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OFFICIAL REPORT
(HANSARD)

Tuesday, September 19, 2017

Speaker: The Honourable Geoff Regan

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HOUSE OF COMMONS

Tuesday, September 19, 2017

The House met at 10 a.m.

Prayer

ROUTINE PROCEEDINGS

• (1005)

[*Translation*]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, pursuant to Standing Orders 104 and 114, I have the honour to present, in both official languages, the 37th report of the Standing Committee on Procedure and House Affairs regarding membership of the committees of the House.

If the House gives its consent, I move that the 37th report be concurred in.

The Speaker: Does the hon. member have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

(Motion agreed to)

* * *

[*English*]

PETITIONS

TAXATION

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, I am pleased to present a petition signed by campers who stayed at Windsor Campground in the riding of Windsor—Tecumseh. The petitioners call on the government to ensure that campgrounds with fewer than five full-time employees will continue to be recognized and taxed as small businesses.

The campground owners were the canaries in the coal mine when it came to passive taxation of income on small business, and now we see it is spreading across all facets of small business. The people who will be hurt the most are the people at the lower levels of income, the

people who are going to lose their jobs, the people who will not be able to afford groceries, and the people who do not have doctors because doctors are saying they are going to close up practice if they are near retirement or move out of the country.

ABANDONED VESSELS

Ms. Sheila Malcolmson (Nanaimo—Ladysmith, NDP): Mr. Speaker, I stand once again with many signatories in coastal communities who call for the federal government to legislate a solution to the long-standing problem of abandoned vessels on all three of Canada's coasts. Bill C-352 is my legislation that we are calling on Parliament to adopt, in the absence of the government proposing its own legislative remedy. It would designate the Coast Guard as one-stop shopping and the first responsible agency. It would work with local governments and provinces to create incentives for people turning in their abandoned vessels, therefore preventing the pollution and oil spill risks; and it would also work with local salvage companies to work on the products' stewardship and fibreglass recycling, which might be one of the nuts we can crack around getting a solution.

If the government were to accede to this motion, it would be in very good company. We have resolutions of support from local governments from Vancouver Island in the west to the island of Newfoundland in the east. Next week, the Union of BC Municipalities executive is recommending to its convention of local governments that they also endorse my legislation to solve the abandoned vessel problem.

FOREIGN AFFAIRS

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, I rise to present two petitions this morning. The first relates to an ongoing human rights case in which a Canadian, Saeed Malekpour, is being held in Iran, sentenced initially to death and then commuted to a life sentence for charges that are related to his creating a website. He is not someone who should have been ever jailed at all, and the case is being upheld by Amnesty International. The petitioners call on Parliament to urge our Minister of Global Affairs to intervene on Saeed Malekpour's behalf and appeal to the Government of Iran.

IMMIGRATION, REFUGEES AND CITIZENSHIP

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, the second petition relates to the issue of passports such as the ones since February 2012 that have not required proof of citizenship, including photographic identification. A large number of petitioners from throughout my riding raise this issue and urge that this matter be remedied.

Government Orders

[Translation]

Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ): Mr. Speaker, I rise today to present a petition led by one of my constituents, Ms. Thibeault-Abbassi. The goal of the petition is to establish an ombudsman position for immigration.

Ms. Thibeault-Abbassi believes that she has been treated unfairly regarding her spouse's immigration application. They have been together for 10 years, and despite all their efforts, she cannot bring him here. She has strong support from her community, and they hope to have a favourable response from the government.

[English]

FOREIGN AFFAIRS

Mr. Tom Kmiec (Calgary Shepard, CPC): Mr. Speaker, I am tabling a petition today from 4,363 petitioners who are drawing the attention of the House to the current situation in Venezuela. They draw the attention of the House to the following: the censorship of media coverage of human rights abuses; the imprisonment of many leaders such as Leopoldo López and Daniel Ceballos and hundreds of students, without due process of the law; and the killing of unarmed citizens in peaceful protest, the armed lawless paramilitary gangs, and the use of tear gas on the public and on elected officials.

The petitioners are asking the Government of Canada to do two things. They are asking for the freeze of financial assets of the Government of Venezuela, including its commercial and refinery accounts, until the Maduro regime allows the democratic will of the people to prevail. They are also asking for the freeze of assets of the officials currently holding federal office in Venezuela and the revocation of any Canadian visas they may have until the Maduro regime releases political prisoners.

* * *

●(1010)

QUESTIONS ON THE ORDER PAPER

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I would ask that all questions be allowed to stand at this time.

The Speaker: Is it agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[Translation]

STRENGTHENING MOTOR VEHICLE SAFETY FOR CANADIANS ACT

Hon. Marc Garneau (Minister of Transport, Lib.) moved that Bill S-2, an act to amend the Motor Vehicle Safety Act and to make a consequential amendment to another act, be read the second time and referred to a committee.

He said: Mr. Speaker, today I would like to introduce Bill S-2, the strengthening motor vehicle safety for Canadians act. The safety of the travelling public is of paramount importance to Transport Canada

and to this government. Road safety is an issue that touches every Canadian in some manner. Many of us have either been directly involved or have loved ones who have been involved in a traffic accident. Collisions and the associated injuries, deaths, and costs are tragic. However, to a great extent, they are preventable.

We are determined to pursue the continued improvement of motor vehicle safety because we want to help Canadians avoid tragedy on our roads. We believe that the Motor Vehicle Safety Act and its associated regulations and standards are key reasons why progressively fewer people have been killed and injured on our roads despite the fact that more people are driving. Improving the motor vehicle safety regime is part of our commitment to the safety of Canadians.

[English]

The purpose of the Motor Vehicle Safety Act is to address safety issues related to vehicles on Canadian roads. The proposed amendments to the Motor Vehicle Safety Act would provide the government with new and better tools for making our roads safer.

The Canadian motor vehicle safety regulations are applicable to all vehicles designed to operate on public roads, from motorcycles to heavy trucks. They also apply to some off-road vehicles that are occasionally driven across or along the sides of roadways or on trails. The federal government uses the Motor Vehicle Safety Act and its attendant regulations to regulate vehicle and equipment manufacturers and importers, and to instil confidence in our stakeholders, including the provinces, territories, interested public organizations, and the general public.

The government has been heavily involved in improving and delivering vehicle safety for many years. The Motor Vehicle Safety Act came into effect in 1971. To keep the act current and effective, it has been updated at various times throughout the years. As innovations and technologies continue to evolve, there remains a continuing need to improve the act to ensure it remains current.

[Translation]

The act regulates the safety requirements that apply to new and imported motor vehicles and to new motor vehicle equipment in order to reduce the risk of death, injury, and damage to property and the environment. The act enables the development of regulations and safety standards for new and imported vehicles, new tires, and new equipment used in the restraint of children and disabled persons within motor vehicles.

In addition to creating robust regulations, the increasingly rapid advent of innovative vehicle technologies requires that the legislative framework be agile so that it does not inhibit the adoption of new safety technologies. Canada risks losing ground in this very important market unless we take the opportunity to add some flexibility to the act.

Continual improvement and adaptation to the environment help keep Canadians safe. That is why we are proposing further changes to the Motor Vehicle Safety Act.

Government Orders

●(1015)

[English]

Proposed amendments to the Motor Vehicle Safety Act were tabled in the House of Commons for the first time in June 2015 as Bill C-62 to address safety gaps. The bill attained first reading before Parliament was dissolved. With a few additional provisions, the bill was introduced to the other House as Bill S-2. It has completed its process there and is now being brought before this House.

While there are a number of proposed amendments that I will outline, the most significant ones have to do with motor vehicle and equipment recalls. Generally, the major vehicle manufacturers and importers have a good history of addressing safety defects in Canadian vehicles. However, if a situation arose today with a vehicle, tire, or child seat where there was clear evidence that the product contained a safety defect that could put the safety of Canadians in jeopardy and the company did not agree and was not voluntarily issuing a recall, there would be little that could be done except to take the company to court. This would result in delays in addressing safety concerns.

Therefore, it is proposed to amend the act to authorize the minister of transport to be able to order a company to correct a defect or non-compliance in a vehicle or equipment if the minister considered it to be in the interests of public safety. Under such an order, there would be three options available for companies to correct the defect or non-compliance. The first option available to companies would be to repair the vehicle or equipment. The second is that the company could replace the vehicle or equipment with a reasonable equivalent. Finally, the company could choose to reimburse either the repair costs to the vehicle or equipment that have already been undertaken or the sale price of the vehicle or equipment less reasonable depreciation.

[Translation]

In addition, the bill includes the power to order companies to pay the costs of correcting a defect or non-compliance in a vehicle or equipment. These provisions can have a significant impact on safety.

The combined order powers are designed to prevent situations where the owner of a defective or non-compliant vehicle does not want to or is unable to pay to repair it. Such situations would place an unreasonable financial burden on Canadians, and potentially place other Canadians at risk, should their fellow citizens be unable to undertake the necessary repairs. Provisions have been drafted to help ensure that manufacturers would be responsible for costs pertaining to the repair of known safety defects.

To help ensure that new vehicles or equipment with safety defects or non-compliances do not reach Canadians, the bill also contains a provision for the minister to order companies to ensure that defects and non-compliances are corrected before the vehicles are sold to consumers. This measure will help keep vehicles with safety issues from being driven on Canada's roads.

These order powers complement the existing powers to order a company to issue a notice of defect or non-compliance. They address major gaps in the motor vehicle safety regime and, once passed, will help ensure that the motor vehicle safety issues are corrected.

[English]

Beyond these powers, other powers would be introduced into Canada's motor vehicle safety regime. Vehicles on Canada's roads are incredibly sophisticated machines, with complex and proprietary computers and software. Their complexity is only going to increase in the years to come. This complexity could make it challenging to obtain information relating to defects or collisions or verifying compliance with the Motor Vehicle Safety Act. Therefore, this bill includes the authority for the minister to order companies to conduct tests, analyses, or studies on a vehicle or equipment and to require them to provide those results to Transport Canada. This new ability to order additional studies would be very valuable to help determine details around safety issues.

As part of the proposed amendments, there will also be a requirement for companies to provide a contact person within the company to whom we can reach out for information and to verify compliance with the Motor Vehicle Safety Act. This requirement would help in the establishment of clear lines of communications between companies and Transport Canada.

●(1020)

[Translation]

While Transport Canada has good lines of communication with the major manufacturers and importers in Canada, which will continue, complete reliance on these informal mechanisms is risky.

Formal, clear lines of communication will help ensure and increase the safety of Canadians. The proposed changes to the legislation will also increase the ability of Transport Canada to verify compliance with the Act and identify and analyze defects and collisions. The bill clarifies where and how Transport Canada's inspectors may access sites in the discharge of their duties. Bill S-2 also adds the ability to require the presence of persons who may be questioned on matters relating to an inspection and to require that all reasonable questions be answered.

The proposed changes will help ensure that our inspectors get the information that they need to ensure that companies are complying with the Motor Vehicle Safety Act, while the authorities, requirements, and tools mentioned will help ensure Canadians' safety. However, there remains a gap in terms of the enforcement of the Motor Vehicle Safety Act and its regulations.

Currently, the act only has limited enforcement tools to encourage compliance from companies. If a violation is suspected, Transport Canada notifies the company, and later follows up to monitor that any corrective action has been taken. If corrective action has not been taken, the only current option available to the department is criminal prosecution. This is time consuming and costly for industry and the government, and in some instances, may not be fully appropriate for a given violation.

Government Orders

Accordingly, the proposed changes introduce an administrative monetary penalty regime that will help encourage compliance from companies as an efficient, effective and less costly alternative to criminal prosecution. Companies will also have the ability to appeal an administrative monetary penalty to the Transportation Appeal Tribunal of Canada.

The review process will examine if the company or person has committed a violation under the act and, if so, whether the penalty that was levied was appropriate. In specific cases, actions rather than fines may be more appropriate or have greater benefit for Canadians, such as a safety promotion campaign or changes to a company's safety culture.

[English]

A newly proposed tool known as consent agreements would create that authority. These agreements would authorize the minister to negotiate mutually acceptable agreements that would result in enhanced motor vehicle safety for all Canadians. These agreements would be registered in the Federal Court and published. Once published, they would have the status of a court order.

Together, the addition of administrative monetary penalties and consent agreements would dramatically increase the enforcement options available under the Motor Vehicle Safety Act. The proposed additions to the act are not, however, exclusive to the enforcement and compliance regime. As noted, vehicle technologies are advancing at an ever-increasing pace. This is particularly an issue as the automation and connectivity of vehicles increases and as new environmental technologies are further examined and developed.

As these new technologies emerge, there may be benefits in terms of safety, innovation, or the environment. However, sometimes our regulations may not be able to keep with these changes. As such, it is proposed to adjust the interim order and exemption provisions of the Motor Vehicle Safety Act to help ensure the flexibility to support these innovations while concurrently maintaining safety for Canadians.

An interim order allows the temporary suspension or modification of an existing regulation while a permanent regulatory change is being developed. It can signal to industry and Canadians that a regulatory change is in progress that allows the early implementation of such advances. It is proposed to amend the interim authority to extend the period of such an order from one year to three years to allow sufficient time to complete the formal regulations and allow the earlier adoption of new technologies that could benefit Canadians.

• (1025)

In addition, it is proposed to make the current exemption process more efficient. This would support the adoption of new technologies or vehicles. The proposed powers would authorize the minister to grant an exemption from current standards in instances where it would support new safety measures or new kinds of vehicles and technologies but would not compromise the safety of Canadians.

Exemptions would be available to companies that applied for them and could demonstrate that the safety of Canadians would not be compromised. The exemptions would be made public, ensuring a transparent and fair process.

[Translation]

These measures will help to ensure that the Motor Vehicle Safety Act continues to protect the safety of the driving public, while not hindering innovation and technologies that can also benefit Canadians and their safety. This powerful suite of much-needed changes to the act will increase the tools available to the government and industry requirements while still keeping the focus on the safety of Canadians on our roads.

The other place amended the bill to add further protections for dealers. We appreciate the good intentions behind these amendments, as they have helpfully drawn our attention to certain concerns that dealers have about the impact of recalls on their industry. I would like to thank our colleagues in the other place for their efforts.

However, we also believe that these provisions, as they currently appear in the amended Bill S-2, are beyond the authority and the purpose of the act, which is to protect the safety of the driving public, not to manage contractual financial matters or the relationship between dealers and manufacturers.

If such an amendment remains in the legislation, it may create imbalances between dealers and other buyers. Some could have advantages over others. It could generate legal challenges when it comes to enforcement authority over dealers and cause unintended consequences such as leaving no recourse for manufacturers when dealers do not meet their obligations. These types of issues could potentially have consequences on the commercial relations and agreements that dealers have with manufacturers. The amendment also does not take into account that there are other mechanisms to protect the commercial interests of dealers.

Again, I recognize that the amendments made by the other place are well-intentioned and reflect healthy dialogue between our two houses. We believe that it is possible to address dealers' concerns while avoiding those unintended consequences. We know that dealers care about safety and that they will want to work with our government and parliamentarians to modernize the Motor Vehicle Safety Act in a way that benefits Canadians.

[English]

It is imperative, now more than ever, to have rapid action on the part of elected officials to move Bill S-2 forward. Canada's ability to more fully address its oversight role and its ability to properly assess the safety aspects of new technologies depends on the success of this bill.

I look forward to the bill going to committee for the study of its provisions, including the implications and consequences of the proposed dealer amendment. I support and vote for the committee to undertake a thorough analysis. I look forward to testifying in front of the committee with departmental officials and to working with parliamentarians to strengthen the act to make the roads safer for all Canadians.

Government Orders

•(1030)

Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC): Mr. Speaker, I look forward to working with the minister throughout this next session on some of the different pieces of legislation we will have before us.

As the minister noted, similar legislation, Bill C-62, almost identical legislation, was introduced by the former minister in June 2015. Upon review, we note that Bill S-2 differs from Bill C-62 specifically with some new proposed provisions in section 16.

Could the minister expand on the differences between Bill C-62 and Bill S-2 and provide us with a little bit of a rationale?

Hon. Marc Garneau: Mr. Speaker, my hon. colleague is right that Bill C-62 was originally presented by the previous government and had a large number of good measures, which are in Bill S-2. Where the two differ is that this new bill introduces a few additional points.

First is the power to negotiate consent agreements, which I spoke about.

Second is the power to enter into administrative agreements. We think this provides more flexibility, as opposed to always having to go to court, which is a long and expensive process.

Third is to broaden the duration and scope of an interim order power. This is aimed at trying to provide flexibility to those manufacturers developing new technologies. There may be a requirement to be flexible on regulations, in terms of safety, to allow them to develop these new technologies.

Fourth is to broaden the scope of exemption orders and to allow ministerial approval.

These are aimed at providing additional flexibility, particularly for the manufacturing sector when they are developing new technologies but still have to comply with safety regulations.

I thank the previous government for Bill C-62. The vast majority of it was well conceived. Unfortunately, it only got to first reading. We are carrying on with it, and we hope there will be a speedy adoption of this bill for the good of Canadians.

[*Translation*]

Mr. Robert Aubin (Trois-Rivières, NDP): Mr. Speaker, I thank the minister for his presentation and his speech here this morning.

In a few minutes, I will have an opportunity to respond to the presentation. Let me say right away that we will be supporting this bill at second reading because we look forward to studying it as soon as possible in committee, since the safety of all Canadians depends on it.

Although the bill does include some very worthwhile measures, my question pertains to the most recent Auditor General's report on the oversight of passenger vehicle safety. The report found, not necessarily deficiencies, but let us say some serious concerns within that department. For instance, when major cuts are made to crash tests, cuts that are common practice for this government and Transport Canada, does that not run counter to the very spirit of the bill introduced this morning, which is quite worthwhile?

My question is simple: how can the minister reconcile both the principles and spirit of the bill with the cuts that have been made in his own department over the past few years?

Hon. Marc Garneau: Mr. Speaker, I thank my colleague for his question.

Through the Standing Committee on Public Accounts, which ensured follow-up, the Auditor General made some recommendations, and we are currently studying them. As members know, the safety of our roads is extremely important.

My colleague mentioned testing that shows what happens when collisions occur. I am very proud of our Blainville test facility. It tests not just motor vehicles but also infant car seats and tires.

In fact, we added \$5.4 million in budget 2016 to continue upgrading the very important equipment used for testing, especially for vehicles in development. We need instrumentation on the outside of buildings because we are beginning to test vehicles that could actually explode now that they could possibly be powered by combustible hydrogen cells and other fuels. We must ensure safety.

We are continuing to enhance our visibility and testing of vehicles. The safety of vehicles on our roads will remain a priority for us.

•(1035)

[*English*]

Ms. Filomena Tassi (Hamilton West—Ancaster—Dundas, Lib.): Mr. Speaker, in his overview, the minister spoke about the minister's ability to move forward with the correction of defects. I would like him to expand on why this power is important and how it will ensure safety for Canadians.

Hon. Marc Garneau: Mr. Speaker, I said this in my presentation. As the law stands now, it only obliges manufacturers to issue notices of defect, but does not oblige them to take any further steps. However, I am happy to say that in a great majority of cases manufacturers take that additional step of going through the recall process and repairing the defects at no cost to the owners, which is a good thing. However, they are not obliged to do it, and there are circumstances where they may decide to contest an assessment that has been done by Transport Canada that points to what we consider to be a safety defect.

This law is similar to the law in the United States. In cases where there may be a difference of opinion between the Government of Canada, Transport Canada, and the manufacturer on safety issues, it will provide those additional ministerial powers to compel manufacturers to take action, which includes issuing a recall and fixing it at no cost to the person who bought the vehicle. In certain cases where we do not have the capability to do all the analysis because of the proprietary technologies in the car, we can also order manufacturers to conduct certain tests to establish whether there is a safety defect while respecting the proprietary nature of the technology.

Government Orders

These powerful tools are required to ensure the safety of Canadians.

Hon. Kevin Sorenson (Battle River—Crowfoot, CPC): Mr. Speaker, I thank the minister for updating us on this bill and for referencing the public accounts committee, which I chair. We have brought forward the two-sided recommendations. We look forward to the strategy and the timelines of the minister's department. I understood the minister to say that the government did not support the Senate amendment, which makes me wonder about the ability to work this through quickly, as he has said he wants to do.

Because the vehicle and transportation safety industry is integrated with the United States, how does the legislation relate to the legislation the United States is presently under? Does it advance it further or is it fairly equivalent to that in the United States?

● (1040)

Hon. Marc Garneau: Mr. Speaker, it is very close to what is in the United States. There are a few wrinkles that are a bit different, which we feel are important for Canada. However, it is largely the same as that in the United States.

