as affect Canada Post currently.

● (1230)

There is no guarantee that a privatized mail service would be able to guarantee door-to-door mail delivery at a cost Canadians would pay. For example, the U.K. government had to assume huge pension obligations and other long-term debt before it could begin privatizing the Royal Mail.

Some have suggested finding other sources of revenue to offset letter mail losses; these include parcel delivery services and banking.

Let us take parcels first. The suggestion is that parcel revenues, which are growing as a result of online shopping, could offset the decline in mail revenues. While the parcel market is growing, it is far from the point where it could compensate for the decline in letter mail. The Conference Board of Canada has projected a 26% increase in parcel volume by 2020. However, this would remain small as a share of total mail traffic. We should remember that Canada Post does not have a legislated monopoly on parcel mail, as well. This lucrative market is open to competition.

Then there is banking. It is true that postal services and banking were once combined in Canada. Canada had postal banking from 1868 until 1967, when it was closed down due to a general lack of usage. However, Canada is already well-served by a strong banking industry. If any industry is being transformed by the Internet faster than communications, though, it is banking. With banking services moving online and bank branches consolidating and offering fewer walk-in services, why would we want to offer banking services in post offices?

Therefore, we are back to better controlling costs in a way that better aligns the business model and delivery network around choices that Canadians are making today. As the mail stream continues to change to less mail and more parcels, Canada Post will need to continue transforming its operations.

It is important to acknowledge that reducing labour costs, including the sustainability of Canada Post's pension plan, is a necessary element of Canada Post's plan. Labour is a significant component of Canada Post's rising costs. It is about 70% of its costs. It is obvious that any plan to return the corporation to financial health would have to reduce labour costs.

Canada Post estimates that its plan would result in a reduction of between 6,000 and 8,000 positions by 2019, to be achieved largely through attrition, as Canada Post expects that nearly 15,000 employees will retire or leave the company over the next five years.

Business of Supply

Finally, we need to assure rural Canadians that Canada Post's action plan would not affect mail delivery in rural Canada. Any changes under the plan would continue to honour the service levels set out in the Canadian Postal Service Charter and the moratorium on closure of rural post offices.

Canada Post's management has put forward a plan it believes would return the corporation to financial self-sustainability by 2019. What is needed now is not second-guessing but action. It is important that this plan be implemented as quickly as possible to achieve the necessary cost savings and avoid other more drastic measures that would require significant taxpayer assistance. That is why the government supports Canada Post in its efforts to fulfill its mandate of operating on a self-sustaining financial basis. We understand its purpose, which is to protect taxpayers while modernizing its business and aligning postal services with Canadians' choices.

We look forward to seeing the rollout of Canada Post's plan and the transition to a more efficient postal service equipped to meet Canadians' needs now and in the future.

• (1235)

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, I listened to the member's speech with some interest. I understand he is the Parliamentary Secretary to the Minister of Transport and, therefore, has a government role to play in this debate. However, he is also a member of Parliament. Surely, like us, he has been inundated with phone calls, with letters, with petitions from his constituents who are profoundly concerned about these changes to our mail delivery system.

In particular, I would suggest that it is seniors in our communities who have been at the forefront of this fight, and I suspect that seniors in his riding, too, will have voiced the same concerns. Of course, those seniors are represented by organizations like the Advocacy Centre for the Elderly, the Congress of Union Retirees of Canada and the Canadian Association of Retired Persons.

Is the member suggesting that all of these people are wrong in their profound concern about the end of home delivery services through Canada Post? Does he actually believe that the CEO of Canada Post is right when he says it is great exercise for seniors to have to go to community mailboxes?

Mr. Jeff Watson: Mr. Speaker, in the interests of full disclosure, I have received three electronic petition responses and one email response. None of them, I note, was by individual stamped letter mail, by the way, which is the trend that is the problem at Canada Post.

I have spoken with many seniors, and they recognize that there is a deep fundamental structural problem at Canada Post and that business cannot continue as usual. They appreciate that. They also appreciate that these are complex decisions that have to be made, and some of them are tough decisions.

I do not know if the member opposite is suggesting that because seniors currently do not receive door-to-door delivery in two-thirds of Canada that door-to-door delivery should be expanded to the rest of Canada. Maybe she will want to clarify that in a moment. If she does, maybe she will explain how Canada Post, which is forecast to

lose a billion dollars a year by 2020 if it does not act right now, would be able to pay for that expanding service.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, the parliamentary secretary has dismissed the notion that Canada Post would remain viable through diversification of services, as other countries have done. Yes, it is true in Canada's history that we used to have postal banking and it fell into disuse.

In the period of time since postal banking services ended in Canada because Canadians preferred their own branches, the branches have really receded in terms of accessibility, particularly in rural and remote communities. There was a drop between 1990 and 2002 of 26% in branches that have closed in smaller communities. Surely Canada Post has an opportunity here, by providing postal banking, to diversify, to remain competitive and to continue a level of service that Canadians expect.

• (1240)

Mr. Jeff Watson: Mr. Speaker, during some of the years when there was postal banking in Canada, Canada Post was turning massive deficits. In the example of New Zealand, the Kiwibank has actually cannibalized postal service because of the enormous demands to capitalize the bank and it came out of the postal service. It is now slashing mail delivery and mail jobs and closing post offices by the dozens, in a small island nation like that.

Now the opposition members are asking us to figure out a way that Canada Post would capitalize a new bank, then operate a bank. It is about \$1 million per branch to operate a bank in ongoing costs as well. That is just touching the surface. This is an expensive transition that the member proposes, and she probably does not know what the numbers are that it would actually cost to do that. This is for a model that *The Globe and Mail*, in an article last May, says is disappearing. This is what it said: "...the branch infrastructure will be rendered increasingly obsolete".

That is where banking is going. Over 50% of banking consumers in just nine years are going to be Gen Y. They are going to be millennials. They are not going into branches of banks currently, so why would we ask Canada Post to adopt an obsolete system that already does not work? It does not work to cross-subsidize and save postal services in other parts of the world. It makes new revenue for governments, I guess, but it does not cross-subsidize postal service in any example in the world.

Ms. Lois Brown (Parliamentary Secretary to the Minister of International Development, CPC): Mr. Speaker, at home in my living room, I have an antique. In 1797, when my ancestors came and pioneered York Region, my great-great-grandfather Jacob Hisey wrote a letter to his brother, John Hisey, who lived in Victoria Square some 10 miles away and it was their only form of communication. Life has changed significantly. One of the things our government has done has been to invest in Internet connectivity across this country. We have put it into many libraries in rural communities. These kinds of initiatives have incredibly changed the way we communicate today.

Business of Supply

I have a daughter living in west Africa, and we communicate by Skype all the time. I wonder if the Parliamentary Secretary to the Minister of Transport could comment about how these changing initiatives have changed the way people are communicating, not only in Canada, but globally. What revenue streams does the Post Office have when it is working for Canadians?

Mr. Jeff Watson: Mr. Speaker, Canadians are speaking very loudly through their choices. If we look at banking, Canadians are increasingly moving away from old branch infrastructure. They are moving to online banking, whether on their desktop or by using new apps created for their smart phone in order to do that kind of banking. I do both. I do Internet banking myself. I will sit here and do banking on my BlackBerry as well. It is the way the world is moving. It is increasingly so. In just nine short years, over half of banking consumers will be from younger generations who are not using old infrastructure.

It is the same situation with respect to postal services. Canadians are speaking through their actions. They are sending far fewer individual letters. They are sending more parcels and doing more online shopping. Those trends are reflected. However, parcel delivery would not be enough to save traditional letter mail and the postal service, the way it is today. That is why Canada Post has a five-point action plan and that is why it believes it needs to take action now, and not delay any further so that the losses continue to pile up. These trends are irreversible. Canadians are speaking through their actions now with respect to postal services changing.

• (1245)

[*Translation*]

Mrs. Sadia Groguhé (Saint-Lambert, NDP): Mr. Speaker, I would like to start by stressing the importance of this motion and the essential service it addresses. Let us not lose sight of that because it is indeed an essential service for Canadians.

The Conservatives' drastic approach is going to significantly hinder the Canadian economy. It is hiking postal rates and cutting services to Canadians and Canadian businesses.

What made this government believe for one moment that it was a good idea for Canada Post to charge more money to the people who can least afford it?

[*English*]

Mr. Jeff Watson: Mr. Speaker, I first would point out that Canada Post is run by a CEO and a board of directors who make strategic decisions on a day-to-day basis as to how it will operate and what its business decisions are on a go-forward basis. That is why it has a five-point plan.

Members do not have to take my word for it. If they read the last Auditor General report on Canada Post, it is clear that the CEO and the board of directors make the strategic decisions for the company. At that time, they were commenting on the postal transformation initiative. Let us be clear. That is the way Canada Post was designed to run in the first place.

In 1981, it was a government department, running chronic deficits and costing taxpayers enormous amounts of money. It became a crown corporation in 1981 and was given a mandate to deliver the mail in a financially self-sustaining way. It has been trying to do that

through efficiencies and improvements. It has invested in optical reading and other importing sorting equipment, which has generated some savings. However, the savings are not sufficient to offset the structural trends that are happening.

People are just not mailing as they used to. That is a significant collapse in revenues, and it is forecast to get worse. Therefore, Canada Post had to come up with a five-point plan, and we support its right to make that plan.

Mr. Ryan Cleary (St. John's South—Mount Pearl, NDP): Mr. Speaker, I will be splitting my time.

I rise today in support of the motion by the hon. member for Trinity—Spadina, which reads as follows:

That, in the opinion of the House, door-to-door mail delivery is a valuable service provided by Canada Post, and that this House express its opposition to Canada becoming the only country in the G7 without such a service.

It should be the opinion of the House that door-to-door delivery of regular mail is a valuable service provided by Canada Post. It is the opinion of the overwhelming majority of the constituents of St. John's South—Mount Pearl, in my province of Newfoundland and Labrador. How do I know that? I know that because I asked them. What a novel idea: to ask Newfoundlanders and Labradorians, Canadians, what they think. That is not what happened with these proposed changes to Canada Post.

The crown corporation carried out consultations by invitation only with comments submitted beforehand. In other words, it was not a public process. A public process involves the public, but the public, by and large, was forgotten and ignored. However, there was consultation with the Conservative government.

The proposed changes at Canada Post were announced on December 11, the day after the House of Commons closed the fall session. Is it a coincidence that Canada Post announced the elimination of home delivery, the termination of 6,000 to 8,000 jobs, raised the price of a stamp up to \$1, and cut the hours of rural post offices the day after the House closed? There was no discussion, no debate, no questions, and no answers. Do I believe in coincidence? I do not with the Conservative government. Side-stepping democracy is the Conservative government's modus operandi. Not only was the public not widely consulted but the people's representatives here in the House were not consulted either.

Beyond that, the minister responsible for Canada Post released one written statement in support of the cuts and then refused to answer any questions, period. Could it be that the minister is taking the time to write us all a letter about the changes to Canada Post? It is not likely, given the price of a stamp.

Business of Supply

After the proposed changes to Canada Post were handed down, the chief executive officer said seniors were happy enough to lose home delivery because it will give them an opportunity to exercise, an opportunity to get fit. The CEO has obviously never had to climb the summit of a snowbank in front of a super mailbox and use a blowtorch to unfreeze the keyhole to get the mail, which is how one senior put it to me.

Not one senior or disabled individual I consulted in my riding of St. John's South—Mount Pearl mentioned exercise as a plus to the cancellation of home delivery. Not one. They brought up questions like how they will get their mail in the snow and the ice and the sleet and the slush and the horizontal rain when a gale is blowing.

A public meeting organized by the Canadian Union of Postal Workers was held in mid-January in my riding. I am going to read some of the comments that I took down from that meeting. For example, "Home delivery is our right. Do not put me in danger by forcing me to a super mailbox. And as for seniors needing our exercise; yes we do, and we are going to get it in the next election".

That means they are not going to be voting Conservative, in case it was not obvious.

Another quote was, "What should happen is they should scrap the Senate and save our post office."

That is an interesting idea.

A further one was, "Unless I become superwoman and learn how to fly, I won't be receiving any mail between December and April".

That quote is from a disabled woman in St. John's, a member of the Council of Canadians With Disabilities.

Here is a quote from Ralph Morris, president of the Newfoundland and Labrador Public Sector Pensioners' Association: "For seniors, direct deposit of cheques should mean at the post office located at their front door".

Then there was a quote from a young person: "My generation isn't expecting less. We're going to demand more".

Those quotes are from the public meeting, and a lively public meeting it was.

● (1250)

Let me read an example of some of the mail that my office has received:

I live in St. John's in a 50-plus condominium. Like several people here, I have a mobility problem. This curtails my walking any distance. If it is very windy, or in the winter there is snow ice, I am unable to walk anywhere. I do not have a car, and there are several people in the condominium here who no longer drive. With the new plans for mail to be no longer delivered to one's home, I wonder how I will obtain my mail.

That is a good question.

Another comment I received was actually a question:

Would you please ask Canada Post if they are going to deliver my mail during the winter, as I am unable to go and get it. The CEO has no idea what I want or need unless he asks me, and that was not done.

I have gone out of my way to use as many quotes in this speech as possible. I have done that because there was such limited consultation, and the Conservatives need to be delivered a message.

This past Saturday, I organized a petition blitz in Mount Pearl. Dozens of volunteers spent two and a half hours knocking on doors, asking people to sign the petition. The petition calls on the Government of Canada to reverse the cuts to services recently announced by Canada Post and to look instead for ways to modernize operations. At the end of the two-and-a-half-hour blitz, we had gathered more than 1,400 signatures. The response was absolutely overwhelming. People do not want to lose their home delivery. Not a single one of the 1,400 people thanked Canada Post for the opportunity to get more exercise, not one.

The municipal councils of St. John's, Mount Pearl and Petty Harbour, all within my riding, also agreed to carry the petition in their municipal offices. This is a quote from the mayor of St. John's, Dennis O'Keefe, who is also vehemently against the cuts:

The elimination of home delivery and the exorbitant increase in postal rates will impact severely on all residents of St. John's and, in particular, on seniors and those with disabilities. Canada Post and the Conservative government need to recommit to their responsibility of government to provide a public service.

Those are key words, "public service". Newfoundlanders and Labradorians in general, those who live in urban areas, and Canadians across the country do not want to lose home delivery service, a treasured service that they have enjoyed for decades, while at the same time, paying more for postage.

The management plan of Canada Post seems to be to eliminate services, raising prices and cut jobs. That is no way to modernize operations of Canada Post. That is no way to manage Canada Post. There seems to be a problem at the very top. The Prime Minister appointed Deepak Chopra months before the lockout in 2011, with a salary of half a million dollars a year and a 33% bonus. Five months after the CEO was appointed, Canada Post cut drug coverage and other benefits to all employees, including those on sick leave and those on disability, and then it cut back on services to the public. Canada Post made a profit of \$1.7 billion in 16 of the last 17 years. The one year it did not make a profit was the year that Canada Post locked out its employees.

There is a crisis within Canada Post. It is an invented crisis. It is a crisis of management. Is change inevitable? Yes, it is. The number of letters may be down; that is undeniable with social media and with the Internet, but the number of packages is up.

Are there other opportunities for Canada Post, postal banking, for example? Yes, there are. Were Canadians consulted? No, they were not.

New Democrats want to protect home delivery, improve services, attract new customers and raise revenues for Canada Post. That is what we want.

However, announcing changes with little or no input from Canadians, announcing changes the day after the House of Commons closes, telling seniors to swallow the changes and get more exercise is not the Canadian way.

No, it is not the Canadian way; that is the Conservative way, and it is on the way out.

Business of Supply

•(1255)

Mr. David Tilson (Dufferin—Caledon, CPC): Mr. Speaker, I live in a subdivision in Orangeville, Ontario. I have lived there for about 20 years. In that subdivision, we have always had a convenience box or a super-box, whatever terminology is used. I have never found that inconvenient. I have never complained. I have never heard of any complaints. Almost every new subdivision in the last 20 or 30 years in my community has had community boxes.

I have listened to the speeches given in this place by the members of the New Democratic Party. Are they advocating that home delivery be made to those areas that have convenience boxes and that those convenience boxes be eliminated? Is that their position?

Mr. Ryan Cleary: Mr. Speaker, the member of Parliament says that he has not heard any complaints. I would advise the member of Parliament to go out and knock on doors in his riding. Go out and do a blitz, like I did this past weekend. Again, there were 40-odd volunteers. We knocked on thousands of doors, and the overwhelming majority of the people we spoke to said that they do not want to live without home delivery. As for the people who have super mailboxes, I also have collected dozens of pictures on my BlackBerry, just from the past week or two alone. The pictures are of mountainous snowbanks in front of super mailboxes, which people cannot get to. In my speech, I mentioned that one constituent spoke about having to use a blowtorch to get the key into the keyhole in the super mailbox.

There are complaints. There are complaints about super mailboxes and about the loss of home delivery. If the member takes the time to ask and the time to listen, he will hear them.

•(1300)

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Mr. Speaker, I want to reiterate some of the things the member talked about.

I have a completely rural riding. It is true that regarding the super-boxes and convenience boxes people speak of, we receive a lot of complaints in the run of a year. A lot deal with obstructions, especially those from seniors, in particular seniors with disabilities. Sometimes they are placed in the wrong area, only slightly, but they are still inaccessible. That is the key: access for people to get to their boxes.

The other issue that has come up recently is Saturday service in many small communities. Just recently, the town of Harbour Breton lost its service. There is Bishop's Falls and other places. It is basically a slow erosion of the services provided to rural areas in addition to the mail delivery the member is talking about.

During the hearings, which I congratulate my colleague for having, what were some of the comments about the services, such as Saturday service, in the rural areas?

Mr. Ryan Cleary: Mr. Speaker, there is a fabulous community within my riding of St. John's South—Mount Pearl known as Shea Heights. It overlooks the broader city of St. John's. There was a proposal just a little while ago to cut back Saturday mail service at the postal outlet in Shea Heights.

The truth of the matter is that people in rural parts of Canada, in rural parts of my riding, have seen such a steady erosion of the postal

service over the past number of years that this is almost like water off a duck's back in terms of expectations. There have been such consistent cuts to rural postal service that people almost do not notice anymore. At the same time, the people who do speak out, the people with home delivery, those with problems with super mailboxes, and those who have a problem with cuts to the rural post office hours, are speaking up more and more. Again, if MPs get out and do consultations and actually ask at the door for input, these are the types of things they will hear.

[*Translation*]

Ms. Hélène Laverdière (Laurier—Sainte-Marie, NDP): Mr. Speaker, unfortunately, this is not the first time we have seen this government make decisions that are completely out of touch with the everyday reality of Canadians. However, I must admit that it had been a while since I had seen a decision as ridiculous as Canada Post's, one that the government supports, to eliminate home delivery, reduce services and increase rates. As some of my colleagues said, cutting services, chasing away clients and jacking up prices is no way to save a company.

This decision will have an adverse effect on a number of people, primarily seniors. Much has been said about that. It is not for nothing that organizations such as FADOQ, in Quebec, have expressed their serious concerns on the subject. Over the holidays, I talked to a number of seniors who were also very worried about this situation.

This is also going to affect people with reduced mobility, and small- and medium-sized businesses that use postal services a lot and that, let us not forget, are often the drivers of our economy. This will affect the workers. Some 6,000 to 8,000 good jobs will be cut. In fact, this affects everyone.

As I said earlier, during the break I spent a lot of time travelling around my wonderful, vibrant riding, Laurier—Sainte-Marie. It was incredible. People would chase me down in the street to tell me that this was an absolutely crazy idea, that it made no sense. People were indignant; as Canadians, they were offended. Many people were outraged that their country would no longer be able to offer such a basic public service. They were right. Canada will become the only G7 country without door-to-door mail delivery.

People are right about something else too. The government keeps raising the spectre of the deficit and taxpayers being forced to pay for all that. The truth is that for 16 of the past 17 years, Canada Post has made a profit. It made money every year but one. In 2011, the corporation ran a deficit. That just happens to be the same year that, thanks to this government, there was a lock-out. Over the other 16 years, the corporation made \$1.7 billion.

I understand and I agree that things will not necessarily always be that way. The market is changing. More and more people—but not all—use the Internet and other means of communication. We have to find smart ways to adapt to that change, not just shut everything down.

Business of Supply

Canada Post has several options. The first, which a lot of people have mentioned, is to offer financial services. Many countries have done this successfully, and their postal services offer financial services. That option deserves a closer look. It would help Canada Post, and it would also help people, which is not something we hear about often.

In the southern part of my riding there is no bank, no credit union, no nearby financial service. People often have to turn to private services, and, of course, that costs them money. Usually it is the most vulnerable who have to rely on those services. Having access to financial services would help them. These are people who do not typically get direct deposit; they get their pension cheques and so on in the mail. They would like to keep their mail carrier.

I walked the streets in my riding and spoke to many people, and what I discovered is that they want no part of this so-called reform or five-point plan, and with good reason.

● (1305)

The members opposite maintain that Canadians were consulted. However, since people were invited and comments had to be submitted in advance, I do not see that as consultations. It is high time to hold genuine consultations.

The government maintains that Canadians were consulted and that this decision is in line with their wishes. However, if it really believed this, it would have made this announcement with great fanfare on a Monday morning. Instead, the decision was quietly announced the day after the House adjourned. The government thought that the decision would cause barely a ripple. That was not to be, because the public disagrees with the decision, and it will continue to voice its opposition loudly and clearly.

We have come to realize that this is an arrogant decision, one that is out of touch with reality and disregards the needs and wishes of the public. The CEO of Canada Post best illustrated this fact when he said that seniors would be happy to have the opportunity to get more exercise. Enough said.

My constituents are wondering where these community mailboxes will be located. That is why I say this decision is out of touch with reality. Laurier—Sainte-Marie is a large riding, but covers a rather small area of 3 km by 3 km. There are 72,000 addresses in the riding. It is densely populated and there is not a lot of room. Where will these mailboxes be placed? On the sidewalks? If so, then there will be no room for wheelchairs.

Furthermore, because Laurier—Sainte-Marie is densely populated, several community mailboxes will be needed on each street corner. Not only will persons confined to a wheelchair not be able to get to the mailbox, they will not even be able to get around. How interesting.

For example, the street next to mine has 111 addresses, not to mention two residential buildings. If one large community mailbox is needed for about 36 addresses, according to what I have heard, three mailboxes would need to be placed on this street corner. Furthermore, it would be the same scenario on the next street corner.

Then what are they going to do? Are they going to put them in the street? I did not think I would have to say it, but when I see how out

of touch with reality this government and the CEO of Canada Post are, I feel obliged to point out that it snows in Montreal. Yes, it snows in winter. When it snows, they take cars off the streets in order to remove the snow. What are they going to do with these mailboxes? Are they movable boxes? Are they going to hang them in the air? I do not really know. This shows how out of touch with reality they are.

Are they going to put them in the green spaces? We know how respectful of the environment the members on the other side of the House are. I am sorry, but we will never let them touch our green spaces. They also tell us they might install them in businesses, but my grocery store, my butcher shop and my convenience store do not have space for that. They are small places. Then they tell us they could install them in pharmacies, but a quick calculation tells me it would take 7,000 of those individual mailboxes in my pharmacy to serve the area that pharmacy serves. I repeat that there are 72,000 addresses in Laurier—Sainte-Marie, which is a very small area.

In closing, I would like to invite Mr. Chopra and the Minister of Transport, publicly, here in the House, to come to Laurier—Sainte-Marie to meet our seniors and explain how this will be good for them, since it will help them get some exercise, particularly in winter, when it is -30°C. I invite them to come and meet with people who have reduced mobility, local merchants, everyone, and tell us where they are going to put their mailboxes.

● (1310)

[*English*]

Mr. Jeff Watson (Parliamentary Secretary to the Minister of Transport, CPC): Mr. Speaker, we had an important hearing before Christmas on this particular matter. Every single witness who was there agreed that Canada Post has a significant structural problem, that business as usual cannot continue at Canada Post, and that this is part of a global phenomenon. When I say “everyone”, I am referring to the Council of Canadians with Disabilities; the Canadian Union of Postal Workers, which was there; and the Canadian Centre for Policy Alternatives, which was paid by CUPW to come up with a report on postal banking. That was in turn carried out by the former director of parliamentary affairs for the opposition.

Every one of them, whether they were on the right side or the left side of the spectrum, knew that business as usual cannot continue at Canada Post and that action is needed now. Why is it that the member opposite supports more delay rather than getting on with some action now?

[*Translation*]

Ms. Hélène Laverdière: Mr. Speaker, as I said in my speech, no one is disputing that. It cannot be business as usual, as the member said, because the situation is still evolving. It is time to plan for the future.

As I said, this has to be done in a thoughtful, intelligent manner and by consulting Canadians.

Business of Supply

The member opposite noted that the Council of Canadians with Disabilities and other organizations including the Canadian Union of Postal Workers had said that alternatives had to be found. Yes, alternatives have to be found, but they should be positive alternatives that reinforce services to Canadians. This is no time to be washing one's hands of the whole matter and giving up.

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, I thank the hon. member for her speech.

I would like to ask her a question about what this will cost municipalities. I want to read from a letter, written in English, that was sent to the Minister of Transport:

● (1315)

[English]

This letter is from Mayor Mike Bradley of the City of Sarnia.

If I can cite two local examples—Bluewater Power estimates there will be a \$27,000 increase to mail out power and water bills every two months.... In the case of the City...the additional cost will be \$7,800 in 2014 and a \$3,500 increase in 2015 amounting to an overall increase of \$10,000 to mail tax bills...an unbudgeted cost and an unfair cost.

Can the member help Canadians understand how a Conservative government that says it is concerned about fiscal responsibility would want to foist these costs onto thousands of municipalities around the country without any analysis, compensation or offsetting measures? How could it possibly do this and consider itself fiscally responsible?

[Translation]

Ms. Hélène Laverdière: Mr. Speaker, I think that the hon. member's question also highlights the fact that we still receive our municipal tax bills and other items in the mail, and that will be the case for some time.

This decision creates costs for cities as well as many charities and small and medium-sized businesses. There will be maintenance issues for cities. Who will be in charge of upkeep? Who will take care of snow removal? There are often problems with garbage around existing boxes. British Columbia's police services have said that there are often vandalism issues with the boxes. Who will pay for security, snow removal, cleanup and the direct postal costs that cities will have to take on?

[English]

Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC): Mr. Speaker, I will be splitting my time with the member for Elmwood—Transcona.

I rise today to speak to the motion calling on the House to oppose Canada Post's plans to realign its business model with the changing needs of Canadians. Canada Post is required by law to manage its business in a way that is financially self-sustaining. This mandate is at risk because the business model that Canada Post has relied upon to generate revenues and provide service to its customers is no longer viable.

Canadians are increasingly replacing traditional letter mail with electronic communications and commerce. For obvious reasons, we have to keep up with the times. This trend should not be viewed as a temporary or reversible problem for the corporation. We can fully expect Canadians to continue expanding their use of technology,

consequently lowering their reliance on traditional letter mail services in the years ahead.

While changes must be made to the business model in order to contain costs and leverage new opportunities, Canada Post must also continue to provide quality postal services to all Canadians, rural and urban, individuals and businesses, as set out in the law and the Canadian Postal Service Charter.

This is not the first time the corporation has taken action to control costs and respond to the opportunities and challenges posed by new technology. For example, several years ago Canada Post launched a modernization initiative called "postal transformation", which included streamlining mail processing and improving network delivery models. This initiative has been underway for a few years, and it is estimated by the corporation that these actions will help in reducing operational costs by more than \$250 million each year by 2017. However, moving forward these measures will not be enough.

As the nature of the business continues to change at a rapid pace to less mail and more parcels, it is clear to everybody that Canada Post must now take additional action to modernize its business and align postal services with the choices that Canadians are making. Without action, the current business model would lead to a financial dead end, and taxpayers could be stuck with the bill.

Let us be clear. The current business model would not ensure Canada Post's long-term viability.

In December 2013, Canada Post announced a significant initiative that would form the basis of a new postal system positioned to better serve Canadians and meet their changing needs. A five-point action plan was guided by the following principles: that the status quo was not an option in the face of the steep decline in mail volumes; that the corporation would not rely on taxpayers to fund it; that financial success would be balanced with public policy obligations, for example, the importance in continuing to serve rural and northern communities; and, finally, that it would not be forgotten that small businesses still rely on mail as their primary mode of commerce.

The plan could be implemented without any changes to the Canadian Postal Service Charter. With these important considerations in mind, I would now like to highlight the five key elements of the plan. The first initiative of the five-point plan will see the conversion of door-to-door household mail delivery in urban centres to community mailboxes over the next five years. The first neighbourhoods to be converted will be announced by Canada Post as implementation plans are finalized. Door-to-door delivery is by far the most expensive delivery method, with an annual cost that is more than twice as high as for community mailboxes.