With respect to the Senate amendment, its intentions were very good, and it pointed out that dealerships had certain preoccupations. However, Bill S-2 relates to the Motor Vehicle Safety Act. It is focused on safety. It is not focused on the relationship between dealerships and manufacturers, many of which have confidential agreements between them on what to do in situations like this.

We are aware that dealerships have preoccupations. We believe they can be addressed. We will refer this issue to committee. Of course the committee, in its sovereignty, is free to decide how to do that. However, it is important to point out that the Motor Vehicle Safety Act is primarily focused on safety and not the financial relationships that exist between dealerships and manufacturers.

Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC): Mr. Speaker, I am pleased to rise to speak to Bill S-2, an act to amend the Motor Vehicle Safety Act and to make a consequential amendment to another act.

The bill was introduced in the Senate by the Leader of the Government in the Senate on May 11, 2016, referred to the Senate Standing Committee on Transport and Communications in October, and one month later the committee reported the bill back to the Senate with an amendment. The bill passed third reading in the Senate, as amended, on February 2. It has been in the queue for some time. I recall being on call every evening of the last week of the last session, prepared to debate the legislation.

This issue is important. Whether via public transit, personal vehicle, foot, or bike, nearly every Canadian relies on roads to get around and/or receive the goods and services they need on a daily basis. A trip to the grocery store may feel routine to the drivers and passengers, but millions of hours of work have gone into designing the technology and innovations that power the vehicles in which we travel.

As with anything, vehicles have thousands of moving parts and despite the best of intentions, occasionally systems do not work as they were designed to. That is why Canada needs a robust regulatory

regime that ensures Canadians are informed of risks and that vehicles that are a safety hazard to the driver and passengers as well as other road users are repaired or taken off the road with haste.

I will discuss the content of the bill further in my remarks, but first it is important to note that beginning in November 2015, the Auditor General began a 10-month examination on the efficacy of the processes at the Transport Canada motor vehicle directorate. His report was published on November 29 and is worthy of further study. The overall message highlighted a number of issues, and I will quote from the introduction. It states:

Overall, we found that Transport Canada did not develop motor vehicle safety standards to respond to emerging risks and issues in a timely manner.... We could not always determine how the Department used evidence and research to develop or amend safety standards.

I will discuss the Auditor General's report in greater detail later in my remarks, but for now I will just note that the measures included in Bill S-2 would have no bearing on many of the structural problems uncovered by the AG in his fall report.

By and large, auto manufacturers voluntarily initiate recalls. In 2015, five million passenger vehicles were recalled in Canada. That is five million vehicles recalled out of just under 24 million licenced vehicles in Canada. Between 2010 and 2016, manufacturers issued at least 318 recalls for which Transport Canada had not received any complaints.

Most of the time when an issue is identified, whether by the manufacturer or Transport Canada, the manufacturer begins a recall. The manufacturer gets in contact with each impacted vehicle's owner and the vehicle is repaired at no cost to the owner. It is almost routine, but on occasion a difference of opinion exists between Transport Canada and a manufacturer.

Right now the Motor Vehicle Safety Act limits the role the Minister of Transport can play in issuing notices of safety defects and criminally prosecuting manufacturers when a potentially dangerous flaw is found. The reality is that the last time a minister of transport criminally prosecuted a manufacturer was nearly 25 years ago, in 1993, when Transport Canada took Chrysler Canada to court over defective tire winch cables. The case was dismissed in 2000.

Criminally prosecuting manufacturers has not proven to be an effective or efficient way to ensure compliance with the Motor Vehicle Safety Act. Since that last prosecution 23 years ago, manufacturers have voluntarily issued thousands of different recalls.

What would this legislation do and how would it make our roads safer? Proposed sections 10.5 and 10.51 would amend the Motor Vehicle Safety Act to provide the Minister of Transport with the authority to order a recall and order companies to correct the defect at no cost to consumers.

Government Orders

●(1045)

The intent is pretty straightforward here, but the process outlined certainly is not. The minister must, before issuing any order, make a preliminary determination on the basis of testing, analysis, inspection, examination, or research that the minister considers appropriate. Then he or she must notify the company in writing and publish a notice of preliminary determination and invite persons to make comments in writing. Here is where the ambiguous language shows up:

The Minister shall not make a final decision that an order is necessary unless the Minister has taken into account information that he or she considers relevant.

It raises this question: how else would a minister make a decision, other than taking into account information that he or she considers relevant? I find it surprising that the minister can make a decision based on information that he or she considers relevant, which may be anecdotal, rather than on repeatable testing and facts.

Once again, nearly five million vehicles were recalled last year in Canada, so it is not as though manufacturers are not generally being proactively cautious. This tool will not be used with any frequency, if ever.

Proposed sections 16.01 and 16.1 would give the Minister of Transport the power to impose financial penalties on companies up to a daily cap of \$200,000, depending on the offence.

Additionally, this clause grants Transport Canada the authority to oppose non-monetary penalties on companies, referred to as compliance agreements, to promote acquiescence with the act. Furthermore, the clause gives the Governor in Council the discretion to prescribe by regulation the total maximum payable for a related series or class of violations.

Overall, clause 16 is straightforward. If monetary and non-monetary penalties are properly applied, they can have a positive impact in promoting compliance with the action.

Proposed section 10.4 of the bill increases the number of notices that a company must send to consumers once a recall process has been initiated. The issue that has been highlighted in the Senate about this clause is that parts or the technology to fix a defect are not always available, and a date for when a repair will be possible is not immediately known. Theoretically, companies would be required to send a new notice every time a new timeline for repairs has been established.

In the case of Takata airbags, where millions of cars were affected and the company had gone bankrupt, estimates on when new parts would become available were changing every day. A manufacturer would theoretically have had to send out an updated notice of recall on every update.

As consumers start getting multiple letters advising yet another day for when new parts or a new fix will be available, there is a real risk that these notices will begin to be ignored and the number of vehicles that are brought to a dealership for repairs could drop below the current 78%.

Proposed section 15 of the bill would give Transport Canada inspectors significant new powers. Some of these powers are quite

surprising for what is considered technical legislation, so I will quote directly from the bill. For example:

...an inspector...may enter on and pass through or over private property...without being liable for doing so and without any person having the right to object to that use of the property.

...examine any vehicle, equipment or component that is in the place;

...examine any document that is in the place, make copies of it or take extracts from it;

...use or cause to be used a computer or other device that is in the place to examine data that is contained in or available to a computer system or reproduce it or cause it to be reproduced...

...remove any vehicle, equipment or component from the place for the purpose of examination or conducting tests.

To summarize, an inspector can enter into any private property, so long as it is not a private dwelling, without being liable for trespassing, inspect any vehicle or equipment, copy any data from a computer, and remove any equipment for further testing, all this to verify compliance with the act, rather than to verify non-compliance.

●(1050)

The difference is significant. Verifying noncompliance implies that the inspector is following up on a series of complaints from consumers or an investigation taken up by Transport Canada engineers. Verifying compliance implies that Transport Canada can conduct inspections without having to demonstrate cause for doing so. In our justice system in which the presumption of innocence is the foundation of all, the burden of proof is on the one who declares, not the one who denies.

The proposed act would also give the inspector strong authority to order testimony at manufacturing plants as follows:

Every person there shall answer all of the inspector's reasonable questions related to the inspection, provide access to all electronic data that the inspector may reasonably require.

This gives an inspector the power to interview not just managers and the owners of a facility, but the line workers without their union representatives present. Whether the information collected during these spot interviews could be used during the prosecution is not defined in the proposed act.

“Reasonable” is also a loose term that should be better defined. Beyond getting to a less ambiguous definition, if there is a disagreement between an employee and an inspector over what is reasonable, who will settle that dispute?

Proposed section 8.1 of the bill gives the minister the power to order a manufacturer to conduct specific tests on their products to verify compliance with the act. Transport Canada will never have the same resources and know how manufacturers have to test their own products, so this clause partially rectifies the asymmetry of information. The problem here is that people cannot ask for something if they do not know it exists, so while requesting a test is good, it is a lot like fishing. There are no guarantees.

Proposed section 13 gives the minister the power to suspend an existing regulation for a period of three years or less if it is in the interests of public safety to do so, or if this exemption will promote innovation that will make vehicles safer. I believe that lengthening the amount of time the minister can suspend a regulation from one to three years will give companies more time to experiment and test new processes. This is a good thing overall.

Government Orders

What is missing in this legislation? The bill does not cover important replacement parts like windshields, brake lines, brake fluids, or replacement airbags. These areas are covered in the United States, so I am surprised that they are not a part of the legislation we are discussing today.

Earlier in my remarks, I referenced the Auditor General's report on the motor vehicle safety directorate at Transport Canada, released in late November 2016. The report noted that Transport Canada gives disproportionate influence to manufacturers when writing up regulations or when looking to amend existing regulations. This is important because broad public consultations on safety-related issues do keep our roads safe.

Unfortunately, Bill S-2 does not enshrine a requirement to consult beyond the manufacturers. Considering that Bill S-2 spells out in incredible detail what steps the minister must take before ordering a recall, I am surprised that a similar process for setting new and amending existing regulations cannot be enshrined in law.

The Auditor General also found that despite years of research on the need for stronger booster seat anchors, as booster seats now weigh more, Transport Canada did not implement regulations that follow the findings of its research because it would in this case be detrimental to trade. There is no purpose in having Transport Canada conduct years of research on a safety matter if we will only implement it after the United States does. Bill S-2 will not address this problem.

Paragraph 4.42 of the Auditor General's report noted that Transport Canada possesses incomplete data on collisions and injuries in the national collision database because provinces are not providing the information.

Furthermore, paragraph 4.43 notes that Transport Canada does not have access to data from insurance companies, hospitals, police, and others involved in vehicle safety matters, so it is missing information that could help inform future vehicle safety priorities. Neither of the issues concerning data quality raised by the Auditor General's report will be fixed or even partially addressed by Bill S-2.

•(1055)

Finally, the Auditor General noted that the motor vehicle safety directorate's budget had been compressed in 2016 and that the directorate subsequently did not have a long-term operational plan for its activities. For example, the budget for crashworthiness testing was cut by 59% in fiscal year 2016-17. At the same time, funding for six regional teams situated in engineering departments in universities and colleges that were charged to assist in outreach activities on vehicle safety also saw their funding cut. These regional teams will no longer be able to feed information into the regulatory decision-making process, which the Auditor General had noted was not functioning as well as it could.

Despite these cuts, the department chose to announce the construction of a \$5.4-million outdoor crash barrier at the motor vehicle testing centre in budget 2016. Try to square that circle. Given that the budget allocation for testing had been significantly reduced, the Auditor General questioned the rationale for proceeding with the project. Whether this item would have been included in budget 2016 if the Auditor General had not started his evaluation is unknown.

In conclusion, while Bill S-2 will help advance vehicle safety, I believe it contains clear omissions. I hope the government will be willing to consider amendments to improve this piece of legislation and motor vehicle safety in Canada. Finally, I do note that statistics from the U.S. indicate that less than 5% of all motor vehicle injuries and fatalities can be attributed to vehicle maintenance and safety-related defects. While the bill is a good start, more attention needs to be given to addressing the other 95%.

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):

Mr. Speaker, I am a bit surprised at how the Conservatives are approaching this bill. If we look at the principles we are debating today, we have a government that has recognized how important vehicle safety is in all communities throughout our country and a minister who has taken a head-on approach in providing legislation that would protect consumers while at the same time making our streets and roads safer. Giving the minister more authority to do so is the principle of the legislation in good part.

Why do the Conservatives not understand the benefits of passing this legislation so that we could have safer roads, more accountability in our automobile industry, and a minister who has the authority to make necessary changes that consumers want, let alone making our streets safer for all?

•(1100)

Mrs. Kelly Block: Mr. Speaker, I am not sure what the member took away from the remarks I made on Bill S-2. While the legislation in front of us is very similar to Bill C-62, there are some differences. It is not the same bill. There are new measures in this bill and the Senate is putting forward an amendment that Conservatives would like the opportunity to review. We will be reviewing it and I look forward to supporting this bill at second reading to get it to committee.

[*Translation*]

Mr. Robert Aubin (Trois-Rivières, NDP): Mr. Speaker, I always pay close attention when my colleague, the transport critic, has something to say, because I recognize not only her ability, but also her careful way of studying every bill. However, I must admit I am a little surprised. I have been wondering about many of the same things she is raising this morning, and, of course, the committee review will allow us to get into the details and hopefully find some answers.

Government Orders

My fundamental question is, has there been a paradigm shift in the Conservative Party? I have always seen this party as the champion of self-regulation, yet it introduced Bill C-62, the precursor to Bill S-2, mere months before the 2015 election. How is it that the key provisions that we recognize as being deficiencies in Bill S-2 were not all covered in Bill C-62? In particular, why did the Conservatives table Bill C-62 so late, after so many years in government? It could have been passed far sooner to ensure the safety of the driving public in Canada.

[*English*]

Mrs. Kelly Block: Mr. Speaker, I, too, appreciate the opportunity to work with the hon. member on the Standing Committee on Transport, Infrastructure and Communities. I do appreciate his comments.

I recognize that Bill C-62 was introduced in June 2015, just prior to an election being called. However, I can reassure the member that consumer safety is important not only to me but also to our Conservative caucus, as I am sure it is for everyone in this place. Without rehashing old battles, I suppose that if the opposition parties in the 41st Parliament had not obstructed the previous Conservative government so much, maybe we would have gotten to Bill C-62 a lot sooner than we did in June 2015.

Again, I do not think it does any of us any good to rehash what happened in the last Parliament. What we have before us is Bill S-2. I think I can speak for my colleagues in the Conservative caucus in saying that we look forward to being able to review this bill in committee, to ask the questions that we have, and to provide amendments that will strengthen it.

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Mr. Speaker, I certainly want to thank the member for her contribution to this debate. I have to say that I am quite concerned about the provisions dealing with compliance versus non-compliance, in that someone from government can basically walk into a workplace and have full access to look for compliance versus non-compliance—which, as the member pointed out, is a vast difference.

One is a big government response, where basically any workplace is open at any point, versus a targeted approach, in which government works to make sure that consumers are protected when concerns are raised. One uses resources and draws away from people's time, and the other one is targeted.

What further steps could the government take to address this concern?

Mrs. Kelly Block: Mr. Speaker, this is one of the reasons I highlighted this part of the bill in my remarks on this piece of legislation.

Something the government could do to address our concerns is to be open to doing a genuine study of the bill, to taking a look at this part of the bill to ensure that the issues I highlighted in my speech are addressed, and to be open to amendments that we may come forward with.

• (1105)

Ms. Elizabeth May (Saenich—Gulf Islands, GP): Mr. Speaker, given that the member also recalls the 41st Parliament and the first introduction of this bill, I do not know if she has any insights into

this, and it may be inappropriate to expect her to have an answer. However, I did not get a chance to put the question for the minister.

I am curious as to why a bill that is clearly a government bill, supported by the minister, comes to us by way of the Senate. It is based on what came forward initially as a government bill in the 41st Parliament. I am always curious when something begins its life in the Senate instead of here in the House.

Mrs. Kelly Block: Mr. Speaker, I would be speculating if I tried to answer the question as to why the government decided to introduce this bill through the Senate. However, given that the Senate did review the bill and has put forward a substantial amendment, it behooves us to give it the full review it deserves. I do hope that when this bill is referred to committee we are able to study it fully and look at the amendment the Senate put forward.

[*Translation*]

Mr. Robert Aubin (Trois-Rivières, NDP): Mr. Speaker, this session is certainly kicking off in high gear. That is an image that fits in nicely with the auto industry theme.

This being my first speech since Parliament resumed, I would like to start by saying how glad I am to be here. It is always an honour to recall the mandate I was given by the voters of Trois-Rivières. They entrusted me with a very important mission, namely to be an opposition MP, a parliamentarian who will hold the government responsible and accountable for its decisions and its legislation. As members of Parliament, we do not necessarily control the legislative agenda. However, we do everything in our power to make sure the bills tabled here are as good as possible at the end of the process and that we, as members, did what we could to improve them.

I would say that there are three types of bills that we debate. There are bills that garner the unanimous support of the House, something that happens all too infrequently. Bill S-2 probably falls into the second category of bills whose main objectives and principles enjoy a general consensus. In other words, we have to work on ironing out the details to get the best possible wording and best implementation possible. Bill S-2 does not fall into the third category of bills, but we will likely see one that does before the end of this session. It is the kind of bill that could not set the parties further apart. Sometimes, often even, when I take part in these jousting matches, I will attack the proposed ideas with guns blazing. Such is the nature of our work in the House. However, I never, ever attack people. It is not lost on me that the people who voted for me are no different than the people who voted for every member of the House, regardless of their political stripe. We have a duty to work together to find the best wording.

Government Orders

It is also appropriate, whenever the House rises, to thank all of the staff who make our work possible. This time, I would like to do it now, at the beginning of the session, because after six years of working in Parliament, I understand just how important the work these people do is and just how much we ask of them, given the nature of our work. They return at the beginning of the session with a big smile and the desire to once again serve Parliament and democracy. They deserve to be commended and thanked in advanced.

Let us move on to Bill S-2, which deals with motor safety. I am not the only one, but I believe that I am well placed to talk about this subject because I live just a few kilometres from Trois-Rivières, but the city's airport does not offer flights from Trois-Rivières to Ottawa. Trois-Rivières can be reached by bus, but even that requires transfers, and there is no passenger train service at all. The only realistic transportation option available to me is travelling by car.

That means that year after year, week after week, I have to drive between 800 and 1,000 km a week. I am sure others here travel even greater distances. I am not complaining. I am merely pointing out that, as I zoom along the highway or make my way through cities, always staying well within the posted speed limits of course, I unfortunately see quite a number of accidents. Some of these accidents are caused by driving errors, but others are caused by mechanical problems, and we are hoping to put an end to that type of accident.

There was a time when almost everyone could make minor repairs to their own vehicles because engines were rather simple. Those days are long gone. Even at the dealership, most cars must now be hooked up to a computer to identify the problem. Then the mechanics can do the necessary repairs or maintenance.

● (1110)

The automobile market has changed considerably. Let me go on a little rant here. I will restrain myself considering that we just got back. Once again, the government is introducing a bill that overuses the word harmonization. The Conservatives were known for doing the same. Bill S-2 seeks to harmonize motor vehicle safety practices between Canada and the United States. That is fine, but just to be clear, in Canada, every time we talk about harmonization it is understood that we are playing catch-up. When it comes to safety, our laws always fall short of U.S. legislation.

We could try to find a way to be leaders, but instead we play catch-up; Bill S-2 is a fine example of that. The bill has merit, as I said to the minister, and we will vote in favour of it at second reading so that it can be further reviewed in committee, where stakeholders will develop the best bill possible. However, it would be interesting to see how Canada might become a leader instead of always playing catch-up.

I already brought this up in the first question I was able to ask the minister, but I would like to start by comparing the bill's intentions, which are laudable, to the actual situation at Transport Canada as described in the Auditor General's last audit on oversight of passenger vehicle safety. I will quote the audit report because it articulates, far better than I ever could, a reality I am very concerned about:

Overall, we found that Transport Canada did not develop motor vehicle safety standards to respond to emerging risks and issues in a timely manner. It generally waited for the United States to change its motor vehicle safety standards before modifying Canadian standards. The Department often limited consultations to the automotive industry. We also found that it did not have complete collision and injury data to inform its decisions. We could not always determine how the Department used evidence and research to develop or amend safety standards. Transport Canada did not plan or fund its research and regulatory activities for the longer term.

No matter how wonderful the bill is, if Transport Canada does not have the means and tools necessary to ensure motor vehicle safety, we have a serious problem in Canada. Bill S-2 will not necessarily be the answer to solving this problem, but rather the administration of Transport Canada's budget, under the leadership of the minister himself.

What about all the new technology that cars now have? Is it not better that we be at the forefront, rather than lagging behind? I reread the Minister of Transport's mandate letter, and there is not a single word about vehicle safety. Fortunately, the minister went above and beyond his mandate to bring forward legislation in this area, but even so, it is troubling that such a huge issue was not included in his mandate letter.

When I mentioned budget cuts, I was referring to a decrease in funding for crash tests. That is probably one of the first things that comes to mind when we talk about motor vehicle safety.

● (1115)

I am sure everyone can picture what it looks like when cars smash into things at controlled speeds in accidents staged to see how the vehicle reacts, how well the safety features absorb the shock, and how well passengers are protected.

A number of studies have been done on the repercussions for passengers in the back seat, but they need follow-up. That is another thing I hope we can revisit in our committee work. Basically, we agree with many of the new powers set out in Bill S-2, but if those powers are not properly managed by the department, we will not necessarily solve any problems.

Let us talk about which of the new powers that Bill S-2 would give to the minister actually make sense. There is a whole chain of events. I am sure that we have all at some point received a recall notice. I got one recently, but I will not give the company free publicity. I got a recall notice informing me that I was the owner of such and such a vehicle manufactured in such and such a year, that there was a particular problem with my model, and that if I wanted to find out if my vehicle was affected, I should go to the company website with my serial number and check.

Government Orders

Of course I was glad to get the letter, but I have to say that getting that kind of letter automatically worries people. I went to the website right away to find out if I was affected by the recall and if my vehicle was still safe to operate. That is what happens when a company issues a recall. It is pretty much the end point of a whole process. By then, the company has received complaints, done its reviews, analyses, tests, and studies, and found that there is indeed a problem it needs to address. Often in the past, years have gone by before a company acknowledges that there is actually a problem.

One example is the problem General Motors had with its ignition system that led to a recall. It was not until many years after the company started getting complaints and concerns that owners got their recall notice, almost 10 years. In the meantime, while the company was doing its tests to find out if there actually was a cause-and-effect relationship, accidents happened, and sometimes people were injured. There were even some deaths.

We certainly cannot be opposed to giving the minister the authority to expedite the process and to request that a recall be issued. We must also ensure that with the funding for Transport Canada the minister will be equipped to do these analyses and to come up with conclusive findings in a relatively short time. That is the difference between good intentions and good management. I share a good number of the concerns expressed by my Conservative colleague who spoke just before me about cuts to a certain number of areas. We were told earlier that \$5 million was added to the budget for collision testing. We would all be inclined to applaud, because that is another \$5 million. However, we would be forgetting that the budget had previously been cut by 59%. Basically, they cut the budget by 59% and then proudly announce that they are putting back \$5 million. It seems to me that there is a difference between rhetoric and reality and that we should be examining the whole problem overall.

● (1120)

It goes without saying that the government should be given the power to order a company to correct defects or non-compliances. It is the logical next step to the power to order recalls. In general, auto manufacturers and importers are ordered to assume the cost of parts and repairs. There may be a few exceptions, but usually the industry does not argue when a manufacturing defect is found, since it wants to protect its reputation. It also goes without saying that the government should have the power to require that these repairs be made before the parts or vehicles are sold to consumers. That seems like the minimum that should be required.

As an aside, I would like to talk about the amendment proposed in the Senate that many car dealership owners came to talk to me about. In theory, if the government harmonizes the Canadian legislation with that of the United States, it must also provide economic support for car dealers since, for now, most of them have to maintain an inventory of vehicles that have already been purchased from the manufacturer but that cannot be sold because they have been recalled.

In some cases, for example with the Takata airbags, which were manufactured for many auto companies, the dealers are aware that there is a problem, but they cannot necessarily repair all the vehicles overnight. That means that all of those cars are just sitting on the lot

and the dealers cannot sell them to get the money back on their investment. We therefore have to give this issue some serious thought.

I understand the proposal made by the minister, who said that this is not a straightforward security issue. However, if the bill truly seeks to harmonize the Canadian legislation with that of the United States, we might need to consider this issue because the Canadian and American auto markets are highly integrated.

As for the power to require more information from manufacturers, we are not against it, but when I hear the ministers tell me that all reasonable questions from inspectors should be answered, I think we are having it both ways. Once again, we have legislation stacked with good intentions, but the meaning of the word “reasonable” remains unclear. Whether in French or in English, the word is open to interpretation. What can we do, then, but insist legislatively or legally on the meaning of the word “reasonable”? What seems reasonable to one person is not necessarily reasonable to me.

Therefore, it seems to me that there should be a way for us to collectively agree on a wording that would say “obligation to answer all reasonable questions that directly affect motor vehicle safety”. There is a way to establish guidelines that would clarify that. It is exactly the same kind of vague vocabulary that is found in other bills, such as those on employment insurance, that speak of “suitable” employment. I think that we ought to do away with the doublespeak that distracts us from the purpose of the bill.

There are a number of things I would have still liked to say, but I will have the opportunity to come back to them when I answer questions or when the bill goes to committee. I repeat that the NDP will support this bill at second reading, in the hope that we can help to improve it substantially. We will meet again for the vote at third reading. I would also like to ensure that all stakeholders involved in motor vehicle safety will be heard and that their comments, not just those from companies, will be taken into account.

● (1125)

Of course, companies are major players, but we should also be able to hear from consumer associations and police associations. I will stop there because the axe has just fallen. I am available to answer questions.

Mrs. Karen McCrimmon (Parliamentary Secretary to the Minister of Transport, Lib.): Mr. Speaker, I would like to thank my hon. colleague for his speech this morning.

I agree that Canada can be a leader in motor vehicle safety and new technologies.

Does the hon. member have any ideas as to how Canada can succeed and prosper and the areas in which it can do so?

Government Orders

Mr. Robert Aubin: Mr. Speaker, I said earlier that we are playing catch-up. It is true that we are, just as we are with vehicles currently on the road, meaning cars, motorcycles and trucks.

Now we are at the dawn of a whole generation of new vehicles, including electric vehicles and especially all these self-driving cars, which will probably raise a whole other issue. We know that there are many testing grounds all over the world, and it seems to me that there is no escaping this technology. Using myself as an example, I would like it if I could do the trip from Trois-Rivières to Ottawa in a vehicle that would take me from door to door while I worked.

I think we already need to consider how we are going to manage these new technologies made possible by new fuel sources, technologies we still believed to be in the realm of science fiction only a few years ago.

Ms. Anne Minh-Thu Quach (Salaberry—Suroît, NDP): Mr. Speaker, I thank my colleague for his speech, during which he demonstrated that we are not in the vanguard but are actually trying to catch up.

What, in his opinion, is the main shortcoming of this bill? Is it flawed on the financial side or in terms of lack of consultation with all vehicle safety stakeholders? The government is not taking the time to hold proper consultations. When the member read the Auditor General's statement, I was floored. When it comes to safety, we have to look at things from all angles, not just the industry's. To hear the industry tell it, there are not usually very many problems. That is my question for the member.

Mr. Robert Aubin: Mr. Speaker, I thank my colleague for her question.

I think the main issue is the time factor. If this bill is supposed to improve vehicle safety, how is it going to shorten the time between the discovery of a potential problem and the recall work to ensure road safety? That is the key issue: making sure that months or even years do not go by between the time the industry becomes aware of a problem and the time it issues the recall to rectify that problem. If we can shorten the time that whole process takes, I think Bill S-2 will truly represent a major step forward, but we are not there yet.

• (1130)

[English]

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the member made reference to the time factor being a major issue or concern of the New Democratic Party on Bill S-2.

Let me give a specific example. Let us say that a year after a model of a vehicle has been in production, we find out there are some issues with the side-door airbag. From the moment of discovery to the moment of a recall, would the member not agree that this legislation would give the minister a better opportunity to ensure that the consumer and in fact Canadians would be better protected by this legislation, because there would be more teeth in the legislation to ensure that we are able to address things in a more timely fashion? Would he not agree that the principle of the bill deals with the issue that the NDP seems to be most concerned about?

[Translation]

Mr. Robert Aubin: Mr. Speaker, I thank my colleague for his question.

I would say that I probably agree with him in principle, but I would remind the member of the disconnect that I mentioned earlier between the powers this bill gives to the minister and the minister's management of his department. For instance, when a defect is discovered, if Transport Canada does not have the means to quickly study the problem at the same time as the industry, it might take longer for the industry to address the problem for all kinds of reasons.

If the minister really wants to be able to use his powers to compel a recall and repairs, he needs to be able to base his decisions on scientific evidence. This relates to the department's expertise capacity. Over the past few years, cuts at the department have been running counter to the specific objectives of the powers set out in Bill S-2.

Ms. Anne Minh-Thu Quach: Mr. Speaker, my other question pertains to funding. In previous years, the Conservatives made considerable cuts in the area of motor vehicle safety. Apparently, 59% of the budget allocated to that aspect has been cut. In addition, employees responsible for safety audits have also been laid off.

Does Bill S-2 do anything to restore that funding and reinvest in that area, to hire more staff to ensure motor vehicle safety and the safety of Canadians on our roads?

Mr. Robert Aubin: Mr. Speaker, I thank my colleague for her interest in Bill S-2.

I will say two things in response. First, the cuts to the Department of Transport are not the sole purview of the Conservatives. This continued after the Liberals were elected in 2015. To answer the second part of my colleague's question, no, there is no mention in Bill S-2 of an increase in the budget or staff. The powers of people like inspectors and enforcement officers are being increased. The minister will have the power to hire new enforcement officers, but will he have the budget to do so? That is the big question.

Will the next budget talk about a supplementary budget allocated to the Department of Transport, or will there be a transfer in the envelope within the department? That remains to be seen. Are we borrowing from Peter to pay Paul, or will there really be new amounts, fresh money, to achieve the objectives of Bill S-2? That remains to be seen.

• (1135)

[English]

Mrs. Karen McCrimmon (Parliamentary Secretary to the Minister of Transport, Lib.): Thank you, Mr. Speaker.

Mr. Speaker, I am going to share my time with the hon. member for Central Nova.

Government Orders

[*Translation*]

I am pleased to speak today to Bill S-2, an act to amend the Motor Vehicle Safety Act and to make a consequential amendment to another act. I think safety is of paramount importance, and I am sure it is equally important to all members of Parliament. This bill, as tabled by the government, will help improve the safety of Canadians.

[*English*]

The importance of motor vehicle safety and a strong motor vehicle safety regime is clear. Millions of Canadians rely on that regime as they travel on our roads every single day. Large vehicle recalls in recent years highlight the importance of motor vehicle safety. This importance placed on safety is why we are pursuing the proposed changes to the Motor Vehicle Safety Act. Those changes will, if passed, address key gaps in the regime and help ensure the safety of Canadians.

The proposed measures include new order powers for the Minister of Transport to order a company to correct safety defects at no cost to the consumer, an administrative monetary penalty regime and consent agreements to help promote compliance, measures that will help foster the introduction of innovative technologies, and many other proposed changes. These provisions have been envisioned as a suite of changes to strengthen our current safety regime and help ensure Canada can benefit from new technologies.

[*Translation*]

This is a significant overhaul of these legislative provisions. The motor vehicle safety regime is not as robust as it should be in terms of the protections it provides to Canadians. Should a vehicle have a defect that would threaten safety but a company does not want to repair the defect, there is very little the Government of Canada can do.

This situation could endanger Canadian drivers.

[*English*]

This is not an acceptable situation. While our vehicle manufacturers have a good track record here in Canada, we do not want to be in a situation where there is a safety issue for which we do not have the proper tools or authorities to address the situation. It is our desire to pass this legislation as quickly as possible to ensure that this safety gap is addressed. This is not to state that safety recalls will not occur in the future or that unforeseen risks and problems will not arise, but that we are taking concrete steps to improve safety by including new tools in the legislation that will be available to help address issues when they arise.

As part of the review of the bill, an amendment was brought forward from the other House that would provide additional financial protections to automobile dealers above and beyond those available to purchasers in the event that the minister of transport orders a company to correct a defect or stop a sale. As outlined in the amendment, these protections would ensure that dealers would receive from the vehicle manufacturer or importer the parts needed to correct a defect or the manufacturer or importer would repurchase a vehicle at full price plus transportation costs and compensate the dealer at the rate of 1% per month of the price paid.

I must state from the outset that vehicle dealers are an important component of the Canadian economy. They employ thousands of people across the country. They help to ensure that our vehicles are well maintained, and they are valuable members of the communities in which they operate. The changes introduced in the other chamber were motivated by a sincere desire to protect them from financial harm. This is a perfectly understandable goal, and I would like to thank our colleagues in the other chamber for raising awareness about the concerns that dealers had with Bill S-2.

The purpose of the Motor Vehicle Safety Act, however, is to protect the safety of Canadians. It is not designed to regulate the commercial relations between automobile manufacturers and importers and their dealers.

● (1140)

Furthermore, the strengthening motor vehicle safety for Canadians act, as originally introduced, already included provisions that would require manufacturers and importers to be financially responsible for correcting or repairing a defective or non-compliant vehicle. This applies to dealers as well. To clarify, vehicle safety defect repairs would be covered by the manufacturer. This applies to importer vehicle owners, including dealers. I stress that these provisions include dealers because I think that this point was not always fully understood when the bill was initially considered or by the dealers themselves during previous study of this bill.

The originally proposed protections include repairing the vehicle or equipment, replacing the vehicle or equipment with a reasonable equivalent, reimbursing the reasonable cost of repairs to the vehicle or equipment that have already been undertaken before a notice of defect or non-compliance has been given, or reimbursing the sale price of the vehicle or equipment less reasonable depreciation on return of that vehicle or equipment.

The addition of dealer protections above and beyond those available to other purchasers, as well as the generous payment to this particular stakeholder group, would lead to an unbalanced regime that could raise significant risks of disputes between dealers and manufacturers. While the amendment introduced by the other House does impose some minimal obligations on dealers, as written, it would be challenging to enforce. Lacking any recourse mechanism, the involved parties would likely look to Transport Canada to mediate their commercial disputes. These powers are also not part of the amendment, and such activities are not in Transport Canada's mandate.

We believe that this amendment, as written, has many potential unforeseen complications. It should be noted that it would actually remove some of the protections that were already built into the act. For example, it would create a mismatch of powers and may mean that dealers who had repaired their vehicle before would not be eligible for reimbursement.

Our overwhelming priority with this bill, as it is more broadly for the minister and across the entire transportation sector, is the safety of Canadians. Passage of the bill as introduced by the government as quickly as possible will help close some key gaps in the motor vehicle safety regime and help ensure the continued safety of Canadians.

Government Orders

Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC): Mr. Speaker, earlier I had the opportunity to ask the minister specific questions around the difference between Bill C-62 and Bill S-2. I do not believe he answered the question I asked specific to proposed section 16, which speaks to issues of compliance, making violations public, and powers of the minister. I wonder if my hon. colleague would speak to those changes in proposed section 16 that make the difference between Bill C-62 and Bill S-2.

Mrs. Karen McCrimmon: Mr. Speaker, the member is right to point out that Bill S-2 does build upon Bill C-62. It actually goes further by adding extra mechanisms for the minister to use, and one of those is this consent agreement, which would allow him to negotiate and mediate long-term solutions. Right now, the minister does not have the power to compel any manufacturer or dealer to address issues. This is why there is a need for this bill and why there needs to be a little flexibility in how we address these issues.

It all comes back to the same issue over and over again. It is about what we need to do to protect consumers. We need to be able to do this proactively instead of always being reactive. We need to be part of the solution and negotiate or mediate a solution for Canadians.

• (1145)

[Translation]

Mr. Robert Aubin (Trois-Rivières, NDP): Mr. Speaker, I would like to get some mileage from the question posed by my colleague from Salaberry—Suroît to which I responded with a hypothetical and theoretical answer. By redirecting the question to the government, perhaps we will get a real answer.

The question was about Bill S-2, which also makes it possible for the minister to hire new enforcement officers.

How are we going to implement such measures, which require funding, when Transport Canada is in budget-cutting mode?

Is there a paradigm shift on the horizon?

[English]

Mrs. Karen McCrimmon: Mr. Speaker, my hon. colleague knows it is very difficult to respond to hypotheticals and to speculate.

I understand the member's concern, to make sure that we have a viable enforcement regime in place. I know the minister understands this as well. There are many ways of encouraging compliance, and I think that is what we want, a multi-functional approach to actual compliance.

Ms. Filomena Tassi (Hamilton West—Ancaster—Dundas, Lib.): Mr. Speaker, my colleague mentioned the importance of the new powers that the minister would have in and through this legislation to correct safety defects.

I would just like her to expand on why that is needed to protect the safety of Canadians. How is that going to have impact in providing Canadians with safer security on the road?

Mrs. Karen McCrimmon: Mr. Speaker, the member is right. The way the legislation currently sits, the minister has absolutely no ability to compel a manufacturer or a dealer to address an issue. That is what we need to do.

We have not had to use those powers. Here in Canada, our dealerships, manufacturers, and importers have been quite responsive to the demands of the government. However, in case something like that ever happens, having those powers and for the minister to be able to use them would be very important.

Mr. Sean Fraser (Central Nova, Lib.): Mr. Speaker, it is my pleasure to rise to offer a few remarks on Bill S-2, an act to amend the Motor Vehicle Safety Act.

Before I begin, I was under the impression I would have 20 minutes, so I will give the *Coles Notes* version of a longer speech.

Before I get too deep into the weeds on this one, I will explain in broad strokes what the bill is about.

Currently, motor vehicle safety is a priority, and I think that is shared by every member in the House. When we look at the impact motor vehicle defects can have, there is a paucity of laws that allow the government to take action to correct a very serious problem. Over the course of my remarks, I hope to outline roughly the scope of this problem, that it is a priority, and then address three key points built into the legislative mechanisms that would help improve the government's ability deal with this problem, specifically dealing with the power to order recalls, compliance mechanisms, and, finally, the flexibility to deal with emerging technologies.

First and foremost, if I am to argue that this is a problem in Canada, I need to look no further than some of the very positive news coverage from last year that highlighted the impact that manufacturers' defects had on vehicles on the roads in Canada today. If I am to believe the content of a *Globe and Mail* article from December of last year, one in six Canadian vehicles is currently subject to a manufacturer's recall in Canada. That means millions of vehicles on are on the roads today that manufacturers have acknowledged are not safe enough to meet Canadian standards. I urge anyone watching, and I know that on CPAC during House proceedings there is a massive audience, to visit Transport Canada's website, use the searchable database, and determine whether their vehicles are subject to existing manufacturers' recalls about which they may not know. These things can fly under the radar when Canadians have other priorities and things to worry about in their lives. However, they are important and pose safety risks.

We can safely assume that manufacturers' defects are a safety concern in Canada today. The legislation proposes a number of things to deal with them.

Let me first deal with the power of the minister to order a recall when becoming aware of defects, which is a power provided for in Bill S-2. There are really two categories in which the minister would be empowered. One deals with consumers and the other with dealers, though perhaps I am simplifying it a little too much.

On the consumer side of the equation, right now the minister does not have the same power that exists elsewhere in the world, including the U.S., to order a recall. Importantly, the remedy would exist where consumers would not have to cover the costs of having their vehicles repaired or replaced. This is a burden that can and should be borne by the manufacturer responsible for the defect. This would enhance safety by allowing more consumers to have their vehicles fixed at no cost.

The second side of this equation has to do with dealers, and I will spend a little more time on this.

Right now in Canada, there is no law that says a dealer cannot sell a car with a defect. In fact, not enough information flows for dealers to know when defects may exist to ensure vehicles do not make it onto the roads. If I am dealing with a leaky roof at my house, the first thing I will do is find a bucket to stop the water from damaging my floor. The second thing I will do is try to fix the pipe causing the leak. If we are only dealing with the consumer side of the equation, we are going to maybe prevent more drops from hitting the floor, but we will have to keep replacing the bucket if we do not do something to prevent the sale of defective vehicles getting onto the roads in the first place.

This puts dealers in an admittedly difficult position. This could put dealers in a position where they are going to be left carrying inventory on their lots that they cannot sell, and that is not right. I want to draw attention to a discussion the upper chamber had on the issue and proposed amendments specifically on Bill S-2.

Before I do that, I want to extend my gratitude to our colleagues in the other chamber for their thoughtful deliberations on this legislation, and many others, and for drawing attention to an important issue that has caused me to think very deeply about this. However, I must respectfully disagree that the suggested amendment is the appropriate mechanism to correct the social harm we all want to fight.

The mechanism proposed in the amendment seeks to address compensation for dealers that are left with inventory on their lots that they cannot sell. The amendment proposes a 1% interest rate on vehicles, based on the price of vehicles, per month. If I do the math in my head, this becomes very expensive for manufacturers and does compensate dealers somewhat.

• (1150)

When I was trying to understand whether this was the right policy, I had to think back to some of my work before where I had the opportunity to work in a litigation practice with a bit of a constitutional influence and back to law school and what we have the authority to do in this chamber.

My first obstacle, and reason why I cannot bring myself to support the amendment, is a constitutional issue. I do not know that we have the constitutional authority to legislate the terms of a commercial arrangement between contracting parties at the federal level. Sections 91 and 92 of the Constitution say what the federal government and provinces can do respectively and there is no question we can tackle issues that touch on public safety. However, when it comes to the contracting arrangements between commercial parties, this is exclusively within the purview of the provinces. In

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fact, there is a lot of sale of goods legislation in place in provinces specifically to deal with these issues. I cannot overcome this barrier and I cannot in good conscience support an amendment that I do not believe we have the authority to pass and adopt in the House.