Business of Supply

This change would provide the most significant savings to Canada Post. It would also eliminate the current two-tiered service level, as roughly two-thirds of Canadian households, 10 million people, already receive their mail and parcels through community mailboxes, grouped or lobby mailboxes or curbside rural mailboxes. I know that some customers are disappointed by the loss of door-to-door service, but community mailboxes also have significant advantages for Canada Post customers. Better convenience, privacy and security are clear benefits.

While the number of letters, bills and statements received in the mail is declining, digital communication has enabled Canadians to securely buy and request more sensitive and higher-value items online. These include government-issued cards, health products, as well as retail products. It is important that these items be delivered to a place that is locked, secure and convenient.

• (1320)

Busy Canadians are also shopping more frequently online, but they are often not home when parcels are delivered to the door. Often parcels destined for residential addresses will not get delivered because there is no one home during the day to accept the delivery. Notes are left, and after a few attempts residential customers often have to travel a distance away from their home to retrieve their parcels from a local post office.

Community mailboxes offer individually locked mail compartments. This will give residents peace of mind when they are away from home, as mail will no longer be accumulating at the front door or left in a mailbox unattended.

Canada Post is committed to working with municipalities to identify appropriate sites for the community mailboxes based on factors such as safety, accessibility and proximity to addresses they serve. In addition, Canada Post has experience working with Canadians for whom mail retrieval is difficult due to permanent mobility issues. They have committed to continue to make sure that every effort is made to address these kinds of accessibility requirements.

For the vast majority of Canadians who do not receive door-to-door service currently, this change is a logical extension of the kind of postal service they have been using for 20 to 30 years, particularly in light of the fact that the costs of door-to-door service are extremely high. Indeed, this change is similar to many other kinds of home delivery services that have changed over the years. The phasing out of home milk delivery many years ago is a comparable example that springs to mind.

The second initiative identified in Canada Post's action plan is an increase to stamp prices that will be launched in March 2014. With rapidly declining volumes of letter mail, Canada Post has decided to introduce a new pricing structure for letters mailed within Canada. The revised differential pricing structure and commercial incentive rates will better reflect the cost of serving various customer segments and benefit those who use the most. For example, new discounts will be launched for consumers and small business owners who buy stamps in booklets and coils. The price of a stamp in this case will be 85¢. Small and medium-sized businesses that use postage metres will pay a new discounted postal commercial rate of 75¢. The

minority of consumers who purchase stamps one at a time will pay \$1 per stamp.

For most customers, this tiered pricing approach will represent a discount of between 15% and 30% off the single stamp price. Prices for parcels and for addressed and unaddressed advertising mail are not affected by this increase. This tiered pricing model or “use more, pay less” approach recognizes the value of high-volume customers and the lower cost of serving them.

There is no doubt that this initiative will represent an additional cost to Canadians. Based on Canada Post's estimates, the average consumer purchases between 13 and 25 stamps per year. However, we should consider that with the irreversible shift to digital communication, mail volumes will continue to decline at a steep rate. At the same time, the number of addresses being served by Canada Post continues to climb each year, by approximately 845,000 since 2007.

Less mail delivered to more addresses with no complementary change in price or services is not a sustainable business model. Canada's size, geography and low population density contribute to what Canada Post says is one of the highest cost structure for postal services among industrialized countries across the globe. Bringing the price of stamps more in line with the actual cost of delivering mail across the country is a key component of the Canada Post strategy.

The third initiative focuses on Canada Post's expansive retail network. With close to 6,400 postal outlets, it is bigger than Tim Hortons and McDonalds combined.

As more and more Canadians are adopting online shopping, they are looking for improved e-parcel services, including more convenient locations and times for parcel pickup and returns, especially in rural and northern communities that remain highly dependent on this service.

Canada Post is putting in motion an initiative that will optimize its retail network, including leveraging greater use of franchise post offices. Franchise offices are stores within stores.

I am getting direction from the Speaker. With that, I will wrap up, and I would be happy to answer any questions.

• (1325)

Mr. Craig Scott (Toronto—Danforth, NDP): Mr. Speaker, I thank my colleague for his well-constructed speech. I do appreciate the fact that he took some trouble to try to outline what he perceives as some of the benefits to community boxes that have to be taken seriously.

My concern is that Canada Post did not engage in any serious consultation, especially on alternatives, for knowing whether or not community boxes are even necessary in urban areas.

Business of Supply

A colleague in the House across the way said that he received only three communications. I have received hundreds from my constituents. Eighty per cent of them said it is a good idea to at least explore the option of postal banking. In the Conference Board report that Canada Post relied upon, the corporation simply dismissed that option as unviable, with no reasons.

In the spirit of looking thoroughly at issues—and here I would be open to discussing community boxes in the way he suggested—I ask the hon. member if he does not think postal banking should have been seriously considered by Canada Post.

Mr. Larry Miller: Mr. Speaker, I think it has been made pretty clear by Canada Post that a lot of thought went into the changes it has proposed. I think, like any business and any government, we should always be looking at different ways to do business or deliver services. It would not surprise me if Canada Post still has an ongoing review of how it delivers its services. The gentleman across the way is suggesting that he maybe had one of them. I am certainly not privy to that. However, I am sure that Canada Post is listening to him and that it is going to looking at all different types of things.

Mr. Jeff Watson (Parliamentary Secretary to the Minister of Transport, CPC): Mr. Speaker, I appreciate the intervention by my colleague, who, as chair of the transport committee, will remember that we had an important hearing on this matter. Not only did Canada Post appear there in order to defend its five-point plan, but we also heard from witnesses, including the Canadian Centre for Policy Alternatives, which the opposition says commissioned a study on postal banking. Perhaps the member will remember that I asked if that study had been submitted to Canada Post for its consideration during the public comment period, but that CCPA said no, that in fact it had not even submitted it for consideration at all.

Second, in response to a simple question like, “Have you looked at the costs of postal banking?”, all their report contained was a suggestion that maybe we should get some kind of a committee together to look at this in some ongoing fashion. In other words, it was a recommendation for further delay. They had not really done their own due diligence.

Perhaps the member would like to remind the House that in fact the other side has not even fully explored that particular issue. It could not provide an idea of what it would cost to capitalize a bank much less to run it, and how that would not be a solution for Canada Post to pursue.

• (1330)

Mr. Larry Miller: Mr. Speaker, I thank my hon. colleague, the Parliamentary Secretary to the Minister of Transport, for his ongoing work on this as well.

The member is correct in his assumption. It is quite common for many of the opposition members across the way. It is like letting the horse run out of the barn and then, all of sudden, trying to close the door. There should have been ongoing concern and suggestions. If this were such a big and important thing, they should have been bringing it up beforehand.

This government, through Canada Post, realizes that the system it is currently using is broken. It is doing its best to repair it.

It is human nature that as individuals, we do not like change. It is unfortunate that things have gone the way they have. I heard a member here talk earlier about the fact that we used to have a bread man when I was a kid, who would come to our door. That no longer happens. Things change. Unfortunately, the good old days are not always the good old days.

Mr. Lawrence Toet (Elmwood—Transcona, CPC): Mr. Speaker, I am pleased to rise today to speak on this motion with respect to Canada Post.

In December 2013, Canada Post announced its five-point action plan to return the corporation to financial self-sustainability by 2019.

The need to transform postal administrations is not unique to Canada. Mail volumes are declining globally, according to the Universal Postal Union, the United Nations body that sets the rules for international mail exchanges, and particularly so in developed economies. This is happening as a result of the growth of electronic communications, such as email and smart phones, including texting and the rise of e-communications.

The vast majority of bills were paid by mail 10 years ago. Now bill payment has moved online and some companies are even charging a supplementary fee to continue bill delivery by mail.

Personal letters are also on the way out, with letter writing become something of the past. Gone are the days when mail was delivered many times per day, as it was in the United Kingdom, for example. Cars have since replaced horses, computers have since replaced mechanical calculators, and email and texting are steadily replacing what many Canadians refer to as snail mail.

Greeting card companies are also experiencing a similar downturn in business as electronic birthday cards are becoming more popular. In the United States, where roughly 40% of the entire world's mail is delivered, the U.S. Government Accountability Office has estimated that total mail volume could fall by 60% by 2020 compared to peak 2006 levels. In a study undertaken by that organization in 2012, it also found that the United States Postal Service had excess processing capacity. This was despite the fact that the U.S. Postal Service has made significant cuts to its sorting plants and operations since 2006. The same study predicts that the U.S. Postal Service will reach \$21 billion in net losses by 2016.

In the United Kingdom, until recently the Royal Mail operated at a loss. That was as a result of declining mail volumes and the deregulation of its postal market in 2006. This deregulation opened the door to foreign-based mail companies, which began to compete in the most lucrative, low-cost, urban business mail sector. These companies offered cheaper rates than the Royal Mail, thereby putting additional pressures on the Royal Mail's revenues.

In much of northern Europe, such as in the Netherlands and Scandinavia, where Internet penetration has exceeded 90%, the percent of mail volume decline has hit double digits.

What is the rest of the world doing about declining postal business?

Business of Supply

Each country has a unique postal environment, including geography, population density, and climate. Not surprisingly, given national and, to some extent, political differences, each country is pursuing its own approach to the downturn in mail volumes.

In the United States, a bill was introduced in Congress in July 2013. If passed, the postal reform act of 2013 would authorize the United States Postal Service to end door-to-door mail delivery and implement a five-day a week delivery schedule.

According to the U.S. Postal Service, about 30 million Americans, or less than 10% of the population, get their mail directly to their front door at a yearly cost to the postal service of about \$353 per household. In comparison, delivery to cluster mailboxes, which are similar to Canada Post's community mailboxes, costs about \$160 per address per year. Since few Americans spend more than a fraction of the delivery cost per year on stamps, the goal is to cut the cost of delivery as much as possible, particularly since the U.S. Postal Service has a mandate to break even, something it has not achieved in years.

If passed, the postal reform act of 2013 would also remove the current no lay-off clause from future postal worker collective agreements.

Given that the legislation has not yet passed, the U.S. Postal Service is taking steps within its power to reduce costs. The U.S. Postal Service has now converted more than 6,000 of its post offices to reduced hour operations, which it hopes will save \$500 million a year.

In the United Kingdom, the government has decided to privatize the Royal Mail. In 2011, the U.K. government passed the Postal Services Act that set the stage for the privatization of the Royal Mail, albeit the latter will still be required to continue fulfilling the universal postal service. Recognizing that the privatization could not be successfully carried out as long as the company was running at a loss, the United Kingdom increased postage stamp rates in 2012. To increase revenues, rates were increased by 30% for first class mail and 36% for second class mail. This translates into a cost of over a dollar at current exchange rates for first class mail.

• (1335)

The U.K. government also assumed the assets of the Royal Mail's pension regime, representing 28 billion pounds Sterling, or approximately \$45 billion Canadian dollars. It also assumed the pension regime liabilities amounting to 8.4 billion pounds, or around \$14 billion more than the asset amount. This allowed the Royal Mail to make profits in 2011 and 2012. In 2012, the post offices were spun off into a separate limited company that received almost \$2 billion in subsidies from the government.

Canada Post's five-point action plan avoids the heavy subsidies that governments of other countries such as the United Kingdom have provided their postal systems.

Deutsche Post was also privatized, but Germany took a very different approach than Great Britain. The German government gave Deutsche Post the freedom to expand its business while continuing to operate in a protected German postal market. This market protection occurred before Deutsche Post went public in 2000 and for some years thereafter. In 1998, Deutsche Post began acquiring

DHL and has since consolidated its leadership in the logistics and freight business through subsequent acquisitions of other companies. The protection afforded to an expanding Deutsche Post led it to becoming the world's largest courier company.

In fact, mail delivery makes up less than 20% of Deutsche Post's DHL business. Recognizing the advent of electronic communications, Deutsche Post was one of the pioneers of hybrid mail. Mail can be sent electronically through email and then delivered in physical form. The reverse scenario is also possible, where physical mail is scanned, sent electronically and then printed off using a handy Deutsche Post printing device. Legal documents are often mailed using this approach.

Other postal services have also diversified their business lines to offset shrinking mail revenues. Australia Post, for example, has diversified its services by selling licenses to post offices, which also sell electronics, travel items, books, phones, et cetera. This diversification has occurred in response to the declining mail revenues. Last year, Australia Post lost a record \$187 million Australian dollars on its traditional mail business. Australia Post just conducted a survey to determine whether customers would prefer to have their mail delivered three times a week or pay an annual \$30 fee for daily delivery.

Canada is a vast country. In fact, it is the largest of the G7 countries. Although it may only be 100 square kilometres bigger than the United States, it is almost 40 times the size of the United Kingdom. From a population density perspective, the United States has over 10 times the population density of Canada and Japan has over 100 times the population density of Canada, yet Canada's postal service is able to move Canadian mail at competitive prices over vast distances in our country, which at times experiences difficult weather. Other countries do not face these same challenges.

Rather than having Canada Post expand its business activities into areas for which it is not well suited, a more important question that Canada Post has considered is what sort of postal services do Canadians need? Canada Post has responded to the challenge of declining mail volumes. The result is Canada Post's five-point action plan announced in December 2013.

This plan is within the parameters of the Canadian postal service charter announced by the government in 2009. While it is easy to criticize Canada Post for taking steps to ensure the survival of Canada's postal system while meeting the needs of Canada's postal consumers, the alternative is the threat of a failing postal service provider, or a postal service that is no longer economically viable and operates with huge debts that ultimately will have to be borne by Canadian taxpayers.

While it is true that mail volumes are in decline, it is also true that mail will be around for some time. Canada depends on Canada Post to deliver the mail and this government expects Canada Post to continue to provide this service for years to come while ensuring sound fiscal management.

Business of Supply

• (1340)

Mr. Bruce Hyer (Thunder Bay—Superior North, GP): Mr. Speaker, it seems clear to me that the model being fostered on that side of the House is one where the parts of the business that are highly profitable, as in the case of VIA Rail's Montreal to Windsor corridor, will be privatized. That is the clear goal. As a result, the rest of Canada will be left without service. What will happen is that the profitable mail delivery in our urban areas will at some point become more and more privatized, but the people in remote, rural and small communities like northwestern Ontario will suffer.

Why is the member across the way adopting an attitude that will not treat all Canadians the same in the long run in terms of postal service?

Mr. Lawrence Toet: Mr. Speaker, the member for Thunder Bay—Superior North brings forward the case of privatization, which was actually rejected by Canada Post when it went through its five-point plan, so his conjecture there is completely wrong. It did this through consultation with Canadians. I know for a fact that consultations occurred. In fact, in my riding, I sent out a mailer last summer to every person in my riding requesting that they get involved in the consultation process because I knew, obviously, it would have an effect on people in my riding. Many of them did respond to Canada Post and to me and gave feedback as to what they wanted to see Canada Post do, going forward.

There was great consultation that did occur on this, and I am happy to hear that Canada Post is continuing to talk to people about the various challenges and is working with them toward solutions.

Mr. Jasbir Sandhu (Surrey North, NDP): Mr. Speaker, I have seen over the last two and a half years that, whenever the Conservatives bring in a bill, it usually turns out they have not consulted the stakeholders, the very people the particular legislation would affect. The member just pointed out there was some consultation with the communities. I have talked to a number of people over the last two or three weeks. I talked to the seniors, the students, postal workers and many people in my community. They have not been consulted in regard to what changes are being proposed by Canada Post.

The member pointed out there were some consultations with Canada Post. Would he table what the results were of those consultations and who was consulted? I ask this because, clearly, Canadians have not been consulted on this.

Mr. Lawrence Toet: Mr. Speaker, I actually have a piece here in my hand from Canada Post, which is its consultation with Canadians, which it had published. It shows the consultation process it went through.

We knew last summer that Canada Post was going through this process, and as members of Parliament every one of us had the ability to reach out to our constituents. I did reach out to my constituents and asked them to become part of the process. Everyone in the House had that opportunity and should have taken advantage of it.

• (1345)

Hon. Michelle Rempel (Minister of State (Western Economic Diversification), CPC): Mr. Speaker, every day across the country owners of going concerns, people who are responsible for delivering

services, ask one question. They ask if the services or products they deliver are helping to ensure the long-term sustainability of their business, ensuring that they have the ability to have workers work in this for the long term and ensure that they have pensions. Every day across Canada, owners of businesses ask this question.

Canada Post lost \$129 million in the third quarter. Does my colleague think it is taboo for us as legislators to ask whether we should not be doing the same thing and asking whether or not a going concern should deliver services more effectively and efficiently for the long-term sustainability of its service delivery?

Mr. Lawrence Toet: Mr. Speaker, as a business owner for over 25 years, I did that on an ongoing basis. We are always looking at our business model to see whether areas of it are running in a profitable way and whether we are delivering the services our clients need to the best of our ability. That is an ongoing thing. As a government, it is something we absolutely should be doing and must continue to do in all aspects.

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, I am happy to be sharing my time today with the member for Brossard—La Prairie.

I am delighted to rise in the House today to speak about our NDP opposition day motion condemning Canada Post for its plans to privatize more post offices, hike postage rates to unaffordable levels and make our country the first in the world to eliminate door-to-door delivery. Unfortunately, I only have 10 minutes to participate in this debate, so I know I am going to run out of time before I will be able to make every point that needs to be made here today.

However, let me be crystal clear right from the start. I firmly believe that door-to-door mail delivery is a valuable service provided by Canada Post, and I am fundamentally opposed to Canada becoming the only country in the G7 without such a service.

It is ironic that the last time we debated matters related to Canada Post in the House was in June 2011, when the Conservatives had locked out members of the Canadian Union of Postal Workers and then brought in legislation to order them back to work. At that time the government argued that the services provided by the men and women of CUPW were absolutely essential to the Canadian economy, and it used that argument as its main justification for the urgent need to pass back-to-work legislation.

Now, just a mere two years later, those very same postal workers are now expendable. Laying off 6,000 to 8,000 postal workers suddenly does not matter. That is nonsense. It is as important to support Canada's mail delivery system now as it was then. For me, the memories of that last debate are bittersweet. It was the last time that our former leader, the hon. Jack Layton, made a speech in the House. As all of us who were in the House that day will remember, Jack was not well that day, but this issue was so important to him.

I remember him speaking of Gary, the postal worker who delivered the mail to his home in Toronto. He spoke of the very special relationship that Gary had developed with Jack's mother-in-law and the mother of the MP for Trinity—Spadina, who at the time was 85-years old. Like so many seniors, she depended on Gary to keep her connected to the rest of the world, and it was a relationship she valued and cherished. Jack then went on to speak about one of the fundamental values of all New Democrats, the right to free collective bargaining. Here is what he said:

It is important for us to understand that the benefits provided by collective agreements go beyond a mere contract. The added benefits negotiated by workers over the years have helped to raise the standards for all Canadians. Unionized workers fought for rights that we now take for granted: a decent wage to raise a family—the salaries of unionized workers have a positive upward effect on the salaries of non-unionized workers—plus occupational safety and health standards, the 40-hour work week, weekends, protection against harassment, vacations, workplace pension plans, and the list goes on.

Hand in hand with progressive parties like the New Democratic Party, collective bargaining has been one of those engines for progress for working people. I see this as a legacy to build upon, not something to be torn down.

Then Jack ended his speech with the words, “That is all I can say at the moment”. As we all know now, it was literally all he was able to say. His body was failing his indomitable spirit.

However, the rest of us picked up where our leader left off. It was an incredible few days. For the newly elected members of our caucus, it was their first time to give a speech in the House. It was the first time they had sat around the clock, and yet there were no complaints. Even when they were not able to attend events to celebrate the national holiday of Quebec, they stood up in the House for what they believed in. They joined in the struggle for decent jobs for the members of the Canadian Union of Postal Workers and for future generations of workers.

In many ways, that fight forged our solidarity as Canada's strong, progressive opposition. It is that opposition that is bringing the fight to protect Canada's postal service to the floor of the House again today. We have been brought to this point by an unbelievably cynical move by Canada Post in December of last year. It was the day after the House rose that Canada Post announced its major cuts to our postal service in the hopes that MPs would not be around to mount a campaign. To boot, the minister responsible for Canada Post, after offering a written statement in support of the cuts, then refused to answer any questions. However we did take notice, and we know what has been happening. In fact, the changes started some time ago.

Since January 2012, dozens of Canada Post offices have been closed or given closure notices. Rural services have been particularly hard hit by the changes so far. Now Canada Post has announced it will be eliminating home delivery services in urban areas, pursuing privatization of postal outlets, drastically increasing postage rates up to \$1 a stamp and laying off 6,000 to 8,000 workers. This is a movie we have seen before from the Conservatives.

• (1350)

Under Prime Minister Brian Mulroney, the Conservatives closed more than 1,500 post offices across the country. However two wrongs do not make a right. Let us be clear: these cuts are detrimental not just for Canadians who will no longer be getting home delivery services, but the announced price hikes will hurt businesses and charities that rely on mail service for their daily

Business of Supply

operations. Perhaps that is why Canada Post did its level best not to let Canadians know what it was planning.

It is inconceivable to me that such major cuts are being pursued without proper public consultation. The public owns Canada Post. It has a right to input.

Let us look at the so-called business case that we are expected to buy into.

As I mentioned earlier, Canada Post workers were locked out in 2011, shutting down operations of Canada Post and resulting in its first deficit in over 15 years. However, Canada Post made more than \$1.7 billion profit over 16 of the last 17 years. The one year of deficits is now being used by the Conservatives as a justification for these draconian cuts.

What the Conservatives are not talking about is that the Prime Minister appointed a new CEO just months before the 2011 lockout of Canada Post employees, with a salary of \$0.5 million and a 33% bonus. That CEO has 22 vice-presidents. That same president then cut the drug coverage and other benefits of all employees, including those on sick leave and disability. It is a disgrace.

Let us look at what should have happened.

Any changes should be premised on the underlying principle that having a reliable and accessible mail delivery service is vital to Canadians. Canada Post has provided critical and essential services for over a century and Canadians depend on their local postal services. So for me, it is essential that we protect home delivery and improve services to attract new customers and raise new revenues for Canada Post.

Canada Post can modernize its services without going down the road to privatization, but that requires consulting and engaging with Canadians in a meaningful way to find ways to expand postal services instead of gutting them.

Canada Post should be exploring new ways to find revenue to maintain existing services, like through expanded e-commerce or financial services, which have proven to be successful around the world.

A responsible government would consider a range of solutions to renew our postal services and to attract new customers. That expansive approach would be welcomed by Canadians from all walks of life who are expressing their outrage through rallies, petitions, motions passed by municipal councils and letters to the editor about the proposed cuts at Canada Post and the Conservatives' endorsement of those cuts.

I know my time is running short, but let me just conclude by giving voice to the concerns of Canadians here on the floor of the House. That is what we are sent here to do. We are sent here to represent Canadians, not to represent Canada Post.

Seniors and persons with disabilities were the first to express outrage because they know these changes threaten accessibility to their mail, especially in the winter and in the rain.

Statements by Members

Low-income Canadians, charities and small and independent businesses were next, frightened by the disproportionate impact that the price hike on stamps will have on them.

For law enforcement officials, security at community mailboxes was a concern because they are keenly aware of reported incidents of mail and identity theft at those community mailboxes.

Municipal councillors are upset because no consideration has been given to the urban planning impact of these changes.

Of course, postal workers are concerned about jobs and working conditions.

All of these concerns are real. All of these concerns are legitimate, and they should have been considered before Canada Post moved forward with these drastic cuts.

As I said earlier, the public owns Canada Post and it has a right to be heard.

• (1355)

Mr. Jeff Watson (Parliamentary Secretary to the Minister of Transport, CPC): Mr. Speaker, I have a simple question that I would like to ask the member.

If maintaining existing door-to-door delivery is an essential service, which is currently only delivered to one-third of Canadian addresses, is the member saying that it should be expanded to the other two-thirds of Canadian addresses, which do not receive door-to-door delivery? If so, how does she propose Canada Post, which is losing money, pay for that?

Ms. Chris Charlton: Mr. Speaker, I am delighted to get this question, because one of the points the Conservatives have been making in the debate all morning long is that only a third of Canadians actually receive mail delivery at their homes. That, frankly, is not true. While 33% of Canadian households receive door-to-door delivery, another 25% get mail delivered to the entrances of their apartment buildings, which are their homes. Another 5% get delivery to their homes by way of rural mailboxes. Only 25% of households receive delivery at a community mailbox, group mailbox, or kiosk. If the Conservatives wanted to have a factual debate, it would be important to actually reflect the reality of postal delivery services in our country.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, the Conservative member suggested that it is about cost savings. When we think of Canada Post, we should know something. There is a president. That is the individual who said that it is good exercise for our seniors, and that is one of the motivating reasons for this cutback. There are two group presidents. There are seven senior vice-presidents, and there are 12 vice-presidents.

When I asked the minister responsible about the costs, she had no idea what the costs were. She suggested that we would have to check with Canada Post. Imagine being a letter carrier or someone sorting mail in the mailroom, and the minister has no concept of what those cost savings might be. It has to be frustrating.

Could my colleague in the New Democratic ranks affirm that one of the fears many of the letter carriers and others I have had the opportunity to talk to have is that they just cannot trust the

Conservative government with Canada Post? There is a genuine fear of privatization. Maybe she could comment on that.

Ms. Chris Charlton: Mr. Speaker, certainly Canadians from coast to coast to coast are aware of the irony of a structure that has 22 vice-presidents, along with its president, that cuts the sick benefits of its employees. There is something fundamentally wrong in a corporation that is run that way.

Let me also say, to the hon. member's point, that the Conservatives, in talking about the financial need to engage in these changes, keep relying on a report by the Conference Board of Canada. The Conference Board based its 2020 estimate on the assumption that Canada Post would lose \$250 million in 2012, but the corporation did not. Canada Post actually made \$94 million in net profit in 2012. This is hardly a study we should be relying on to decide the future of Canada's postal services.

The Acting Speaker (Mr. Barry Devolin): The time for government orders has expired. The debate will resume after question period.

STATEMENTS BY MEMBERS

• (1400)

[*Translation*]

FRANCINE LALONDE

Mrs. Maria Mourani (Ahuntsic, Ind.): Mr. Speaker, on January 16, 2014, our colleague and friend Francine Lalonde passed away. As a member in this House for 18 years, Ms. Lalonde dutifully represented the ridings of Mercier and La Pointe-de-l'Île. She passionately defended complex, sensitive issues such as the case of Nathalie Morin, who is still being held in Saudi Arabia with her children, and end of life care.

Francine was a caring woman and a fighter who battled bone cancer for over seven years. A committed sovereignist, she was well liked and respected both at home and abroad. She was a true inspiration for me, a model of courage and determination.

Farewell, my friend. I miss you already.

* * *

[*English*]

COLDEST NIGHT OF THE YEAR WALK

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Mr. Speaker, every night an estimated 30,000 Canadians are without a place to sleep, facing not only hunger, loneliness, and the cold but also a loss of hope, the oxygen of the human spirit. It is for this reason that on February 22, Darlene and I will be participating in a 10 kilometre Coldest Night of the Year walk.

Walks in 64 cities across Canada give us the opportunity to experience a hint of the challenges faced by those experiencing homelessness. Since 2011, \$2.4 million has been raised to help some of Canada's most vulnerable citizens. In Kitchener-Waterloo, donations go to Ray of Hope, an organization that works with at-risk youth, equipping them to make responsible decisions and enabling them to make a positive contribution to their communities.

Statements by Members

Providing hope to vulnerable Canadians does make a difference. I invite and encourage every Canadian to be part of this event. Visit www.coldestnightoftheyear.org to join or support a local walk.

* * *

[*Translation*]

PYRRHOTITE

Ms. Ruth Ellen Brosseau (Berthier—Maskinongé, NDP): Mr. Speaker, yesterday the Minister of Finance announced when the budget will be tabled. One of the first things I will be looking for in the budget is a support fund for pyrrhotite victims.

Hundreds of families in the Mauricie region have been living a nightmare since they learned that their home's foundation contains pyrrhotite. The average cost for the repair work is over \$200,000. A total of \$1 billion will be needed to clean up the mess created by pyrrhotite in the region.

The federal government clearly has a role to play. It cannot abandon these families and should immediately change the quality standard for aggregates used in concrete.

I invite the minister responsible to come to Mauricie to see the extent of the damage. I hope that the government will take action on February 11 and offer assistance to pyrrhotite victims.

* * *

[*English*]

EMERGENCY RESPONSE IN WAPSKE

Mr. Mike Allen (Tobique—Mactaquac, CPC): Mr. Speaker, on January 7, just after 6 p.m. eastern time, a CN Rail train derailed in Wapske, New Brunswick, a small community just outside Plaster Rock. Thankfully there were no injuries to rail employees or any residents as a result of the accident. A large part of that was due to the great work of the many first responders, both career employees and volunteers, who quickly reacted to the incident to provide fire control, resident evacuation, and ongoing site management.