The second and more practical stumbling point for me on the proposed amendment is the possibility we could be creating an unintended consequence that I do not believe our colleagues in the upper chamber had specifically drawn their attention to, again, with great respect and deference.

What we might be doing is creating an economic incentive for manufacturers to fix cars that are in dealers' lots today before they fix cars that are on the roads. If we assume, just to make the math easy, there is a recall that applies to 100,000 vehicles at a price of \$25,000, we are looking at interest payments on the part of the manufacturer to dealers in the realm of \$25 million a month. This is a great motivator for companies. If they are looking at a severe penalty like this, they are going to change their behaviour, and this might inspire them to fix cars sitting on dealers' lots more effectively. However, I do not want them to do that at the cost of cars travelling on Canadian roads today. Creating this incentive to deal with cars that have not yet been sold over cars that are owned by Canadians could pose a public safety hazard.

Finally, there are remedies available today for dealers. Bill S-2 puts dealers on the same footing that consumers are on. They will have access to have their vehicles repaired at no cost like consumers will. They will also have the protection of any negotiated provisions in a commercial contract that allocates risk as between the parties and they will have the protection outlined in provincial sale of goods legislation that deals with merchantable quality and fitness purpose for any goods that are sold in our provinces. Respectfully, for those reasons, I cannot support the Senate amendment, but I do believe the legislation is sound.

Very quickly in the remaining minutes that I have, the compliance regime put in place is going to replace one that more or less does not exist today. Today, if we want to enforce violations of the Motor Vehicle Safety Act when it comes to defects, there is an expensive and lengthy criminal prosecution, and many of the violations do not warrant a criminal prosecution. We are implementing a monetary administrative penalty regime that is going to be more like a speeding ticket. It is going to punish those wrongdoers and encourage them to change their behaviour, but often to the tune of thousands or hundreds of thousands of dollars per vehicle per day.

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Though I do not have time to cover it, knowing we are on the precipice of emerging technologies in the motor vehicle sector, we want to ensure we do not stifle innovation, particularly when it comes to driverless vehicles. There has not been a disruptive technology in the motor vehicle industry in over a century. Knowing we are about to embrace this change, we need to ensure there is flexibility that allows the minister to encourage innovation in this exciting industry, without compromising our safety.

With these features in mind, I am very proud to support Bill S-2 because it will improve safety on Canadian roadways, with the caveat that I mentioned at length about the proposed amendment in the legislation.

• (1155)

Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC): Mr. Speaker, I always appreciate the member's very thoughtful interventions not only in this place but at committee. I would like to pose a similar question for him that I posed to both the minister and the parliamentary secretary.

Perhaps I could be accused of asking fairly technical questions, but this is a technical bill. I am focusing on some of the changes that we should be very familiar with between Bill C-62 and Bill S-2, because there are not very many, except for the amendment that has been spoken to quite a bit during the debate so far.

I will get more specific about the measures in proposed section 16, on which I have asked for some clarification. Proposed section 16.24 establishes that following the issuing and service of a notice of violation, the minister can make the nature of the violation and other related details public. What is the purpose of that measure and why it has it been included? This is to frame it for me going forward in this debate.

Mr. Sean Fraser: Mr. Speaker, I appreciate the hon. member's kind remarks and her thoughtful deliberations, both in our shared committee assignment and in the House.

I do not hazard to speak for the government, being merely a member of the governing party and not a member of the government proper, but the ability to make public information about the quality of defects and the extent that it may impact Canadians is important. When we operate in an environment with full information, people tend to behave the way we hope they will behave. If I know the world is watching me do my job, and with the great audience we have on CPAC perhaps it is, we tend to be more conscious of our record. It creates accountability when we know the information about our safety record is being watched, particularly in an industry where safety is so important.

I do not mean to suggest that manufacturers today are not operating in a safe manner and being accountable to an acceptable degree, but we can always be better. Shedding a light on the information that pertains to different companies' safety records is going to help save lives.

• (1200)

[Translation]

Mr. Robert Aubin (Trois-Rivières, NDP): Mr. Speaker, I would like to ask my colleague a very simple question about something I was trying to ascertain earlier.

According to my honourable colleague, does Bill S-2 address the gaps identified by the Auditor General in his last audit? If not, should we do so indirectly given the inconsistency between the intent of the legislation, the resources, and the funding?

[English]

Mr. Sean Fraser: Mr. Speaker, I have had the opportunity to work the member opposite as well on the same committee I referenced previously.

Simple questions are best, although without having the Auditor General's report in front of me at the moment, it does make it a bit more difficult to answer in detail.

Bill S-2 is probably not going to create every possible safety measure when it comes to preventing defects from getting on to our roadways, but it is going to make Canadian society and our roadways safer as a result.

I look forward to working with the member on our committee, presuming the bill gets through the legislative process in the House in one form or another, so we can dig in and examine the Auditor General's recommendations, if he wishes, alongside the measures that are explicitly contained in the bill and make this the best possible legal outcome that protects lives of Canadians on our roads.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, this is the first chance I have had in the debate to say I do favour Bill S-2 and will vote for it. However, I wonder if the member could shed any light on why the bill began in the Senate. I think we all agree it is important for the minister to have powers to take vehicles off the road, not merely negotiate with the automakers. It seems overdue. I wonder if he could shed any light on that. It certainly is not germane, except that it always is a matter of parliamentary procedure. It strikes me as odd.

Mr. Sean Fraser: Mr. Speaker, I always enjoy participating in debates with someone who knows my backyard so well.

Unfortunately, not being part of the government, this is an area where I do not have the information the member is seeking, and I am not afraid to admit that. The bill was sponsored by Senator Harder in the Senate. Despite the fact it may not have started on the floor of the House, there is an opportunity to move quickly to save lives.

When I met with consumer advocacy organizations, their biggest request was to get this through. Every day that we do not have these laws in place, we risk the danger of having another motor vehicle that suffers from a defect, leading to a fatality in our country. That is not acceptable.

With respect to the oddities in procedure, as the member pointed out, I cannot answer why, but I am glad it started, no matter where it started.

Hon. Kevin Sorenson (Battle River—Crowfoot, CPC): Mr. Speaker, it is again a privilege to stand in the House after a good summer when Canadians were on the road travelling throughout Canada, appreciating our great country and celebrating Canada's 150th anniversary. It is nice to get back to Parliament and to represent the good folks of Battle River—Crowfoot.

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I am pleased to participate in today's debate on Bill S-2, An Act to amend the Motor Vehicle Safety Act. Bill S-2 would give the Minister of Transport new vehicle recall powers. This bill is similar to legislation introduced by the previous Conservative government. Our Conservative Party is also concerned, and as a government was concerned, about passenger vehicle safety. We had legislative amendments in what was then called Bill C-62. It has been referenced today in the House a number of times, and I thank the Minister of Transport for his recognition of that bill as a good measure.

Bill S-2 would give the Minister of Transport the power to order companies to issue a recall notice. It would then compel manufacturers and importers to repair a recalled vehicle at no cost to the consumer. It is obvious that recalls are not only for safety on our roads and for our customers, but also to give Canadians confidence that the manufacturers of the vehicle models they have bought will comply when they realize there are questions about safety. The bill would give the Minister of Transport the power to order manufacturers and importers to repair new vehicles before they are sold. It would allow the Department of Transport to use monetary penalties or fines to increase safety compliance and to use the monetary penalties as a way to require manufacturers to take additional safety action. It would provide the department with flexibility to address ever-evolving vehicle safety technology and require companies to provide additional safety data and conduct additional testing to address safety concerns. Finally, the bill would increase Canada's vehicle inspection capability.

The importation of motor vehicles and motor vehicle equipment into Canada is governed by the safety standards established by the Motor Vehicle Safety Act.

Before vehicles imported to Canada and equipment manufactured in Canada can be shipped to another province for sale, they must have a national safety mark confirming that they have been manufactured according to the act and the existing safety standards that are in place.

Currently under the Motor Vehicle Safety Act, only manufacturers can order the recall of vehicles in Canada. The Minister of Transport can only order a manufacturer to notify Canadians that their vehicle is subject to this safety recall. Bill S-2 proposes to allow Transport Canada to issue monetary penalties against manufacturers. This new power is intended to ensure that manufacturers comply with Canada's Motor Vehicle Safety Act. The monetary penalty system would replace the time-consuming and very costly criminal prosecution of automobile manufacturers.

Bill S-2 would more closely align Canada's automobile recall process with the existing process in the United States. I asked the minister this morning how closely it would align with that in the United States. He was fairly clear that the intent of the measure was to reduce enforcement gaps between Canada and the United States, although I think he also insinuated that there were other safety precautions—I am not so sure if those are in Bill S-2, but in our safety standards—that go further than what the United States may have.

The previous Conservative government had already strengthened the Motor Vehicle Safety Act in 2014. Our previous government also

passed into law provisions that brought the Motor Vehicle Safety Act very closely in line with American legislation. We know that we have an integrated industry. We know that there are vehicles manufactured in Canada and then sold in the United States, and vice versa.

● (1205)

It is an integrated market. Therefore, it is very important that we not put up red tape or barriers that limit the industry from having that equivalency between the two countries. For example, we were explicit in differentiating between an automobile defect compared to an automobile's non-compliance with Canada's Motor Vehicle Safety Act.

In 2014, our Conservative government gave Canada's former minister of transport the power to order an automobile company to inform Canadian consumers of safety defects. Bill S-2 is building on that effort by giving Canada's transportation minister the power not only to inform the public but also to recall those vehicles.

Canadians want and expect our vehicles to be safe and want defects to be identified as quickly as possible. The power to order vehicle recalls will help manage vehicle safety in Canada. Everyone knows that technological advances in motor vehicles are evolving so quickly that cars are becoming more and more technical and complex. We see it everywhere, with our cellphones, our videos, and anything dealing with electronics. We see it now in vehicles and vehicle safety. As the technology grows, the question is whether we are keeping up. I will talk a bit about that later on.

For us to be competitive we must facilitate these needs. Canada's regulatory regime needs to be more responsive to new and emerging technologies. We need to be responsive to new fuels as they come online, and also to safety advances. This bill will allow the department to require manufacturers to provide more safety information and do testing when needed, as well as increase their flexibility to address ever-changing safety technology.

Bill S-2 has provisions that did not appear in Bill C-62, tabled by the previous parliament in June 2015. Consent agreements relating to safety improvements and non-compliant companies have been added. As well, the current government wants to impose initiatives to provide some early flexibility to address the challenges of rapidly changing vehicle technologies. This measure needs to be pursued carefully when Bill S-2 is studied in committee.

This is again time to express the important work that committees do. We need to allow our committees the ability to look at these measures, to look at the timeliness of how we can deliver change, of how we can adapt to the ever-changing world of technology, of how that equates back to vehicle safety, and whether all of the possibilities are being checked out.

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Also, the current government needs to pursue this measure carefully. The purpose of Bill S-2 is to increase consumer protection and motor vehicle safety in Canada. That is why we moved on this in 2015. It obvious today that the official opposition wants to support Bill S-2 in principle. However, we want this bill to go to committee to have the proper work done there.

We should also recognize and thank the Senate for bringing this forward quickly. Again, I am not certain why the government did not bring this as a government bill, but the Senate did bring it forward with some amendments, which we will talk about later on as well.

I had the privilege of chairing the House of Commons Standing Committee on Public Accounts. I am pleased that the Auditor General's report, as well as the report of the public accounts committee, and the important work they have done, is part of the debate today in the House.

The 2016 fall reports of the Auditor General of Canada included a chapter on oversight of passenger vehicle safety and the performance of Transport Canada. The Auditor General's report, entitled "Oversight of Passenger Vehicle Safety—Transport Canada", found a couple of things. It states that vehicle safety technology is evolving faster than Canadian regulations and standards can keep up, and that Transport Canada faces challenges in exercising its important role of keeping passenger vehicles safe.

● (1210)

The Auditor General noted a number of significant deficiencies in the regulatory framework, including a lack of timeliness, an absence of broad stakeholder consultation, and outdated regulations. The report states:

For example, Transport Canada's regulations did not allow vehicles to be equipped with advanced headlights that are controlled by software...[and] unregulated semi-autonomous vehicles are being driven on Canadian roads.

Those are a couple of areas where Transport Canada was not keeping up with what is available out there for the general public in some cases. The report goes on to state:

...Transport Canada waited for the National Highway Traffic Safety Administration in the United States to develop new or amended standards before proposing regulatory actions in Canada.

The Auditor General was concerned about that. However, I am pleased that we recognize the integrated nature of the industry and that we are not always making changes after the United States does. Rather, we are watching what it does so we can have access to its market. The report further states:

This reactive approach created significant delays in implementing new standards, and meant that some passenger vehicles were not equipped with the newest safety features available in other countries, such as the...advanced headlamps.

It continues:

There were lengthy delays—sometimes of more than 10 years—from the time that Transport Canada started to work on an issue to the implementation of new or amended standards.

As has been mentioned, technology is advancing quickly. What is new today in much of our technology will be old news or old technology in six months. Therefore, Transport Canada needs to address ways in which it can keep up.

The report further states:

Prior to making proposed regulations public in the *Canada Gazette*, Transport Canada consulted with manufacturers but did not engage broadly with stakeholders such as consumer associations, medical associations, and [our] police [forces].

The audit found that the important standards were not working as intended or were outdated.

Furthermore, the Auditor General stated:

...Transport Canada was aware that child seat anchorages could fail under certain conditions, but it had not proposed a new regulation or issued an advisory by the audit completion date.

The response by Transport Canada to the Auditor General was that introducing a unique-to-Canada requirement for anchorage strength in passenger vehicles would be detrimental to trade, and for that reason there was a delay.

Most concerning, and a challenge for the current Liberal government, is that Transport Canada has not been focusing on planning or funding its research and regulatory activities for the longer term. The department could not prioritize resources and spending decisions. It sounds like there are some real administrative problems there. For example, between April 2012 and December 2015, the department purchased 98 passenger vehicles for research testing. However, as of December 2015, a number of them had still not been tested. The vehicles were sitting there but many of the tests had not taken place.

The department appears to adequately assess complaints by Canadians and identifies vehicle safety defects. However, the report states:

...the Department did not request information about critical safety issues that manufacturers were investigating. As well, manufacturers issued 318 recalls between 2010 and 2015 for safety-related issues that were not brought to the Department's attention.

Therefore, we can see the communication, the passing of information, and the data that is there. Data in just about everything in government is problematic. Here was a case of the department not working closely enough with the industry for it to be aware of recalls implemented by manufacturers on their own.

The report continues:

Furthermore, the Department did not have the authority to assess whether manufacturers implemented effective processes for identifying and reporting safety defects. This limited the Department's ability to investigate defects and better protect Canadians.

● (1215)

While Transport Canada adequately assessed vehicle manufacturers' efforts to complete safety recalls, it was left to the manufacturers to contact owners for some recalled passenger vehicles. Manufacturers had difficulty identifying and contacting owners, especially owners of older vehicles. We know that sometimes other related or unrelated issues in an older vehicle may compound the problem it is actually being recalled for. We almost have a double whammy with these old clunkers on the road, as another politician in the past said, so we need to be certain that we comply with this.

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The good news is that Transport Canada has agreed with the seven recommendations made by the Auditor General and is pursuing a detailed action plan. Again, I am pleased to report that the public accounts committee has studied and reported on this. We are still involved in a follow-up process that will hold them to account and make Canadians feel even safer.

I am going to read some of the recommendations the Auditor General had. Recommendation 1:

Transport Canada needs to confirm in writing to the Committee that it provides regular public updates on the status of its regulatory plans.

The public needs to have confidence.

Recommendation 2:

Transport Canada needs to provide the Committee with a report detailing the implementation of an expanded and standardized consultation process seeking comments in a timely manner from expert stakeholders on Motor Vehicle Safety's regulatory initiatives.

Again, this goes back to stakeholders, including the industry and our emergency responders, police forces, and other stakeholders.

Recommendation 3:

Transport Canada needs to provide the Committee with a report detailing how it has implemented its action plan to improve the quality of collision and injury data.

Again, that is part of the process of follow up that committees do.

Recommendation 4:

Transport Canada needs to provide the Committee with a report detailing the progress of the updated regulatory process and how evidence and scientific research are used to inform the development and/or modification of Motor Vehicle Safety Standards.

How is science and research helping?

Recommendation 5:

Transport Canada needs to provide the Committee with a report outlining its long-term operational plan for the Motor Vehicle Safety Directorate.

Recommendation 6:

Transport Canada needs to provide the Committee with a plan detailing how Bill S-2's proposed new authorities will be implemented into the passenger vehicle safety regulatory regime.

Finally, Recommendation 7:

Transport Canada needs to provide the Committee with a report outlining its process to support a new authority in the Motor Vehicle Safety Act to request that major auto manufacturers provide information on their data sources and internal processes for identifying and reporting safety defects.

Those were the Auditor General's recommendations in the audit, but one of the things he concluded with was this:

Transport Canada did not maintain an up-to-date regulatory framework that responded to emerging safety risks and technological issues. As a result, the approach failed to ensure that Canadian-driven passenger vehicles had the highest possible safety features and technologies.

I see that I only have one minute left. I will quickly say that I believe that there are laudable measures being taken in Bill S-2 that should be supported. The current government faces some formidable challenges in addressing vehicle safety in Canada, but I think this is a step in the right direction. As he stated, it is adopting the Conservative bill, Bill C-62, and we commend him for that.

Beyond that, as always, the devil is in the details. Again, we will be watching to see how quickly this is implemented and how quickly

a minister would actually step out and tell manufacturers that there should be a recall. It needs to be not only passed but complied with by a minister who is prepared to make those tough decisions.

● (1220)

There are numerous challenges in keeping Canadians safe in the vehicles on our roads. Our former government was aware of that, and that is why we acted in 2014 and again in 2015 with the tabling of Bill C-62.

I commend the Liberal government for moving on this issue as well for adopting a bill that, unfortunately, had to start in the Senate. I hope that the government will allow the committee to do its work and that we will see this legislation move through the committee in a timely fashion.

Ms. Filomena Tassi (Hamilton West—Ancaster—Dundas, Lib.): Mr. Speaker, the hon. member raised the topic of the fast pace of innovation. We can all agree with him that we have to always be conscious of that. We can celebrate the success of innovation, but we also have to make sure we are prepared for it.

Does the member believe that the extra powers in this legislation that would give the Minister of Transport the power to order the repair of recall vehicles and new vehicles and to use monetary penalties to increase safety compliance, and that would give Transport Canada the flexibility to address vehicle safety technology, are important with respect to ensuring that we are keeping up with the fast pace of innovation?

● (1225)

Hon. Kevin Sorenson: Mr. Speaker, I may be better off answering that question when we see the response from Transport Canada on the processes for carrying out the recommendations brought forward by the public accounts committee and by our Auditor General.

The safety of Canadians and everyone who uses our roads is of paramount importance to us. We have to be aware of the quick and changing world of technology when it comes to buying new vehicles.

Although the bill may not be perfect, it is a good balance. Committees need to research this. The transport committee as well should be looking at this carefully. The public accounts committee has and will continue to do so.

The Auditor General stated that because of new and quick technologies, there must be a process whereby Transport Canada can do more than just comply with the regulations that are brought forward in the United States and can on our own move toward better safety on our roads.

[*Translation*]

Mr. Robert Aubin (Trois-Rivières, NDP): Mr. Speaker, when we compare Bill C-62, which was introduced by the Conservatives, to the Liberals' Bill S-2, we find many similarities and some differences. We note that the two administrations have something in common: they both decided to cut Transport Canada's budget.

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Does my colleague believe that it is possible to reconcile increasing motor vehicle safety with cutting Transport Canada's budget?

[*English*]

Hon. Kevin Sorenson: Mr. Speaker, it is up to the government to lay out the funding for its departments, and it does so in its budgets. As far as that goes, the safety of everyone is paramount to all of us. As the hon. member said, it is important that we have adequate funding for the department and also for the specific area of vehicle safety.

Ninety-eight vehicles were purchased in 2012 and 2015, and not all were used in these checks. New vehicles are sitting there that are going to be checked for safety. The government has the optimal number of 98 vehicles that need to be purchased. The government went out and purchased them, but 24 or 25 of them are still sitting there, and those tests have never been done. These are not even the quick and moving technology changes. These are things the government budgeted for. It wanted to test certain models of vehicles for certain things, but 24 of them did not get around to being done. If it was because of resources, that is what we expect. We expect the resources to balance the needs.

Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC): Mr. Speaker, I want to thank my hon. colleague for participating in this debate and for the good work he does on the public accounts committee. I had the opportunity to sit in on one of their committee meetings and to question the Auditor General on the very report that both my colleague from Trois-Rivières and I have commented on.

Would the member comment on the very important work of the Auditor General in providing these reports to Parliament, how they inform the amendment of current legislation and the creation of new legislation, and how they ensure that we are not only getting things done quickly but are getting them done right?

Hon. Kevin Sorenson: Mr. Speaker, I want to thank the member for attending our public accounts committee and for the very good work she did that day with questions to the Auditor General and his department.

There is so much I could say about the Auditor General's office. We know that in a democracy, transparency and accountability are paramount in maintaining a strong democracy and a strong country. Canadian citizens must have confidence that whether they are provincial, territorial, or federal governments, there is someone doing performance audits as well as financial audits and that they are holding departments, ministers, and governments to account.

We can be very proud of the Auditor's General's office and of our Auditor General and his staff. When they come with a decision, we need to accept it. We need to accept the recommendations. We need to accept, generally, certainly on all public accounts, financial audits and performance audits. They hold departments to account.

There is no gray area with vehicle safety. I do not think there will be a lot of differences among political parties on whether we believe there should be standards for vehicle safety. I may be going on a bit of a rabbit trail and a rant here, but I am very concerned about safety on the road. I am concerned about young people texting and being on the phone at times. On occasion, we have talked on the road. We

still see people on the road texting, looking down, or being on the phone. I am very concerned when I see it.

I had a call from Mothers Against Drunk Driving this week. They are very concerned about alcoholism and travel on the road. I am very concerned about our movement towards the legalization of marijuana and what that will mean without the ability to do roadside testing yet.

I think Canadians get it. There are very few people who think we should be an open society with no regulation.

Obviously, we want safety on the road. When I go into a dealership to buy a new vehicle, and I see the new technology we have, although I do not understand the electronic components and what the vehicle can do, I expect that it is going to be safe. I expect that it is not going to injure or harm me or anyone else on the road because of that technology.

The Auditor General spoke more specifically to process than to the politics of any of those issues. Again, it is very important work the Auditor General does. I again thank him for that. We can be very pleased that the report came out and that the government has moved with Bill S-2 as part of the answer to the Auditor General's report.

● (1230)

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, I am reflecting back on the 41st Parliament and a similar bill. I wonder if the member reflects on it as well.

It seems strange to me that until the 41st Parliament, which was under Conservative government leadership, passed Vanessa's Law, the pharmaceutical industry was not required to withdraw a drug when the Minister of Health asked for it. It took Vanessa's Law to say that the Minister of Health could tell the pharmaceutical industry to withdraw a drug.

Now we are passing legislation, and I think it is overdue, that the Minister of Transport can tell the automobile industry when a dangerous vehicle needs to be pulled off the road.

Does the member have any other reflections? It seems to me that these two bills are coming perhaps in a new phase of being more aggressive in protecting the rights of Canadians in health and safety.

Hon. Kevin Sorenson: Mr. Speaker, one of the great things about this country is that we do have certain bodies and councils that protect consumers. The hon. member mentioned the pharmaceutical industry. Obviously, when we reach into that pill bottle and take a pill, we hope that it meets certain standards. I think all governments, and rightly so, make sure that drug identification numbers and processes are there.

There is also food safety. To be quite frank, we remember the melamine in baby formula in China.

Government Orders

We just assume that there are these groups. We have to live in faith that the government is doing its due diligence in keeping Canadians safe, so in the case of pharmaceuticals, food safety, vehicle safety, yes, Canadians can have confidence. We have the highest-quality food in this country, with our agricultural products, and we also have the highest standards of safety. I think people are looking for ways that we can continue to give the consumer choice and also the certainty of safety.

● (1235)

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, it is always a pleasure to rise in the House. I welcome all members back. This is my first opportunity to stand and add some of my thoughts on an important piece of legislation.

To begin, I am reflecting on how very important it is during breaks for members to meet with their constituents to get a better sense of the messages they want us to bring to Ottawa. One thing I respect immensely about the Prime Minister is that he continues to challenge members of Parliament to go into their constituencies and represent their constituents' interests here in Ottawa, as opposed to bringing the interests of Ottawa to their constituencies. We need to ensure our priorities are right, and our priorities are to ensure that constituents in our ridings are represented, whether it is in the chamber, in committees, or in our respective caucuses.

It is a pleasure to be back in Ottawa to deal with important government legislation. All legislation is important, but today is special in the sense that we are talking about Bill S-2, legislation that would make a difference in the safety in our communities. It is very important for all of us to understand and appreciate what sort of impact this bill would have.

One of my colleagues mentioned that it is estimated, and I suspect this is a conservative estimate, that 20% of newer vehicles on the roads today have recalls for some sort of manufacturer defect, and there is a substantial cost to that. In addressing that issue, this legislation carries the ball quite far, I would suggest, and I applaud the minister, the parliamentary secretary, and all of those involved in bringing forward the legislation. I appreciate the fine work that the other chamber has done in providing us with the legislation we are debating today.

After listening to my colleagues across the way, I have a couple of comments. A New Democrat representative referred to the fact that we will be expected to look at different types of legislation and then suggested that Bill S-2 should be relatively uncontroversial. It is a piece of legislation that I believe will ultimately receive the support of all members of the House, at least in advancing it to the standing committee, where there will no doubt be a much more detailed analysis of the legislation. If there are ways it can be improved upon, I am sure the committee will attempt to do so, recognizing that where we can do better, we will strive to do so.

With regard to vehicle safety, we need to recognize that there are two jurisdictions that play a critical role, one being the national government. The bill before us today, Bill S-2, is important legislation dealing with manufacturers. Cars do not last a lifetime. Individuals today have two major expenditures: the homes they live in and the vehicles they acquire. Many vehicles are purchased at face

value, meaning that if they are brand new, there are certain expectations for those vehicles. The national government plays a critical role in not only ensuring that vehicles are safe but also, to a certain degree, in providing assurances to consumers. That is done through recalls, ensuring that manufacturers take responsibility for their products.

● (1240)

If I walk into a showroom today and buy a nice, brand new, shiny vehicle, and I pull off, and then a month later there is an issue with an airbag or a steering column, I should have some sense that there is going to be a recourse whereby the manufacturer will have to rectify the problem, because it is not my driving that caused the issue; rather, it was a fault or manufacturing-related issue that caused the problem.

We know that situation exists. As I mentioned earlier, it is estimated that over 20% of all manufactured vehicles will at one point or another have something recalled or something that needs to be tweaked or replaced. It can be fairly substantial. It can be somewhat inconsequential in terms of cost, but important in terms of safety. We know those are the types of things we have to face.

Ottawa, in coming up with legislation such as this, is empowering the minister to do certain things we are not able to do today, and I want to focus some attention on a few of those things. However, to speak more broadly about the industry as a whole, we understand and appreciate how important the automobile industry is to our nation in terms of the overall GDP and the impact it has on real middle-class jobs and on our economy in every region of our country. It is not only the manufacturers; it is also the individuals who service the vehicles and those who sell. Major retailers out there are very dependent on the automobile industry. It is an industry I am quite familiar with. My father or other family members have been involved in it in excess of 40 years.

When the average person purchases a car, even though they might think it is the car for them for the rest of their life, very few will purchase a car that will be their car for the rest of their life. Surveys show that an individual will keep a car for six to eight years. After that, they will sell it, but just because they lost interest or decided to go for a new car does not mean that this car leaves the road. It then becomes a second-hand car, and at this point many provincial jurisdictions recognize that we need to ensure that our roads continue to be safe. In my own province, Manitoba, if someone sells a second-hand car, there is an obligation to have it safety-checked, so that whether it is two years, 10 years, or 11 years old, the vehicle is in fact safe for driving.

As provinces continue to look at ways to improve the condition of those second-hand cars on the road, we also have a responsibility to ensure that the new cars that are being sold are safe. Where we can play a role in ensuring they are safer, we should do just that.

When I look at what the legislation specifically does, there are a few things that come to mind, but one of the things that tweaked my interest was how the manufacturers would be financially responsible for correcting a vehicle defect and also have an enhanced responsibility to provide information related to the safety of the vehicle to Transport Canada. That information would go into the Transport Canada data bank.

Government Orders

One of my colleagues made reference to the data bank. If one goes to the motor vehicle safety recalls on the Transport Canada site, one would be amazed at just how detailed that data bank is. For many people who are driving newer vehicles today, whether one, three, or four years old, there is a very good chance there has been a recall of some part on that vehicle, but drivers are just not aware of it.

• (1245)

It is very simple to find out whether a vehicle has been recalled. People visit the website, virtually click on the type and model and the style of the vehicle. The recalls that have taken place will pop up. It is a fantastic data bank. I would suggest to all consumers, people who have purchased cars in the last number of years, not to take it for granted just because their vehicle seems to be driving well. They do not have to wait for something to go wrong. There is a fantastic data bank that is there to be utilized. One of the things that this legislation is proposing to do is to enhance that data bank by requiring additional safety information to be passed on, some of which no doubt will ultimately end up in some form of the data bank. I see that as a very strong positive, and I would encourage others to look into it. The minister would have the power to call for additional testing to address safety concerns. That is something that all of us need to be concerned about.

In listening to a number of the Conservatives, it is interesting to hear that they talked a lot about Bill C-62, which is a piece of legislation that the former prime minister, Stephen Harper, had brought to the floor of the House. This is one of the reasons why I am somewhat optimistic that the Conservatives should be onside and wanting to see this legislation pass sooner as opposed to later. I would suggest that the legislation originates not necessarily from the former Conservative government as much as actions that were being taken in the U.S.A. There is a gap between the U.S.A. and Canada related to safety issues and recall processes and procedures and what that government is able to do in comparison to the Government of Canada. I suspect that what we saw was a Conservative government looking at what was happening in the U.S. and then wanting to adopt some of those measures, and I give the Conservatives credit for doing so.

I know that the NDP expressed some concern that this legislation was not in the mandate letter of the current minister. The only thing that I can say to that issue is that just because it is not within a mandate letter does not necessarily mean that the ministers are not looking at still improving the system. We have ministers who are very keen to look at and administer the mandate letters and achieve things within the mandate letter, but there are many other initiatives, and this is one of those. It would appear that, across the way, both the New Democrats and the Conservatives are in general supporting the principle of the legislation, and we see that as a good thing. We look forward to the opposition parties supporting it.

In the legislation, the minister of transport would have the power to order companies to make manufacturers and importers repair a recalled vehicle at no cost to the consumer. For those who use vehicles and have to get vehicles serviced, there is a substantial cost factor to it. As one would obviously argue, why should a consumer, who purchases a brand new vehicle and three months later finds out that there was a defect, have to be financially responsible for recovering or bringing that vehicle up to Canadian safety standards?

Enabling the minister to have that additional power or authority is a very strong message that is being sent to the industry.

I do not think we need to say all manufacturers are not taking up their responsibilities to ensure that their vehicles are safe and at the highest quality. We recognize that manufacturers do whatever they can. We have seen manufacturers institute massive recalls well into the billions of dollars.

• (1250)

We understand and appreciate that this legislation is there, because at times, whether today or in the future, a minister should have the authority to do what is being proposed in the legislation. The bill would allow Transport Canada to use monetary penalties or fines to increase safety compliance and to enter into compliance agreements with manufacturers to take additional actions for safety. The legislation would also increase and clarify Transport Canada's vehicle inspection capabilities. It is important that we have a sense of enforcement that is real and tangible, so that if we have a vehicle that needs to be recalled for whatever reason, we would have the ability to ensure that it would be carried out. This is something we see within the proposed legislation.

I look at the legislation as a whole and recognize that what is being proposed by the Senate amendment is ultimately dealt with in the legislation. With the Senate amendment, a company would be required to compensate a dealer for an amount equivalent to at least 1% per month of the price paid by the dealer. The amount would equal an annual interest rate of at least 12%. This arbitrary rate does not take into account the fluctuations in the real financing costs, and therefore the amendment could have the perverse effect of a dealer potentially making more money by not making the repairs, keeping the vehicle on the lot, and charging the manufacturer. Therefore, when we look at the amendment being proposed by the Senate, as much as the intent might have been very good, I do not believe it is required. Within the legislation, the minister would have the authority to have manufacturer defects dealt with, paid for, and recovered by the manufacturers. The minister would have that authority already.

We have to be very careful that, within the Transport Canada legislative framework, it is not required for us to be arbitrary or work between the dealerships and manufacturers. It is very much a consumer issue. At the end of the day, as much as the intent of the Senate's amendment is meant to do well, I do not believe it is required. The opportunity to see dealerships adequately taken care of through the current proposed legislation is there, and the minister would have that authority.

Government Orders

It is interesting that one of my colleagues made reference to the fact that, when we think of recalls, we have to ensure that the priority of manufacturers is to get the vehicles that are actually on the roads dealt with as a first priority. Those vehicles in the large compounds, which we have all seen, will ultimately be on the road, and I suspect there will be modifications made to them before they are sold to the consumer. The bottom line, once all is said and done, is that the legislation before us is all about increasing the safety on Canadian roads, and therefore ensuring that manufacturers and companies take on their responsibilities by providing the type of vehicles that consumers expect when they purchase them. I think this is legislation that we should all be supporting.

• (1255)

Mr. David Sweet: Mr. Speaker, on a point of order, I think it is important to point out that we finally had a good example of our good response to the parliamentary secretary to the House leader, and unfortunately, the example was removed from the House. I hope everyone takes a look at *Hansard* in the future and takes a look at a proper reaction to the member's speech.

The Deputy Speaker: I am not sure what the hon. member is referring to in terms of a point of order. Perhaps I missed something in the debate, but I am not getting anything to react upon here.

We will go back to the hon. parliamentary secretary to finish his remarks. We are getting close to the end of his allotted time, and I would just remind him of that.

The hon. parliamentary secretary.

Mr. Kevin Lamoureux: Mr. Speaker, I look forward to a question. Maybe the member across the way can expand as to what caused his frustration, which led him to stand on a point of order. I believe the time has expired, so I look forward to his question. Maybe he could expand on his point of order.

Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC): Mr. Speaker, I have had the opportunity to ask questions of a number of members of the governing party on Bill S-2 and I would ask, if he had to, what he would pick out as the key differences between Bill C-62 and Bill S-2, which he believes make this a better bill.

Mr. Kevin Lamoureux: I appreciate the question and take it very seriously. As I pointed out, Bill C-62 was a piece of legislation that came out of concerns that were being developed in the United States, and the Harper government introduced it at that point. There was a review from within the ministry, and with all due respect, maybe it might be advisable for the member to pose the question for the minister who introduced the bill, and I suspect maybe she has, although I am not sure. She probably already has the answer to the question. I believe that the Senate's amendment was not incorporated into Bill C-62, if that is the point the member is making.

Ms. Filomena Tassi (Hamilton West—Ancaster—Dundas, Lib.): Mr. Speaker, the legislation we are discussing is about safety first and foremost. We want to ensure that all vehicles on the road are safe, and I am happy we are taking steps to ensure that. I speak first-hand. I was in a terrible accident and I am lucky to be alive today. Air bags deployed, glass crumbled, the vehicle flipped upside down, and I was lucky the roof did not crunch. I know many others have had similar experiences. That is really what today is about. Part of it is about ensuring that the vehicles on the road are safe.

The member talked about manufacturers taking responsibility for their products and how this legislation would enhance that, so I wonder if the member could comment on this very important point about how this would ensure that manufacturers are more accountable and more responsible with respect to ensuring that the vehicles we drive are safe.

Mr. Kevin Lamoureux: Mr. Speaker, the single greatest thing that the legislation would do is attach additional powers to the minister and provide additional information to Transport Canada. I believe it would help to facilitate different types of agreements between companies and manufacturers, things that were not incorporated into the previous legislation under the Harper government. These are likely some of the more significant things, but the member is quite right in the assessment.

The number one priority of the legislation is to ensure that Canada has safer roads. The second is to protect the consumer, as I pointed out. When an individual buys a brand new vehicle, there is an expectation that the vehicle is going to last a good number of years, 200,000-plus kilometres, depending on how the individual drives and maintains the vehicle. There is an expectation when people enter the showroom and purchase a new vehicle that it will be a vehicle that is safe to drive at all times.

What we are doing within this recall legislation is ensuring that manufacturers stick to their responsibilities in ensuring that, when there is a known defect or a problem with a vehicle that has been sold and it is not consumer-related but rather a manufacturing default, the part and labour are covered to get that vehicle safe and back on the road.

• (1300)

[*Translation*]

Mr. Robert Aubin (Trois-Rivières, NDP): Mr. Speaker, my question is quite simple. I will repeat it because I have yet to get an answer.

While I acknowledge that Bill S-2 has merit, as I said in my speech, could my colleague tell me what aspects of Bill S-2 fill the gaps that were identified by the Auditor General in his last audit of motor vehicle safety in Canada?

[*English*]

Mr. Kevin Lamoureux: Mr. Speaker, not having read the report the member is referencing, and having heard the member pose that question a couple of times this morning, I really do not know the details. I cannot provide the type of answer the member across the way would like.

The Government of Canada looks at what its independent officers of Parliament have to say on a wide variety of issues, including this one. I suspect that a number of issues the Auditor General has raised have been addressed in the legislation.

Government Orders

Coming from an opposition point of view, and I sat in opposition for a number of years, the real challenge is to look at what the Auditor General has said and where the NDP might feel the legislation does not meet what he has requested. That might be more helpful, especially going to the committee stage.

As I indicated earlier in my speech, we have a government that is very sympathetic to well-thought-out, argued, and articulated amendments that could possibly be made to improve the legislation. If the NDP has some specific amendments, I am sure that whether it is parliamentary secretary, minister, or members of the committee, the members will be afforded the opportunity to have a good, healthy discussion, and vote on the merits of what is proposed.

ROUTINE PROCEEDINGS

[English]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Kevin Lamoureux: Mr. Speaker, on a point of order, there have been discussions among the parties and if you seek it, you should find consent to adopt the following motion. I move:

That the membership of the Standing Committee on Procedure and House Affairs be amended as follows: member from St. Catharines for member from Scarborough—Agincourt and Member from Perth—Wellington for Member from Haliburton—Kawartha Lakes—Brock.

The Deputy Speaker: Does the hon. parliamentary secretary to the government House leader have the unanimous consent of the House to propose this motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

(Motion agreed to)

GOVERNMENT ORDERS

[English]

STRENGTHENING MOTOR VEHICLE SAFETY FOR CANADIANS ACT

The House resumed consideration of the motion that Bill S-2, An Act to amend the Motor Vehicle Safety Act and to make a consequential amendment to another Act, be read the second time and referred to a committee.

Mr. Kelly McCauley (Edmonton West, CPC): Mr. Speaker, I will be sharing my time today with the hon. member for Medicine Hat—Cardston—Warner.

Before I begin, I would like to mention that it has been almost two years since the passing of my friend's predecessor Jim Hillyer. This summer I had the absolute pleasure of having Jim's son, London Hillyer, as our intern. I want to let Jim know upstairs that his son London did a fantastic job and he would be very proud of him.

I am pleased to rise today to talk to Bill S-2, an act to amend the Motor Vehicle Safety Act. Like many people in the House today we generally support the intent of the bill.

Presently, the Motor Vehicle Safety Act limits the power of the Minister of Transport to issuing notices of safety defects and criminally prosecuting manufacturers.

Transport Canada does not presently have the authority to order recalls, but rather to list active recalls on its website and issue press releases if it believes there is an issue with a type or model of a vehicle.

Bill S-2 would amend the act to provide the minister with the authority to order a vehicle recall and order the vehicle's manufacturer to correct the defect at no cost to the consumer. So far, so good.

An hon. Conservative senator from Newfoundland amended the legislation to ensure that vehicle manufacturers would be responsible for costs to protect car dealers from shouldering the costs of a vehicle recall. We have many car dealerships in Edmonton West. I have spoken to several of these dealers and they are 100% behind the amendment, of course, because it would save them money. I generally agree with parts of the amendment, but not where the amendment starts to set out compensation guidelines. That is best left to the market to decide.

I support legislation that will protect consumers from unnecessary and unfair financial burdens of defective products. It should not fall to a consumer, nor really the car dealer, to assume the cost of manufacturer defects, particularly with something like vehicles, which have potentially fatal consequences if something goes wrong. I also support legislation that is designed to keep consumers informed of any real or potential dangers with the equipment they choose to purchase.