I want to thank all the people who so graciously provided for the evacuees while they were away from their homes, the mayor and village staff, and all of the region's volunteer firefighters. Most notably I would like to thank Chief Tim Corbin, of the Plaster Rock fire department, who played a key leadership role in ensuring a fast response to the accident. This shows the importance of volunteer fire brigades to our rural communities and their commitment to the training required to get the job done, no matter what the situation. I am sure we will see many of these folks in a few weeks, contributing their volunteer time again as the world comes to Plaster Rock for the World Pond Hockey Championship.

On behalf of all the good people of Tobique—Mactaquac, I thank them for all they do to contribute to and ensure the public safety of our communities.

* * *

BLACK HISTORY MONTH

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, February is Black History Month, a time for us to explore and celebrate the rich and proud traditions of African Canadians. In 1995, Prime Minister

Chrétien made this designation with the intention of highlighting the countless contributions made by people of African descent to the Canadian mosaic, such as Donovan Bailey, Lincoln Alexander, Wayne Adams, Jean Augustine, and dozens of others who push outdated boundaries and show us what is truly possible.

In this spirit, I am proud to welcome a group of our leaders to the nation's capital. These young Canadians from the Breakfast Clubs of Toronto represent hope and change. I invite all members to meet with them following question period.

In the upcoming days, I would also encourage my colleagues and all Canadians to celebrate the many substantial offerings made in our community by our friends and neighbours of African descent. Certainly we are all better off for their work, their generosity, and their spirit of giving.

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● (1405)

WOMEN'S EQUALITY

Mr. Dean Allison (Niagara West—Glanbrook, CPC): Mr. Speaker, it is my pleasure to stand before the House today to share with members and all Canadians the courage in the actions of Professor Paul Grayson of York University.

In September of last year, Professor Grayson received an unusual request from one of his students. The student asked to be exempt from in-person group work on religious grounds, because it would involve having to be in the presence of women. Professor Grayson consulted with the dean of the faculty and with the campus' Centre for Human Rights. Both asked him to accommodate the student's request. Professor Grayson refused to follow their instructions. Courageously, he refused to accommodate sexism at York University.

Women's equality is not negotiable. It is important to clearly state that the equality of women is a fundamental Canadian value. Women have made tremendous strides in all areas of society. It is unacceptable to ignore, stifle, or reverse this progress. I would like to thank Professor Grayson for standing up to his superiors on this important issue and for standing up for women's rights and equality.

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[*Translation*]

DATA PRIVACY DAY

Ms. Charmaine Borg (Terrebonne—Blainville, NDP): Mr. Speaker, today I am pleased to talk about Data Privacy Day, a day that highlights the importance of reflecting on what we are doing to protect Canadians' data as we comply with and implement the requirements set out in our laws.

Statements by Members

I would like to commend the excellent work by all of the organizations, experts and researchers who dedicate their lives to maintaining consumer confidence and people's civil liberties. Canada has a poor record in this regard. The Personal Information Protection and Electronic Documents Act has not been updated since iPods were introduced. Now we hear about yet another data breach almost every month, so it is definitely time to act.

Tomorrow, the House will vote on my bill to modernize our legislation and ensure that Canadians have the up-to-date, appropriate protection they deserve. I urge my colleagues to vote in favour of this proposal. Everything is ready. All we need is for the government to get on board because we are all responsible for the security of our fellow citizens.

* * *

[English]

RETIREMENT CONGRATULATIONS

Mr. James Rajotte (Edmonton—Leduc, CPC): Mr. Speaker, I rise today to recognize a great Canadian, Reg Milley, who just this week retired after almost a decade of serving as president and CEO of Edmonton International Airport. During his tenure at EIA, Reg oversaw a transformation of the airport that included greatly expanded air service; expansion of the terminal, which was on time and under budget; and the building of lasting relationships through his tireless service for the entire capital region.

It is no mistake that since Reg started in 2005, the airport has added over 15 new non-stop flights, making Edmonton a gateway to the northwest and allowing the region to be a continued driver of economic success. Furthermore, domestic traffic has grown by nearly 50%, U.S. traffic by nearly 100%, and international traffic by an astounding 173%.

On top of being a savvy businessman, Reg will be missed most for his high moral character and his passion for the Edmonton region. He has received numerous awards and accolades for his exemplary leadership. I would like to join the long list of those who would like to thank him and wish him and his wife, Marcie, the best in his future endeavours. Thanks to Reg.

* * *

LET'S TALK DAY

Mr. Rick Dykstra (St. Catharines, CPC): Mr. Speaker, I rise today to remind all members that today is Bell Let's Talk day, when Canadians come together to talk, text, and tweet about mental health and help fight the stigma surrounding mental illness. I ask all members to join me, along with Clara Hughes, to keep the conversation going. Today when Bell customers text or make mobile or long-distance calls, or when Canadians tweet using #BellLetsTalk or Facebook share, another 5¢ will be added to the cause.

Last year the response was overwhelming. Donations were made 96 million times, and Canadians added another \$4.8 million to the Bell commitment.

Twenty per cent of Canadians will experience a mental health issue in their lifetime, but two out of three will suffer in silence due to the continuing stigma. Mental illness costs our economy more

than \$52 billion a year, and in any given day, more than half a million Canadians will miss work because of it. Mental illness can touch anyone.

I ask all members to join the conversation today. I would like to thank Bell for its leadership on this issue. "Let's Talk".

* * *

TIM JONES

Mr. Fin Donnelly (New Westminster—Coquitlam, NDP): Mr. Speaker, I rise today to honour the life and legacy of Tim Jones, team leader of North Shore Rescue, who passed away suddenly on January 19.

Mr. Jones was a true leader in his community. For over 25 years, he volunteered his time with North Shore Rescue, where he participated in countless rescue operations. His tireless commitment served as an example to search and rescue teams across British Columbia.

Saturday's memorial service was a testament to the impact he had in his community and on those around him. Tim Jones will truly be missed. While Mr. Jones' passing leaves a big hole for the search and rescue community, the leadership and integrity he demonstrated on a daily basis will endure and inspire others to continue carrying on his life's work. The world is indeed a better place because of Tim Jones.

On behalf of the New Democratic Party, we offer our condolences to his family, friends, colleagues, and the entire search and rescue community.

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● (1410)

TIM JONES

Mr. Andrew Saxton (North Vancouver, CPC): Mr. Speaker, I rise today to mark a terribly sad occasion: the tragic death of Tim Jones. Tim was a devoted husband, inspirational father, loyal friend, dedicated paramedic, and the public face of an incredible organization in my riding called North Shore Rescue.

Sadly, on January 19 Tim succumbed to a heart attack on the very mountain where he personally spearheaded hundreds of rescue operations that helped save the lives of hikers, skiers, and numerous other outdoor enthusiasts. For over 25 years and on a voluntary basis, Tim risked his life alongside his teammates at North Shore Rescue every time he went out on a call. They will remember him as being a deeply caring and supportive, as well as tough, leader. I will remember him as a tireless advocate for raising awareness about safety in the wilderness and as a friend. He had the kind of passion, energy, and personality that made him a natural leader and friend to the community. He was our hero.

The impact of our great loss will not be easily forgotten, and our thoughts and prayers go out to the Jones family at this difficult time. Tim will be greatly missed.

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[Translation]

CONSUMER PROTECTION

Ms. Annick Papillon (Québec, NDP): Mr. Speaker, the NDP has just launched its “Making life more affordable” campaign. The NDP is the only party in Canada that understands what life is really like for families.

The cost of living has never been higher, and half of all Canadians live paycheque to paycheque. Making ends meet has never been harder. That is why the NDP thinks it is time to take action, ban fees for receiving paper copies of bills, limit ATM fees to 50 cents per transaction, cap credit card interest rates, bring in a gas price ombudsman who can put an end to the collusion between the oil companies and respond to the complaints from consumers who are feeling robbed, and implement an air passenger bill of rights like the one in Europe.

The solutions are simple. The Conservative government can make all the promises it wants, but it is not doing anything. In 2015, the NDP will deliver.

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[English]

EMERGENCY RESPONSE IN PROVENCHER

Mr. Ted Falk (Provencher, CPC): Mr. Speaker, this past Saturday morning more than 4,000 homes in Provencher, including my home, were left without heat after a natural gas pipeline exploded near Otterburne, Manitoba. Several homes near the explosion were evacuated. It has, today, warmed up to a tropical -34° wind chill.

Many residents found warm places to stay with friends, neighbours, and relatives. Others have used space heaters to heat their homes, and some have made use of the emergency warming shelters which were quickly opened.

Our government has been closely monitoring the situation. I am happy to report that as of this morning, natural gas service has been restored to many of the homes and businesses affected and is expected to be restored to the remainder this afternoon.

On Saturday I visited the Hanover Emergency Operations Centre. I want to commend the emergency personnel, who have done an incredible job in keeping the public updated on the situation and on the progress being made to restore the flow of natural gas to homes and businesses affected.

I am proud to see how our communities and emergency crews in Provencher have banded together to work through this crisis.

* * *

LET'S TALK DAY

Mr. Justin Trudeau (Papineau, Lib.): Mr. Speaker, today Canadians will be participating in the Bell Let's Talk campaign focusing on mental health issues in Canada. On this occasion, we all

Statements by Members

recognize that talking is the first step toward ending the stigma and bringing about change on mental health.

[Translation]

Today we have the opportunity to talk about mental health with our loved ones, within our communities and all across Canada. This kind of illness affects us all. One out of five Canadians will personally be affected by mental illness at some point in their life. We all know someone who has suffered in silence too long.

● (1415)

[English]

Like many members here, I am one of millions of Canadians whose families have been affected by mental illness. We need to keep talking about it. It helps.

Mental illness is one of the most widespread health issues in Canada, but today we say no matter who people are, they should remember they are not alone and that we are standing with them.

[Translation]

Do not forget that you are not alone.

* * *

[English]

SOUTHWESTERN MANITOBA

Mr. Larry Maguire (Brandon—Souris, CPC): Mr. Speaker, it is my privilege to rise in the House as the newly elected member for Brandon—Souris.

I want to inform the House that southwestern Manitoba is growing and I want to share with the House some exciting developments that are happening in the region.

Thanks in part to the investments of our federal government, Brandon now has regularly scheduled air service connecting southwestern Manitoba to Calgary and beyond.

Brandon University and Assiniboine Community College are pillars in the community and are cultivating our future leaders.

The region has some of the most fertile farmland in Canada, and farmers are feeding the world, as witnessed by the many record yields reported this past year.

Natural resources, including a booming oil patch, are creating thousands of high-paying jobs and, most of all, the people of Brandon—Souris are optimistic about their future.

To the people of Brandon—Souris, I am committed to working in the House to continue building on the economic growth in the region so that together we can seize that moment.

* * *

[Translation]

INTERGOVERNMENTAL RELATIONS

Ms. Éline Michaud (Portneuf—Jacques-Cartier, NDP): Mr. Speaker, last week, the Conservatives unveiled their new plan to reconquer Quebec.

Oral Questions

What is their strategy? A blue arrow. They think it will just be a minor hassle; that it is no big deal. They need a dose of reality.

Let us take a look at the Conservatives' track record in the regions targeted by their arrow: they made cuts to employment insurance; they said no to bilingual judges; they tried to close the Quebec City marine rescue sub-centre; they let red dust poison the people of Limoilou; they ignored rail safety recommendations; they cut VIA Rail services in eastern Quebec; they centralized Economic Development Agency offices; they closed regional post offices; and they failed to protect waterways for our fishermen.

As a result of their irresponsible policies, the number of Quebecers who support the Conservatives is about the same as those who think Elvis is still alive.

People remember the Conservatives' last slogan and they know what happened. Their region was abandoned by the Conservatives.

Quebeckers deserve better than a slogan that misses the mark.

* * *

[English]

ALL-SEASON ARCTIC ROAD

Mr. Bob Zimmer (Prince George—Peace River, CPC): Mr. Speaker, on January 8, more than half a century after former prime minister John Diefenbaker talked of a road to resources, our Prime Minister travelled to Inuvik to break ground on the construction of an all-season road to the Arctic Ocean, connecting Canadians sea to sea.

Until this historic highway is completed, cold Canadian winters continue to provide infrastructure opportunities for ice roads to service remote northern communities.

No government has made such significant investments in Canada's north as our Conservative government has. This \$300 million all-weather road to the Arctic hamlet of Tuktoyaktuk, Northwest Territories, is just one example of a commitment kept to those living in Canada's northern frontier.

While this Conservative government stands in solidarity with the north, the soft-on-Canadian-sovereignty leader of the Liberal Party refuses to say if vast offshore territory in the Arctic belongs to Canada. Clearly the Liberal leader is in way over his head.

ORAL QUESTIONS

[Translation]

VETERANS AFFAIRS

Hon. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, many veterans are here in Ottawa this week to ask the government to reverse its decision to close the eight service centres that are scheduled to be shut down this weekend.

This is a simple question. Will the Prime Minister listen to them or will he make even more cuts to services for our soldiers?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, it is quite the opposite.

The government is replacing a small number of Veterans Affairs Canada service centres with Service Canada's 600 service centres for Canadian veterans. That is a big improvement in services.

[English]

Hon. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, no, they are not all here in Ottawa this week to say thanks.

When our forces are facing a crisis of eight military suicides in two months, there has never been a more important time to maintain those services. The Conservative government plans to close eight veterans service centres this weekend. Some veterans will now have to drive five hours for a face-to-face meeting.

Does the Prime Minister find that acceptable, yes or no?

• (1420)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, of course that is completely false. What is happening here is a significant increase in service. There are a small number of service centres that are being closed that, frankly, serviced very few people, had very few visits. They are being replaced with 600 service centres across the country, and in an increased number of cases employees will actually go and meet veterans instead of the other way around.

* * *

CONSUMER PROTECTION

Hon. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, that is the Prime Minister's contribution to Bell's mental health day: cutting mental health services. Our veterans deserve better.

Yesterday the Prime Minister admitted what Canadians have known for a long time, which is that consumers are getting fleeced by unfair banking fees.

Will the Prime Minister commit today to actually doing something about limiting ATM fees and credit card rates in the next budget, yes or no?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I am certainly not going to let the previous comment stand. This government has vastly increased the mental health services available to our veterans. In fact, they are the strongest such services anywhere in NATO.

This government also created the Mental Health Commission of Canada upon coming into office to deal with the general challenges to mental health in Canada. I was pleased to be able to name Denise Batters to the upper House so that she can continue the work in the name of our former colleague, Dave Batters.

* * *

ETHICS

Hon. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, this is what happens when they enter their ninth year in power: they believe their own talking points.

Oral Questions

The veterans have a completely different version.

[*Translation*]

Liberal senator Mac Harb is also under criminal investigation in connection with the sale of 99.99% of the ownership of his home near Ottawa to a diplomat from Brunei, Magdalene Teo.

Will the Prime Minister ask the Brunei government to urge the diplomat to—

[*English*]

The Speaker: Order, please.

I did not hear anything in that question that touched on the administration of the government.

The hon. Leader of the Opposition has a supplementary question.

Hon. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, Brunei diplomat Magdalene Teo has so far refused to co-operate with the RCMP in the criminal investigation of the behaviour of Liberal Senator Mac Harb.

Will the Prime Minister ask the Government of Brunei to compel its official to co-operate with Canadian police?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, obviously I have complete confidence in the RCMP in terms of its responsibility for investigations.

Once again I am not going to let the previous comment pass. Part of what happens when a party spends 90 years in opposition is it forgets its own record.

This government has made record investments, five billion more dollars in veterans and veterans' services, and on every single occasion was opposed by the NDP. The NDP can explain that—

The Speaker: Order. The hon. member for Papineau.

* * *

EMPLOYMENT

Mr. Justin Trudeau (Papineau, Lib.): Mr. Speaker, the Skookum Jim Friendship Centre in Whitehorse offers basic skills to young people who need a job. It is funded through a labour market agreement that the Prime Minister wants to cut to pay for his failed Canada job grant.

Will the Prime Minister scrap his plan and ensure that the friendship centre can continue to get Whitehorse youth into the workforce, building pathways into the middle class?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, of course this government is going to continue all of its efforts to create jobs and to make sure there are Canadians to fill available jobs that the marketplace wants to offer them.

In terms of youth unemployment, I should note now that even with the levels that are higher than we would like them to be, the levels coming out of the recession today are lower than they were for the average of the entire Liberal government.

● (1425)

[*Translation*]

Mr. Justin Trudeau (Papineau, Lib.): Mr. Speaker, the Centre de formation et de perfectionnement du grand Sudbury helps francophone adults get the essential skills they need to enter the job market.

This program is funded under agreements that the Prime Minister wants to do away with so that he can pay for his failed Canada job grant program.

Will the Prime Minister scrap his plan so that the training centre can continue providing services to the people of Sudbury?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, this government has made massive increases to provincial transfers for job creation programs. At the same time, we are asking for better results. We want to see efforts being made to match workers and the unemployed to jobs that employers want to create. We intend to continue in that direction.

[*English*]

Mr. Justin Trudeau (Papineau, Lib.): Mr. Speaker, when the Prime Minister announced the labour market agreements in 2007, he said that the provinces have “the primary role and responsibility in the design and delivery of training programs”. But now he is contradicting himself, cutting those programs to fund his poorly conceived made-in-Ottawa Canada job grant.

In his upcoming budget, will he provide the funding to keep these effective job training programs alive?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, once again, this government has made very large increases to post-secondary education and training funds for the provinces, and it is their primary responsibility. At the same time, I would hope that the Liberal Party would finally recognize that job creation is also the responsibility of the federal government. We recognize that, which is why the Canadian economy has one of the best job creation records since the end of the recession.

* * *

[*Translation*]

ETHICS

Hon. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, on May 14, 2013, the Prime Minister's Chief of Staff, Nigel Wright, wrote that the Prime Minister was well aware that he was personally assisting Mike Duffy with the reimbursement of his expenses.

Is what Nigel Wright put in writing true or false?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the RCMP was clear about this issue: I had no knowledge of this matter.

[*English*]

Hon. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, the question was about what his chief of staff Nigel Wright wrote on May 14, and I am asking the Prime Minister the question. He wrote that “the Prime Minister knows...I personally assisted Duffy..”.

Oral Questions

Is the Prime Minister now saying that Nigel Wright was lying when he wrote that?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the RCMP has already been clear that I had no knowledge of this, as I said. We will obviously leave that investigation to the RCMP; they are responsible.

[*Translation*]

Hon. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, on page 20 of the RCMP's documents, Nigel Wright told the police that he had informed the Prime Minister of the plan to make an agreement with Mike Duffy.

Is the Prime Minister saying that Nigel Wright lied to the RCMP about this?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the documents that the official opposition leader is referring to indicate that Mr. Wright did not inform me of this matter.

[*English*]

Hon. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, six days after the deal with Duffy was made, six days after the Prime Minister gave the famous good to go, he stood up in this House and proceeded to deliver on his part of the deal. He read the very script that had been agreed to and said Duffy met the residency requirements to sit in the Senate.

Does the Prime Minister not understand that by his actions he is confirming that he knew about the deal?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, once again, the RCMP has looked into that matter and been clear, as I have been, that I did not know that.

• (1430)

[*Translation*]

Ms. Ève Péclet (La Pointe-de-l'Île, NDP): Mr. Speaker, how gullible do we look? The Conservatives are taking us for fools.

On December 19, 2013, the Prime Minister was asked about plausible deniability within his office. His response was that Mr. Wright knew "full well that I don't believe in that doctrine." Can the Prime Minister tell us at what point he informed Nigel Wright about his position on plausible deniability?

[*English*]

Mr. Paul Calandra (Parliamentary Secretary to the Prime Minister and for Intergovernmental Affairs, CPC): Mr. Speaker, as the Prime Minister has just stated, and as is stated on page 72 of the documents that the RCMP released, the Prime Minister knew nothing of this. As the Prime Minister has said on a number of occasions, had he known he would have put a stop to it immediately.

[*Translation*]

Ms. Ève Péclet (La Pointe-de-l'Île, NDP): Mr. Speaker, did the Prime Minister inform Nigel Wright of his position on the plausible deniability doctrine before or after Nigel Wright wrote a \$90,000 cheque to Mike Duffy?

[*English*]

Mr. Paul Calandra (Parliamentary Secretary to the Prime Minister and for Intergovernmental Affairs, CPC): Mr. Speaker, I can quite clearly say that the Prime Minister demands only the

highest ethical standards from all of the people who sit on this side of the House and all of the people who seek to run for the Conservative Party of Canada. That is not something we have ever hidden from.

The Prime Minister also did quite clearly say in caucus to Mr. Duffy that he had to repay any of the expenses that he did not incur. That is a standard that we expect, and that is the standard that all Canadians expect.

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, yesterday the Prime Minister defended the practice of having lobbyists sit on the Security Intelligence Review Committee. It is obvious to Canadians that this should not happen, and it ought to be obvious to the Conservatives too.

Will the Prime Minister be appointing any more lobbyists to the Security Intelligence Review Committee?

Mr. Paul Calandra (Parliamentary Secretary to the Prime Minister and for Intergovernmental Affairs, CPC): Mr. Speaker, what was quite clear yesterday was that the Prime Minister stated that we had the utmost confidence in Mr. Strahl. Mr. Strahl is an individual who served his country and his community for many years. When we leave this place we should all aspire to have the same reputation that he had when he left. He is an individual of the highest ethical standards. We are very proud of the work he did. Canadians should also be proud of the work he did. Unfortunately, the NDP is trying to turn it into a political thing. This is an individual we are proud of.

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, keeping with the trend of ethically questionable activities by ministers, does the Minister of Canadian Heritage and Official Languages believe it is appropriate for her to solicit funds from the cultural community for access to her? Does she really want us to believe that she was the only person at the event who did not read the invitation?

Hon. Shelly Glover (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, as I said before, I did not solicit funds and no funds were accepted.

I continue to work collaboratively with the Office of the Conflict of Interest Commissioner. Again, I had no participation in the planning of this event.

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, we have Chuck Strahl, the Enbridge lobbyist, appointed by the Prime Minister to oversee the agency that is spying on Enbridge's enemies. Now he is gone.

Then we have the Minister of Canadian Heritage and Official Languages charging admission to arts groups and she has to give the money back.

We have the MP for Renfrew who turned the light bulb on raising funds for the Tories by attacking her own government, until they shut the lights out on that scheme.

Getting caught is not an ethical standard. When will the Prime Minister close the loopholes and raise the very low bar on the ethical behaviour of his government?

Mr. Paul Calandra (Parliamentary Secretary to the Prime Minister and for Intergovernmental Affairs, CPC): Mr. Speaker, of course this is a government that has maintained the highest ethical standards of all time. One of the first items of business that we brought in was the Federal Accountability Act.

This is coming from a member who has raised thousands of dollars himself from the communities that he represents, in the shadow cabinet of the leader of the opposition. This is also a member who issued a press release over the holidays praising all of the investments we have done in the north, including in his riding, but he voted against every single one of those investments. We will continue to do right by Canadians and all those people in his riding.

* * *

• (1435)

INTERGOVERNMENTAL RELATIONS

Ms. Chrystia Freeland (Toronto Centre, Lib.): Mr. Speaker, when the Minister of Finance tabled the 2013 budget, he said that Canada's biggest economic challenge was our skills shortage. His alleged solution was the Canada job grant. A year later, the only thing the government has produced is a multi-million dollar advertising campaign for a program that still does not exist.

If a new plan is not in place by April 1, will the government extend the current labour market agreements with the provinces and territories or will the government simply cut the funding and run?

Hon. Jason Kenney (Minister of Employment and Social Development and Minister for Multiculturalism, CPC): Mr. Speaker, first I would like to congratulate the member on her election and on her first question to me.

We are committed to ensuring that Canadians have the skills necessary for the labour market of the future. We believe we can get better bang for the taxpayer's buck and the training dollars that are spent by ensuring there is a guaranteed job at the end of the training. We do not believe in training for the sake of training.

We also want to ensure that employers put more money into training. That is why we proposed the Canada job grant, to leverage a larger private sector investment in skills development and have a guaranteed job at the end of it. It makes a lot of sense, and we are making progress in discussions with the provinces.

* * *

[Translation]

CANADA POST

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, try as they might, the Conservatives cannot deny their involvement in plans to increase postal prices, lay off thousands of Canadians and eliminate home delivery. They need to explain to our seniors, to Canadians with disabilities and to small businesses why they approved such an outrageous plan.

Why do the Conservatives think that Canada is better off paying more for less?

[English]

Hon. Lisa Raitt (Minister of Transport, CPC): Mr. Speaker, the point of the matter is the fact that one billion fewer pieces of mail

Oral Questions

were mailed in 2012 than were mailed in 2006. Canada Post understands that it has to make changes to remain self-sufficient. It has had that responsibility since 1981. Its five-point action plan addresses this matter, and that is why we are supporting it.

* * *

EMPLOYMENT

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, young Canadians have 264,000 fewer jobs than before the downturn. Yesterday, on behalf of those young Canadians, I asked the Minister of Finance to admit the problem and to include a real jobs plan for young Canadians in the upcoming budget. However, the minister laughed off the question and said the status quo “serves young Canadians well”.

How can the minister tell young Canadians and their families that they are served well by the loss of 264,000 jobs under his watch?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, under our Conservative government Canada has one of the lowest youth unemployment rates in the G7. Since 2006, our government has helped 2.1 million youth obtain skills training and jobs. Budget 2013 also included 5,000 additional paid internships for youth.

* * *

RAIL TRANSPORTATION

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, protecting the public is the first job of any government, but this week we learned of yet another derailment. The Transportation Safety Board has repeatedly said that we must stop using the DOT-111 cars for dangerous cargo. For 20 years we have known these cars are not safe, yet the Conservatives just want to talk some more and do nothing.

What is the minister's timeline for phasing out the use of these cars for dangerous cargo, and how many more derailments will there be before they act?

Hon. Lisa Raitt (Minister of Transport, CPC): Mr. Speaker, we thank the Transportation Safety Board for its recommendations. This government has acted since the Lac-Mégantic tragedy that occurred this summer.

What we have done with respect to the DOT-111 cars is very clear. We have asked an advisory group on the transportation of dangerous goods to come together and study the matter. It is industry-led. It will be giving us its report by the end of January.

More importantly, two weeks ago we published tougher rules and regulations in order to ensure that new cars are going to be built to the greater standard.

Oral Questions

[Translation]

Mr. Hoang Mai (Brossard—La Prairie, NDP): Mr. Speaker, the minister is still talking about talking. For 20 years now, the Transportation Safety Board of Canada, the TSB, has been saying that DOT-111 cars are not safe. Twenty years. That means that the Conservatives and the Liberals ignored recommendations for improving rail safety. They ignored the warning signs.

Then came the Lac-Mégantic tragedy. The TSB is again recommending that the use of old DOT-111 cars be discontinued.

Can the minister tell us, right now, when these cars will be taken off the tracks?

• (1440)

[English]

Hon. Lisa Raitt (Minister of Transport, CPC): Mr. Speaker, with respect to the record of members opposite, that is the group that decided to vote against our proposals to increase rail safety in this country. It is pretty rich for them right now to ask us what we are doing. We have increased inspections and increased the money. The top priority in our minds is the health and safety of Canadians.

The reality is that these cars are international in scope. Traffic flows between the United States and Canada. We are working with our counterparts in the United States to address this matter.

* * *

[Translation]

CONSUMER PROTECTION

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, the Conservatives could choose to take action in order to make life more affordable for Canadian families. They could cap ATM transaction fees and prohibit major corporations from charging a fee for paper billing.

Will the Minister of Finance commit to including the NDP's practical solutions for making life more affordable for the middle class in the upcoming budget?

[English]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, it is not my habit to include NDP solutions to economic issues in Canada.

As highlighted in the Speech from the Throne, our government will take further action to expand no-cost banking options available to Canadians.

Ms. Peggy Nash (Parkdale—High Park, NDP): Sadly, Mr. Speaker, after eight years the Conservatives have simply failed to deliver for Canadian consumers.

Many families are struggling to make ends meet. Wages are stagnant, household debt is growing and costs are skyrocketing. The Conservatives have failed to act and they have failed to protect consumers. They have cut infrastructure spending, and they simply have no plan to create good quality jobs.

With this year's budget, will the finance minister change direction and finally provide real help for consumers to make life more affordable?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, the opposition should get its facts right. Those members might be interested to know that we have taken the time to consult with Germany; they would have discovered that Canada does indeed have the best job creation record in the G7, with 6.1% growth. Germany has the third best record, with 4% growth.

It is disappointing to hear the opposition cheering against Canada's economic performance.

* * *

NATURAL RESOURCES

Ms. Joan Crockatt (Calgary Centre, CPC): Mr. Speaker, my constituents in Calgary Centre know how important pipelines are not only to the economy but to all Canadians' quality of life. Our government knows that the Keystone XL pipeline would provide benefits and jobs across Canada. Surprisingly, the NDP still continues to oppose this project and Canadian jobs, while our government has been promoting those economic benefits and growth.

Would the Minister of Natural Resources please update the House on this critical Keystone project?

Hon. Joe Oliver (Minister of Natural Resources, CPC): Mr. Speaker, I would like to thank the member for Calgary Centre for her very timely question.