The Auditor General report on Transport Canada, entitled "Oversight of Passenger Vehicle Safety", lists two positive items on Bill S-2. One is a proposed new regulatory power to establish an information reporting requirement that would identify safety defects sooner. The Auditor General report also notes a positive part of Bill S-2 that would require companies operating in Canada to be more aware of foreign defects and issues of non-compliance for vehicles that would be similar to those sold in Canada.

That said, I have a few concerns with Bill S-2 as it is outlined and I will elaborate on them now.

The government's justification for the legislation is, to be charitable, a bit underwhelming. Per the words of the government's representative in the other place, it is because vehicles are complex and sophisticated, and much of the technology is proprietary." No kidding.

Bill S-2 would give the minister new powers on ordering companies to conduct tests, analyses, or studies on vehicles or equipment at the minister's discretion; just at the minister's discretion, with no parameters, no guidelines.

Government Orders

I want to stop and take a look at what is going on with Boeing and Bombardier. The government is putting jobs at risk, investment at risk and has politicized the replacement of needed equipment for our men and women in uniform to protect its friends in Bombardier, and we want to give unfettered and undefined power to the minister? What is next? Are we going to interfere with the General Motors Cami strike going on right now because of concerns of moving the plant to Mexico or the US? Or using these powers to punish Toyota for not putting a plant in a friendly riding? It sounds inconceivable, but we have to stop and look at this through the lens of the Bombardier and Boeing mess, where the government has stepped in and interfered. We have to look at how the Liberal cabinet interfered with the purchase of the Navy's replenishment ship apparently at the orders of a rival firm.

It is important to ensure that motor vehicle inspectors at Transport Canada have the information they need to ensure companies are complying with the Motor Vehicle Safety Act. It is also important that we are not unnecessarily and excessively increasing the discretionary power of the minister at the expense of companies invested in Canada.

In 2015, as has been noted before, five million passenger vehicles were recalled in Canada. Dozens of vehicle types are recalled each year for which Transport Canada has not received any complaints. This means that vehicle companies that already have the incentive to ensure their vehicles are operating safely on our roads to the benefit of consumers are largely fulfilling their role in ensuring vehicle safety. I am therefore left wondering if we are increasing the discretionary power of the minister and the Department of Transport to fix a problem that does not really exist.

●(1305)

The government's argument is that the powers are anticipatory. Unfortunately, it is logically inconsistent to arbitrarily increase the power of a member of the executive unless there is a clear need to do so.

The new ministerial powers would also potentially be self-justifying their actions. The minister would be able to order a company to conduct tests on a product and provide evidence to the minister, which the government could then turn around and use to justify a recall against the same product.

The legislation would also give vehicle inspectors from Transport Canada new powers to enter any private property, other than a home dwelling, examine any documents, disassemble and remove any components, use any computers that would be on the location and copy data, as well as interrogate workers present to ensure compliance with the act. This power is quite exceptional and directly contradicts the very basic privacy protections afforded to individuals and businesses in Canada. Everyone must provide clear and objective standards under which the minister would invest inspectors with such extraordinary powers to prevent said abuses of power.

A reading from the Auditor General's report, and there are a couple of items here, states:

Overall, we found that Transport Canada did not develop motor vehicle safety standards to respond to emerging risks and issues in a timely manner. [We had to] waited for the United States to change its motor vehicle safety standards before

modifying Canadian standards...We could not always determine how the Department used evidence and research to develop or amend safety standards. Transport Canada did not plan or fund its research and regulatory activities for the longer term.

Nothing in this act would do anything to address these real concerns addressed in the Auditor General's report.

Earlier, the minister stated that Bill S-2 was well-intentioned. We do need something a bit more than well-intentioned.

The Auditor General provided rather uncomplimentary assessment overall on the state of operations at the Transport Canada motor vehicle safety directorate. His office was especially tough on the processes Transport Canada used to create and enforce new regulations, noting that, "We could not always determine how the Department used evidence and research to develop or amend safety standards." The AG cannot determine how Transport Canada comes up with safety standards, but the government wants to give Transport Canada full power to order recalls and demand that companies conduct research on safety standards.

It is not clear how Transport Canada would obtain, utilize, and keep the vast new data it would be able to collect, and it is sure unclear whether it would be able to justify the decision to obtain the data in the first place.

The Auditor General criticized Transport Canada's national database for not including complete Canadian data and for not attaining relevant information on industry statistics.

It is troubling that a department criticized for its existing process should be granted new powers without clear mechanisms for oversight to protect the integrity of the process. Perhaps the minister should focus his energies on addressing the Auditor General's report first before moving on with Bill S-2.

I look forward to the minister addressing the processes at Transport Canada and to rectifying the issues noted by the Auditor General. I encourage the government to provide adequate justification to make the case to increase discretionary power.

It is unclear how the government plans on addressing differences in opinion between vehicle manufacturers and Transport Canada. While not opposed, auto and parts manufacturers are concerned about the outcome of a potential difference in opinion about the nature and gravity of a defect between them and Transport Canada.

It is incumbent upon the government, as I mentioned, to ensure that it is creating a system that is open and clear and can be objectively applied in each case, perhaps some system where it could make evidenced-based decisions of some kind.

Government Orders

I am concerned about the lack of detail surrounding the arbitrary increase in the powers accorded to the minister. I am further concerned about the lack of oversight of Transport Canada, which has been criticized by the Auditor General specifically for being opaque regarding its internal processes and decision-making frameworks. I hope we can get the legislation to committee for further study. I trust the committee will take a long, hard look at our concerns as well as the concerns of the Auditor General.

• (1310)

Ms. Filomena Tassi (Hamilton West—Ancaster—Dundas, Lib.): Mr. Speaker, as has been noted many times in the House this morning in discussion of this bill, it is really about safety and protection of consumers. I am curious because the member now is questioning the use of the minister's power. Let us take one of the powers the minister would have in the legislation. That power would be that if a defect were found, the minister would have the power to ensure that before the vehicle was sold that defect would be corrected.

As a consumer, before I buy a vehicle, I want to ensure it is working and it is in good order. I just shared my own personal experience with being in a very significant car accident. I want to know if the member has a problem with this specific power of the minister, whose concern we know is safety and protection of consumers. Does the member have a problem with the fact that the minister would have the power to ensure that unsafe vehicles would not be sold?

• (1315)

Mr. Kelly McCauley: Obviously not, Mr. Speaker. The issue I laid out very clearly in my speech, and perhaps she was not listening, is not that the minister has the power to recall, but the undefined power of the minister and Transport Canada to raid offices at will looking for information. The issue is that the power is undefined. If the government wants to specify very clearly the conditions under which it has the power to recall, that is perfectly fine. We just ask that it be defined better.

[*Translation*]

Mr. Robert Aubin (Trois-Rivières, NDP): Mr. Speaker, I thank my colleague for his speech.

I agree with a number of aspects of his presentation, but there is one that truly stands out for me.

In his opinion, is this about optics or can this bill truly make a difference? We cannot seem to get any assurances that the budget cuts at Transport Canada are a thing of the past nor is anyone willing to say that major reinvestment is needed for implementing the merits of Bill S-2.

[*English*]

Mr. Kelly McCauley: Mr. Speaker, my colleague from the NDP makes some very good points. While Bill S-2, as the minister mentioned, is well intentioned, we need a lot more than just good intentions. The Auditor General's report is rife with examples of where Transport Canada has ignored safety or recall issues in the States that it has known about for years. It has laid off people in the investigation division. The problem is that Bill S-2 does not go far enough in addressing important safety issues. We hear members on the government side talk about safety, safety, safety, and while we do

intend to support its going to committee, it does not go far enough to look after the true safety of Canadians. I suggest that the government take a really hard look at the Auditor General's report and listen to what I and my other NDP colleagues have to say about it.

[*Translation*]

Ms. Anne Minh-Thu Quach (Salaberry—Suroît, NDP): Mr. Speaker, I have but one question.

The Liberals say that they want to use Bill S-2 to improve motor vehicle safety and that the Minister of Transport will be able to designate new enforcement officers. Does my Conservative colleague think that a 59% cut in funding to Transport Canada's oversight program will help advance motor vehicle safety and protection or should the Liberals be seriously reinvesting in Transport Canada's oversight capacity?

[*English*]

Mr. Kelly McCauley: Again, Mr. Speaker, the member has a very good point. We have said that we want real safety issues addressed and not just fluff. The Auditor General's report is very clear about the people who were laid off in the area of safety investigations. We hope that the Liberal government, as well as the members of the committee, will take to heart the common sense, straightforward suggestions by the Auditor General and bring about changes for much better safety conditions for Canadians and drivers.

Mr. Glen Motz (Medicine Hat—Cardston—Warner, CPC): Mr. Speaker, I am pleased to rise today to speak to the Senate bill, Bill S-2, an act to amend the Motor Vehicle Safety Act to empower the government to force recalls of vehicles with safety problems. As we know, the role of the government is first and foremost to protect its people. We cannot protect everyone from everything, and as they say, "He who defends everything defends nothing." However, we certainly should be protecting Canadians from predictable safety issues. All members of this chamber, and most in the other chamber as well, can agree on these principles. Protecting Canadians is the role of all parties and all parliamentarians.

That is why this proposed act has been introduced twice, in two different chambers by members of two parties. Bill S-2 closely resembles the bill tabled at the end of 2015 by the hon. member for Milton. Then, as the Minister of Transportation, she tabled Bill C-62 to provide recall powers to the minister and the Department of Transport, to impose fines where appropriate, and to ensure that Canadians have safer vehicles. Bill S-2 diligently reproduces that leading legislation, and we appreciate the work of the senator who did so, and the work of the members of the Senate transportation committee and all the witnesses who appeared before them to bring this legislation forward.

Government Orders

This bill would provide new powers that are not really that new. In fact, if we were to read stories about vehicle recalls in the press, it almost sounds as if the government has recall powers already. Surprisingly though, Canada's federal government lacks the power to order manufacturers to recall any vehicle with a defect. According to testimony before the Senate, Canada has the power to order recalls and changes to other vehicles like airplanes and ships, but not to any cars or trucks. What this bill would do is create those new recall powers, as well as penalties of up to \$200,000 per day. It would make it the prerogative of the manufacturer, not the dealer, to make repairs.

From the testimony, we know that some of the issues arising when there is a recall will continue. These cannot be fixed by legislation. As any of us who have gone through a recall know, a recall may be ordered but the parts might not always be instantaneously available. I read an interesting article last week, the story of John Fawcett from Iqaluit and his recalled Jeep with a known defect that abruptly shifted the transmission into neutral while the vehicle was under way. As a new father, this created a major problem for him. His vehicle was unsafe for his family. After some research, Mr. Fawcett discovered that his Jeep was under manufacturer's recall for four different issues that were listed on Transport Canada's website. The issue of the abrupt shifting of gears was also listed on the website and described thus:

...an unexpected shift to neutral which could result in a loss of motive power, which in conjunction with traffic and road conditions, and the driver's reactions may increase the risk of a crash."

Mr. Fawcett accepted that his car needed a bit of work and that Chrysler was responsible for doing it.

This bill would ensure that consumers like John are protected from the potentially catastrophic accidents that can result from manufacturers' defects, and would authorize the Minister of Transport to order a company to correct a defect or non-compliance in a vehicle or equipment if it is considered to be in the interest of public safety. In addition, there would be the power to order companies to pay the costs of correcting a defect or non-compliance in a vehicle or equipment.

These combined order powers are important for potential situations in which consumers would be expected to pay for the correction of a defect or non-compliance of a vehicle or equipment. Such a situation would place an unreasonable financial burden on Canadians and potentially place other Canadians at risk should their fellow citizens be unable to undertake the necessary repairs.

I will have to agree with my colleague from the Senate chamber and former City of Ottawa police chief, who summarized this bill as "legislation [that] will strengthen oversight of the recall process. It will be a big win for consumers and overall for the safety of Canadians."

The purpose of Bill S-2 is to increase consumer protection and motor vehicle safety in Canada. This is why the previous government brought this bill forward in 2015, why it is before us today, and why I will support this bill.

I found it useful to look at some of the parts of the testimony provided by consumer protection groups, vehicle dealers, and manufacturers. The first thing I noticed was the interesting insert of

the dealers' and manufacturers' arrangement. The dealer networks noted that some, not all, manufacturers were providing poor business support to their dealers. Dealers were left holding costs for vehicles under safety recalls that were not yet sold to a customer. It was left to the headquarters of the car manufacturers in other countries to determine if they would provide help or not. This seems like a poor arrangement and a bad relationship between two businesses.

● (1320)

I am not always confident that government can help fix a poor business relationship, and time will tell if this new arrangement to manage recalls between manufacturers and dealers is a good deal for the end-user. When the bill was tabled by the previous government, it was all about the protection of consumers. There were no clauses about fixing a lopsided business relationship.

The bill was about protecting people who use and operate vehicles daily. Specifically, the bill ensured that vehicle recall notices would be sent as soon as possible so that people would be aware of the potential risks; that manufacturers would be required to act on the recall quickly and at the convenience of the customer, not at the convenience of the product cycles; and that manufacturers would cover the costs associated with recalls. That puts families first and works at the heart of protecting our regulatory regime.

The president of the Canadian Vehicle Manufacturers Associated said:

In particular, we support Bill S-2 amendments that provide a clear, more rigorous and transparent process for exercising a number of Ministerial Powers to Order, recognition of the rapid pace of technological change through enhanced ability to provide exemptions to standards where new technologies [exist]...

We know for the most part the manufacturers agree in principle with many of these measures. Why would they agree? For American companies, this aligns for the most part with U.S. regulations and makes it easier for them to understand and comply. The bill would empower the Minister of Transport to impose fines on manufacturers who delay or postpone recalls or who do not comply with recall orders.

Ian Jack of the Canadian Automobile Association said:

The Canadian system is a veritable, if not literal, paper tiger. Bill S-2 will give the minister the authority to order a company to issue that recall to make companies repair a recalled vehicle at no cost to consumer and to prevent new vehicles from being sold in Canada until they are repaired. This matches similar legislation that exists in the U.S., finally levelling the playing field for Canadian consumers.

Bill S-2 brings Canadian consumers up to the level of other consumers around the world, at least on measures related to recall notices, and this measure aligns with the harmonization of regulatory issues across the U.S. and Canada. The legislation will bring forward the protection of consumers, ensure that Canadian dealer networks are treated fairly, and ensure that our roads and streets have safer vehicles on them.

Government Orders

I am always happy to see some bipartisan co-operation on issues that ensure that Canada is protecting its citizens, and I am always happy to provide support when the Liberals follow the leadership of the previous Conservative government.

I would like to thank the senator for bringing this legislation forward. Like many parliamentary processes, it ran longer than a single mandate or government. I look forward to working with him and all my colleagues in the House to advance this legislation.

• (1325)

[*Translation*]

Mr. Robert Aubin (Trois-Rivières, NDP): Mr. Speaker, I listened carefully to what my hon. colleague was saying. I too am looking forward to the bill being sent to committee so we can examine it in minute detail.

If the intentions of the bill seem acceptable, and some even seem quite laudable, what would, in my colleague's opinion, be the main omission in Bill S-2 that we should examine when we study it?

[*English*]

Mr. Glen Motz: Mr. Speaker, there was a phrase in the member's question that the interpreter did not allow me to hear very clearly. There is something between "in this legislation and prevention" and I missed what that was. If I could just get the member to ask that one more time, please.

[*Translation*]

The Deputy Speaker: I invite the hon. member for Trois-Rivières to repeat his question.

Mr. Robert Aubin: With pleasure, Mr. Speaker.

In my colleague's opinion, what is the main thing that Bill S-2 gets wrong or fails to cover?

[*English*]

Mr. Glen Motz: Mr. Speaker, there are probably a number of things in the legislation that carry forward, one being whether the government is now trying to get into a business relationship fix between manufacturers and dealers as something it has to deal with. That could be an issue that could detract from the intent of the bill, which is to protect Canadians. I see that as probably the largest gap that exists at the moment.

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, based on the last answer, there is a question that comes to mind with regard to the Senate amendment. One of the positions we have taken in not being able to support the Senate amendment is we do not see our role as dealing with commercial relations. That amendment is actually encouraging Transport Canada to get engaged in commercial relations.

I wonder if the member would agree we should be concerned about that aspect of the Senate amendment. By the sound of it, he does, but I would like him to confirm that he shares that concern.

• (1330)

Mr. Glen Motz: Mr. Speaker, it is fair to suggest that if the legislation loses focus from its intent of protecting Canadians on vehicle recalls and gets bogged down with requirements of business relationships and a commercial setting, it may detract from its intent.

I do not know if it is a deal-stopper, but it is certainly something that should be considered at committee.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, I am pursuing this matter, and I am sure committee will have the time and the experts to advise it.

The member for Central Nova suggested there could be constitutional issues with the Senate amendment. That had not occurred to me. The heart and soul of the bill speaks to the relationship between consumers and carmakers, and dealers are somewhat in the middle. I am not sure that puts it suddenly into provincial jurisdiction, when all parts of the legislation deal with our desire to make sure we leave the customer in a good position after having a recall on a vehicle.

I wonder if the member for Medicine Hat—Cardston—Warner has any thoughts on whether, from his point of view, there are constitutional issues raised with the amendment, bearing in mind that we are all going to need constitutional advice when the bill gets to committee.

Mr. Glen Motz: Mr. Speaker, I have to admit I am not a constitutional expert, and I am not aware what challenge this might present. However, I agree it certainly is worthy of study and advice. I have no further comment to make on that aspect, because I certainly am not aware of what that could be.

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Mr. Speaker, it is with great pleasure that I rise to speak on Bill S-2, An Act to amend the Motor Vehicle Safety Act and to make a consequential amendment to another Act.

The safety of Canadians is of high importance to this government, and this bill will help further ensure the safety of Canadians. The rapid development of automated and connected technologies for light-duty vehicles is of great interest to the government. We have heard of fully autonomous vehicles, ones that can fully drive themselves without the aid of a driver. The prototypes of some of these vehicles are already undergoing on-road testing in the United States. This exciting new area of vehicle technology development can be seen as both a safety benefit and an economic innovation opportunity.

Shifts in the global technology landscape are placing a growing reliance on vehicle safety innovation while transforming business practices and consumer demands. These emerging and disruptive technologies offer promising opportunities for economic, safety, and environmental benefits, as well as a number of regulatory challenges. The pace of change associated with these technologies and how they are transforming the motor vehicle sector is rapidly increasing, while the regulatory process remains unchanged.

New technologies offer promising opportunities for improving road transportation and road safety, including the environmental impact of vehicles. However, these technologies can be challenging in terms of safety oversight.

Much of the technological safety of a vehicle cannot be seen by the naked eye. From the outside, two vehicles may look the same, but many of the safety elements are internal to the structure or operating systems of a vehicle.

Government Orders

Safety standards include those related to crashworthiness and crash avoidance. Crashworthiness, or “how to survive once there is a collision” standards include those related to front and side impact. As we shift to new technologies and building materials, we need to ensure that this survivability is not compromised.

Crash avoidance technologies allow drivers to detect and avoid collisions. One example of such technology is electronic stability control, which has been mandated on new vehicles since 2011. For this type of technology, we need to ensure that the promises made by the developers are accurate, as consumers will be relying on those technologies. The speed and scope at which new technologies are being developed and implemented is challenging the status quo and are testing government's ability, at all levels, to respond in a timely manner. Canadian industry and businesses need to understand, adopt, and deploy new innovations and business models to stay competitive and better position Canada for success in leveraging the full potential of emerging and disruptive technologies.

An important element of the discussion will be about motor vehicle technologies and how they are regulated. The legislation needs to be flexible and adaptive to promote Canadian leadership and to give Canadians access to these new technologies as quickly as practically possible. The regulations are aimed at keeping Canadians safe, but they cannot be so rigid that they delay the introduction of new vehicle safety technologies or fuel systems.

These proposed improvements to the Motor Vehicle Safety Act have been developed to address these and a number of other important challenges. Currently, the Motor Vehicle Safety Act includes a provision for interim orders. An interim order allows a Canadian regulation that corresponds to a foreign regulation to be suspended or modified if there is a change by that foreign government. Currently, interim orders can suspend or modify a Canadian regulation for one year, which does not reflect that some regulations could take longer to develop, particularly if they deal with very technical subject matter. As such, Bill S-2 proposes to extend the period of an interim order to three years to reflect the typical length of time required to complete the full regulatory process for such a technical requirement.