As we all know, the Keystone XL pipeline would enhance national security and create tens of thousands of jobs and billions of dollars of economic activity. It has been the most studied natural resource project in the history of the world. The time for decision is now.

It is shameful that the NDP continues to stand against job creation and the interests of middle-class Canadians.

* * *

[Translation]

CANADA POST

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Mr. Speaker, in December 2013, right after the end of the parliamentary session, Canada Post's head honcho explained that he and his 22 vice-presidents, who together earn over \$10 million, would be eliminating home delivery service. To justify his decision, he said this would encourage seniors to get more exercise. Very funny. Seniors, however, did not find it so funny. Spare me the rhetoric about the independence of Canada Post. I am sure everyone remembers the special legislation of 2011.

What we want to know is simple: Do the Conservatives share Deepak Chopra's sensitivity and his brilliant ideas?

• (1445)

[English]

Hon. Lisa Raitt (Minister of Transport, CPC): Mr. Speaker, I would like to thank the member of Parliament for CUPW for the question on the matter—

Oral Questions

Some hon. members: Oh, oh!

The Speaker: Order, order. It might be best if we checked ourselves at referring to each other by actual riding names and titles.

Hon. Lisa Raitt: Mr. Speaker, the reality of the situation is this: one billion fewer pieces of mail are being mailed. People are making different choices.

It is the digital era, and so Canada Post must be able to address these matters and remain self-sufficient. It has a plan. It is putting it into action. We hope it does mean that it will be self-sustaining in the future.

Ms. Irene Mathyssen (London—Fanshawe, NDP): Mr. Speaker, I respect our postal workers.

Does the minister not understand that hiking prices and cutting services hurt Canadians, especially seniors and people living with disabilities? In a country where sidewalks are slippery and temperatures frigid, has the minister thought about the impact of these cuts on Canadian seniors?

Can the minister tell us why she signed off on these changes without proper consultation, consideration or concern for the seniors, the people affected, people living with disabilities?

Hon. Lisa Raitt (Minister of Transport, CPC): Mr. Speaker, perhaps some facts would be helpful in this matter.

Already two-thirds of Canadian addresses do not have door-to-door delivery; they have community mailboxes or rural box areas.

What we are talking about is one-third. I am sure members realize that there are slippery sidewalks for the other two-thirds of the people who clearly do not receive door-to-door delivery.

It is something Canada Post has experience in dealing with. It will accommodate, when it has requests to do so. We anticipate that, as it rolls out its plan, it will do so in a very thoughtful manner.

* * *

AGRICULTURE AND AGRI-FOOD

Mr. Malcolm Allen (Welland, NDP): Mr. Speaker, officials in Ontario have confirmed a second case of PED, the pig virus.

The virus turned up in a swab test in Quebec. This is alarming for hog farmers. If nothing is done, this epidemic could cost the Canadian pork industry millions of dollars.

The Minister of Agriculture and Agri-Food is failing to step up and deal with the problem. I have a simple question for the minister. What is the minister going to do to help stop this from becoming a disaster for a pork industry that has seen troubled times far too often over the last five years?

Hon. Gerry Ritz (Minister of Agriculture and Agri-Food, CPC): Mr. Speaker, as the member opposite should know, this is a provincial issue.

Having said that, CFIA stands ready to assist in any monitoring that is required. The government is the one that continues to work with the pork sector, the livestock sector across Canada, on traceability and on biosecurity on its farms.

Shamefully, the NDP opposition continues to vote against those objectives.

[*Translation*]

Ms. Ruth Ellen Brosseau (Berthier—Maskinongé, NDP): Mr. Speaker, we are all familiar with the repeated failures of the Minister of Agriculture, and it is hard to believe that the pork producers in my riding will be reassured by the minister's official response. This is the same minister who was responsible for the contaminated meat scandal at XL Foods and the listeriosis crisis. Does anyone still have faith in this minister? Is the Prime Minister the only one?

Pork producers want reassurance. What are the specific details of the plan to prevent the spread of the porcine epidemic diarrhea virus?

[*English*]

Hon. Gerry Ritz (Minister of Agriculture and Agri-Food, CPC): Mr. Speaker, the member opposite should know that, while she was on holidays, I was meeting with the pork sector, the latest time at its summit in Banff the day after this particular outbreak was found.

We continue to work with the pork sector. We continue to work with the provinces of record on biosecurity, on traceability, on making sure that the population out there understands that this is not a health safety issue. This is of concern to the pork sector, and we continue to work with it.

* * *

● (1450)

VETERANS AFFAIRS

Hon. Jim Karygiannis (Scarborough—Agincourt, Lib.): Mr. Speaker, my question is for the Prime Minister. Will the Prime Minister commit today that he will reverse the callous decision and provide the necessary funding to keep the veterans affairs centres open?

Further, will he assure veterans that in the new budget he will provide the necessary funding to ensure that all veterans have ready access to trained case managers and that they can receive the necessary health services they require in a timely manner?

Hon. Julian Fantino (Minister of Veterans Affairs, CPC): In fact, Mr. Speaker, beginning in February there will be over 650 locations across Canada where veterans can receive in-person service from the Government of Canada, which is 16 times higher than back in 2006.

The NDP and the Liberals voted against increased investments toward Canadian veterans, and I bet they will do it again in a few weeks.

Veterans have told us that they want less paperwork and fewer trips downtown, which begs the question: Who are that member and his party actually working for?

Hon. Mark Eyking (Sydney—Victoria, Lib.): Mr. Speaker, today Ron Clarke and other veterans from across the country are visiting the Hill. They are here to send a message to the Conservatives: Do not close the nine veterans affairs offices across this country.

Oral Questions

The government needs to help our veterans when they have risked their lives for us. These offices will have their doors locked on Friday and thousands of veterans will be left out in the cold.

Will the Prime Minister come to his senses and change this mean-spirited decision?

Hon. Julian Fantino (Minister of Veterans Affairs, CPC): In fact, Mr. Speaker, I am proud of our government's demonstrated support for our veterans and their families, such as home visits and nurses' care, case managers, grass cutting, snow clearing, home cleaning, opening 17 operational stress injury clinics, 24 integrated personnel support centres and over 650 service locations to assist veterans.

While that member and his party engage in useless rhetoric, we on this side of the House are actually delivering for our veterans and their families.

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[Translation]

NATURAL RESOURCES

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, the Conservatives' panic on the Keystone pipeline issue is becoming a real problem on the eve of President Obama's state of the union address.

It has become a serious irritant in our relations with our largest trading partner, a situation entirely created by the Conservatives. With Keystone, the Conservatives have no intention of promoting long-term job creation in Canada.

Why do they want to export 40,000 well-paying jobs to the United States?

[English]

Hon. Joe Oliver (Minister of Natural Resources, CPC): Mr. Speaker, it amazes me how much the member opposite misunderstands the benefits to Canada of this great project, which would create tens of thousands of jobs in this country and billions of dollars of economic activity.

The vast majority of Americans are in favour of this project. So is the majority of senators, the majority of congressmen and every one of the governors of the states to which this project would go.

This is an excellent project for both our countries. The member opposite should get on the side of Canadian workers.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, we are on the side of Canadian workers all right. We do not believe in shipping jobs out of the country.

We believe in projects that are in the best interests of our communities, our environment and our economy.

Conservatives are panicking on Keystone XL just as President Obama is about to deliver his state of the union address. Even the Minister of Finance admits Keystone would send tens of thousands of jobs south of the border.

Conservatives are spending millions of taxpayers' dollars promoting this project. Why do Conservatives always want value-added jobs to be in some other country than Canada?

Hon. Joe Oliver (Minister of Natural Resources, CPC): Mr. Speaker, the U.S. State Department has said that this project would not have a negative impact on the environment and, in fact, this pipeline would be safer than existing pipelines.

As to this preposterous allegation of exporting jobs, the fact is that jobs would be created in Canada in the tens of thousands. That is something that the unions in this country understand and support.

The member opposite should speak to the construction union workers who are very upset with their alleged supporters. This is not a position that will garner support among Canadians.

* * *

• (1455)

PUBLIC SAFETY

Mr. LaVar Payne (Medicine Hat, CPC): Mr. Speaker, recently some have raised concerns about the practice of putting two convicted criminals into one prison cell. The Correctional Investigator expressed his fears over the diminished privacy and dignity of rapists and murderers. While it is important that the correctional system actually corrects criminal behaviour, my constituents are more concerned about the rights of the victims than the rights of criminals.

Could the Minister of Public Safety tell the House why college students and members of the Canadian Armed Forces can share accommodations but some others think it is wrong for convicted criminals to do the same?

Hon. Steven Blaney (Minister of Public Safety and Emergency Preparedness, CPC): Mr. Speaker, I want to thank the member for Medicine Hat who reminds us that double bunking is a totally normal practice in western countries. Indeed, unlike the Liberals and the NDP, we do not believe that prisoners are entitled to their own private cells.

[Translation]

Our policies are working. The crime rate is dropping. We are closing prisons and putting victims back at the heart of our justice system.

* * *

[English]

RAIL TRANSPORTATION

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, for the Minister of Transport, grain shipments to the west coast are months behind; 40 ships are stalled at English Bay, costing millions in demurrage; and grain handling and transportation failures have driven prairie prices down by 40%.

Would the Minister of Transport require the railways to lease additional locomotive power and rolling stock for grain? Will she require grain companies to publish their export volumes and justify their grain cheque deductions? Will she take direct responsibility for getting some coordination into a chaotic system that has clearly failed?

Business of Supply

Hon. Gerry Ritz (Minister of Agriculture and Agri-Food, CPC): Mr. Speaker, let me recap what the member opposite did during his time when there were logistics challenges. Nothing. Absolutely nothing. What we have done is continue to work with industry, with the grain sector, with the railways and so on. We told everyone that they have to step up their game. Of course, we have the largest crop in history. Thanks in part to the changes at the Canadian Wheat Board, farmers seeded two million more acres of wheat than ever before. There is global demand.

Yes, there are logistical challenges, but the Minister of Transport and I have talked to all of the proponents throughout the supply chain, saying they have to pick up their game. We are expecting those negotiations to bear fruit very soon.

Mrs. Carol Hughes (Algoma—Manitoulin—Kapusksing, NDP): Mr. Speaker, for 100 years the Algoma Central Railway has moved passengers and freight between Sault Ste. Marie and Hearst and helped develop remote tourist destinations. Last week, Transport Canada quietly announced that it would cut the modest funding that supports the rural passenger line, leaving hunting and fishing lodges inaccessible, hurting tourism and damaging the local economy.

Why is the government unilaterally abandoning the communities, businesses and tourists who rely on the ACR? Why will the government not stand up for northern Ontario?

Hon. Lisa Raitt (Minister of Transport, CPC): Mr. Speaker, my colleague, the member for Parliament for Sault Ste. Marie, is working with me on the matter. However, that being said, we did tell CN that we would not be subsidizing this rail line any more. The reality is that CN is a \$9 billion company and hardworking tax dollars from the Canadian public should not go to subsidize a company of that size.

* * *

INTERNATIONAL TRADE

Mr. Randy Hoback (Prince Albert, CPC): Mr. Speaker, today our government tabled the legislation to implement the Canada-Honduras free trade agreement. With that agreement, Canadian exporters, service providers and investors will benefit from enhanced market access, which will create new sources of prosperity for Canadian businesses of all sizes and their workers.

Could the Minister of International Trade please update the House on the government's ambitious trade plan?

Hon. Ed Fast (Minister of International Trade, CPC): Mr. Speaker, I want to thank the member for Prince Albert for his question and for all his hard work on behalf of his constituents. In 2013 our government reached an historic trade agreement with the European Union and concluded a record 10 foreign investment protection agreements. It was the most successful year for trade and investment in Canadian history.

Canadians can count on this government to use trade to keep delivering jobs and growth in this country in 2014.

[Translation]

QUEBEC BRIDGE

Mr. Denis Blanchette (Louis-Hébert, NDP): Mr. Speaker, the Government of Quebec and CN have just reached an agreement regarding the use and maintenance of the Quebec Bridge.

In Quebec City, everyone agrees that that agreement is a step in the right direction. Now the federal government stands alone against CN in the courts.

After nine years of inaction by successive Liberal and Conservative governments, does the minister intend to take a new approach in order to ensure the safety of the Quebec Bridge?

● (1500)

[English]

Hon. Lisa Raitt (Minister of Transport, CPC): Mr. Speaker, as the member opposite knows, CN is the owner of the bridge and has responsibility for it. In August 2013, Transport Canada inspected the rail; the rail is safe. It is the responsibility of the province to inspect the road associated with it. Of course, the bridge is CN's responsibility and it too has indicated, after inspection, that the bridge is safe.

* * *

EMPLOYMENT

Mr. Dean Del Mastro (Peterborough, Cons. Ind.): Mr. Speaker, when it comes to jobs and job creation, this Prime Minister and Minister of Finance have an unparalleled record compared to their international peers.

A few weeks ago, following meetings with his provincial counterparts, the finance minister quite correctly asserted that increasing payroll taxes, by doubling CPP premiums, would harm Canada's economic recovery and job creation during these fragile global economic times.

Can the finance minister confirm for this House that his priority remains economic growth and job creation, and that he will continue to keep payroll taxes or taxes on jobs low for Canadians and Canadian employers?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, I agree with the member for Peterborough. We are going to focus on jobs, prosperity and economic growth. We have built a track record in this regard as a government, and we intend to stay on the same path and get back to a balanced budget in 2015.

GOVERNMENT ORDERS

[Translation]

BUSINESS OF SUPPLY

OPPOSITION MOTION—CANADA POST

The House resumed consideration of the motion.

Mr. Hoang Mai (Brossard—La Prairie, NDP): Mr. Speaker, I am so proud of the motion that my colleague from Trinity—Spadina moved that I will read it:

Business of Supply

That, in the opinion of the House, door-to-door mail delivery is a valuable service provided by Canada Post, and that this House express its opposition to Canada becoming the only country in the G7 without such a service.

As the deputy critic for transport, I have been following this issue closely from the beginning. I am very proud to have worked on it with my colleague, our transport critic, and with the hon. member for Rosemont—La Petite-Patrie. He has also worked very hard on this file and has talked about the adverse effect this change might have on postal workers.

Canada Post made the announcement after the House adjourned. This gave the Conservatives the chance to hide a bit and not talk about this issue.

The government is being criticized for allowing this to happen without any consultation. That is why we asked the Standing Committee on Transport, Infrastructure and Communities to hold an emergency meeting on this subject. I am very pleased that the committee granted our request. Before the holidays, we had a meeting to discuss some of the issues.

I want to come back to the announcement and its direct consequences. First, the announcement said that Canada Post would stop door-to-door mail delivery. That affects more than 5 million Canadians.

We are told that two-thirds of Canadians do not get their mail delivered at home. However, when we take a close look at the numbers, we see that is not true. Two-thirds of Canadians still get their mail delivered at home. When we are talking about multiple dwelling units or delivery in rural areas, this affect 5 million Canadians, as I explained. This will have a tremendous impact.

The motion says that we will be the only G7 country without a door-to-door mail delivery service. That is disgraceful and it makes no sense.

The government is being guided by Conference Board of Canada studies, one of which shows that Canada Post will ultimately run a deficit. I agree that Canada Post is facing challenges. We know that the mail has changed. The Internet is now part of the scenery, and fewer and fewer letters are delivered to homes. That is a fact.

There are alternatives to slashing services and increasing costs.

A startling increase in postal charges has been announced. I have a small flyer that is now being distributed in the mail. It talks about an increase that would raise the cost of a stamp to a dollar. That is a substantial increase that will have a direct impact on small business and on charities that depend on postal services.

We see that the announcement was made without consultation, even though the government claims that it did consult. Nevertheless, we know that in reality, it was a matter of invitations and online surveys.

I want to get back to the fact that in the Standing Committee on Transport, Infrastructure and Communities, we put the question to representatives of organizations that advocate on behalf of all people in Canada with a disability. These people are directly affected by this, and they were not consulted. We are talking about people with reduced mobility, people who will have difficulty getting to the new

mailboxes. The problem is that organizations that represent all Canadians were unfortunately not consulted.

Seniors were neither consulted nor represented. We know that they are very concerned about the issue. On the very day that Canada Post made its announcement, I received a call from a citizen in my riding of Brossard—La Prairie. He told me that this was a horrible announcement for him and his wife, who are both retired. He used the word “horrible” because he realized the consequences this announcement could have for them.

When the CEO of Canada Post says that this decision will be good for seniors because it will help them to get more exercise, we see that he is truly out of touch with reality and lacks sensitivity.

● (1505)

First, the government must stop blindly supporting this decision by Canada Post. The NDP's proposals must be considered. We know that there are challenges and that Canada Post is facing changes. However, Canada Post does have an advantage with parcels. I will come back to that later.

With respect to our proposals, other ways must be found to modernize the services provided by Canada Post. Online services should be used. Many countries in the world are facing the same difficulties as Canada Post. Not only have they modernized, but they have also turned to online banking transactions. That has enabled them to increase their postal revenues and expand their services.

The Conservative plan seeks to cut services to the public and increase costs. In reality, this will lead to the disappearance of Canada Post. We want to save Canada Post. That is why NDP members are standing firm.

I was very proud to be there on Sunday, when more than 2,000 people showed up in Ottawa to express their dissatisfaction. We distinctly sensed the people's frustration. Indeed, postal workers were not the only ones there. People had come from everywhere. There were seniors and persons with reduced mobility. They wanted to shout out their dissatisfaction and tell the government to watch out and to reverse course. We still have time.

The decision to increase rates will unfortunately be made very soon, although home delivery will be phased out over five years. The government must reverse that decision and realize it is not considering all the disadvantaged people. When it uses figures indicating that two-thirds of Canadians already have their mail delivered to mailboxes, it knows that is false. The numbers are different. In fact they show instead that two-thirds of Canadians still have home delivery service. Mail delivery to residential buildings is a home service. The decision is therefore premature.

I asked the CEO of Canada Post in committee why he had not considered the option to provide banking services, for example, or financial services, as other countries have done, France and Italy in particular. Those countries faced the same challenges and found solutions that saved certain elements. I am not sure whether I was really surprised by the CEO's answer.

Business of Supply

As he himself admitted, he is a volunteer member of the Conference Board of Canada, the same organization that came to this decision. He clearly told us they had not considered that option because postal service was not the same as financial services and because there was already enough competition in banking services.

However, people have no choice but to accept increases in bank fees precisely because there is not enough competition. We launched the "Stop pay-to-pay fees" campaign because we think it is ridiculous to have to pay for the privilege of paying your own bills. That is why we are fighting this. This is all part of the same struggle, as we see it. In the throne speech, the Conservatives said they would be there for consumers. The first thing they did was to abandon consumers.

The Conservatives are also cutting postal service hours. They have cut the business hours of retail postal outlets even in my riding, in Saint-Philippe. People are getting even less service. Privatization is already under way. The government does not want to admit it openly. When we ask whether they want to privatize Canada Post, the Parliamentary Secretary to the Minister of Transport says the decision is up to Canada Post. The truth however, is that it is up to the government.

If you look at the facts, the reality is that more and more postal stations are private and therefore converted. Privatization is therefore already under way. The NDP will continue to fight.

● (1510)

My NDP colleagues and I receive complaints from our constituents, and I know our Conservative colleagues get complaints as well. There is an outcry among people living with disabilities, seniors, small businesses and community organizations, for example. We are asking the government to listen to Canadians and to respond. We are asking it to reverse course and to support the NDP's motion.

[English]

Mr. Jeff Watson (Parliamentary Secretary to the Minister of Transport, CPC): Mr. Speaker, I just want to clarify something with respect to door-to-door delivery. I have lived in an apartment building. I have lived in an urban setting with a community mailbox. I have lived in a rural setting with a box at the end of a laneway, and I currently live in a small urban centre with door-to-door delivery. At my current address, I open my door and reach out to my mailbox on the wall. That is door-to-door delivery. If I were in an apartment, it would be like a community mailbox, but indoors. It would not be to my door. If we actually had to pay a postal worker to go door to door, that would be door-to-door delivery. If, for example, I lived with a post office box at the end of my laneway, that would not be the same as paying a postal worker to come to my door in a rural situation and put it in.

Let us be clear. What we are talking about is that only one-third of Canadian addresses actually receive door-to-door delivery, and that is the issue being dealt with.

I have asked this question about postal banking several times. Maybe the member can tell me what it would cost to capitalize a postal bank, what it would cost to operate a postal bank, and how Canada Post would capitalize that bank when it is running deficits.

● (1515)

[Translation]

M. Hoang Mai: Mr. Speaker, I have two comments on what the parliamentary secretary said.

First, 33% of households have home mail delivery, while in 25% of cases, mail is delivered to the entrance of a residential building. In 5% of cases, mail is delivered to a rural mailbox. So then, the numbers are higher. The figures quoted by the parliamentary secretary are not correct.

As for banking transactions, that is a good question. We know that Canada Post has been a profitable corporation over the past 17 years. It posted revenues of about \$1.7 billion. Canada Post did not actually post a deficit until a new CEO was appointed in 2011 and the government and the corporation locked out the workers. Last year, it posted earnings of \$94 million. It is still turning a profit, so there is no emergency. However, I do agree that there are some challenges to overcome.

To answer the question about banking transactions, why were these options not even considered? Why did the government and Canada Post not carry out any studies, as was done in other countries, instead of arguing that this would be too complicated? We are asking for a clear study to explore all options and the government and Canada Post are refusing to do that. They are unwilling to explore different options and ways of boosting revenues. They simply want to shut the door and cut services. This is unacceptable.

[English]

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, to pick up on that particular point, in terms of consultation, there might have been some internal consultation Canada Post conducted, but we have no idea who that might have been with. Given the magnitude and importance of Canada Post to all Canadians, one would think there would have been some obligation for the Conservatives or Canada Post to work with Canadians and stakeholders, such as the letter carriers, mail sorters, and other Canada Post employees, to generate ideas and thoughts on what they felt was in the best interests of Canada Post. That is as opposed to going to the president who says that this whole exercise, at least in part, is about exercising our seniors.

Does the member believe that Canada Post did a disservice by not consulting Canadians thoroughly?

[Translation]

Mr. Hoang Mai: Mr. Speaker, I thank my colleague for that very timely question.

It is precisely to study this issue that the NDP has requested an emergency meeting of the Standing Committee on Transport, Infrastructure and Communities. Clearly there has been a lack of consultation. When we asked the government who in fact had been consulted, we found out that it had either invited people to submit their comments, or that they had been consulted online.

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However, large organizations that represent the majority of the population, namely those affected by this decision, were not consulted. That goes for municipalities as well. However, they are directly affected, in particular Montreal, Toronto and other large urban centres, where questions continue to be asked on where these mailboxes will be located. There have been no discussions or consultations with the persons affected, whether elected representatives or members of the public. The whole thing has been a fiasco and that is why we are asking the government to reconsider this decision.

[English]

Mr. Ed Komarnicki (Souris—Moose Mountain, CPC): Mr. Speaker, I will be sharing my time with the member for Don Valley West.

I would like to take this opportunity to address the subject matter. Last month Canada Post Corporation released a comprehensive five-point action plan, “Ready For the Future”, which was designed to realign how it delivers and prices postal services to meet Canadians' emerging and future needs while substantially reducing the cost for taxpayers. In all of this, we have to keep the taxpayers in mind and appreciate that the corporation needs to ensure that it is itself viable and that the services it provides continue to make it so.

Canada's national postal service is at a crossroads as we speak. Letter mail volumes have been declining since 2002, when Canada Post delivered one billion more letters than it did in 2012. The writing is on the wall. It shows a significant increase in one type of service and a specific decrease in letter mail volumes. The corporation estimates that for every 1% drop in mail volume, it loses \$30 million in revenue. This is the reality. This is placing a huge strain on Canada Post's finances, as witnessed by losses of \$129 million, before tax, in the postal segment alone, in the third quarter of 2013. It is clear that the services currently provided by Canada Post are no longer sustainable. Action is required and corrective steps must be taken.

There is, however, strength in the parcel delivery part of the business. An important component of Canada Post's proposed strategy is its intention to build on its current strength in parcel delivery, which has demonstrated solid growth over the past few years, thanks in large measure to the fast-growing market in online shopping.

It is clear that Canadians have become enthusiastic online consumers. Statistics Canada reported in October 2012 that the value of orders placed online by Canadians reached \$18.9 billion in 2012, up 24% from 2010, when the survey was last conducted. More than half of Internet users, 56%, ordered goods or services online in 2012. Perhaps even more encouraging, most Internet shoppers, 82%, placed an order with a company in Canada.

Canada Post's parcel line of business currently offers a range of domestic and international delivery services and is the largest player in the Canadian parcel market, with more than 50% of market share. The corporation sees an unprecedented opportunity for additional growth linked to e-commerce as online business activity increases. Customers for parcel services include businesses, customers of all sizes, government, international and postal administrations, and other delivery companies.

According to a recent report by the Conference Board of Canada, residential and small business customers indicated that their demand for parcel service will continue to rise with the spread of e-commerce. Parcels are, in fact, the fastest growing line of service in the core Canada Post business. The corporation reports that overall growth in parcel volumes experienced a record-breaking holiday season, which runs between November 11 and January 4. Canada Post delivered 30 million parcels during this period, which was five million more than during the holiday season last year. The corporation delivered more than one million parcels a day on 10 different days. Weekend deliveries were also very successful, with Canada Post employees delivering a total of 1.1 million parcels over the six weekends of the holiday season, with the highest number of deliveries occurring on December 21 and 22. There were 317,000 deliveries.

The main reason for this growth is that parcels are the one postal product that is seeing growth driven by the digital revolution. Canada Post advises that its top 25 retail customers are making major e-commerce gains. January parcel volumes from these retailers shot up 35% compared to January of last year. This dramatic increase follows a highly successful holiday season in which year-over-year parcel volumes from this top performing group grew by 50%. These are the facts. This is the new reality Canada Post examined as it made its five-point plan. Overall revenue and volume growth reflect the strength of the fast-growing consumer-to-business e-commerce delivery market.

• (1520)

In 2013, Canada Post's increased revenues from parcel deliveries contributed to offsetting significant revenue declines from letter mail volume erosion. There is no doubt that we are in the midst of a changing postal environment. Canada Post must manage its business as a viable commercial enterprise that competes effectively in every product line. Even its traditional direct marketing business is facing digital rivals that use mobile and smart technologies.

The parcel business operates in a highly competitive environment. The corporation is well aware that to build on recent successes it must attract customers in an increasingly complex economic environment. Unlike letter mail, the parcel business is highly competitive, and parcel volumes have been rising worldwide. Postal services in many countries have been aggressively using their extensive sorting and delivery infrastructure to expand in this sector. This only makes sense. The infrastructure that presently exists across the country can be used as an advantage to further its market share in this particular area.

Globalization means more parcels coming into Canada to be processed to the same high standards. The highly competitive parcel delivery market means that service providers must modify operations in order to win and retain customers with the quality and reliability of the service. In the business-to-customer parcel delivery market that means providing fast, reliable and convenient delivery, excellent tracking options and reasonable prices.

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The growth in the parcel industry has also intensified local and global competition. For example, FedEx and UPS have increased their competitive positions with Canada. Consumer patterns have also shifted from premium to less urgent products that cost less. The increased competitive landscape has put increased pressure on Canada Post to manage costs, improve product offerings and provide a superior customer service.

With approximately 40% of parcel deliveries to Canada originating internationally, Canada Post has negotiated bilateral agreements, notably with the United States and China, to increase its share of this inbound traffic.

The corporation has also made extensive investments in new facilities, including a 700,000 square foot plant at Vancouver International Airport, increased real-time tracking through portable scanners for employees and added to its capacity for motorized delivery to handle growing package volumes. All of this has required internal reforms and changes in the way it does business.

Canada Post is aware of the changing face of the postal industry and has been preparing for the future with less mail and more parcels for the last number of years. The corporation has implemented measures to expand its parcel volume, both through its postal operations and its Purolator courier service. For example, changes to internal operations, which first began in 2010, have made for a more efficient flow of parcels through the network to the customer.

Canada Post has launched an aggressive plan to invest in replacing its aging processing infrastructure and delivery processes with more modern and cost-effective approaches driven by technology. This is something businessmen have had to do all along. As we all know, technology has changed dramatically in the last number of years. Businesses have had to stay attuned and abreast of what is happening, and so do businesses like Canada Post. The sorting equipment in place today is faster and more accurate. From a delivery perspective, it has made a massive shift toward motorization.

Canada Post has also offered on-demand parcel pickup for small businesses in 2011. In 2012, it provided enhanced web services for online retailers, including the seamless management of returns.

Canada Post will continue to leverage these investments, and it must. Doing so will further reduce the costs of processing the mail and will allow the company to better serve the growing parcel market and provide the services Canadians will need in the future.

In many urban areas, Canada Post has moved away from letter carriers delivering mail by foot, to carriers who leave their depot every morning with a fuel-efficient van containing the mail and parcels for delivery to their route. Putting mail and parcels in one truck for delivery provides a better customer experience, especially in the parcel business, at a much lower cost to the corporation.