The bill also introduces suspension orders, which allow for the suspension or modification of an existing Canadian regulation. For this type of order, a foreign government's enactment or regulation is not required. In this way, Canada has a tool to lead the way in regulatory development to address new and emerging technologies. This process permits the Minister of Transport to allow newer technological solutions, when appropriate, to take effect more quickly. The order would be in place for up to three years.

Both of these tools would increase the flexibility of the Motor Vehicle Safety Act to address an ever-changing landscape related to the automotive industry globally. These orders will be published and will apply to all manufacturers equally in order to provide a level playing field.

Another tool that is currently available in the Motor Vehicle Safety Act is an exemption order. These orders allow the minister to exempt a model of vehicle from a regulation. Currently, exemption orders are only valid for one year and require approval from the Governor in Council.

●(1335)

An exemption is requested by the regulated body, and it is up to that entity to demonstrate that safety is not negatively affected. An example of this type of request would be if an automotive manufacturer or auto parts supplier applied to not meet a rear-view mirror regulation in order to install a rear-view camera that performed the same function or improved on it.

As these requirements are very technical in nature, under these proposed changes the minister would be given the power to decide, based on the best evidence, whether it is in the interest of safety to grant the exemption. The exemption would apply for three years to allow sufficient time to determine what technical regulatory requirements would be appropriate and to allow time for the manufacturer to implement and use the proposed technology. The exemption would only apply to that model of vehicle, but the exemption would be made public, allowing other manufacturers to be knowledgeable about options for advancing their own technologies.

In summary, the automotive industry is changing very rapidly, and vehicle technologies are making vehicles safer and more fuel efficient. However, these changes are challenging our regulatory capacity to assess and apply them in the Canadian context in a timely fashion. This proposed act includes a number of tools to allow adoption of regulations already available in another country and the ability to create short-term regulatory changes in advance of the full regulation being available. It would also be possible to exempt specific models from a regulation that would no longer be applicable to that model. An example would be a different type of fuel system.

I am glad to say that this would represent a new regulatory process for Canada for the next century and would increase safety and fuel efficiency on our roads and help Canada be an important player in the next generation of the automobile.

[*Translation*]

Mr. Robert Aubin (Trois-Rivières, NDP): Mr. Speaker, as fascinating as this subject is, there is one thing I wanted to hear my colleague talk about that was not mentioned in his preliminary remarks. Maybe he could remedy that in questions and comments.

In my part of the world, working at a dealership, whether as a salesperson, owner, or mechanic, is most certainly associated with that middle class the Liberals are always going on about. Dealers are true SMEs who contribute to the local economy and help develop our markets.

Since the start of the debate on Bill S-2, it has been clear to me that the Liberals do not support the amendment presented in the Senate that would make it easier for dealers to receive compensation.

In that case, do the Liberals have any other ideas about how to support dealers?

Government Orders

• (1340)

[English]

Mr. Francesco Sorbara: Mr. Speaker, our government recognizes the importance of protecting Canadian consumers and ensuring road safety in Canada, which is the intent of Bill S-2. In terms of looking at commercial relations between automobile manufacturers and dealers, the Motor Vehicle Safety Act is not intended for that purpose. It is intended for the safety of Canadians.

Mr. Jim Eglinski (Yellowhead, CPC): Mr. Speaker, I am pleased to rise in the House today to speak on Bill S-2, the strengthening motor vehicle safety for Canadians act, which would amend the Motor Vehicle Safety Act to give the minister of transport new vehicle recall powers. This is good for Canada.

According to Innovation, Science and Economic Development Canada, there are five major auto manufacturers in Canada, and they operate approximately 11 different manufacturing facilities across this country. In addition to that, there are approximately 3,200 car dealerships across Canada, and in my riding alone, there are 15 different car dealerships. My point in saying this is that we are talking about a massive industry, an industry that employs hundreds of thousands of people and is a very strong contributor to the Canadian economy.

I will go back 50 years or so. Back in 1965, there was a guy who was not very well known at that time, by the name of Ralph Nader. He wrote a book called *Unsafe at Any Speed*. That is one of the best-written books or articles of the 20th century. He took on GM. He challenged GM on a vehicle it was producing at the time, the Corvair. He mentioned not only the Corvair but other cars, such as the Falcon and a lot of new American-produced subcompacts, as being unsafe. Nader later went on to form Nader's Raiders, a group of young, brilliant lawyers from across the United States. They challenged the U.S. government and industry to improve the standards of building new vehicles in the United States. They went after international manufacturers to improve the standards of building new vehicles in the United States. What they did spun off to help protect Canadians.

Their work directly led to the development of the Center for Auto Safety in the United States. Today we are talking about Bill S-2, and this is because of what Ralph Nader and his group started. The proposed legislation includes amendments that would give the minister of transport the power to order companies to issue recall notices and make manufacturers and importers repair recalled vehicles at no cost to consumer. It would give the minister of transport the power to order manufacturers and importers to repair new vehicles before they are sold. This is very important, and I will get back to it later.

It would allow the department to use monetary penalties or fines to increase the safety compliance and leverage the monetary penalties to require manufacturers to take additional safety actions. It would provide the department with the flexibility to address ever-evolving vehicle safety technology. It would also require companies to provide additional safety data and conduct additional testing to address safety concerns and increase our vehicle inspection capabilities. This is good for Canada and good for the safety of Canadians.

As members may have noticed, this bill is similar to Bill C-62, which was introduced by the previous Conservative government in 2015. Bill S-2 has provisions that did not appear in Bill C-62. It differs by adding consent agreements relating to safety improvements and non-compliant companies. It would also enable the minister to make public the nature of any violations and other related details, and why should they not be public?

Currently, under the Motor Vehicle Safety Act, only manufacturers can order vehicles recalled in Canada. Transport Canada does not presently have any authority to recall vehicles. This needs to change. This act would make that happen.

• (1345)

The department merely lists active recalls on its website and issues press releases if it believes that there is an issue with vehicle models. As I said earlier, the Nader's Raiders led us to where we are today. If we look back to the turn of the century, Henry Ford had no rules. He built cars as he saw fit. He designed them, and people took what he made. If they did not like it, that was too bad. The automotive industry had a pretty good run at manufacturing cars for the first 50 years of the 20th century, without a lot of rules. Thank God that today we have strict, global automobile manufacturing rules and laws. The bill before us is part of that strategy.

The current act does not allow Transport Canada to issue monetary penalties to manufacturers. The only way to ensure compliance with the act is through a time-consuming and costly criminal prosecution. A change would come about because of this bill.

A few members of the House might own 2014 or 2015 Volkswagen, but there was an issue. I will not dwell on it, because I am sure most people here in this room know what the issue was, but it had far-reaching effects on the hundreds of thousands of Canadians who purchased these German-made vehicles. It took from the time it all started to this spring for the claims to finally be resolved. There was a standard in which to justify the claims, and there are still some claims outstanding. This shows that, even today, major world-class manufacturers can make mistakes, and I will leave it at that with a few question marks. Government must be a watchdog. It is our duty to keep Canadians safe.

In Canada, over a five-year period, 2010 to 2015, the number of safety-related recalls increased by 74%, which is a large number, rising from 133 recalls in 2010 to 232 recalls in 2015. While this is a large jump, I note that between 2010 and 2016, our automobile manufacturers in Canada issued at least 318 recalls for which Transport Canada had not received any complaints. They did this on a voluntary basis. I have to thank the automotive industry, because that had a big cost to it, without any force by government. However, we know from what I just spoke of a few moments ago that we still need to be watchdogs. Transport Canada only influenced about 9% of the recalls during this time. Clearly, Canadian manufacturers are looking out for the safety of our consumers, which is an increasing challenge as the vehicles become more and more complex.

Government Orders

In 2015, five million passenger vehicles were recalled in Canada. This was a consequence of increased caution by automakers and increasing vehicle complexity. As I said earlier, this was done on a voluntary basis, for which we have to give thanks, but I think they also realized that internationally, whether in the United States, Canada, Europe, or France, we have regulations in place and we are the watchdogs. Therefore, most of this is probably because there are watchdogs out there, and we need to be there. This bill is needed.

● (1350)

Looking back, quite a few years ago, to 1958, some members may not have been here. The Speaker was here. He might have been a young whippersnapper then. I was here. I look back. I have been a car buff since about the time I learned to read. I grew up with Tom McCahill and *Mechanix Illustrated*. I loved every article he wrote. I think I read them for as many years as he wrote articles.

I think back to 1958, when the Ford Motor Company, one of the largest manufacturers in the world, developed a beautiful car called the Edsel. What a flop. It was ahead of its time. The company came up with the bright idea to make a push-button automatic transmission on the steering column. Only about 50% of them worked, about 50% of the time. Ford, in its wisdom, pulled that car after about a two-year run. Actually, it did slide into 1960 by customizing a Ford car to look like an Edsel, but it got rid of the vehicle. That was probably very wise.

We can look back over the years. GM trucks, from 1974 to mid-1986, were plagued by exploding fuel tanks. GM, in its wisdom, designed what I personally think is one of the greatest trucks out there, the C10 and C15 GM Chevy trucks, but it put the fuel tanks on the outside of the frame rails, because customers wanted 40 gallons; GM could not get the tank on one side, so it put 20 gallon tanks on each side of the frame rail.

What happened when they got hit was they exploded. I believe it was something like 600 Americans who were killed by explosions. There are ongoing lawsuits today.

Was the Corvair a bad car? Some people say it was; others loved them. They were built from 1960 to 1969. I will guarantee that for the first three years they handled terribly. The back wheels tucked under on a hard corner, and they could roll.

The Pinto had exploding fuel tanks.

A lot of these vehicles, including the GM truck, are still on the road today. The defects have never been corrected. This is why we need a strong act, like the one we are dealing with today, to protect Canadians.

As I said earlier, more than 600 people have been killed because of inadequacies by manufacturers to follow through on defects on their vehicles. There are still lawsuits ongoing about vehicles manufactured in the 1970s.

Today, vehicles are complex. They need to have their defects identified as quickly as possible and be corrected as quickly as possible.

I am sure everyone is aware of those self-driving cars that are just beginning to hit the road. Some members here might also have one

of those cars that parallel park themselves. With the rise of smart technology, vehicles are quickly evolving and becoming much more highly integrated.

In order to facilitate industry competitiveness, Canada's regulatory regime needs to be more responsive to new, emerging technologies and fuel and safety advances. I do not even want to dwell on self-driving cars. I do not want to go there right now. This bill would allow the department to require manufacturers to provide more safety information and do testing when needed, as well as to increase their flexibility to address ever-changing safety technologies.

Last fall I bought a new Buick Enclave SUV. I drive about 40,000 kilometres a year in my riding. It has all the bells and whistles, even a backup alert. There is a nice big camera on the dash to see things when backing the vehicle up. The second day I owned the car I backed into my house, and there was \$1,000 damage. It was a big hit. I could not even claim it. My wife was mad. I felt stupid. I admit I was inadequate and not inclined to understand the technology of the new vehicle. Now I know how it works.

● (1355)

While it is important for Bill S-2 to protect the safety of consumers, it is also important to understand the implications of the bill on small businesses and local dealerships and ensure that they are not negatively impacted by these changes.

I have to thank the Senate for changing the bill to protect dealerships across Canada, small- and medium-sized business dealers who were being stuck with cars that had recalls and could not sell them. Dealers in my riding were stuck with vehicles for over two years, waiting for repair parts so that they could put that vehicle back on the lot and sell it. They were paying the interest on those loans. That is unfair and it is wrong. The bill protects those dealers and puts the authority back on the manufacturer and importer of that vehicle to take care of that and to compensate dealers throughout Canada from coast to coast to coast. That is a big factor, and I thank the Senate for bringing that amendment in.

This amendment would make the manufacturer entirely responsible for all costs for recalling or repairing vehicles. It would be a counterbalance to ensure the auto dealers are treated fairly as small business consumers of the manufacturer.

As usual, there are more improvements that could be made. For example, manufacturers are concerned with some powers that could be seen as being too sweeping, such as the minister's ability to order tests. I make one recommendation: that we add the word "reasonable" in the bill, so that the minister can ask for tests to be done if there are reasonable grounds for testing. That is only fair.

Statements by Members

I have a couple of minutes left and I want to stress one point. I have had a number of calls in my riding, as I imagine a lot of other people have. I am a motorcycle fan. I have a motorcycle and I ride every day when I get the opportunity, although this summer was not very good. Motorcycles, like automobiles, are manufactured to Canadian motor vehicle safety standards, United States motor vehicle safety standards, and European motor vehicle safety standards, yet constantly, in Canada and the U.S. dealers take the bikes before they leave the showroom, modify them with loud exhausts and so on, and then sell them to the unsuspecting public. Who suffers? The people living in residential areas, recreational areas, when guys go by with extremely loud exhausts. That is one area that we can address.

In closing, I believe that this proposed legislation will strengthen oversight on the recall process. It will be a big win for consumers and for the overall safety of Canadians.

The Deputy Speaker: If he wishes, the hon. member for Yellowhead will have an additional two and a half minutes for his remarks when the House next resumes debate on the question, and of course the usual 10 minutes for questions and comments.

STATEMENTS BY MEMBERS

[English]

LEADERSHIP AT YORK UNIVERSITY

Hon. Judy A. Sgro (Humber River—Black Creek, Lib.): Mr. Speaker, I rise today to acknowledge the leadership and service of Dr. Mamdouh Shoukri, past president of York University, who completed his term on June 30, 2017. For the last decade Dr. Shoukri has guided York University through a period of extraordinary growth and change, cementing its position as one of our pre-eminent institutions of higher education in Canada.

I would like to take this opportunity to acknowledge Dr. Rhonda Lenton, who has been appointed as York University's eighth president and vice-chancellor and began her post on July 1, 2017.

I thank Dr. Shoukri for his dedication to our community, and congratulate Dr. Lenton. I wish her all the best for her success and the success of York University.

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● (1400)

EDMONTON WEST VOLUNTEER

Mr. Kelly McCauley (Edmonton West, CPC): Mr. Speaker, I would like to recognize an amazing constituent in my riding of Edmonton West. Kim Street, volunteer extraordinaire, has assisted over 50 community organizations and has helped raise over \$4 million for in-need Edmonton schools, whether stepping in to provide hot lunches for schools that do not have a program or gathering hundreds of auction items every year for St. Martha Catholic School.

With the help of her tireless husband Jason, Kim is an advocate for those in need in West Edmonton and throughout our city. Veterans associations, athletic clubs, community centres, and public schools

across Edmonton have all benefited from her dedication to community service.

Kim's tremendous support for the communities in Edmonton should serve as an inspiration for people across Canada to get involved locally and help out. I urge all Canadians to take a page from Kim's book and volunteer their time for places in need.

I thank Kim for her outstanding service to Edmonton and for proving that one person can make a difference.

* * *

NICK DI TOMASO

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Mr. Speaker, Montreal's West Island has lost a true friend and stalwart. From the humblest of beginnings, Nick Di Tomaso rose through the ranks of Montreal's retail petroleum industry to become president of Ultramar Canada. Nick's energy and work ethic were legendary.

After retiring from a stellar business career, Nick dedicated himself to strengthening Montreal's West Island community, in particular its health and social services sector. He served as chairman of the Lakeshore General Hospital and then of its foundation. He used both positions to bring major and needed improvements to the hospital's facilities.

Nick was also a founding member of the West Island Palliative Care Residence, was a valued adviser to the West Island Association for the Intellectually Handicapped, and was a fundraiser for the local women's shelter. These vital contributions were in addition to his myriad of other volunteer causes and activities. The West Island is a better place today because of Nick Di Tomaso. He has left us a lasting legacy, and for that our community is truly grateful.

* * *

TAXATION

Mr. Wayne Stetski (Kootenay—Columbia, NDP): Mr. Speaker, earlier this month I attended meetings with the Cranbrook and Kimberley chambers of commerce to discuss the Minister of Finance's proposed tax changes. Across my riding of Kootenay—Columbia, small business owners, farmers, and professionals are all coming together to express their shock and outrage at being told that they are verging on being tax cheats and that even struggling businesses will have to pay more.

David Hull, executive director of the Cranbrook chamber, said in a news release, "Nobody supports tax evasion or loopholes. But these changes will punish legitimate businesses".

One of my small business owners has offered to pay his own way to come to Ottawa to meet with the Minister of Finance or the Prime Minister. That is how concerned he is.

Statements by Members

The people in my riding are asking the Liberal government to extend the period for consultation, to focus tax reform on closing stock option loopholes, to stop the use of offshore tax havens, and to ensure they do not target hard-working small business owners who already feel betrayed by the Liberals for not cutting small business taxes.

* * *

[*Translation*]

RAID INTERNATIONAL GASPÉSIE

Mr. Rémi Massé (Avignon—La Mitis—Matane—Matapédia, Lib.): Mr. Speaker, from September 7 to 10, Baie-des-Chaleurs and parc national de la Gaspésie welcomed participants in the fourth annual Raid international Gaspésie.

For three days, 170 athletes from countries including France, Uruguay, and South Africa, tackled the competition's multi-sport challenges around Carleton-sur-Mer, an amazing playground for athletes seeking an adrenaline rush.

As the only event of its kind in eastern Canada, the Raid puts Gaspésie and its natural beauty in the international spotlight. With journalists from around the world covering the Raid, the media attention gives the region an opportunity to position itself as a world-class adventure tourism destination.

I am pleased to have this chance to tell the House about the remarkable work that Raid international Gaspésie organizers are doing. I am grateful to the Société de développement et de mise en valeur de Carleton-sur-Mer and Endurance Aventure for putting our magnificent region on the map.

* * *

• (1405)

[*English*]

ACHIEVEMENTS IN BRANTFORD—BRANT

Mr. Phil McColeman (Brantford—Brant, CPC): Mr. Speaker, this summer Brant MPP and speaker of the Ontario legislature Dave Levac and I commemorated Canada's 150th by recognizing 150 outstanding individuals from the communities of Brantford, Brant, the Six Nations of the Grand River Territory, and the Mississaugas of the New Credit First Nation.

The recipients were nominated by their fellow citizens in recognition and appreciation for their significant contributions to their communities, province, and country in the following categories: agriculture; arts, culture and heritage; caregiving; community building; educators; entrepreneurs; faith in action; first responders; good neighbours; Legions; ladies and youth auxiliaries; seniors; youth and students; service clubs; and sports and recreation.

It is my sincere hope that the recipients who received the awards know how truly grateful we are for their hard work, dedication, energy, and passion. I congratulate them all.

[*Translation*]

CANADA ARMY RUN

Mrs. Sherry Romanado (Longueuil—Charles-LeMoyne, Lib.): Mr. Speaker, last Sunday, over 22,000 people participated in the 10th annual army run, an event that recognizes the service and sacrifice of our brave men and women in uniform and their families. I had the honour of running with my family and many members of the Liberal caucus, including the member for Ottawa—Vanier, the Parliamentary Secretary to the Minister of Foreign Affairs, the Parliamentary Secretary to the Minister of Infrastructure and Communities, and the Minister of National Defence.

[*English*]

Our government feels strongly about our commitment to support and celebrate members of the Canadian Armed Forces. That is why, for the first time since the Canada Army Run began, a prime minister joined us and ran with our troops.

Ill and injured veterans lead the way in the Army Run every year, and I think I speak for all participants who also sit in this House when I say that for those few hot hours last Sunday, it was an honour to run in the footsteps of these true Canadian heroes.

* * *

TERRY FOX

Mr. Ron McKinnon (Coquitlam—Port Coquitlam, Lib.): Mr. Speaker, 37 years ago, Terry Fox ended his Marathon of Hope. On September 17, along with runs in communities all across Canada, Port Coquitlam hosted the Terry Fox Hometown Run, where 3,000 participants walked or even danced across the finish line.

I am reminded of Terry's words. He said, "I'm not a dreamer, and I'm not saying this will initiate any kind of definitive answer or cure to cancer, but I believe in miracles. I have to."

The Terry Fox Foundation has raised \$800 million, and we still need a cure for cancer. I encourage all members in the House, and all Canadians, to stay involved. I am thankful to all who ran and donated. We are still searching for Terry's miracle.

The travelling exhibit called Terry Fox — Running to the Heart of Canada is open in my riding and Terry's hometown of Port Coquitlam until the end of November.

*Statements by Members***CREDIT UNIONS**

Mr. Larry Maguire (Brandon—Souris, CPC): Mr. Speaker, over the summer, the federal government quietly issued new regulations which decreed that credit unions are no longer allowed to use the words “bank”, “banker”, or “banking”. These terms have been part of the common vernacular for over a century. I have spoken to long-time credit union members who are irritated that the federal government can unilaterally make this change and waste millions of dollars. The administrative costs to the 300-plus credit unions across Canada to change and popularize other unknown terms and order new signs are estimated to be over \$80 million.