These improvements will allow Canada Post to compete more effectively in a fast-paced and technology-driven global parcel market.

• (1525)

It is quite remarkable what Canada Post does handle, which is everything from health care products, gourmet food, to live bees. It

must continue to adapt, to modernize, and to ensure it is able to service the demands of the Canadian public.

[Translation]

Mr. Jean-François Larose (Repentigny, NDP): Mr. Speaker, we are talking about a CEO who earns a great deal of money to make an ordinary decision like this, about \$10 million lost and about a sham of a public consultation process.

Canada Post belongs to the people. It provides a public service to seniors and to persons with reduced mobility.

I asked the question once before, but I will put it now to my honourable colleague. They say two-thirds of households while we say one-third. Are those who have been forced to use community mailboxes since the 1980s satisfied with the service they receive?

Oddly enough, in my riding, many of my constituents have told me that they are dissatisfied. Homeowners sometimes have no choice but to have a community mailbox. The fact of the matter is that they do not want one. They want home delivery. The public has not been consulted on this matter. A system that is outdated and unwanted is being forced on people.

Fundamentally, before making any kind of decision, Canada Post must serve the Canadian public, the corporation's owner. This is part of its mandate.

Could my colleague answer this question?

• (1530)

[English]

Mr. Ed Komarnicki: Mr. Speaker, as has already been mentioned, two-thirds of Canadians do not receive their mail door to door, and certainly this is something that the other one-third need to address.

The bigger question, of course, is that through the consultation it has been revealed that many customers are prepared to pay a reasonable portion for their services, provided they are not subsidizing a part of the business that is losing a significant amount of dollars. It has been quite clear that if nothing is done and everything is left to go as it is, it will cost Canadians up to \$1 billion a year. Someone will have to pay for that. Through the consultations that have taken place throughout the country, generally the indication has been that they do not want taxpayers to be subsidizing a part of the business that is not profitable.

I think Canadians would expect that Canada Post would focus its attentions, dollars and infrastructure on those areas that are very competitive, that Canadians demand and expect as a service, and to remain competitive and profitable in that area.

Business of Supply

Mr. Jeff Watson (Parliamentary Secretary to the Minister of Transport, CPC): Mr. Speaker, the member will know that at the transport committee, in a hearing on December 18 of last year, not only was Canada Post called to explain and defend its five-point plan, but we also heard from other important witnesses. They were academics on the left and right, groups of Canadians who have disabilities, and we heard from the union itself. One of the interesting things that was made very clear was that there is a structural problem. It is a global problem, and everybody agreed to that.

In fairness, there were differences of opinion about how to resolve it. However, this is a complex problem that does not lend itself to easy solutions. For example, small businesses said they had no problem getting rid of door-to-door delivery, but consumers said they would not mind if it was alternate-day delivery. It is not easy to reconcile all of these things.

I wonder if the member could comment on this complex situation, the structural problem and that action needs to be taken now, and whether or not he believes this plan put forward by Canada Post will bring the corporation back into balance.

Mr. Ed Komarnicki: Mr. Speaker, there is no doubt, first of all, that one has to face the reality and note where Canada Post is operating efficiently and making dollars and where it is losing dollars. The fact of the matter is that taxpayers, generally speaking, are prepared to make some accommodation to ensure they are not on the hook for \$1 billion a year. That is a lot of money.

I appreciate that they would like the action to be taken in such a fashion that it would have the least possible impact, and where it could be mitigated, that steps would be taken to mitigate those actions. At the same time, one has to be realistic and ask what a corporation is prepared to do to ensure it becomes closer to a self-sustaining position.

Of course, community mailboxes would bring a savings of about \$400 million to \$500 million, with higher stamp prices being \$160 million to \$200 million, and franchised post offices and streamlined operations, \$140 million to \$200 million. Those are the kinds of things that have to be taken into account to bring Canada Post back in balance and where it should be.

Mr. John Carmichael (Don Valley West, CPC): Mr. Speaker, I want to thank my colleague from Souris—Moose Mountain for his thoughtful comments today and for sharing his time with me.

I want to focus my speech on a fundamental truth that is at the heart of this debate, and that is living within one's means. Last year's throne speech highlighted our government's unwavering commitment to controlling spending while investing in Canadian priorities to safeguard our economy. Year after year and budget after budget, we have put in place credible plans to achieve financial sustainability and have set clear targets to bring our deficit down. These actions were crucial as we dealt with the damaging effects of the worldwide recession, one of the worst in more than seven decades. We had to get our fiscal house in order to keep Canadians working and our economy strong.

More than just managing debt, our government is tackling spending. In the same way that Canadian families and businesses have to make tough choices about how to spend their hard-earned

money, we are reducing the size and cost of government to ensure taxpayers get good value for the money. We are working hard to make government more efficient and responsive to the needs of Canadians. This is because our overarching goal is to create the conditions for jobs, economic growth and prosperity for all Canadians. Our impressive track record in advancing this agenda has made Canadians the envy of the world.

Since we introduced the economic action plan to respond to the global recession, Canada has recovered more than all of the output and more than all of the jobs lost during the recession. Real GDP is significantly above pre-recession levels: the best performance in the G7. This success has not gone unnoticed. In fact, in Bloomberg's recent 2013 ranking of best countries for doing business, Canada jumped from sixth to second place, challenging Hong Kong for top position. This recognition reinforces the benefit of being good fiscal stewards. Reducing spending, lowering taxes and paying down debt are enabling us to seize new economic opportunities as we promote free trade and innovation. These are the keys to job creation, economic growth and prosperity.

I lay out these facts to underline that these same truths apply just as much to Canada Post as it faces unprecedented challenges. In the same way that our government had to make tough decisions and take decisive action to respond to the global economic downturn in 2008, Canada Post must also tighten its belt and develop new strategies for success as it copes with the detrimental impacts of the digital economy on its traditional business.

The pace of postal decline has been accelerating here in Canada and in other developed countries for a number of years. However, it accelerated after the economic slowdown struck in 2008. Companies cut their mailing costs as part of their overall cost reductions, and many opted to shift more billing, statements and marketing to an online solution. At the same time, individual consumers began moving en masse from traditional to digital communications. In fact, Canadians are now more likely to send and receive a text message or email than to write, post or wait several days for delivery. This is especially true with the under 35 crowd. They are a population of people who are starting to move into their first homes and who have led to a growth in the number of new addresses that Canada Post must serve.

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Not surprisingly, rapidly declining mail volumes, combined with the need to deliver mail to more households, is causing serious financial challenges at the corporation. As other speakers have noted, mail volumes per address dropped by nearly 25% between 2008 and 2012, and a further 6% decline is forecast in 2013. We do not need a crystal ball to see where this trend is going. A 2013 report prepared by the Conference Board of Canada into the corporation's future projects states that unless major changes are made, annual operating deficits will reach nearly \$1 billion by 2020. Quite simply, the corporation's current business model no longer allows it to earn sufficient revenues to offset its costs. Without changes, the future viability of the postal service is clearly in question.

● (1535)

Canada Post is not the only postal service in the world facing these challenges, nor is it the only one to come to a similar conclusion. The U.S. Postal Service, for example, has reduced service hours and the number of employees to address these financial pressures, while the U.K.'s postal service has been privatized, which has led to a significant increase in stamp prices.

The digital economy is not going away. The corporation cannot turn back the clock and change the fact that fewer Canadians are using the mail system and visiting post offices. Canada Post has no option but to find new ways of doing business in order to keep its operations profitable.

Like the people living in the millions of households that it delivers mail to or like any level of government that is accountable to taxpayers, Canada Post must manage its business prudently. Indeed, it has a mandate to operate on a self-sustaining financial basis. Its financial responsibility has been a legislated obligation since 1981.

The services currently provided by Canada Post are clearly no longer affordable. The corporation needs to spend within its means in the same way that individuals do as they manage their family budgets. More than that, change is essential at Canada Post if it is to keep pace with the choices Canadians are already making about the way they prefer to communicate.

To meet this goal, the corporation is focusing on the best ways to reduce its expenditures. Since delivery accounts for about 40% of Canada Post's operating costs, it is the most obvious place to start.

Door-to-door delivery is by far the most expensive mode of delivery. It costs between two and three times the cost to deliver to community mailboxes. Let us compare \$283 annually for home delivery versus \$108 for community mailboxes. They are also cheaper than delivery to a rural mailbox, which rings in at \$179 a year.

To be clear, we are talking about changes affecting only home delivery. Businesses with large volumes of mail or located in business zones will generally retain their door-to-door delivery. However, the remaining one-third of Canadians who still have door-to-door service—a minority of people in this country, I would add—will gradually shift over the next five years to community mailboxes instead.

● (1540)

Community mailboxes provide secure mail storage in a convenient place close to home to receive parcels and packets. The people using them will join the 10 million other Canadians who have been receiving their mail this way for decades. Let us remember that Canada Post introduced community boxes back in 1981, so Canada Post has been successfully delivering mail and packages this way for a very long time.

Since labour is another significant component of Canada Post's rising costs, plans to return the corporation to self-sustainability have to address labour costs, including the sustainability of Canada Post's pension plan. The corporation expects to reduce its workforce by between 6,000 and 8,000 positions by 2019. This will be achieved largely through attrition. Like most workplaces populated by baby boomers, a lot will leave the workforce in a few years' time. Nearly 15,000 employees are expected to retire or leave the company over the next five years.

Another way that Canada Post is addressing its revenue shortfalls is by increasing the basic stamp price to \$1. As others have explained today, there are ways of lowering this cost by buying stamps in larger quantities, which will help to keep mail costs lower for small businesses.

By taking these necessary and progressive steps, Canada Post will be able to remain productive and competitive into the future. Most importantly, these steps will enable Canada Post to become financially self-sufficient again, as it was for the 16 years up until 2011.

While Canada Post is a crown corporation that operates at arm's length from the government and is solely responsible for its day-to-day operations, all Canadians have a stake in Canada Post's long-term welfare. Canada Post has put forward a plan that it is confident will return the corporation to financial self-sustainability by 2019. It is important that this plan be implemented as quickly as possible and that these results be achieved.

Canada Post must fulfill its mandate of operating on a self-sustaining financial basis in order to protect taxpayers while modernizing its business and aligning postal services with the choices of Canadians.

● (1545)

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, I find it most frustrating and disturbing to watch Conservative after Conservative get up today to try to rationalize or justify these cuts that are going to hurt the services that many Canadians have relied upon for generations and make us become the only developed country in the world not to have door-to-door service. This is the legacy of Conservatives.

Let us talk about the sustainability of a corporation that has been profitable for 17 of the last 18 years and over that time has turned a net profit back to the Canadian taxpayer of \$1.7 billion. What is unsustainable about this corporation, exactly?

Business of Supply

As well, the Conference Board study that the Conservatives keep repeating is out by \$300 million in its first year of estimates as to what was going to happen. Oh, by the way, who was the Conference Board contracted by to do this study? Canada Post. Whose CEO sits on the board of the Conference Board of Canada? There are conflicts of interest all over the place.

What is not a conflict of interest is that Canadians have to rely upon the service. Of course mail delivery is down, but parcel delivery has more than picked up the pace.

Changes need to be made to Canada Post. Let us innovate. Let us make the changes that would allow Canadians to have the services they need right across the country, rather than have these draconian measures that the Conservative government supports.

The worry we have is that this sets up Canada Post into a Conservative ideology, a Conservative movement that would allow for its privatization. There has been no assurance from government today. It is not that we would much believe a Conservative promise on privatization, but there has been no assurance that Canada Post is not being made ready to sell by a government that has only been interested in lowering expectations and lowering services to Canadians time and time again.

Mr. John Carmichael: Mr. Speaker, Canada Post lost approximately \$195 million in the last quarter alone as a result of technology, changes in methods of doing business, and decline in mail volume. Yes, we have seen an increase in parcel delivery, but it still represents only a third to a half of overall mail delivery and it is in decline. Clearly it is the responsibility of management to adapt the company to changing times and deliver on the promises of self-sustainability for which it is mandated.

I would encourage my colleague by saying that it has given us a five-step program. Clearly the five-step program should achieve all of the required objectives, and by 2019 we will once again have an organization that is self-sustainable.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I want to pick up on the operational side referred to by a number of the Conservatives in saying we have to do these types of things as a cost-saving measure.

It is not the first time the Conservatives have used the idea of a financial crisis to provide or encourage certain directions. The direction we are seeing today with respect to Canada Post has caused a great deal of Canadians to be very fearful and very suspicious of what the current government's true motivations are with regard to Canada Post.

There is a fear factor out there related to the privatization of Canada Post. Who can blame the postal workers for seeing and understanding and appreciating that it is a real factor?

My question for the member is about operational costs, and I posed this question to the minister responsible for Canada Post. What is the cost of just the upper end of management—the president, the group presidents, the senior vice-presidents, the vice-presidents, just that group alone, some 21 or 22 people? What does it cost to have those individuals run Canada Post?

Mr. John Carmichael: Mr. Speaker, clearly the management is responsible to ensure that it delivers on the promise of managing a

crown corporation to self-sustainability. That point has been made throughout the day without exception.

The hon. member addresses how many top executives there are, et cetera. Every corporation has executives who are responsible to do a job and do it every day when they come to work, just as when we come to work in this place. We are accountable to somebody to get the job done, and clearly the management of the corporation is responsible for providing this format, these five action plans, that will deliver the results.

I understand that for the member of the third party, the change is difficult. I would encourage him to have a look at these plans and review them. This is the change that is necessary in a digital economy to get the job done, and I applaud the executives of Canada Post for delivering an action plan that will deliver sustainable results.

● (1550)

[*Translation*]

Mr. Robert Aubin (Trois-Rivières, NDP): Mr. Speaker, first I would like to inform you that I will be sharing my time with my learned colleague from Esquimalt—Juan de Fuca, even though 10 minutes is not enough time to defend Canada Post and I have a lot to say.

I will start with a story that dates back to February of last year, when the Conservative government came up with the brilliant idea to stop sending out income tax forms by mail, telling everyone they were readily available online. However, one of my constituents, a blind man, had trouble finding the form on the Internet and, despite his disability, went to the postal outlet closest to his home. That postal outlet no longer reports directly to Canada Post because many post offices were closed, while postal outlets opened in pharmacies, convenience stores and businesses of all kinds. Then, after several minutes of arduous walking in the middle of February, that man was told that the postal outlet no longer received income tax forms.

I then served as his letter carrier for a while and went to get the income tax form from a post office that was still open in Trois-Rivières, finally delivering it to him. I did not have the heart to tell him that not only would he not be receiving his form in the mail next year but that soon he would not be receiving anything by mail.

It seems to me that approving and supporting a decision such as this really shows a total lack of understanding of what a public service is. I am astounded by the Conservative speeches I have been hearing for the last while. I get the impression they are using their speeches to prepare the public for a full privatization of Canada Post. What they have been doing for years now, in a barely concealed way, is to represent Canada Post more like a private company, whose primary aim is to maximize profit rather than deliver services to the public. I repeat, however, that Canada Post is a public service.

Business of Supply

I would not go so far as to say that Canada Post could operate at a loss because it is a public service, but the corporation has nevertheless made a profit in 17 of the past 18 years, even sending revenues to the government of Canada. Suddenly the government would have you believe that it is a disaster waiting to happen by 2020. However, that disaster in the making is based in large part on a report by the Conference Board of Canada, which selected 2012 as its reference year and called it a deficit year in its report. However, Canada Post finished 2012 with a budget surplus. Furthermore, three months of operations at Canada Post were overlooked in the figures used in that study because it was completed before the end of the corporation's fiscal year. Consequently, the most profitable months for Canada Post, which occurred around Christmas time, were not reflected in the budget. That is quite extraordinary—not to mention that the CEO of Canada Post sits on the board of the Conference Board of Canada. Which way do they want it? I think they wanted it both ways. This study served as a basis for all the Conservatives' arguments and all the decisions that were curiously announced the day after the House rose in December. I would not go so far as to say that the report is not worth the paper it is printed on, but it is questionable to say the least.

That raises serious questions about the Conference Board of Canada's independence from the government and about the reliability of its diagnostic analyses. Clearly, it also raises serious doubts about the acceptability of the conclusions. For a while now, in almost all the speeches made by my Conservative colleagues, I have heard the same old story of how Canadians have turned a digital corner and no longer write letters to put in the mail. I am starting to develop a serious allergy to that story.

• (1555)

One thing the callowest administrator to come out of a Marketing 101 course knows or should know is that letter mail is decreasing. The graph of the decrease in letter mail is probably Canada Post's most predictable feature. So any top-notch administrator, not the kind who is paid \$10 million per year, should be able to predict the loss of revenue that comes with that decrease. However, there is a limit; it will not drop to zero. We are not far from seeing the decrease in letter mail bottom out.

On the other side of the ledger, we hear very little about the rather exponential increase in parcel post resulting from our transformation to the digital economy. People are sending more and more emails, and they are doing more and more online shopping. That means parcels need to be shipped.

Of course, when we are getting a parcel shipped to us, we can choose the company that will deliver it to our door or to the nearest pick-up point. Do we know of any private parcel-delivery companies operating in Canada that have distribution network, in both rural and urban areas, that is as large and extensive as Canada Post's? Once again, it seems to me that it does not take a graduate degree in marketing to understand that this is an area to be developed and that Canada Post's network is not a liability but an asset, a driving force for the change needed in Canada Post's services.

However, what did that same Conference Board of Canada report from the 1970s propose? The only proposal is about managing the drop in letter mail. Is that an acceptable vision for such well-paid

managers, to tell us and try to convince us that the only issue Canada Post has to deal with is managing the drop in letter mail? That is unbelievable and inconceivable.

On the contrary, we can see from the decisions that have been made—such as eliminating an excessive number of post offices—that we are only a few post offices away from hitting the minimum number required by the agreement. I imagine that some other way will then be found to close more.

What does all that mean? I believe the Conservatives are quietly setting the stage to present Canada Post as a private business, one that generates enough profit to interest a private investor, once they have done away with anything that might be weighing it down.

However, a public service is about give and take. What is cumbersome on one hand should be compensated for by rapidly expanding sectors. In the Conference Board of Canada report, there is not a single word about emerging sectors for the future or innovation. The only thing it talks about is managing the drop in letter mail. That is terrible.

During the private meetings I attended, I could sense how stubborn the Canada Post officials were. If you listen to them and look at their outcomes, it seems as though there is no solution. That is completely untrue. We must be wary of privatization. Canada Post is more than just a public service; it is vital for Canadians.

• (1600)

Ms. Éline Michaud (Portneuf—Jacques-Cartier, NDP): Mr. Speaker, I would like to start by thanking my colleague for his eloquent speech on the imminent demise of Canada Post and for presenting all of the facts.

This situation defies comprehension. The Conservatives boast of being businessmen and sound managers of the economy. However, here they are abandoning Canada Post and the people who depend on this service without seeking out any solutions other than making cuts until selling off the corporation is the only option. They could try to come up with some innovative solutions that would enable Canada Post to take in more revenue.

I was especially aghast earlier during question period. The NDP put a question to the government about Canada Post's plan. The NDP outlined the concerns of seniors and persons with disabilities who will be forced to navigate icy sidewalks and brave weather conditions that are potentially hazardous to their health. The Conservatives laughed and said that this was Canada and cold weather was a fact of life.

As I see it, these are considerations that the government must take into account when making decisions that affect so many Canadians. I would like my colleague to elaborate further on the possible negative impact that ending home mail delivery will have on Canada's seniors and persons living with a disability.

Mr. Robert Aubin: Mr. Speaker, I thank my colleague for her question.

Business of Supply

I have a two-part answer. First, regarding the supposed imminent demise of the corporation, I would argue that Canada Post is not at death's door and never will be. My biggest fear is that this jewel will be sold off to private interests.

This government does not appreciate the importance of maintaining public services. It thinks the private sector can do everything for less money. In truth, there would not be much of a cost saving. In fact, for the same price, we would enjoy far fewer services.

As for the impact of the decision on seniors, I would like to expand on this because seniors are not the only group affected. By repeating the same ridiculous thing over and over again, the Conservatives hope to make us believe that what they are saying is true. They say that a certain percentage of Canadian households no longer receive home mail delivery anyway, but that does not mean that these households are satisfied with the service they do receive.

A few years ago, I moved to a neighbourhood with mailboxes. I got used to it, but I do not really like it. It is clear that, for many people in my riding, especially the elderly, it is a deciding factor when considering a move. People have to consider whether they will be able to live where they do not have access to door-to-door postal service because they cannot get out easily, especially not in winter.

Nobody wants the situation to get worse, but maybe it could get better if there was a real survey of Canadian consumers to find out whether they are satisfied with the mailboxes they will be forced to use.

Mr. André Bellavance (Richmond—Arthabaska, BQ): Mr. Speaker, I too would like to congratulate my colleague on his speech. We live in more or less neighbouring regions, so our realities are similar.

My region, however, has more rural municipalities. Every year since becoming an MP, I have had to deal with issues around postmasters' work because Canada Post finds all kinds of ways to hold up the process and prevent us from replacing those people.

I also have to deal with issues involving the survival of postal outlets in the smallest municipalities. The problem with this government is that, citing Canada Post's lack of profit, it is gradually turning the whole corporation over to the private sector.

What if we look at what other countries are doing? For example, in Italy, profits had been declining for 50 years; worse still the postal service was running deficit after deficit. Then its postal outlets began offering financial services, and now the Italian postal service is turning a profit again.

The same thing happened in Australia, France and South America. There are all kinds of examples of ways to help Canada Post improve its bottom line. Just because there are fewer clients and somewhat fewer letters, but more packages, does not mean the postal service is to blame and privatization is the only answer.

Does my colleague think that, before we let Canada Post dismantle our essential service, it would be a good idea to look at what other countries are doing and follow their example?

• (1605)

Mr. Robert Aubin: Mr. Speaker, I thank my colleague for the question.

If I were a Conservative MP—something that would never happen—my answer would be simple: we do not want to look at new services because we want to sell. We are not going to bother developing new sectors because that might prove that we can make Canada Post profitable again.

What is clear is that the unionized employees, namely all the people who are behind Canada Post and want to maintain this public service, are presenting a united front and wondering why the government is not benefiting from international experience.

Canada is not the first country to have to adapt its postal services in response to the new realities. Unfortunately, there are two categories of people who are turning a blind eye to this issue: the Conservatives and Canada Post management. Obviously there is a brick wall between them. Everyone knows that they do not talk to one another. Oddly enough, on the morning of the announcement in December, the Conservative government issued a press release two hours later to say that it totally agreed with the battery of measures that had just been announced.

The Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Algoma—Manitoulin—Kapuskasing, Official Languages; the hon. member for York South—Weston, Privacy; the hon. member for Drummond, The Environment.

[*English*]

Resuming debate, the hon. member for Esquimalt—Juan de Fuca.

Mr. Randall Garrison (Esquimalt—Juan de Fuca, NDP): Mr. Speaker, as this is my first opportunity to speak after returning from holiday break, let me state the very obvious, and that is how much I enjoy being back in my riding for more than just a Friday and a Saturday.

Let me state the other obvious, my shock at being back in the polar vortex when the daffodils in my yard are already about four inches tall and the first ornamental fruit trees bloomed in our neighbourhood this week.

More seriously, I welcome the fact that the holiday break gave me a chance to talk to my constituents. It gave me the opportunity to do important things like visit the Edward Milne Community School in Sooke where, as usual, I faced tougher questions from high school students than from people almost anywhere else I go.

While some have questioned the seemingly cynical timing of Canada Post's announcement of service cuts, strangely, it facilitated my dialogue with constituents. That is what they wanted to talk to me about all through the break period. Wherever I went, the most common topic was the Canada Post proposal to eliminate home delivery.

Business of Supply

This is a loss of a service very important to seniors and those with mobility issues, but I also heard from small business owners in my riding who communicate with their customers through Canada Post and who fear that their mailings will not make it from that community box into the house. It is hard enough to get people to pay attention to mail between the mailbox and the recycling bin, but if it never gets to the house at all, small business are quite worried that it will take away one of their main ways of communicating with customers.

Canada Post has the obvious mandate to deliver mail. It has been doing so profitably, returning \$1.7 billion to public coffers in 16 out of the last 17 years. It is a bit rich for the Conservatives to stand up and talk about a crisis we are having with Canada Post when it is a profit-making corporation. Yes, things have changed and Canada Post has to change with the times. However, we are not in a crisis situation that caused this drastic reduction in public services. Why did Canada Post not turn a profit in one year? That was the year Canada Post locked out its employees.

It is true that in my riding not everyone has home delivery service, but it is also not true, which the Conservatives seem to conclude, that those people would not rather have home delivery than community boxes. In fact, I appeared on local radio right after this decision was made, and we heard from a disabled resident in a part of my riding that does not have home delivery. She cannot access the mail in a community box due to her disability. She contacted Canada Post and asked what she was supposed to do. She was told to get someone to get her mail for her. Her right to have access to mail was being denied by the fact that community boxes are not accessible to most people with disabilities.

Conservatives have tried to divide Canadians on this issue by putting forward the false statement that only one-third of Canadians have home delivery. They have forgotten about the 5% who have rural delivery at their boxes and those who get delivery at apartments, somehow saying that this is not home delivery.

In fact, only 25% of Canadians get delivery at community boxes, and I bet that most of those, if they had a choice, would choose home delivery.

Why is this wrong-headed idea of the Conservatives going ahead? They have put forward a number of excuses that we have heard over and over here today.

The first of those, of course, is that Canada Post is an independent crown corporation and it made this decision without any reference to the government. I find this a bit strange when we all know that the public owns Canada Post, and the Conservatives have filled the board of Canada Post with people who are not known supporters of public services, including a president and CEO who is a director of the Conference Board of Canada, a group that, coincidentally, issued a pessimistic report on Canada Post in the spring of 2013.

What were the options in that report, which forecast a \$1 billion deficit? They were ending home delivery and increasing the price of stamps. Now we find out, of course, that the report was in fact commissioned by Canada Post, by the CEO of Canada Post who sits as a director on the Conference Board of Canada's board. Here we have an obvious conflict of interest, as well as a report that projected

a shortfall of \$1 billion. However, in the first year after the report came out, it was wrong by more than \$350 million on the performance of Canada Post.

Canada Post appears to be at arm's length when it is convenient, but not at arm's length at other times. I remember when we first came into the House of Commons in 2011, those of us who were first elected then, and the government used its legislation to end the labour dispute. Why was that an emergency that required all-night debate? It was because it would halt mail delivery.

Now we have the same government back in the House saying that it is okay to halt mail delivery. There is a bit of inconsistency here in the way we treat the issue of Canada Post.

● (1610)

The second excuse is that it had already consulted Canadians. We know that the consultations were done primarily online. In British Columbia, the only communities that were invited for consultation were Nanaimo, Vancouver, Coquitlam and Kamloops. No one in my riding or in any of the ridings near the area I represent was asked to be part of that consultation. Interestingly, the results from that narrow consultation are not being released by Canada Post, so one would think that it did not hear what it wanted to hear since it is not willing to even tell us what that limited sample told it.

The third excuse I have already touched on, that being that Canada Post's business plan is necessary to avoid a future crisis and losses that might extend to \$1 billion a year. If it really were faced with this crisis, as my colleague from Trois-Rivières said, those with even basic training in business would say that a good strategy would not be to raise prices and cut services. That would dig a deeper hole. Instead, other nations have looked at how they use the largest retail outlet network in the country, something that spans urban and rural Canadians, to make more profits to support maintaining this essential service.

We have the example of New Zealand Post, which got into the proposal for postal banking. Earlier, I heard one of the members ask how we would capitalize that and pay for it. New Zealand Post had no trouble doing that. It is making a profit off this business, in addition to maintaining its essential service.

One of my personal favourites is that we might have seen Canada Post bid on the broadband auction. It could have used its retail network to provide real competition to the big three telecom companies by entering the cell phone service business. Competition would have been a good thing for the big three. Of course, with a board at Canada Post dominated by private sector business people, it is not an option it even looked at.

Business of Supply

A closer look at the business plan for Canada Post reveals something else that is interesting. It has a president and CEO who is paid nearly \$500,000 a year. This is an organization with two group presidents, whatever that means, seven senior vice-presidents and twelve vice-presidents. According to its 2012 annual report, the senior management group of 22 people received more than \$10 million in annual compensation, not including \$2 million in termination benefits. The CEO of Canada Post did say it would look at cutting some of these 22 presidents and vice-presidents after it finished eliminating up to 8,000 family-supporting jobs across the country. This is a curious economic strategy at a time when the Conservative finance minister keeps reminding everyone that the economy remains fragile. How will eliminating thousands of stable, full-time, well-paying, family-supporting jobs, distributed in communities all across the country, contribute to our economic recovery? The answer to that is obvious.

On this side of the House, we are definitely hearing from our constituents on this issue. Several of my colleagues have held town hall meetings like the ones in Victoria and North Delta, which had standing-only crowds, including seniors who are concerned about maintaining their independence. This week I heard from the daughter of a man who is still living on his own at the age of 95. His ability to access his post and take care of his own business is an important part of his independence and dignity as a senior. This is very much threatened by putting up a box. In my community there is certainly not room on every block so it would be two or three blocks away from this senior who would lose his ability to take care of himself and his independence.

We heard from people with disabilities at these meetings. I mentioned earlier the very concrete example of the difficulties that people with disabilities have when it comes to accessing community mailboxes.

We heard from members of the public who do not want one of these in front of their house. The municipalities in my riding have taken up the concern as to how they would install community mailboxes safely and conveniently in existing neighbourhoods. It is a real problem. Who would bear the expense of the planning and construction? How would they accommodate traffic around those in existing neighbourhoods? The municipalities in my riding have promised to pass resolutions asking Canada Post to reconsider this idea of ending home delivery.

In conclusion, this is not just an urban issue. My colleague from British Columbia Southern Interior shared with me a letter he wrote to the minister almost immediately after the cuts were announced.

•(1615)

In this letter, he makes many of the same points I have made in my speech, but he emphasizes the impact of the elimination of home delivery in rural communities in B.C., like Nelson and Trail, which not only have steep hills but have something Victoria does not have, and that is regular icy winter weather to deal with. He also pointed out that in most rural areas in British Columbia there was no consultation of any kind and that job losses in rural communities would be very hard to make up and they would have a severe impact.

This leaves me with a question. The Conservatives say they are not really hearing an outcry against this policy, which would make

Canada the only developed country without home delivery. Are they really not hearing the outcry or are they just not listening?

Mr. Jeff Watson (Parliamentary Secretary to the Minister of Transport, CPC): Mr. Speaker, I am glad we have returned to the question of New Zealand. The New Zealand post office created the Kiwibank and capitalized it out of postal revenues to the tune of about \$360 million. This is a country, by the way, of about four million people. Kiwibank has been very profitable—the member is correct—but it is cannibalizing postal services, actually. The capitalization of Kiwibank has cannibalized the postal delivery service.

The member can google this right now if he wants to, but New Zealand is cutting back delivery to three times a week, closing dozens of postal offices and slashing 1,000 postal jobs. I thought that postal banking, as New Zealand was saying it, was supposed to save those jobs. It is not helping postal delivery services. It is helping a postal bank, by the way.

Will the member be able to tell us how much creating a postal bank would cost in Canada? How much would it take to capitalize it; how much would it take to run post offices as branch banks; and how would Canada Post be able to afford that in its current fiscal situation?

Mr. Randall Garrison: Mr. Speaker, I thank the hon. member for his question, but it is peculiar in a couple of ways. One is that he is a member of a government that is making a proposal to end home delivery without considering alternatives like how much a postal bank would cost and how that could support the delivery. It is also a government that has appointed a CEO who is paid more than \$500,000 a year to ask basic questions like that and who has 21 vice-presidents assisting him who might have questions like that, which might have been able to save home delivery in Canada. No, they were too busy to ask those questions. I am not sure exactly what they were doing, but it was not planning to maintain home delivery for Canadians across the country.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, it is important that we take note that there is no crisis with Canada Post today. In fact, if we take a look at the history of Canada Post, we will see that it has done exceptionally well. It has been a great deal for taxpayers across this country. We will find that the public has had an overwhelmingly positive experience and values this particular crown corporation. I believe the concern is that the Conservative government cannot be trusted. The types of changes that are being imposed upon Canadians are being driven more by the Conservative government than even by Canada Post itself. Canadians lack trust and confidence in the government when it deals with crown corporations like Canada Post, CBC and so forth.

The question I have for the member is this. Does he not share the belief that I, Liberals and many others have that Canada Post has not done enough in terms of working with the different stakeholders, in particular Canadians and employees of Canada Post, in doing some strategic planning going into the future? There is no doubt that Canada Post continues to and must play a very strong role in the development of our nation.

• (1620)

Mr. Randall Garrison: Mr. Speaker, it is very clear how Canada Post planned. Its CEO went to the Conference Board of Canada, asked for a report saying that home delivery should be eliminated and prices increased, paid for the report it wanted and then used it as the excuse to do what it intended to do all along. I certainly would agree with the member that there are many other ways to deal with the changes that are taking place in our economy that affect Canada Post.

One thing I have heard from some people is, of course, that young people do not mail letters. No, of course, they do not. They shop online and get things delivered to their homes. We are seeing changing patterns through the generations, but it is a pattern that Canada Post should have tried to figure out how to capitalize on because, as many members before me have said, this is an operation with the largest retail network that spans the entire country. Surely to God, managers who are paid as much as they are could figure out a way to make an additional profit, which might take up any slack that occurs in the future.

We definitely do not have a crisis at Canada Post, and we definitely should not be standing here today considering the elimination of one of our essential services. We owe it to seniors, to people with disabilities and to the struggling small business community to continue this essential service.

[*Translation*]

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Mr. Speaker, I would like to start by saying that I will share my time with the member for Random—Burin—St. George's.

I think it is worth pointing out once again that postal services are essential services. I think that is something that everyone in the House agrees on, regardless of our party affiliations.

Why am I rising here to say it is an essential service? First of all, the government is the one that made this declaration when it put an end to the Canada Post strike in June 2011. The government felt the need to legislate an end to the strike because, as members on the other side of the House claimed at the time, it is an essential service. Everyone needed to get back to work as quickly as possible.

We can see that it is an essential service because, over the years, Canada Post has proposed some changes to its policies. We often see an outcry from the business community, especially small and medium-sized businesses, about how policy changes have an impact on their bottom line. This is an essential service.

The new strategy was announced rather quietly, once the House of Commons had adjourned for the winter break. If postal services are essential, I hope that this strategy is not the first step toward the eventual privatization of Canada Post. As I said, this is an essential service.

Business of Supply

Because this is an essential service, it is structured like a crown corporation and not like a private company that is not accountable to the Government of Canada.

It is a crown corporation because when we are talking about an essential service, some accountability is needed. If it were not a crown corporation, we could not debate its future here in the House. It is very important to have that accountability.

As a crown corporation—or quasi-governmental organization, if you would prefer—the Canada Post Corporation is required to consult before making a major policy change. It apparently conducted consultations before it decided to stop home mail delivery. Unfortunately, I have noticed in the past that these consultations seem to essentially be bogus. I will share two examples.

In my constituency, they decided to close a very small post office. It is actually one of the smallest I have seen in my life. Obviously, they asked for people's opinions. The post office was in my constituency, in the village of Pointe-Claire. A consultation was held and people were asked to send their comments by mail or by email. I myself took the opportunity to write to Canada Post to ask for the post office to remain open. People everywhere were opposed to the closure. Even the municipal council in Pointe-Claire asked the Canada Post Corporation to join with it in holding some kind of open public meeting to discuss the matter.

Despite all that, the post office was closed. Frankly, I think that the decision had already been made, because everything that needed to be done to close the post office had already been started. This is the first example of why these consultations seem to be bogus. The same thing happened in Sainte-Anne-de-Bellevue. The post office was closed, even though people were against the idea.

• (1625)

Members on the other side of the House are constantly on their feet in this debate to explain to us that the world has changed. We know that the world has changed: everyone here has a BlackBerry, and the Internet is critically important in modern communications. We do not need to be told that over and over again. The world has changed; email is a common form of communication and we have to adapt to that. Canada Post has to adapt, for sure. In this day and age, the organizations that successfully adapt are those that demonstrate creativity. We hear it everywhere. Administration and management experts tell us that a modern organization must be able to come up with creative strategies, to adapt and to change its culture from the inside, and so on. We have to believe it.

I get the impression that the Canada Post Corporation has not reacted very creatively in this matter. Rather than suddenly stopping home mail delivery, the corporation needed to have been more open to the ideas going around that could have helped it to adapt better, some of which have been mentioned in this debate. That culture of openness is nowhere to be found inside Canada Post and I will come back to that a little later.

Business of Supply

Many MPs have received complaints about Canada Post over the years, so they know that in many cases, the elderly and people with disabilities have trouble getting to community mailboxes. I would like to share a case I dealt with a few years back. I will not mention any names because I want to protect these people's privacy. There was a couple in my riding, and both members had multiple sclerosis. The community mailbox was on a little island across from their house. They had serious problems getting their mail. First of all, the mailbox was too high. Second, the box itself was too deep, so they could not reach all the way to the back to get all of their mail. Canada Post was contacted, and a comedy of errors ensued. In the end, the lock was changed, and this person could not longer get mail at all. The community mailbox was across from their house, and even then it was a nightmare for this couple with disabilities. It caused problems.

I would like to share some comments people made during a meeting of the Standing Committee on Transport, Infrastructure and Communities held before the holidays about how Canada has a fairly high number of people with disabilities. According to the 2012 Canadian Survey on Disability, "about 3.8 million people, or 13.7% of Canadians aged 15 and older, reported being limited in their daily activities because of a disability." The prevalence of disability increases steadily with age.

Our population is experiencing rising levels of reduced mobility, and we need to take that into account. Canada Post has not done so. There should be broader consultations to get ideas from Canadians about how to solve problems related to our new technological reality.

• (1630)

[English]

Mr. Jeff Watson (Parliamentary Secretary to the Minister of Transport, CPC): Mr. Speaker, listening to the debate today one would think that the problems with postal service in Canada were somehow Canadian only, but in fact, they are happening all over the world.

From a report in the U.K., declining letter volumes have accelerated since 2008, declining by 20% by 2015, at a rate of 3% a year. Losses are increasing for the Royal Mail, and its pension deficit is worsening. The U.K. government responded by privatizing its postal service.

If we look at the independent GAO report in the United States, there is a decline of 27 billion pieces of letter mail, and plummeting revenues with it. There is \$90 billion in unfunded pension liability, and it is growing, barring substantial restructuring. They proposed draconian things, like cutting the workforce in half in the United States.

Canada Post has a five-point plan. Canada Post is having similar problems, with one billion fewer pieces of letter mail in 2012 versus 2006. There is no solution, by the way, or no thought about a solution, from the other side; just much more talk and less action, which leads to a growing problem for Canada Post.

I want to point to something the member said. He talked about mail as an essential service, and I presume in the context of door-to-door delivery. He believes the same.

Does he then advocate that door-to-door delivery should be extended to the two thirds of Canadian addresses that do not currently have door-to-door? If so, how would he propose Canada Post, in its current financial situation, pay to expand that service?

Mr. Francis Scarpaleggia: Mr. Speaker, first of all, the member mentioned drastic measures that have been taken in other countries. How do we know that Canada Post does not have another five-point plan in its pocket?

I do not think we can really put much faith in Canada Post's ability to be transparent and accountable when we see it announcing its decision to stop mail delivery the day after the House of Commons rises for the Christmas holidays. That is not a company headed by a CEO who believes in transparency. We do not know if there are more drastic measures coming or not, which is why we are having this discussion and why we need to have an even larger discussion.

We understand the new Internet reality. We understand that organizations and corporations need to adapt, but what we are questioning is the ability of this organization to adapt and whether it has the management culture to adapt without harming so many Canadians in one fell swoop.

• (1635)

[Translation]

Ms. Éline Michaud (Portneuf—Jacques-Cartier, NDP): Mr. Speaker, I find my colleague's comments interesting. He stands there and defends our public services. He says all the right things, and the NDP agrees with most of what has been said. However, in spite of all this goodwill, I find it a little hard to believe him. We have not heard the Liberal Party comment on Canada Post's decisions in the media.

I was here in Ottawa on Sunday at the demonstration in support of our postal workers and all the Canadians who were there. We numbered in the thousands, and yet not one representative of the Liberal Party was there. I understand that it was -30°C. It was a little cold and quite windy. It was not easy, but when you truly believe that you have to stand up and fight for public services, particularly Canada Post, you have to make the effort to stand alongside Canadians who are out there demanding that the Prime Minister and his government give them the services they are entitled to.

I have to ask, how can Canadians really believe that the Liberal Party is sincere about defending Canada Post, when the Liberals are not even willing to face the cold and fight alongside Canadians as they demand the services they are entitled to from Canada Post?

Mr. Francis Scarpaleggia: Mr. Speaker, here in the House, we express ourselves by voting, and we will be supporting this motion.

No matter which party we belong to, we all defended our constituents when they submitted complaints about Canada Post. We will continue to defend them.

[English]

Ms. Judy Foote (Random—Burin—St. George's, Lib.): Mr. Speaker, I welcome the opportunity to speak to the motion today:

That, in the opinion of the House, door-to-door mail delivery is a valuable service provided by Canada Post, and that this House express its opposition to Canada becoming the only country in the G7 without such a service.

Business of Supply

Just a few months ago, the Conservative government claimed to be committed to addressing the needs of consumers and middle-class families. Clearly, nothing could be further from the truth. Now the Conservatives are endorsing a plan to further reduce a service provided by Canada Post, which will negatively affect both consumers and middle-class families. With budget 2014 looming, the Conservatives are once again making empty promises to consumers while at the same time drastically cutting vital consumer services such as mail delivery.

This motion speaks directly to residents of Stephenville, in my riding of Random—Burin—St. George's, who will lose their door-to-door mail delivery service as a result of this latest decision. Residents are writing to me to say that this decision will have a serious impact on them and that it will “also hurt people with disabilities and seniors”.

Contrast these legitimate concerns with a callous comment made by the Prime Minister's appointed President and CEO of Canada Post, Deepak Chopra, who suggested that the cuts to mail service delivery would benefit seniors by ensuring that they receive more exercise. This unfortunate and insensitive comment when asked if Canada Post was concerned about the negative impact these cuts would have on seniors proves again that the Conservative government does not understand the needs of aging Canadians. Many will now be forced to commute, sometimes in dangerous conditions and for long distances, should they need to stay connected to the world through the traditional mail service.

Let me just speak about mailbox delivery for a minute, because in rural Canada, we do, in fact, have mailboxes. I can tell the House that they are not something people enjoy having to go to. In fact, depending on where they are located, if they are exposed to the weather, a lot of mail gets ruined. It gets wet. Locks are frozen. People have to try to defrost the locks to get at their mail. In a lot of cases, we have had to ask Canada Post to build shelters to cover the mailboxes.

Pointing to mailboxes as a solution is hardly one that is acceptable to Canadians, certainly not those who have experienced the conditions that those who presently use mailboxes have had.

As is its practice, the Conservative government has once again chosen to not consult Canadians before implementing drastic changes that will impact people from coast to coast to coast. Under the Conservative government, Canada Post is not only drastically reducing services to cut costs, it is increasing the cost of service by raising the price of postage stamps to \$1, up from 63 cents, when purchased individually.

For a government that prides itself on being pro-business, it seems to know very little about how to manage the business of mail delivery. Increasing costs while decreasing service may insulate the Conservatives' deficit from expanding in the short term, but in the long term, it will only increase Canada Post's challenges and drive more customers away, ensuring an uncertain future for Canada Post, especially in rural communities.

In addition to cutting delivery services and increasing postage costs, Canada Post also plans to reduce operations and address the cost of labour by cutting between 6,000 and 8,000 jobs over the next

five years. These job cuts and the reduction of employee hours will affect not only the employees but the economy of the area, particularly in rural communities, where the loss of well-paying jobs really hits hard.

The fact that letter mail volume has been dropping for a number of years now should have seen the government working with Canada Post to find ways of changing business practices without imposing cuts that will make it difficult for Canadians. Rather than presiding over a slow and steady march to the end of the traditional mail service on which many Canadians still depend, especially in rural communities, the Conservative government should have taken the opportunity to implement creative solutions to encourage more people to use Canada Post.

● (1640)

One solution being suggested by some is to incorporate banking services into post offices to increase revenue, as some countries have done. Of course, to do something different and creative and productive would mean thinking outside the box instead of opting for the easy way out, which is to cut service, and in doing so, to cut employment.

Instead of suggesting sensible solutions, the government put forward a reprehensible tax in the form of a \$5 surcharge on all parcels delivered to people living in Fort McMurray. Although I represent a riding in Newfoundland and Labrador, it is well known that a significant number of people from Newfoundland and Labrador work in Fort McMurray, including some of my constituents, who travel back and forth, because they want to work, and do so. However, they are forced to be separated from their families on a regular basis for extended periods of time. This tax imposed an unfair cost for communication between them and their loved ones. Fortunately, the government was forced to withdraw the surcharge because of a public outcry.

One has to wonder why a government that claims to stand up for consumer rights would entertain such a suggestion by Canada Post in the first place, if the suggestion came from Canada Post. The fact is that the Conservative government continues to put its own priorities first while claiming to be acting in the best interests of Canadians, something Canadians will not forget.

While letter mail volume has been declining, parcels and larger package shipments have been increasing, thanks to a rising modern Internet consumer economy on which Canada Post has failed to capitalize. One would think that those involved in the decision-making process at Canada Post would have the support of the government to be creative and to implement policies that would be good for consumers. That certainly does not appear to be the case, unless these decisions by Canada Post play into a political strategy by the Conservative government to create the conditions for the privatization of Canada Post, something we are all fearful of. We seem to be pointing in that direction.

Business of Supply

Canada Post says it currently delivers the mail door-to-door to more than five million Canadian households, whose residents represent about one-third of Canada's population. Yes, ending door-to-door delivery is a serious issue, as is the situation that many people in rural Canada face, including many in Random—Burin—St. George's, who are fighting just to keep postal service of any kind in their communities because of decisions made by Canada Post that have been supported by the government.

While the NDP has chosen not to include rural Canadians in its motion today on Canada Post, these proposed cuts to door-to-door service are in addition to the drastic service reductions affecting rural Canadians already. For example, the Canadian Postmasters and Assistants Association was recently informed by Canada Post that the crown corporation plans to further reduce postal services in 38 rural communities throughout Newfoundland and Labrador, including Baine Harbour, Frenchman's Cove, Harbour Breton, Harbour Mille, and Rushoon in my riding of Random—Burin—St. George's.

Many of these communities will see their post office hours reduced or the post office closed entirely on weekends. For many people who work, weekends are when they need to be able to access their mail. Despite the dependence of Canadians living in those communities on timely and reliable postal service, they are being totally ignored. These most recent cuts are in addition to those that have already taken place in communities throughout Canada.

The government must recognize that, unfortunately, many rural Canadians do not have the same level of access to high-speed Internet as their urban counterparts. There is all this talk about online banking rather than putting banking services in some postal areas.

The government simply does not understand the situation a lot of people find themselves in, particularly in rural communities. They depend on traditional mail service to communicate. By cutting their access to traditional mail service, the Conservative government is further isolating individuals and businesses from the national economy, which will only increase the urban-rural divide. The federal government has a responsibility to ensure that rural Canadians are not treated like second-class citizens.

• (1645)

I have repeatedly conveyed my concerns about this to the minister responsible for Canada Post Corporation, but nothing seems to happen. All the concerns seem to fall on deaf ears.

In response, the Conservative government continues to abdicate its responsibility by pointing to Canada Post's status as a crown corporation. However, as a crown corporation, Canada Post reports directly to the Government of Canada, to the Minister of Transport.

Mr. Bruce Hyer (Thunder Bay—Superior North, GP): Mr. Speaker, on his recent trip to Israel, the Prime Minister took lots of Conservative donors and about half his cabinet, but he could have done something really useful if he had taken the minister responsible for the postal service.

If we go to israelpost.co, we can see that the Israeli post office, totally government owned and run, has over 100 products and services. Its motto is, "From everyone, to everyone, everywhere, every day, and at an equal price to all".

Building on the hon. member's comments that we need to pursue some profitable services and products in our postal service, perhaps the Prime Minister should revisit Israel and do something useful.

Ms. Judy Foote: Mr. Speaker, I did not hear a question, but I certainly heard a recommendation for the Prime Minister and a suggestion for the Minister of Transport to look at other options and to suggest to or demand that Canada Post look after the interests of Canadians instead of doing something to harm them by cutting services, and in doing so, cutting well-paying jobs that Canadians need. We need to be increasing employment opportunities, not cutting them.

I thank the member for his observation. Clearly, the government could learn some lessons from other countries throughout the world.

Mr. Jeff Watson (Parliamentary Secretary to the Minister of Transport, CPC): Mr. Speaker, it was the Liberals in 1981 who established Canada Post as an independent arm's-length crown corporation and in law gave it a mandate to be financially self-sustaining. The Liberals doubled the price of stamps when they did it, too, but that is a different issue. The Liberals gave Canada Post the mandate to be financially self-sustaining. It is an obligation.

With letter mail declining by a billion pieces between 2006 and 2012, not unlike what is happening in other countries in the world, and revenues plummeting as a result, and Canada Post having to be financially self-sustaining, will the member opposite, like her colleague who is heckling right now, stick her head in the sand and suggest that there is no financial problem when Canada Post is losing \$60 million a month right now? Will she admit that Canada Post has taken action to ensure that there are no financial problems down the road and that it will get back on track to being financially self-sustainable?

• (1650)

Ms. Judy Foote: Mr. Speaker, the reality is that Canada Post has made hundreds of millions of dollars in the past decade. Right now we are asking Canada Post, with the support of the Conservative government, to look at other options, to think outside the box in terms of how to generate more revenue. Instead of saying simply that we are losing money, let us find a way to be more creative, to be more productive. There are ways.

The problem with the government is that it fails to consult Canadians on any kind of recommendation or any kind of policy with respect to making changes. If Canada Post is in a difficult situation, let us work together instead of the government dictating to Canada Post how it should solve these issues.

As for Canada Post being an independent crown corporation, it is interesting that the government chooses to intervene in independent crown corporations when it meets its agenda.

Mr. Robert Chisholm (Dartmouth—Cole Harbour, NDP): Mr. Speaker, I am pleased to participate for a few moments in this debate. I have 10 minutes and a lot to say, so let me begin. I am going to be hosting a town hall in Dartmouth on Thursday evening from 6:30 to 8:00 to talk about these cuts. I am pleased to have a go at it tonight because when I have a town hall I let me constituents do the talking instead of taking up the time myself.

Business of Supply

I am pleased to be here to talk about this motion and to talk in support of home delivery by Canada Post to Canadians. I have been listening to the debate all day and to the members opposite trying to explain why they are moving in this direction, and I still do not have a clear answer. Let us be clear. They sound like they know what they are talking about. The government has it down pat in terms of cutting services. Whether it is services to veterans, closing down offices, closing down services to fishermen, closing down services for people on EI, closing down libraries, or not ensuring that military personnel and their families get the services they need, the government is really good at closing down services. It has all the answers when it comes to why it is that Canada Post has to shut down home delivery to two-thirds of Canadians and why it is that it has to jack up prices by more than 50% for small businesses and charities. It has all the answers.

If the Conservatives are so smart and sure of themselves in their explanation and arguments for this, why did they announce the decision in the dead of night? Why did they announce the decision the day after Parliament closed, when there was no one watching or listening and no one to question them, to try to hold them to account and to get some answers? There was neither a minister nor an executive from Canada Post in sight when Canadians got wind of what the government had announced and began to demand answers. They government members did not have anything to say then, but they stand in the House today and have all the answers.

The Conservatives talk about how people are not sending mail any more, that they are responding to the times. Let us be clear about this. We know that Canadians have been using mail less over the past number of years. What has the government done about it? Has it done anything? Has it made the kind of changes that need to be made to make Canada Post services more acceptable to Canadians? No, they have not. They waited until this particular point in time and said to thousands and thousands of seniors and people on disability, who would have trouble accessing these community mailboxes, they are on their own, and tough luck. They are saying to small business people and charities, who depend on mail delivery, that Canada Post cannot afford it any more and that they will have pay nearly double the rates they are currently paying. It is simply not good enough.

I was talking to Carl today, a man from Dartmouth. He is 88. He said he just got off the phone with his sister, who lives out in the country down near Lunenburg. She is his younger sister. She is 87. He is upset about this because he said it is going to be difficult for him to access the mail in weather like this and weather that we have had throughout the winter. He said his sister has gone days, if not weeks, trying to access her community mailbox in the country.

I had a call from Sue the other day. She said there have been times over this winter when she has gone a number of days not being able to get into her mailbox because of the ice and snow.

• (1655)

As I indicated, I am anxious to talk about this, but so is my colleague. I will be splitting my time with my colleague from York South—Weston who wants to chime in as much as I do. I was hesitant whether or not I would split my time, but I think I will, nonetheless. He is a fine fellow and I know he has a lot of important things to say about this.

Why is the government on this and so many other issues not prepared to consult with Canadians, is not prepared to consult with Carl, Sue and so many of the people in Dartmouth who are going to see the service cut? Why are these Conservatives not prepared to come with me to the town hall at the Woodlawn United Church on Thursday night and hear what people have to say?

People are concerned about the fact that they are not going to be able to get the service they normally do. I hear government members say there are other Canadians who do not get door-to-door service any more and depend on community mailboxes. We fought against that because we believed it was wrong too. Two wrongs do not make a right. The government has to figure how it is going to provide services to Canadians, how it will be able to make Canadians' lives better, how to make Canadian families' lives more affordable instead of finding ways to cut back services.

Recently the Conservatives announced a big program called the Canada jobs strategy. It was announced last year with great fanfare and they spent millions of dollars on advertising for this wonderful program. They could not even get that right. They still do not have a Canadian job strategy. Their job strategy, the way it is currently designed, will take program money away from the most vulnerable learners, people who are trying to access jobs by overcoming their literacy problems and breaking down the barriers to their becoming employable. That is what the government is proposing, but it cannot even get that right. Maybe that is the problem. Conservatives cannot sit around and come up with services they can expand or renew because they cannot get it right. That is what Canadians are looking for.

The government says it does not have any money. We know it has given tax cuts in the trillions of dollars to the largest corporations in Canada. It has foregone trillions of dollars in revenue and has to stop delivering the mail to 88-year-old Carl who lives near Mic Mac Boulevard or Mic Mac Mall. Is that fair? Do Canadians not deserve a little more respect from the government than having fingers wagged at them saying that they will have to do without and can no longer depend on this service because Conservatives cannot afford it any more, but that they have to give more money to the oil companies and the banks.

In terms of the whole issue of expanding services and whether Canada Post could start making money from postal banking, the government should be examining those kinds of options. It should be able to come to the House and tell us that they are going to expand these services and ensure that Canada Post will try options like those adopted in other G7 countries to ensure that services are available for Carl, Sue and the other people in Dartmouth—Cole Harbour, who desperately need and deserve these services. This is a service that we should be providing to all Canadians. It connects our communities from coast to coast to coast. That is the kind of country that we on this side of the House want to live in.

Business of Supply

•(1700)

Mr. Jeff Watson (Parliamentary Secretary to the Minister of Transport, CPC): Mr. Speaker, I listened to the member's intervention and want to move to the issue of postal banking and ask a number of questions on that today to find out whether the member supports postal banking without having the facts, or whether he has the facts and that is why he supports postal banking.

My question is very simple. What would it cost Canada Post to capitalize a postal bank? What would it cost Canada Post to operate all those postal branches as banks? How does he expect Canada Post to be able to pay for that initiative?

We will find out whether he has the facts about postal banking or whether it is ideology.

Mr. Robert Chisholm: Mr. Speaker, I do not know if the member over there is a minister of state or a parliamentary secretary, but he has a title and he is responsible for this file: Canada Post. He makes a bit of a stipend for that. I do not know what it is, but say it's \$30,000 or \$40,000. This is his file.

Canada Post has just announced that it is going to cut services to Canadians and that it has examined options, yet the parliamentary secretary or the minister of state, whatever that member is, does not know what those options are. He does not know what the costs are. He does not know what the implications are for Canada Post. What is he doing?

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, the parliamentary secretary asked the member for Dartmouth—Cole Harbour for some facts.

I have some facts here from Canada Post's financial results from 2003 to 2012.

The fact of the matter is that except for 2011, it made a substantial profit. Even in 2012, Canada Post, from operations before taxes, made \$131 million. That is the group of companies. Canada Post, specifically, made \$98 million.

I have to ask the parliamentary secretary, when the Canada Post group of companies made roughly \$1,581,000,000 over 10 years, what has happened all of a sudden? Is the member for Random—Burin—St. George's right when she says there really is a move here to create the conditions to privatize Canada Post? Is that really what is happening on the government side? Is it creating the conditions for privatization of Canada Post when, in fact, it has been making money?

It made this announcement when not many people were watching and it does not look at other options. What is wrong here? What really is the government's game? I ask because, ultimately, the minister is responsible for it, even though it is a crown corporation.

•(1705)

Mr. Robert Chisholm: Mr. Speaker, I appreciate the question asked by the member for Malpeque of the parliamentary secretary. Let him answer it on his own time.

Let me deal with something else that I want to answer; that is, there is no question that Canada Post, up until last year, made nearly \$2 billion in profit.

The question is, what is the CEO, who is making a half a million dollars, doing over there? What is he doing over there to ensure that Canadians receive the services that Canada Post is mandated to provide? Is he examining the alternatives that other G7 countries around the world have examined and have successfully implemented to ensure that their postal services are viable? Or has he been sitting on his hands, trying to lecture seniors that they should be using this opportunity to get some exercise? I think that is wrong.

Mr. Mike Sullivan (York South—Weston, NDP): Mr. Speaker, I appreciate this opportunity, brief though it will be, to enter into the debate on the future of postal services in Canada. That is really what is going on here. The government is clearly not about serving Canadians. It is about making profits for itself. That is what Canada Post has been doing for the past 10 or 11 years and longer. It has been making profits that the government has not invested back into Canada Post in ways that would have created the conditions to allow Canada Post to expand its services, not retract them. It might have been able to put back home delivery in places that do not have it now, which are very few, and only those homes that have been built since 1980 or 1988, whenever it was that the Mulroney government, another Conservative government, began the slide away from a post office that delivered to people's homes.

York South—Weston, my riding, is home to a greater percentage of persons with disabilities and seniors than most of the rest of Toronto, and that is because the housing is cheap. However, 99% of my riding is presently served by door-to-door delivery. We are saying to 99% of my constituents, and I would imagine to 99% of the constituents of many Conservatives in urban ridings, that they should just go whistle. They will not have door-to-door delivery in a few more years when Canada Post stops it.

Canada Post is going to have to come up with a whole lot of cash to be able to buy the land required to put super mailboxes in dense urban areas. It will probably require billions of dollars to put in 106,000 super mailboxes across Canada, most of them in dense urban areas which do not have the space.

The parliamentary secretary talked about not knowing how much it is going to cost for Canada Post to expand into other services. He does not even know how much it is going to cost for Canada Post to do what it has said it is going to do.

What the Mulroney government introduced in 1980 was only to be for new developments. That was the promise made at that time. Thus, people could in fact make decisions about where to live based on where door-to-door delivery existed. People did and have made those decisions. Now Canada Post has decided that promise is gone and it is not going to bother with it anymore.

Canada Post, and the government here today, has misled the public on just how much of its business it is actually changing. It suggests it is only one-third of Canadians. It is 99% of the people in my riding. It is 99% of the people in most urban centres who now receive door-to-door delivery, and except for those in apartment buildings who already have door-to-door delivery, the rest will now lose it. In fact, it will be better to be in an apartment building than a house in terms of door-to-door delivery.

Business of Supply

These super mailboxes are a scourge of many urban municipalities. In the last five years, CBC found and counted 4,800 incidents of theft and other vandalism at these super mailboxes. They are out in the open, unprotected. The mailbox at people's front doors is protected by the homeowner. The super mailboxes are a scourge of litter and are not maintained.

For seniors, disabled persons, or even an able-bodied Canadian trying to get to a super mailbox in the winter, it can be challenging. Canada Post does not maintain the area around them; they rely on the municipality to do that. Municipalities believe it is Canada Post's responsibility, so nobody does it.

The fundamental issue that nobody seems to be talking about is what the Minister of Finance is doing to protect his plan to balance his budget by the next election. That is what is really going on here.

The Minister of Finance, quietly, at about the same time that Canada Post made the announcement that they were getting out of the door-to-door service, told Canada Post that he was going to give them a papal dispensation on their pension plan deficit, that it was not going to have to pay back \$1 billion a year for the next two years. Who is going to have to pay it back if Canada Post does not have the money, which it will not? It will be the treasury. The Minister of Finance will have to come up with \$2 billion over the next couple of years. "Oops, there goes my balanced budget". The government is not going to let that happen. The government will give it more time to pay it off, and they will not have to pay it off in the next couple of years.

• (1710)

These deficits are strange and created only by the fact that we have very low interest rates right now. Most corporations and pension plans in Canada are facing these same structural deficits. However, only Canada Post is being offered a \$2 billion gift over the next couple of years by not having to pay it back. The CEOs of many other corporations in Canada would love to have that papal dispensation apply to them. They would love to have the ability to walk away for a couple of years from their deficits. However, it is Canada Post.

There is a strategic reason for it. It is because it will interfere with the finance minister's plan to balance the books. Nobody from that side in any authority is talking to the press or to us about what was really going on in the secret backroom negotiations between Canada Post and the federal government. However, something must have taken place to cause that to happen on almost the same day as the announcement. Canadians are not stupid. They believe there were discussions between the government and Canada Post long before the announcements were made, and I would suspect those discussions included the Canada Post pension plan deficit.

This is not an ongoing deficit; it is a wind-up deficit. If Canada Post were to go bankrupt tomorrow and stop operating, then it would have to come up with money to fund its pension plan. It would have to come out of the treasury. That is the way it works. Canada Post is not likely to go belly up tomorrow. On an ongoing basis, its pension plan is actually in really good shape, but on a wind-up basis, there is a deficit.

I, too, will be holding town hall meetings for the citizens of my riding, 99% of whom will lose their door-to-door delivery very shortly, to give their feedback to the government. I will be collecting names on petitions from individuals who show up on Friday night at the senior centre in Weston, or Saturday morning at the York Civic Centre, to talk with us and the NDP critic, the member for Trinity—Spadina, about what they think of the government's plan to eliminate door-to-door delivery, particularly in the dense urban area of Toronto.

• (1715)

[*Translation*]

The Deputy Speaker: It being 5:15 p.m. it is my duty to interrupt the proceedings and put forth with every question necessary to dispose of the business of supply.

[*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 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: Call in the members.

• (1755)

[*Translation*]

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

(*Division No. 42*)

YEAS

Members

Allen (Welland)	Andrews
Angus	Ashton
Atamanenko	Aubin
Ayala	Bélanger
Bellavance	Bennett
Benskin	Blanchette
Blanchette-Lamothe	Boivin
Borg	Boulerice
Brahmi	Brison
Brosseau	Byrne
Caron	Cash
Charlton	Chicoine
Chisholm	Choquette
Chow	Christopherson
Cleary	Comartin
Côté	Crowder
Cullen	Cuzner
Davies (Vancouver Kingsway)	Day
Dewar	Dion
Dionne Labelle	Donnelly
Doré Lefebvre	Dubé

Private Members' Business

Dubourg	Duncan (Etobicoke North)	Keddy (South Shore—St. Margaret's)	Kenney (Calgary Southeast)
Dusseault	Easter	Kent	Kerr
Eyking	Footo	Komarnicki	Kramp (Prince Edward—Hastings)
Freeland	Freeman	Lake	Lauzon
Fry	Garrison	Lebel	Leitch
Genest	Genest-Jourdain	Lemieux	Leung
Giguère	Godin	Lizon	Lobb
Goodale	Gravelle	Lukiwski	Lunney
Groghé	Harris (Scarborough Southwest)	MacKay (Central Nova)	MacKenzie
Harris (St. John's East)	Hsu	Maguire	Mayer
Hughes	Hyer	McColeman	McLeod
Jacob	Julian	Menegakis	Merrifield
Karygiannis	Kellway	Miller	Moore (Port Moody—Westwood—Port Coquitlam)
Lamoureux	Larose	Moore (Fundy Royal)	Nicholson
Laverdière	LeBlanc (Beauséjour)	Norlock	O'Connor
Leslie	Liu	Oliver	O'Neill Gordon
MacAulay	Mai	Opitz	O'Toole
Marston	Martin	Paradis	Payne
Masse	Mathysen	Poillievre	Preston
May	McCallum	Raitt	Rajotte
McGuinty	McKay (Scarborough—Guildwood)	Reid	Rempel
Michaud	Moore (Abitibi—Témiscamingue)	Richards	Rickford
Morin (Chicoutimi—Le Fjord)	Morin (Notre-Dame-de-Grâce—Lachine)	Ritz	Saxton
Morin (Laurentides—Labelle)	Morin (Saint-Hyacinthe—Bagot)	Schellenberger	Shea
Mourani	Mulcair	Shiple	Shory
Murray	Nantel	Smith	Sopuck
Nash	Nicholls	Sorenson	Storseth
Nunez-Melo	Pacetti	Sweet	Tilson
Papillon	Péclot	Toet	Trost
Perreault	Pilon	Trottier	Truppe
Plamondon	Quach	Uppal	Valcourt
Rafferty	Rankin	Van Kesteren	Van Loan
Ravignat	Raynault	Vellacott	Wallace
Regan	Rousseau	Watson	Weston (West Vancouver—Sunshine Coast—Sea to
Saganash	Sandhu	Sky Country)	Wilks
Scarpaleggia	Scott	Weston (Saint John)	Wong
Sellah	Simms (Bonavista—Gander—Grand Falls—Wind-	Williamson	Young (Oakville)
sor)	Sitsabaiesan	Woodworth	Zimmer — 146
Sims (Newton—North Delta)	Stewart	Young (Vancouver South)	
St-Denis	Sullivan		
Stoffer	Toone		
Thibeault	Trudeau		
Tremblay	Valeriote — 128		
Turnel			

NAYS

Members

Ablonczy	Adams
Adler	Aglukkaq
Albas	Albrecht
Alexander	Allen (Tobique—Mactaquac)
Allison	Ambrose
Anders	Anderson
Ashfield	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	Chong
Clarke	Clement
Crockatt	Davidson
Dechert	Devolin
Dreeschen	Duncan (Vancouver Island North)
Dykstra	Falk
Fantino	Fast
Findlay (Delta—Richmond East)	Finley (Haldimand—Norfolk)
Flaherty	Fletcher
Galipeau	Gallant
Gill	Glover
Goguen	Goodyear
Gosal	Gourde
Harper	Harris (Cariboo—Prince George)
Hawn	Hayes
Hiebert	Hillyer
Hoback	Holder
James	Kamp (Pitt Meadows—Maple Ridge—Mission)

Nil

PAIRED

The Acting Speaker (Mr. Bruce Stanton): I declare the motion lost.

[*English*]

The hon. government House leader is rising on a point.

* * *

BUSINESS OF THE HOUSE

Hon. Peter Van Loan (Leader of the Government in the House of Commons, CPC): Mr. Speaker, I wish to designate Thursday, January 30, as an allotted day.

PRIVATE MEMBERS' BUSINESS

● (1800)

[*Translation*]

EMPLOYEES' VOTING RIGHTS ACT

That House resumed from October 29, 2013, consideration of the motion that Bill C-525, An Act to amend the Canada Labour Code, the Parliamentary Employment and Staff Relations Act and the Public Service Labour Relations Act (certification and revocation—bargaining agent), be read the second time and referred to a committee.

Private Members' Business

Ms. Lise St-Denis (Saint-Maurice—Champlain, Lib.): Mr. Speaker, this Parliament and the members here have seen a litany of legislation, introduced by government members, that would restrict fundamental freedoms in order to build a new federative pact.

Every time, we are baffled by the methods that are used in the House, that disregard any will to consult, even though we are talking about social issues.

The Conservatives are redefining labour relations using a restrictive vision of the freedom of association as recognized by the charter. Bill C-525 is yet another way to erode the civilized power relationship between employers and unions.

Over the years we have seen that the union movement, for all its good and bad, has helped workers in the public and private sectors get their rights recognized on many occasions. The history of labour relations in Canada has been enriched by the battles fought by public sector employees who paved the way for union recognition and balanced negotiations that gave meaning to the word “justice”.

The government can come up with all the arbitrary legislation and restrictive measures it likes, but, given the significance of the issues we are now dealing with, we are asking it to think about the consequences of Bill C-525 for parliamentary and public sector employees.

The mandatory voting system that will be imposed for certification will cause insurmountable difficulties for unions, in an economic climate in which the union movement is in somewhat of a precarious position.

In recent years, we have seen a high number of failed attempts at unionization in a number of sectors—

The Acting Speaker (Mr. Bruce Stanton): Order, please.

There is too much noise in the House.

The hon. member for Saint-Maurice—Champlain has the floor.

[*English*]

I would ask the indulgence of all members to recognize that we have one of our members speaking on this motion. I will give the floor back to the hon. member for Saint-Maurice—Champlain.

[*Translation*]

Ms. Lise St-Denis: Mr. Speaker, the government can come up with all the arbitrary legislation and restrictive measures it likes, but, given the significance of the issues we are now dealing with, we are asking it to think about the consequences of Bill C-525 for parliamentary and public sector employees.

The mandatory voting system that will be imposed for certification will cause insurmountable difficulties for unions, in an economic climate in which the union movement is in somewhat of a precarious position. In recent years, we have seen many failed attempts at unionization in a number of sectors of the economy because of the economic disparity that exists between employees and employers.

A number of companies are getting around the certification rules in effect in Canada by imposing unusual labour standards, by manipulating the weakest and most disadvantaged employees, and

by threatening to fire those attracted by the benefits of association. To propose the abolition of the current card system is a curious message to send to employers, especially from, to say the least, a major employer in the world of labour relations.

For decades, we have seen the financial status of thousands of Canadians deteriorating because of the industry crises shaking a number of communities in the country. Coming up with changes to the current bargaining system is one thing, but obstructing the limited opportunities for certification that unions have is another. We cannot deny that this country's growth and prosperity have depended on the toil and the commitment of workers and employees in all economic sectors. We cannot deny that our socio-economic progress stems from the efforts of many of the employees who are unionized today.

Think about the Canada of yesterday, the Canada of our parents or of my youth, where the word “equality” found its meaning solely in the dictionaries of our respective languages. The government's desire to upset the balance of power in labour relations and its narrow vision of the word “negotiation” are black marks on the record of social progress made in Canada since the Second World War.

I remember the changes made to Quebec's provincial public service in the early 1960s. Inequality was the norm. Women had so few rights, even within the public service, that they were forever stuck in low-paying jobs, on the fringes of power. The labour movement awakened the public conscience. Quebec was Catholic, then secular and, above all, committed to modernizing employee-employer relations. It seems odd to us to take a step backwards when society is undergoing such profound change.

Can we meddle with unions to straighten out labour relations in Canada? The answer is self-evident. However, the Conservatives' desire to change our country's basic values raises a thorny issue, that of social equality. We agreed to civilized employer-union relations, so that everyone can have access to decent working conditions.

Everyone here has witnessed the exploitation of the weakest in our society, yet the alternative being proposed here is not to study union accreditation rules but to limit access to unionization.

• (1805)

They should give us their statistics and their studies on how the current certification system is being abused. We are still waiting for their hasty conclusions on the place of the union movement in Canada.

As usual, we are left with only public speculation, which leads to these bills that restrict our rights. We are trapped in Conservative rhetoric. According to the Conservatives, unions are the only threats to the social balance of our communities. According to them, unions are the only cause of all of our economic troubles. This government's refusal to recognize the importance of healthy labour relations is reflected in a harsh bill that serves a political class inspired by an agenda from another era.

Private Members' Business

Instead, let us look together at how the existing certification rules work and what employees really need. Hundreds of millions of current and future unionized workers will be affected by Bill C-525. We can all agree that narrowing the prerogatives of unions is part of the Conservatives' magnanimous plan to change the very foundations of our democracy.

We wish that the government would realize, once and for all, that workers' rights and the rights of Canadians in general pose no threat to the cornerstones of our economic system. However, the potential dissolution of hundreds of union locals as a result of the adoption of Bill C-525 represents a genuine threat to Canada's socio-economic well-being.

• (1810)

[*English*]

Mr. LaVar Payne (Medicine Hat, CPC): Mr. Speaker, I am pleased to rise today to give a speech, my first one in 2014.

On that note, Mr. Speaker, I would like to wish you and all of our colleagues in this House a very happy and prosperous new year.

Second, I would like to thank all of my constituents in the great riding of Medicine Hat for their support over this last year.

I am very pleased to rise in the House today to speak in support of the employees' voting rights act, which intends to modify the Canada Labour Code, the Parliamentary Employment and Staff Relations Act, and the Public Service Labour Relations Act.

I would like to thank my colleague, the member for Wetaskiwin, for raising such an important question in the House. I have the privilege of having him sit beside me this afternoon.

We can all agree that employees should have the right to decide freely, without pressure, whether or not they want to be represented by a union. In Canada, freedom of association, which includes the ability to form a union, is a fundamental right guaranteed by various federal, provincial and territorial labour laws, as well as the Canadian Charter of Rights and Freedoms. The Canada Labour Code, the Parliamentary Employment and Staff Relations Act and the Public Service Labour Relations Act also guarantee the right to certify or decertify a union.

We all understand that for an employee the decision whether to be represented by a union or not is an important one. It is equally clear that the decision made by employees regarding their unionization has an impact on their employer.

When elections are held, Canadians choose their representatives by secret ballot vote. They make their decision in a voting booth, without pressure, sheltered from the looks of others. Why do we vote this way? The secret ballot voting remains the single best way to ensure democracy, so it should be available when individuals choose if they would like to be part of a union.

As we know, currently unions can be certified to represent an employee bargaining unit through using a check card system. It is clear that the best way to guarantee that this important decision is made freely is by using a secret ballot vote. It is the very essence of the employees' voting rights act. It would give employees the right to express their opinions in a more democratic way.

I believe the employees should be able to fully express their views regarding the type of union representation they want in their workplace. I also firmly believe that their views should be expressed under the best possible conditions, to ensure the decision accurately represents the will of the employees.

Having said that, there are areas of the bill that we feel should be amended. That is why it is important for stakeholders, including unions and employees, to share their views regarding the bill. I am confident that the discussions will highlight the strengths of the bill. I am certain the stakeholders will provide constructive feedback to the House committee. This process offers them a unique opportunity to suggest ways that would strengthen and maintain workplace democracy.

The employees' voting rights act would allow us to begin an important debate on workplace issues, and I would like to recognize the hard work of the member of Parliament for Wetaskiwin on this file.

We all stand for election. We all have an opportunity to have people vote for us, and we know that every one of those votes is done by secret ballot. This is no different for employees who want to join a union or decide they do not want to join a union. They need to have that right to vote without the pressure that might be applied, and they could do that with a secret ballot vote.

• (1815)

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, I am pleased to rise today to speak to Bill C-525.

Earlier, in question period today, the Minister of Labour made a statement that I would not mind having attributed to myself. She called the member for Rosemont—La Petite-Patrie the MP for CUPW.

Where I come from, we stand up for all the people in our community, whether they happen to be in CUPW or any other union. I want to commend that member for the good work he is doing.

I am reminded, when I look at this—

The Acting Speaker (Mr. Bruce Stanton): Order, please.

The member for Wetaskiwin is rising on a point of order.

Mr. Blaine Calkins: Mr. Speaker, I was present during question period today, as were most of the members in the House. I do not remember the Minister of Labour getting up once to answer a question. The hon. member may wish to correct the record.

The Acting Speaker (Mr. Bruce Stanton): That is not a point of order. It is a matter of debate, a matter of the facts of a previous part of the day's proceedings.

The hon. member for Hamilton East—Stoney Creek.

Mr. Wayne Marston: Mr. Speaker, I stand corrected. It was the former minister of labour, now the Minister of Transport. I thank the member for pointing that out to me.

Private Members' Business

When I look at the bill, I am reminded of part of an old labour song, *Solidarity Forever*, that nothing is weaker than the feeble strength of one. That is one of the reasons that in the 1940s in Canada, we started down the road to unionization. Many of the fathers of the good veterans we have in this place today were probably part of that union movement when they came home from the war and did not like the imbalance in labour relations in this country.

To be clear for the record, I was the president of a communication workers local for Bell Canada. For a number of years, I was president of the Hamilton and District Labour Council. I was very proud to serve in those positions. For the record as well, those were non-paid positions.

Some people in this place like to refer to labour unions in a variety of disparaging ways, but I want to be clear tonight about Bill C-525. It is nothing less than a back-door attempt to weaken those organizations that protect workers every day in the workplace, the labour unions. Bill C-525 would do so by fundamentally changing the processes for certifying or decertifying a union under federal jurisdiction. I believe the sole purpose of Bill C-525 is to bring union organizing in the federal jurisdiction to a complete halt. It is nothing short of a very sly way to create a situation that the Conservative government hopes will lead to a drastic increase in union decertification. The Conservatives hope to succeed by bringing about a low turnout of members, and just as voter suppression has been taking place in federal voting, they plan on dealing with that same issue in the same manner of allowing fewer people to decertify a union.

Decades, or some 70 years, of business, government, and labour unions working together, have gone into the processes that we have today, and the government tends to leave out the fact that when a backbencher puts forward such a bill, it is adding to its own efforts. Another bill before this House is Bill C-377. Between the two bills, the goal is obvious: to set back labour relations in Canada to the bad old days of the 1940s.

Hamilton was one of those places in Canada where former veterans and workers banded together to get union representation. It was Justice Rand in his wisdom in 1946 who said that if a person was part of a union, they did not have to join it but had to pay for the free collective bargaining, which was not free. They had to contribute their union dues. Again, they did not have to be a member, but they were sharing the cost.

Where are the consultations, the due diligence, required for such a change? With Bill C-525 that simply has not happened. It was crafted without any consultation with the key stakeholders from either the union or employers' side.

I believe it is irresponsible on the part of the Conservative government to allow a private member's bill to amend Canada's labour relations legislation. If there were any case at all for changes to our labour relations legislation, then there must be consultations with all the stakeholders, and a full study before proceeding to draft any such bill. It should absolutely be done by a government bill, not a private member's bill.

These changes, as set out in Bill C-525, would weaken the ability of workers to seek union representation for collective bargaining, as well as advocacy on their behalf when disputes arise with their employers.

The bill would increase the number of membership cards needed to trigger union certification or decertification. It would eliminate the option to form a union through a majority card check, which would leave workers vulnerable to intimidation by employers, or worse, to those third parties hired.

I have stood before those third parties. I have been on picket lines many times where the third parties were hired and were standing on the other side of the picket line with baseball bats in their hands.

• (1820)

I am not sure, but I hope the member proposing this change simply does not understand or appreciate the risks that some workers face. It is their fundamental right to withdraw their services after a due vote, and when they do so they should not be put at risk.

Currently, if a majority of workers vote in favour of forming a union, then that union is certified. Under the new rules, a majority of the entire bargaining unit, not just those who turn out for the vote, must vote in favour of forming a union. Non-unions would essentially be counted, under this new proposal, as voting against a union simply if they are not in attendance.

Under the decertification process proposed in Bill C-525, the new rules would require a majority of the membership to vote in favour of continuing representation, to prevent decertification. In other words, it would make it almost automatic if there is no participation.

If we look at how low the voting patterns are in our elections and if rules like that applied, then MPs would wind up not sitting in these seats because the assumption would be against their being elected. It is the same thing.

For workers covered by the Public Service Labour Relations Act, the bill would require 55% of members to vote for continued representation, to prevent decertification. That stacks the cards against people's rights. It is their right to make this determination.

As I indicated earlier, Bill C-525 would throw the Canada Labour Code out the back door. It would forego the dialogue and the consultative processes developed over seventy years that have made changing labour legislation a progressive practice where the rights of workers are always a major aspect involved in any discussion with employers and workers.

Private Members' Business

It is clear to even a casual observer that this private member's bill is gerrymandered for union busting. It would make it nearly impossible for Canadian workers in the federal jurisdiction to form a union. Like Bill C-377 last year, the Conservative government is using the back door by way of a private member's bill to open the labour code instead of admitting that it is simply a Trojan Horse piece of government legislation.

If the government truly feels that legislative change is necessary—and that is a possibility—the Minister of Labour should bring it before the stakeholders in the business and labour community and consult with them and then do due diligence by way of a study before drafting changes to our labour relations act.

Failing that, the government needs to understand that the opposition now sees this legislation for what it truly is. Soon all Canadians will understand it is yet another example of the Conservatives' agenda to drive down the wages of the middle class and make Canadian workers work for less.

Bill C-525 is a reckless and radical piece of legislation taken straight from the Republican playbook in the United States.

Contrary to the rhetoric of the extreme political right, attacks on collective bargaining do not promote economic growth, but rather they drive income inequality and create toxic work environments that turn Canadians against each other.

Organized workers in Canada have delivered results: better wages, more rights for workers and a more secure future, not just for union members but for all Canadians.

There is a bumper sticker that says, “Unions: the people who brought you the weekend”. That is a bit light for this occasion but it is a fact. If it were not for unions in this country, people would be working six days a week, twelve hours a day, for next to nothing.

Some people work very hard in this country and they happen to be members of a union. They are proud of the work they do, and I am proud of them.

• (1825)

Mr. Larry Maguire (Brandon—Souris, CPC): Mr. Speaker, it is my privilege to rise in the House to speak today to the employees' voting rights act, Bill C-525, put forward by my colleague. The bill aims to amend the rules for union certification and decertification in federally regulated workplaces to ensure that individuals have access to a secret ballot system.

I commend my hon. colleague for raising this issue. Democracy is fundamental to Canadian society, and all employees should have the right to express whether they wish to be part of a union. Why would the NDP and the Liberals want to remove this right, which they would do if they did not vote for Bill C-525?

Canadian labour laws are in place to protect the rights of workers while ensuring a productive environment for businesses. The Canada Labour Code guarantees employees a set of rights, including safe working conditions and minimum labour standards. One of those rights is the right to join or not join a union.

In Canada about 30% of all workers belong to unions, which include the more traditional unionized occupations. They include

manufacturing workers, miners, electricians, and workers in other construction trades. They also include professionals, such as engineers and nurses, and employees in federal, provincial, and municipal public administrations, schools, and hospitals.

Unions are for the most part very democratic organizations. The employees' voting rights act would extend that principle. It would help to ensure that all employees would have the opportunity to express their wishes about certifying or decertifying a union.

Currently, under federal labour legislation, a card check system can be used to form a union. If the majority of the employees sign membership cards, the relevant labour board can automatically certify a union. For example, under the current system, if 11 out of 20 employees sign a union membership card, the remaining nine individuals may not even be asked to sign. They may not even be aware that their colleagues want to form a union, yet they would automatically be unionized.

It is like in Manitoba. We all know how unaccountable the NDP members are in Manitoba, with the premier now the lowest in popularity of all the premiers in Canada. I am sure today's byelections in Arthur-Virden and Morris will prove the lack of accountability and democratic accountability even more.

This means that in many cases, unions can be certified without giving all employees the fair opportunity to truly express their wishes.

The employees' voting rights act proposes to eliminate automatic certification and to use mandatory secret ballot votes to certify or decertify unions in all cases. Voting, which was once the exception, would now be the rule for certifying or decertifying unions at the federal level. It would ensure that all employees would have an equal opportunity to express themselves through a secret ballot vote when considering whether to certify or decertify a union.

I absolutely support the right of every employee to a secret ballot vote. It would provide every employee with the ability to voice an opinion and would give people time to fully consider their options. That is why I support the principle of the employees' voting rights act and will vote in favour at second reading.

I have been hearing from stakeholders, and I understand that there may be some concerns about certain provisions of the bill. Mr. Speaker, with your support, the House committee will have an opportunity to carefully study the bill and consult with key stakeholders to consider their input and views. As I said, I support the principle of the employees' voting rights act. The bill must find the right balance between the needs of employees, unions, and employers. I am confident that the bill could do just that.

I would like to encourage my hon. colleagues to support the bill at second reading and to defend the democratic rights of the workers of our country. This legislation would ensure that every federally regulated employee would have access to a secret ballot vote when considering union representation. It would ensure that employees would determine for themselves whether they wished to be represented by a union, and they could have their voices heard.

Private Members' Business

•(1830)

With any legislation, it is always important to hear the views and feedback of those who would be most impacted and to take these into careful consideration. I have no doubt that the members of this House committee will carefully consider the principles behind this bill and examine the unique perspectives of the employees, unions, and employer groups that will provide needed perspective on this bill.

I would like to again take this opportunity to thank the hon. member for working to support the rights of employees by raising this issue and I encourage my hon. colleagues to stand in support of this bill at second reading.

[*Translation*]

Mr. Robert Aubin (Trois-Rivières, NDP): Mr. Speaker, as I rise today to comment on private member's Bill C-525, An Act to amend the Canada Labour Code, the Parliamentary Employment and Staff Relations Act and the Public Service Labour Relations Act (certification and revocation — bargaining agent), I cannot help but feel a little angry.

Actually, that is an understatement. I am very angry. When someone tries to amend the Canada Labour Code, we expect the proposed measures to improve problematic situations at least a little. In this case, the bill is yet another attack on an institution that has proven its worth and has made a significant contribution to ensuring quality of life for its members and, by extension, many workers in our society. That institution is the union movement.

I do not know what the unions can possibly have done for the government to treat them like this, but as a former president of a teachers' union in my riding, I will always stand up to fight for the fundamental rights of workers.

This private member's bill is clearly part of the government's agenda. There is no way this just happened by accident.

If this bill passes, it would be a first. As far as I know, changes to labour relations legislation have never been introduced via a private member's bill. Governments that do things properly and truly want to improve labour relations do not feel the need to slip changes in through the back door. They stand up in the House, introduce a bill and put it through the legislative process.

In the past, changes to the Canada Labour Code have come about following discussions between employers and workers, not when an MP stands up to say that he has made the discovery of the century.

That being said, what makes me most angry is the fact that I cannot pretend I am surprised. Since its inception, the union movement has come under constant attack, and that is still happening today.

Worse still, the changes this bill proposes are a direct attack on our democratic rules because they would establish a separate system that applies only to unions. Let us take a closer look at the changes proposed in this work of genius, Bill C-525.

Two processes would be undermined: the certification and decertification of unions in workplaces under federal jurisdiction. For now, this applies only to workplaces under federal jurisdiction.

Let us start with the process of union certification. Normally, when employees in a workplace decide to organize in order to establish a union, they discuss things with their colleagues with a view to presenting the benefits of association when the time comes to negotiate working conditions, for example, or a first collective agreement. They then invite them to sign a membership card if the union's objectives are in line with their expectations.

The union then files an application for certification with the Canada Labour Relations Board. If the application fulfills the requirements of the Canada Labour Code and if 50% of the members have signed a card, the union is automatically certified.

However, there is a second possibility. If between 35% and 50% of the members have signed a card, the Canada Labour Relations Board organizes a vote of the employees to determine the future of the potential union. A majority vote means that a union organization can be formed in that workplace.

Now here is the low point of the evening, the appalling proposal in Bill C-525. First, for the Canada Labour Relations Board to hold a vote, it will now require a minimum of 45%, not 35%, of the workers in the company. It gets even worse. When the vote is held, a majority of the entire bargaining unit—not 50% + 1 of the members at the meeting—must vote for the creation of the union. In other words, all those who do not vote would be deemed to have voted against a union being formed. Now we are playing with people's heads and telling them what to think when they are absent. If this is not vote-rigging, I really wonder what it is.

•(1835)

For a moment, let us imagine that, in the 2011 federal election, we had counted the votes of everyone who did not get out to vote as a vote against the re-election of the Conservative government. I am sure that the Conservative ranks would be up in arms. However, in this case, since it is about organizing a union, to hell with democracy; let us go for it.

If that were not enough, the process works in reverse for decertifying a union. The new rules would require a majority of the members of the certified unit to vote in favour of keeping their union representation. They would also require that everyone who did not vote be deemed to have voted for revocation. That effectively means that we are forging the signatures of people who are not there.

The bill would also require that 55% of members vote in favour of union representation in order to prevent decertification. Clearly, the concept of 50% plus one is light years away from Conservative thinking. That might explain why this government has such a hard time taking a position on the Quebec issue.

To continue with my analogy, this new directive would mean that all those who did not vote during the last federal election in 2011 would be added to those who voted for an opposition party, and therefore the Conservative government would be required to clear the government benches. In other words, what is good for the goose is good for the gander, but that does not seem to be the case here.

Private Members' Business

I know very few MPs in the House who would be able to meet such pseudo-democratic standards under this approach. The purpose of Bill C-525 is to manipulate union elections and make it practically impossible for workers to form a union.

To add insult to injury, this attack comes in addition to the one in Bill C-377. That is the real story behind this anti-democratic bill that reflects a Conservative, even Republican, ideology that has nothing to do with Canadian and Quebec values.

This bill is also economically counterproductive because it helps widen the income inequality gap, accelerates the downward spiral of middle-class wages, and creates work environments fostering conflict between managers and workers.

Unions have always contributed to improving working conditions, wages, and health and safety standards, not just for unionized employees but also for all other workers, by extension. However, it is no secret that this government is resolutely anti-union.

I remember one of my first debate experiences in the House, when we were discussing the Canada Post dispute. With the support of the current government, Canada Post locked out its employees, but the government kept saying that the employees were striking.

If the government truly wanted to reflect greater neutrality when it comes to employer-employee relations, it could have proposed something much better. Unfortunately, I do not have enough time to expand on that.

In closing, the House can count on my presence to firmly oppose this bill. I urge all members of the House to review the bill very carefully and ask themselves whether this is the kind of democracy they want for our country. By the way, there are not multiple kinds of democracy—one for politics, one for unions and one for community organizations. The “Code Morin” and the 50% plus one rule exist for everyone, and the rules work.

While we await that day in October 2015 when Canadians will choose a new government, every worker in this country can count on the NDP to defend their interests. We are the only party that can embody the “working together” slogan, which so many people can identify with, and we embody it for the simple reason that it is part of our DNA in the NDP.

• (1840)

[*English*]

Mr. Mark Adler (York Centre, CPC): Mr. Speaker, I am pleased to rise and have the opportunity to speak to Bill C-525, the employees' voting rights act. This bill is about a very simple principle in Canadian democracy, the right for people to vote freely, in this case on whether they wish to belong to a union. I would like to thank my colleague and the very hard-working hon. member for Wetaskiwin for raising such an important issue in this House.

What is the employees' voting rights act all about? It is about ensuring free choice for employees to decide whether they wish to be represented by a union. We use secret ballots when people vote during federal, provincial or municipal elections. Why should we not apply the same principle when employees have to decide if they want to belong or cease to belong to a union? Furthermore, if a major union chooses its own leaders through a secret ballot, why should the

same principle not apply to its membership? This is the purpose of the employees' voting rights act. It would amend the union certification and decertification voting rules in federally regulated workplaces to ensure secret ballot votes in all cases.

Why is it necessary to change these rules? The current card check system does not guarantee that employees' intentions are reflected, nor does it ensure that all employees have the ability to express their own views. Employees should have the right to a fair process that is fully democratic. These voting rules need to be modernized accordingly. A secret ballot would afford employees the important opportunity to weigh the pros and cons of joining a union. No one can disagree with the fundamental principle that secrecy is vital when it comes to any kind of voting. It protects the voters' freedom. It protects employees from the scrutiny of fellow colleagues, union organizers and employers. Is that not what democracy is all about?

I hear members on the opposite side claiming that this bill would not be fair to workers, so let us talk about fairness. How fair is the current process? In some cases under the existing system, unions can obtain certification despite a sizable portion of their membership not expressing themselves at all. In short, their opinion does not matter. For example, if 52% of employees sign a union card, the union certification is automatically granted. This means that the remaining 48% may not have been consulted or expressed themselves on such an important issue. The decision to form or decertify a collective bargaining unit is far too important an issue to be taken lightly. The employees' voting rights act would put an end to automatic certification.

Bill C-525 would not take away any rights from employees; on the contrary, it would empower employees. They would still have the right to be unionized if the majority of workers in their workplace want to be unionized. To ensure this decision is taken in a fair and democratic fashion, this bill would establish mandatory secret ballots in all federally regulated workplaces in regard to union certification or decertification. With this system, co-workers would not know how other workers voted, union representatives would not know how they voted, and the employer would not know how they voted. That would give employees the freedom to vote the way they want to and have their opinion heard, while maintaining their privacy.

I am sure everyone in this House would agree that privacy in voting is paramount in the democratic process. A secret ballot would simply guarantee that workers would cast their vote away from the pressures of others, and after the needed time, to consider their options. Let us face it: a secret ballot is the only way to ensure that the views of all employees are taken into consideration. If unions have the support of the majority of workers, they should have no concerns whatsoever about confirming this support through a secret vote.

Private Members' Business

•(1845)

Our government will continue working to ensure that federally regulated workplaces in Canada remain productive, safe, and fair. We will continue our quest to create jobs, economic growth, and long-term prosperity for all Canadians.

I truly hope that my fellow MPs will understand that the employees' voting rights act serves both workers and employers. This is why I strongly urge my hon. colleagues to support Bill C-525, so that we can receive input from key stakeholders in committee.

Mr. Blaine Calkins (Wetaskiwin, CPC): Mr. Speaker, it is truly a privilege to stand accurately in my place and give the right of reply to the debate at second hour reading of my bill, the employees' voting rights act.

First of all, allow me to thank all of my colleagues, not only from this side of the House, but throughout the House, for their valuable input into this legislation.

It is absolutely crucial that we have a discussion about this. As I said in my previous speech, constituents have brought concerns about the fairness of the process to my attention, and they were the reason for me bringing this legislation forward. I would like to thank them for their courage in coming forward and telling me about this, understanding the kinds of repercussions that they would face from their union leaders if it were ever found out that they had spoken to me about these kinds of things.

Notwithstanding that, I would like to dismiss some of the allegations that we have heard in the House. I have heard opposition members say that no member of Parliament would ever get elected at the thresholds that were set for this.

I would like to remind all hon. members that the threshold for union certification is 50% plus 1 in a card check system. My legislation proposes the very same threshold, but through a secret ballot vote. If it can be done through card check certification, why could it not be done through a secret ballot vote? That is a question that nobody arguing against my bill is prepared to answer. They do not want to answer the question because they know that the fear, intimidation, and the other tactics employed in a union certification drive will come to light and that is something to which they simply do not want to expose themselves.

I have heard from other members over here, saying that the same threshold does not apply to members of Parliament, as it does in this particular case. Well, at least I face a secret ballot vote, as all of my colleagues do in the House, when it comes to making the determination.

The red herring in the mix is the fact that a yes/no question is a referendum question, which is what my bill is actually dealing with, not a first past the post system, which we currently have when we vote for members of Parliament. It is absolutely ridiculous to assume that someone in a 5- or 6-way race would get 50% plus 1 of the votes. It is a complete red herring and, quite frankly, it is an illogical argument being prepared by the other side. However, I am happy to report that in one of my elections, I did get 50% plus 1, notwithstanding the votes for the opposition and the folks who

refrained from voting. I owe that to the good common sense of the people back home in the riding of Wetaskiwin.

In closing, I would also like to draw out some of the other misinformation that was here. I have heard it said that this bill is not in line with Quebec values. We know from polling results that when we ask Canadians across the country whether they would like to have a secret ballot vote during the certification and decertification process of a union, the answer is overwhelmingly always in the 80% range. I have not seen a poll at less than 80% or 82%. In fact, the numbers are actually higher in Quebec, and when we ask current or former union members, that percentage is even higher.

My legislation, as it is proposed in principle, is completely onside with the values that Canadians hold dear. They want a secret ballot vote. These workers deserve an opportunity to determine what is in their best interests. Whether or not the union can make the pitch, whether or not they can provide better services for those workers, and whether or not the employer can make that pitch, the workers have every right to decide what is in their best interests, and the best interests of their families, insofar as what they choose to do and where they want to work.

I would encourage all members to stand in this place at the second reading vote on this bill and show, through their democratic right in this House, whether they actually believe in democracy.

Does the New Democratic Party actually mean the “No Democratic Party”, with no democracy unless it suits the party's needs? We will find out.

I know that my colleagues on this side of the House will support my legislation, or I am at least very hopeful that they will. Let us get this bill to committee and hear from the stakeholders at the committee stage. The government has indicated that it is looking at amendments to the bill. I am okay with that as long as we keep the true spirit and intention of the bill, which is to ensure that we have a democratic and mandatory secret ballot vote during the certification and decertification process.

That is in the best interests of Canadians. It is in the best interests of our society. It is in the best interests from a public policy perspective.

•(1850)

The Acting Speaker (Mr. Bruce Stanton): Order. 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 Acting Speaker (Mr. Bruce Stanton): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Bruce Stanton): All those opposed will please say nay.

Some hon. members: Nay.

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The Acting Speaker (Mr. Bruce Stanton): In my opinion the yeas have it.

And five or more members having risen:

The Acting Speaker (Mr. Bruce Stanton): Pursuant to Standing Order 93, the division stands deferred until Wednesday, January 29, immediately before the time provided for private members' business.

* * *

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

• (1855)

[Translation]

OFFICIAL LANGUAGES

Mrs. Carol Hughes (Algoma—Manitoulin—Kapuskasing, NDP): Mr. Speaker, I am pleased to have this opportunity to revisit a question I raised on November 7, 2013, regarding the recommendations of the Commissioner of Official Languages.

I would like to take this opportunity to talk some more about one of the recommendations made by the Commissioner of Official Languages in his 2012-13 annual report. To begin, however, I would first like to report on the implementation of some of the recommendations made by the Commissioner of Official Languages since 2006.

According to a table prepared by the Office of the Commissioner of Official Languages, from 2006-07 to 2010-11, the Conservative government implemented only 10% of the 39 recommendations made by the Commissioner of Official Languages. The table shows that the government failed to implement 20% of the Commissioner's recommendations and that it did not follow up on 31% of the recommendations. This makes no sense. Clearly, the Conservative government does not take its obligations under the Official Languages Act very seriously.

As for the recommendations in the most recent annual report issued by the Office of the Commissioner of Official Languages, I would like to focus on those dealing with access to justice. This was recommendation no. 5:

The Commissioner of Official Languages of Canada, the French Language Services Commissioner of Ontario and the Commissioner of Official Languages for New Brunswick joined forces to conduct a study on the bilingual capacity of the superior court judiciary and recommend solutions to encourage Canadians to exercise their right to justice in the official language of their choice. Implementing these solutions depends on a collaborative approach between Canada's Minister of Justice and his provincial and territorial counterparts, as well as the superior court chief justices.

The Commissioner of Official Languages recommends that, by September 1, 2014, the Minister of Justice and Attorney General of Canada implement a collaborative approach with his provincial and territorial counterparts to ensure that the bilingual capacity of Canada's superior court judiciary is consistent and appropriate at all times.

In his study of the bilingual capacity of the superior court judiciary, the Commissioner of Official Languages points out that obstacles to justice in both official languages have been known for

some time, but despite several interventions on this front, progress in appointing bilingual judges has stalled.

For many Canadians, access to justice continues to be a challenge, and for many members of minority language communities, language remains one of several barriers. The commissioner's findings show that much work remains to be done to ensure that a sufficient number of bilingual superior court judges are appointed.

My colleague from Acadie—Bathurst moved a motion in the Standing Committee on Official Languages to ask the Minister of Justice to appear before the committee to report on measures he intended to take in response to this study. Unfortunately, the Conservative government opposed that motion.

Even though the Conservative government is using every trick in the book to delay the official languages file, my NDP colleagues and I will continue to stand up for language rights and support the development of our official language communities. To that end, Bill C-208, which was introduced by my colleague from Acadie—Bathurst, is about the bilingualism of Supreme Court judges and will be debated at second reading at the end of February. Bill C-208 would amend the Supreme Court Act to create a new requirement for the appointment of judges to the Supreme Court of Canada.

My question for the Minister of Canadian Heritage and Official Languages is simple. What will she do to reverse the decline of official languages that has occurred under her government?

Mr. Jacques Gourde (Parliamentary Secretary to the Prime Minister, for Official Languages and for the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, our government is a strong supporter of our country's linguistic duality. It is a critical part of who we are as a country, and we will continue to support minority language communities.

We recognize that francophone and anglophone communities make our society more culturally, socially and economically vibrant.

The 2008-13 roadmap resulted in significant progress in a variety of areas, including the economic development of official language communities and the promotion of linguistic duality.

The commissioner acknowledged the success of the 2008-13 roadmap in his 2012-13 annual report. He said the following in his report:

...the 2008-2013 Roadmap resulted in significant progress in a variety of areas, such as health care, justice, the economic development of official language communities, immigration in French-speaking minority communities and the promotion of linguistic duality.

Following extensive consultations across Canada, our government introduced the new roadmap, which focuses on education, immigration and community support.

The \$1.1 billion being invested in the new roadmap is the most comprehensive investment in official languages in Canadian history. Those funds will strengthen existing francophone communities in Canada and will bring the French language and culture to new communities across the country.

The Commissioner of Official Languages, Graham Fraser, acknowledged the importance of our government's historic investment in support of our two official languages. Mr. Fraser said this:

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These initiatives have enabled a number of English-speaking and French-speaking communities to gain momentum over the years, giving them reason to be optimistic about the future.

Our government also recognizes the importance of a bilingual education. Each year, our government invests \$86 million to support immersion programs in every province and territory in Canada.

The commissioner recognized the success of that investment during his presentation to the Standing Committee on Official Languages on December 2, 2013. I would like to share his comments with my colleagues.

Investments in immersion programs across the country have resulted in a new generation of bilingual Canadians, many of whom are now in post-secondary institutions.

Our government's commitment to protecting, celebrating and strengthening our two official languages has never been clearer.

● (1900)

Mrs. Carol Hughes: Mr. Speaker, I mentioned the damning report on the government's failure to implement the recommendations of the Commissioner of Official Languages.

I would like to point out that, in addition to this very disappointing record, the Conservative government has repeatedly shown its contempt for our official languages. Let me list some examples.

The Minister of Foreign Affairs had unilingual business cards. My colleague from Acadie—Bathurst complained to the Commissioner of Official Languages. In his report, the commissioner asked the minister to destroy his unilingual cards. There has still been no public follow-up on the matter.

Another example is the closure of French-language and bilingual scientific libraries. In 2012, the Conservative government announced the closure of the Maurice Lamontagne Institute in Mont-Joli, Quebec, and the Gulf Fisheries Centre in Moncton, New Brunswick. Those two Fisheries and Oceans Canada libraries were serving French-speaking scientists. No compensating measure has been announced to offset the obvious negative consequences of those closures for francophones. We are still waiting for a definitive answer on the Maurice Lamontagne Institute. Those are just a few examples in a very long list.

This step backwards in terms of official languages is unacceptable. The minister must show leadership and must do everything in her power to promote linguistic duality in Canada.

Mr. Jacques Gourde: Mr. Speaker, as members are aware, the tremendous investment of \$1.1 billion in the 2008-13 roadmap has been maintained for the new 2013-18 roadmap.

The funding for the roadmap has been renewed and is now permanent. In fact, although three-quarters of the funding for the 2008-13 roadmap had permanent support, from now on, all the initiatives in the 2013-18 roadmap will be permanently funded, as we announced in budget 2013.

Our support for official languages is the most significant investment ever made by any federal government.

● (1905)

[*English*]

PRIVACY

Mr. Mike Sullivan (York South—Weston, NDP): Mr. Speaker, last December the issues of confidentiality of private health information being shared by Canadian authorities with the U.S. border service was raised by me and my colleague, the member for Esquimalt—Juan de Fuca.

The incident that causes me and others such great concern over the security of our private health information stemmed from the treatment that Ellen Richardson, a paraplegic and a constituent of mine, received on her way through the United States to take a Caribbean vacation with the March of Dimes.

She was stopped at the U.S. border by a security agent who questioned her about a hospitalization episode that she had experienced in 2012 for depression. As a result, she was denied entrance into the U.S. for her mental illness episode, and unfortunately lost her cruise. The U.S. authority had detailed information about her hospitalization.

Last December 2, we asked the minister to explain to the House how a U.S. border agent would know about a Canadian's private medical history. The answer we got was less than satisfactory. It was simply that the government was committed to ensuring the privacy of Canadian health files and that health information was a provincial responsibility.

However, that did not explain how Mrs. Richardson's private health information got into the hands of the U.S. Department of Homeland Security. I followed up on December 3 with a more direct question: What was the government going to do to ensure that the private medical records of Canadians would be protected?

The answer I received from the Minister of Public Safety and Emergency Preparedness was less than helpful, but it was revealing. He said, "I can tell the member that we have the Canadian Police Information Centre, but his question should be addressed to the U.S. authority."

The Canadian Police Information Centre is a database maintained by the RCMP, a federal agency that collects data shared by police forces across Canada. It has data on wanted persons by legal authorities, people accused of crimes, people under criminal surveillance, people on probation or parole, missing persons, wandering persons registered under the wandering persons registry, and stolen property. It is a database that is shared, apparently without any fetter, with the U.S. Department of Homeland Security.

When the minister said "we have the Canadian Police Information Centre, but his question should be addressed to the U.S. authority", he is essentially telling us that Mrs. Richardson's information was in CPIC and that we should question the U.S. policy that led to refusing Mrs. Richardson transit through the U.S. to her cruise.

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However, he misses the point. Mrs. Richardson is not a person who has a criminal record. She is not wanted by the police or under surveillance, and she is not on probation or parole. Her medical information is there due to a 9-1-1 call involving her hospitalization episode, which is hardly a criminal activity. This is not information that needed to be shared with anybody, let alone the U.S.

Again, what is the government doing about protecting the private medical information of Canadians? The RCMP is a federal agency. It is responsible for the Canadian Police Information Centre. It controls what is held in it and what can or ought to be released to non-Canadian agencies. Clearly, non-criminal information and private health information of Canadian citizens ought not to be shared.

The government claims to respect the privacy of the medical records of Canadians, so what steps will it take to ensure this is done with respect to the Canadian Police Information Centre?

Ms. Roxanne James (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, CPC): Mr. Speaker, I am pleased to have the opportunity to respond to the member for York South—Weston regarding the access and use of Canadian Police Information Centre information by U.S. authorities. For the information of the member and those who may be watching at home, the Canadian Police Information Centre is also known as CPIC.

The CPIC system is Canadian law enforcement's primary conduit for exchanging police information. I would like to take this opportunity to assure all members of the House that personal medical information is not stored in the CPIC system. What is stored, however, is investigative and intelligence information that is important for the administration or enforcement of the law in the detention, prevention or suppression of crime generally and for national security purposes. In the interests of public safety, the information may include observed behaviours and detention under provincial mental health legislation. Knowledge of such information is intended to protect individuals from harming themselves, the general public or law enforcement members. It allows law enforcement to be better equipped to respond to immediate and future incidents.

In a law enforcement and public safety context, information sharing between Canada and the United States is needed to address border threats at the very earliest possible stages. The RCMP and the FBI have a memorandum of co-operation for the electronic exchange of information contained in the CPIC system and the U.S. national crime information system. This exchange of information, which is vital for public safety and national security reasons, is reciprocal. U.S. law enforcement agencies have access to CPIC information, as Canadian law enforcement agencies have access to the American information. It goes both ways. Under the terms of this memorandum, customs and border protection are permitted to access CPIC.

I would like to remind members of the House that entry into a foreign country is governed by that country's laws and policies, and Canada has absolutely no authority to direct the U.S. with respect to allowing individuals entry into that country.

Lastly, should any individuals have concerns with their treatment by American border officials, I would encourage them to contact the U.S. Department of Homeland Security.

● (1910)

Mr. Mike Sullivan: Once again, Mr. Speaker, the member has failed to answer the fundamental question, which is this. How is it that the CPIC data, which apparently included her medical information, was then shared with the U.S. authorities?

If, as the member says, medical information is not shared, then there should be a fetter. There should be some kind of way of restricting what information is in fact shared with the U.S. However, as she later said, U.S. agents have complete and unfettered access to the information in the database and, therefore, it would appear that is how the medical information got shared with the U.S. agents.

The question still remains. What will the government do to ensure that this does not happen again, that medical information, which may be placed in this database for whatever reason the local police service decides to put the medical information in, should never be shared with U.S. authorities or with any other foreign body or agency?

Ms. Roxanne James: Mr. Speaker, I want to reiterate one point from my initial remarks. I want to make it very clear that in the interests of public safety, this information may include observed behaviours and detention under provincial mental health legislation. Therefore, my answer has been quite clear.

When it comes to border security, the NDP has voted against every single measure that this Conservative government has tried to pass and, thankfully, we have passed. For example, our government increased front-line border guards by 26%, and the NDP voted against it. Our government passed tough legislation to crack down on human smugglers, and the NDP voted against it. Our government passed legislation to ensure that foreign criminals are removed from Canada quickly, and—guess what—the NDP voted against it.

In closing, I would like to assure Canadians that they can count on this government to keep our communities safe.

[*Translation*]

THE ENVIRONMENT

Mr. François Choquette (Drummond, NDP): Mr. Speaker, I would like to follow up on a question I asked in the House in November about climate change. I feel that the minister's response to my question was inadequate.

To begin, I would like to provide some background about what has happened in the fight against climate change since I was elected to the House of Commons.

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In 2011, as we all know, a very important decision was made. The Government of Canada decided to pull out of the Kyoto protocol and, from that point on, it would try to meet the targets set out in the Copenhagen agreement.

Some people began to ask the Canadian government questions. For example, a report by the National Round Table on the Environment and the Economy in 2012 stated that Canada would not meet its target and that it would even have difficulty meeting 50% of its target by 2020. Consequently, the National Round Table on the Environment and the Economy told the Conservatives in the current Canadian government that they needed to make far more significant changes and take more substantive measures if they wanted to meet their weak targets.

I should explain that the 2011 targets were rather significant. After 2011, the Conservatives adopted the Copenhagen agreement targets, which were quite low. They will not be enough to prevent the Earth's average temperature from increasing by 2°C, the threshold at which the changes will be irreversible and the human race will be in jeopardy.

What did the Conservative government do? It is simple. It decided to abolish the National Round Table on the Environment and the Economy because it was useless. This was truly absurd, because it was the only round table that brought together the environment and the economy to move our country, Canada, toward a more sustainable economy. Unfortunately, the Conservatives did not think that was a good idea.

That same 2012 report by the National Round Table on the Environment and the Economy mentions that if we do not act, it will cost Canada \$50 billion. It will cost Canadian taxpayers more to wait than to take immediate action and invest in fighting climate change and adapting to that change.

In October 2013, Environment Canada issued a report. Even Environment Canada issued a report to tell the Canadian government and the Minister of the Environment that they would not achieve their low Copenhagen agreement target. Even Conservative government officials are telling the government that it will not achieve its low target.

However, the Conservatives continue to say that everything is fine, that I should not worry, because there is no problem. On top of that, we are still waiting for the targets for the oil and gas industry, which were promised ages ago.

When will we get those targets? When will we also get real measures and more measures to achieve the Copenhagen agreement's low targets and do even better? Otherwise, it will be disastrous for our pocketbooks.

● (1915)

[English]

Ms. Roxanne James (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, CPC): Mr. Speaker, the government takes the challenges of climate change very seriously. For this reason, we are implementing a comprehensive climate change plan, both domestically and internationally. Our government is working constructively with the international community on a new international climate change agreement, as

demonstrated by our participation at the 19th Conference of the Parties, held in Warsaw, Poland.

A new international climate change agreement must take a comprehensive approach to climate change by addressing both mitigation and adaptation. Most importantly, it must include a commitment to action by all the world's major emitters of greenhouse gases.

Domestically our government is implementing a sector-by-sector regulatory approach to reducing emissions that is working. We began implementing this plan by addressing two of the largest sources of greenhouse gas emissions in this country: the transportation and electricity sectors.

In the transportation sector, we worked with the United States to put in place harmonized emissions standards for new passenger automobiles and light trucks for up to 2016 model year vehicles and issued proposed regulations for later model years as well. With these regulations, it is projected that 2025 vehicles will produce 50% less in greenhouse gas emissions than 2008 vehicles.

We have taken the same approach to improving fuel efficiency and reducing greenhouse gas emissions from heavy-duty vehicles, such as full-sized pickups, semi-trucks, garbage trucks, and even buses. As a result of these regulations, GHG emissions from 2018 model year heavy-duty vehicles will be reduced by up to 23%.

In the electricity sector, our government's coal-fired electricity regulations further strengthen Canada's position as a world leader in clean electricity production. We introduced a tough new regulatory performance standard for coal-fired electricity generation. With these regulations, Canada became the first major coal user to ban the construction of traditional coal-fired electricity generation units.

The fact is that no other government has done as much to reduce GHGs than this government. As I mentioned, our approach is generating results, and Canadians can be proud of them.

As a result of our actions, Canada's 2020 emissions are projected to be about 120 megatonnes lower than what they would have been under the Liberals. This is the equivalent of shutting down 37 coal-fired electricity generation plants.

Our government will continue to focus on a pragmatic approach to climate change that will reduce emissions while it continues to create jobs and encourages the growth of the Canadian economy. We will achieve all of this without imposing a \$20-billion tax on Canadians, as proposed by the NDP.

● (1920)

[Translation]

Mr. François Choquette: Mr. Speaker, I listened carefully to the response given by the Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness.

To come back to what she said, some European countries will meet the Kyoto targets. If she thinks that Canada is the best example in the world, she needs to have another look at the models around her. Some countries in Europe have nearly met the Kyoto targets and are still part of that protocol.

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What is shameful is that Canada was the first signatory to the Kyoto protocol to pull out of it. That is really not something to be proud of. I would not stand up in this House and say that we are proud of what Canada has done when it comes to the fight against climate change.

I also mentioned that there were other reports. The round table report, the World Bank report and the Environment Canada report were not the only ones. Numerous reports revealed that Canada would not meet the low Copenhagen targets.

If the Conservatives are saying that they will continue to do nothing and will meet the Copenhagen targets, there are two possibilities: either they can do magic and will use it to meet their targets, or they have a secret plan to combat climate change. If that is the case, I would like to hear about this plan, and I think the Canadian public would as well, because the existing plan is not working.

[English]

Ms. Roxanne James: Mr. Speaker, since 2006, our government has taken action to reduce greenhouse gas emissions and build a

more sustainable environment through more than \$10 billion in investments to support green infrastructure, energy efficiency, clean energy technologies, and the production of cleaner energy. We are seeing success, as greenhouse gas emissions have decreased while the economy continues to grow.

Canadians can also be proud of the fact that per capita emissions are at a historic low of 20.4 tonnes of carbon dioxide equivalent per person, their lowest level since tracking began in 1990.

Canadians can count on this government. Our approach is working. There is something else Canadian's can count on. They can count on us to continue to oppose the NDP's \$20-billion carbon tax.

The Acting Speaker (Mr. Bruce Stanton): The motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 7:23 p.m.)

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