In constituencies such as mine, the credit union is the only financial institution left in many rural communities. They are pillars in our communities and are one of the most philanthropic industries in the country. Instead of making business harder for these important institutions, we should be looking for ways to help ensure that credit unions can thrive and prosper.

I am calling upon all members of this House to work together to fix this calamity and restore some common sense.

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PUBLIC TRANSIT

Mr. Ken Hardie (Fleetwood—Port Kells, Lib.): Mr. Speaker, I rise today to welcome the Canadian Urban Transit Association, CUTA, to Ottawa for its annual Transit Awareness Days.

Our government knows that reliable and efficient public transit gets Canadians to work, school, and home again after a long day. We know this is helping to grow our economy and is delivering on the promise of strengthening the middle class. I know this personally from my many years with Translink, Metro Vancouver's excellent transportation authority. We are proud to have worked with CUTA to design versatile infrastructure programs that are meeting the needs of Canadian communities and Canadians day to day. It is through these programs that we have now approved more than 1,000 public transit projects across Canada.

Working with partners like CUTA, we are investing in the strong sustainable communities Canadians deserve and delivering on our historic infrastructure investments for Canadian families and their growing communities. I thank CUTA for all the work it does and welcome it to Ottawa.

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● (1410)

MEXICO

Ms. Julie Dzerowicz (Davenport, Lib.): Mr. Speaker, on September 8, shortly before midnight, the largest earthquake in 100 years struck the Pacific coast of Mexico. The magnitude of the earthquake registered at 8.2 on the Richter scale and was felt by approximately 50 million people across the country, as far away as Mexico City. The states of Chiapas and Oaxaca, home to nine million Mexicans, were most affected. Ninety-eight people are confirmed dead, hundreds are injured, and an estimated 2.5 million are in need of assistance.

Our Prime Minister shared his condolences with the president of Mexico in the immediate aftermath of the earthquake. I know that I

speak on behalf of all the members of the House and all Canadians when I say that our thoughts are with those injured and with those who lost loved ones in this deadly earthquake.

[Member spoke in Spanish]

* * *

LARA SWEET

Mr. David Sweet (Flamborough—Glanbrook, CPC): Mr. Speaker, tragically, this past summer we lost our beautiful daughter Lara, at age 23. To members on both sides of the House who sent emails, cards, and flowers and attended the visitation and celebration of her life, please know that the thoughtfulness and support were a great comfort to Almut and me at a time of deep grief. On behalf the entire Sweet family, a very sincere “thank you” to the entire House.

Lara's struggle with mental health began at birth and continued until she left this Earth for a new life in heaven. In spite of her own battle, Lara reached out to an extraordinary number of young people with love, hope, and even resources, though her means were minimal. In doing so, Lara reframed my thinking on whether someone has to have it all together to assist others. Lara was the essence of the wounded healer.

I ask all in the chamber to be mindful of those who struggle with mental health. I encourage the government to continue to adequately fund the Canadian Mental Health Commission, and all Canadians to use its tools in time of need. I encourage everyone to be generous to the Canadian Mental Health Association and others who are deeply committed to the fight for mental wholeness.

To Lara, who will be greatly missed by all of us. God bless you.

The Speaker: I know I speak for all members in offering our deepest sympathies to my friend, the hon. member for Flamborough—Glanbrook.

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COMMISSIONER OF THE NORTHWEST TERRITORIES

Mr. Michael McLeod (Northwest Territories, Lib.): Mr. Speaker, yesterday in Yellowknife I had the honour of attending the swearing-in ceremony for Margaret Thom, the new Commissioner of the Northwest Territories. Ms. Thom, a proud northerner, has been a counsellor at the Deh Gah school in Fort Providence for the past 20 years. I know this small community well, because I also call Fort Providence my home.

Ms. Thom has worked in counselling and education for most of her career and has volunteered her time for far too many events to mention. She has demonstrated leadership with many organizations, including serving as governor of the Aurora College Board, as a member of the Territorial Board of Secondary Education, Akaitcho Hall Advisory Board, and as vice-chair of the Nats'ejee Keh Treatment Centre.

She is the recipient of the Queen's Diamond Jubilee medal and a member of the NWT Education Hall of Fame and has been awarded the NWT Wise Woman Award.

I send her my most heartfelt congratulations. I know she will do a wonderful job in her new role as commissioner.

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● (1415)

BRUCE HILL

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, it seems that this is a week of reflection and loss. I too rise with a heavy heart today to pay tribute to my very dear friend Bruce Hill, who passed away yesterday morning surrounded by his loving family in Terrace, British Columbia.

Bruce was a great bear of a man, fierce in his defence of the beautiful northwest, who was at his most fearsome when defending the underdog. He was a great personal support for me, and that was most evident when he was giving me hell for not living up to his expectations in defending our home and its good people.

Bruce was a lover of life, great food, and even better wine. He gathered around him a vast and eclectic assortment of friends and troublemakers. Whether leading the fight against devastating projects or working with his Haisla brother, Gerald Amos, to establish true reconciliation, this peaceful warrior was all love. I already feel his absence in my heart today.

Today we mourn with his wonderful wife, Anne, and his two outstanding children, Aaron and Julia.

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B.C. WILDFIRES

Mr. Todd Doherty (Cariboo—Prince George, CPC): Mr. Speaker, I would like to tell everyone here about the wildfires in British Columbia. They included the longest state of emergency in B.C.'s history. They included the largest mass evacuation in B.C.'s history. Thousands are still out of their homes. Over 1.2 million hectares have been burned by 1,262 wildfires. Over 53 million cubic metres of timber have been burned. An area twice the size of Prince Edward Island has been scorched. Over 30,000 head of cattle are missing or lost altogether. To say the wildfires have taken their toll on our province would not be an understatement.

They have been devastating in my riding of Cariboo—Prince George. Families have lost everything, and some are simply not returning. Businesses are struggling to recover, and some are simply closing their doors.

Now is not the time for partisan politics, but the Prime Minister's ministerial committee has not met with the mayors of regional districts, MLAs, MPs, or those left behind to somehow pick up the pieces.

We may not be on the front page of newspapers or the top headlines in news stories anymore, but now is the time for action.

Oral Questions

ALLAN J. MACEACHEN

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, it is my profound honour today to rise and pay tribute to a true giant in Canadian politics. The hon. Allan J. MacEachen dedicated his life to the equality of citizenship, both under the law and with opportunity. He used his peerless parliamentary skills to turn the dreams of a progressive few into a reality to benefit all. A national health care program, old age security, the guaranteed income supplement, and a national labour code are aspects of life in Canada that Allan J. helped to build.

As our Prime Minister said on Sunday, this Canada existed only in the hopes of Canadians when Allan entered politics in 1953. "By the time he left in 1996, it was a fact of life".

Although he shaped this country at the cabinet table, make no mistake that his view of this world was very much shaped back home at the kitchen table.

I am confident that he is looking down on us here today in this place encouraging us all to be better and to do better for all Canadians.

ORAL QUESTIONS

[Translation]

TAXATION

Mr. Andrew Scheer (Leader of the Opposition, CPC): Mr. Speaker, the Prime Minister is fond of saying that his tax changes will not harm the middle class, but hundreds of local business owners are saying that this simply is not true.

These changes will also harm employees since there will be layoffs and work hours will be cut. This will make things even more difficult for young people who are looking for their first job.

Why does the Prime Minister insist on harming those he claims to want to help?

● (1420)

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, we currently have a tax system that encourages the wealthy to incorporate so they have a lower tax rate than the middle class. That is a major challenge.

We want a system where business people and SMEs have the opportunity to make active investments to improve our economy and where workers and Canada as a whole are better off.

[English]

Mr. Andrew Scheer (Leader of the Opposition, CPC): Mr. Speaker, this morning I visited Vimy Brewing Company, a start-up business operated by Kevin and Michael, two brothers and former navy reservists. They took a risk and left their jobs to start this new venture, and now they are worried that the Liberals are putting their operation in jeopardy by taxing away their future.

Oral Questions

Kevin and Michael are not rich. They are middle-class Canadians, exactly the kind of people the Prime Minister claims he wants to help. Why is the Prime Minister putting the future of Canadian job creators at risk with this increased tax hike?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, our system currently creates an incentive for wealthy Canadians to incorporate so they can pay a lower rate of tax than middle-class Canadians. That is just not fair. I suspect that the member opposite is okay with wealthy Canadians paying a lower rate of tax than middle-class Canadians. We are not. What we are trying to make sure we have is a system that encourages people to invest in their business so that our economy can be successful so that all Canadians have a fairer system.

Mr. Andrew Scheer (Leader of the Opposition, CPC): Mr. Speaker, 98% of businesses in Canada are small and local businesses. We are not talking about the corporate elites at Morneau Shepell. We are talking about the farmer who employs five people or the family-run sporting goods store employing 20 people. I know the Liberals might like to look down on these kinds of jobs, but these are the job creators who provide opportunities in our neighbourhoods. Can the Prime Minister explain how even one new job would be created by going after these job creators and local businesses?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, what we are saying to Canadians is that a system that encourages the wealthy to incorporate so they have advantages and a lower tax rate than the middle class is just not fair. What we want to have is a system that actually does encourage investment, and that is what we are going to have for those small businesses, the businesses that employ Canadians and that want to employ more Canadians. They will have a fairer tax system, encouraging them to invest, which is what we need for a successful economy.

[*Translation*]

Mr. Alain Rayes (Richmond—Arthabaska, CPC): Mr. Speaker, the Liberals are leading a direct attack against our family-owned businesses, our small business, our farmers, people who work hard every day. Raising taxes is not going to create more jobs here in Canada. Quite the opposite is more likely to occur. This ad hoc reform is going to kill jobs and make local business owners poorer.

What will it take for the Prime Minister and his team to realize that they are jeopardizing jobs all across Quebec and Canada?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, as I said, we do not want a system that gives wealthy Canadians access to tax advantages that are unavailable to the middle class. We want a tax system that encourages people to actively invest in their businesses. We are listening to farmers and SMEs.

Yesterday I received the phone number of a man named Terry, and I called him today to hear his perspective. I will keep listening to Canadians to make sure we come up with a fair system that really works for the middle class.

Mr. Alain Rayes (Richmond—Arthabaska, CPC): Mr. Speaker, the reality is this.

For a week now, thousands of business owners have been talking to us about the Liberals' tax reform and they are all saying the same thing. They are going to have to trim their budgets by cutting from the thousands of dollars that they donate to community organizations

or health foundations. They are even considering eliminating jobs because of the Liberal Prime Minister's tax increases. The Liberals are directly attacking our job creators.

When will they realize that constantly hiking taxes is no way to create more jobs?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, a tax system that encourages wealthier Canadians to incorporate and pay lower tax rates than middle-class Canadians does not work. That is the challenge we face.

It is very important to listen to be sure that we understand how our proposals will help small businesses continue to invest. That is important. That is why we are listening.

* * *

• (1425)

[*English*]

OFFICIAL LANGUAGES

Hon. Thomas Mulcair (Outremont, NDP): Mr. Speaker, a bilingualism bonus intended to encourage civil servants to learn both English and French has existed for 40 years. A Liberal report is now recommending that the federal government scrap this bonus.

Does the Liberal government really plan to eliminate a bonus that helps to promote bilingualism in Canada's civil service?

Hon. Dominic LeBlanc (Minister of Fisheries, Oceans and the Canadian Coast Guard, Lib.): Mr. Speaker, Canada's two official languages are obviously at the heart of our identity as a country and certainly at the heart of the way this government functions. We always believe that a bilingual public service better serves all Canadians. We respect the hard-working men and women in our public service, many of whom have learned their second language and continue to do so.

We will always do everything necessary to support Canada's two linguistic communities and ensure that these communities are reflected in Canada's public service at every level.

[*Translation*]

Hon. Thomas Mulcair (Outremont, NDP): Mr. Speaker, it is difficult to understand the answer given by the Minister of Fisheries, Oceans and the Canadian Coast Guard and what it has to do with the question, which is not very reassuring. He refused to say whether or not they are going to do so.

The chair of *Impératif français* believes that the recommendation represents an anglophone vision of bilingualism. The public service employees' union is just as skeptical. We know that the Liberal government does not usually consult. We do not even have a Commissioner of Official Languages at this time.

Could he at least promise to consult parliamentarians, linguistic minorities, and the unions about the bilingualism bonus before scrapping it?

Oral Questions

Hon. Dominic LeBlanc (Minister of Fisheries, Oceans and the Canadian Coast Guard, Lib.): Mr. Speaker, we are always interested in consulting the public service union, public servants, and parliamentarians, of course. Extensive consultations have been and will be conducted on policy changes under consideration.

It is important to note that respect for official language communities and the capacity of Canada's public service to serve both linguistic communities will be the basis for our government's actions at all times.

* * *

MARIJUANA

Hon. Thomas Mulcair (Outremont, NDP): Mr. Speaker, once again, this is not very reassuring for our bilingualism bonus.

Obviously Canada is moving toward legalizing marijuana, and the NDP supports that, but the Liberals have left enormous gaps, and the bulk of the work is being left to the provinces. We know that Canadians are often turned back at the U.S. border when they admit to having smoked marijuana—everyone except the Prime Minister it would seem—even if they have never been convicted.

What is the government doing to reach an agreement with the Americans to ensure that Canadians will not be denied entry into the United States for things that will soon be legal in Canada?

[English]

Hon. Ralph Goodale (Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, Canadians should have every expectation that when they approach the United States border, they will be treated in a consistent, fair, and respectful fashion. We have raised that expectation with our American counterparts and they have every right to expect the same treatment in return.

However, it is exceedingly important to recognize that each sovereign country establishes the rules for themselves. We would not tolerate the Americans writing the rules for us, just as we would not purport to write the rules for them.

Hon. Thomas Mulcair (Outremont, NDP): Mr. Speaker, the Prime Minister has just said today that he is never going to get turned back at the U.S. border, even though he admitted smoking marijuana while he was a member of Parliament. We just want to make sure the same rule applies to all Canadians.

Legalized marijuana will soon be a reality. It is a very important change, but we have to get it right. The NDP supports this legalization, but the Liberals' bill will not legalize edible forms of cannabis, which is a far healthier option than smoking it. The black market, of course, will continue to thrive under the new rules.

If one of the key purposes is to eliminate the black market, why will the Liberals not fix this problem in their legislation?

Hon. Ralph Goodale (Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, we have worked extensively with all the provinces and territories, as well as with municipalities and law enforcement across the country, to develop a comprehensive approach that will move Canada in a far more positive direction. That work is ongoing, including the full regulatory framework that will deal with cannabis in all of its forms. That work is ongoing.

The objective is to keep cannabis out of the hands of children and to keep illegal profits out of the hands of organized crime. We will make sure we have a regulatory regime that accomplishes that goal.

* * *

● (1430)

[Translation]

TAXATION

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Mr. Speaker, the Liberals' voracious appetite for Canadian entrepreneurs is nothing new, and it is based mostly on Liberal contempt and arrogance. Let us remember what the Prime Minister said two years ago when he was running for election. He said that "...a large percentage of small businesses are actually just ways for wealthier Canadians to save on their taxes."

Perhaps the Prime Minister looked at himself in the mirror in the morning before he said that, but the reality is that for real Canadian entrepreneurs, for small business owners who support hundreds of thousands of Canadians, it is arrogance, it is contempt.

Why does the current government have so much contempt for our Canadian entrepreneurs, who are creating real jobs?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, we have said and continue to say, that under our current system, there is a way to encourage the wealthiest to have a private company to get a lower tax rate than the middle class. That is a major challenge.

We are now listening. We are listening to Canadians to make sure that our measures are appropriate, because it is very important. Our goal is clear: to have a system that is fair.

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Mr. Speaker, in real life, for real entrepreneurs, real local business owners, there are good years and bad years. That is why real entrepreneurs who know how to run a business put money aside in case things go wrong, as they sometimes do. They also put money into their pension fund. Now, however, we have a government that does not understand that entrepreneurs are cautious, realistic, and responsible, unlike the current government.

Why does the government want to tax small business owners who are being responsible and putting money aside for a rainy day?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, we all know that our current system creates an incentive for the wealthiest Canadians to incorporate so they can pay less tax than middle-class Canadians. That is very important. We also know that it is important for SMEs to be able to keep investing in their business. This is going to continue. That is a fact. That is the truth. That is what we want for the future of our country.

*Oral Questions**[English]*

Ms. Rachael Harder (Lethbridge, CPC): Mr. Speaker, I am hearing from hundreds of people in my constituency who are very concerned with these tax hikes the Liberals are imposing on Canadians. One woman who came to me owns a local clothing store and said that she was saving up in order to hire a business manager and go on maternity leave. She is hoping to start a family. However, these changes actually defeat her ability to do that, so she is feeling quite discouraged.

The Prime Minister calls himself a feminist, so why does he insist on attacking hard-working female entrepreneurs?

Hon. Patty Hajdu (Minister of Employment, Workforce Development and Labour, Lib.): Mr. Speaker, we inherited a tax system from the Conservatives that encourages wealthier Canadians to incorporate and pay lower tax rates than middle-class Canadians. We do not think that is fair and we are going to fix it.

Parental leave benefits apply to all self-employed Canadians. Doctors and other business owners are just as eligible as any other worker to participate in maternity and paternity provisions. Just because rules are legal does not mean they are fair. It is not fair when a budding entrepreneur, who is a single mother with two young children, has to pay a higher tax rate.

The Speaker: Order, please. Members need to not only listen to the questions but also the answers.

The hon. member for Kamloops—Thompson—Cariboo.

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Mr. Speaker, Paula, a small business owner in Kamloops, has asked me to give an unequivocal message to the government, which is that these tax measures are ill-conceived, heavy-handed, and will have unintended consequences. She goes on to say she has no guaranteed income, no pension, no employment insurance, no health plans, unlike perhaps some of the advantages that the Minister of Finance might enjoy.

Will the minister stand and justify why he is attacking Paula's future?

Hon. Patty Hajdu (Minister of Employment, Workforce Development and Labour, Lib.): Mr. Speaker, our existing tax rules let the wealthiest Canadians pay less taxes than millions of middle-class Canadian women and men. We inherited a tax system from the Conservatives that encourages wealthier Canadians to incorporate and pay a lower tax rate than middle-class Canadians. Just because these rules are legal does not make them fair.

Everything this government does takes gender into account. Canada's economy depends on equity and fairness. We are focused on ensuring that Canadian women have the same opportunities as everyone else. Our economy depends on it.

• (1435)

Hon. Pierre Poilievre (Carleton, CPC): Mr. Speaker, today the Minister of Finance announced that his deficit would be 80% larger than the \$10 billion the Liberals promised in the last election. They are running out of money and coming after small business to pay for it.

The Liberals have exempted big, publicly traded companies that are on the stock market from any of the tax increases. Millionaire

owners of large multinationals will pay just 55%, while a cornerstore will pay 73% on investment income. How is that fair?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, I appreciate the context of the question. What the member has actually identified is that we announced this morning, in our annual financial report, that we are \$11 billion better off than we said we would do in budget 2016.

We have a situation where our economy is doing very well. We are growing better than we have grown in the last decade. We have created almost 400,000 new jobs over the last year. More Canadians are employed. We are looking toward a better future because of the investments we have made in our economy.

Hon. Pierre Poilievre (Carleton, CPC): Mr. Speaker, to the Minister of Finance having a deficit 80% bigger than planned is the signal of success.

The signal of success to Bombardier is that companies like them will be excluded from any of these tax increases, because they are big enough to trade on the stock market. The billionaire owners will pay only 55% on passive income held inside the corporation, while Stan Stewart, the roofer in my riding, will pay the new 73%. How is that fair?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, what we know is that over the last 15 years, we have seen wealthy Canadians take advantage of the system that allows them to incorporate so they can pay lower tax rates than middle-class Canadians. We do not see how that makes sense.

I know the members opposite might feel that it is okay that wealthy Canadians pay a lower rate of tax, but we do not. We are looking to make sure our system works. That is why we are putting in measures that will actually make sure our system encourages investment in active business, that encourages our economy to be successful over the long term, while making sure our tax system is fair.

Mr. Phil McColeman: How about a small company?

Some hon. members: Oh, oh!

The Speaker: Order, please. I have asked the hon. member for Brantford—Brant a number of times to try to calm himself. These are issues that people feel strongly about, but we need to take our turns, speak when it is our turn, and not when it is not.

The hon. member for Beloeil—Chambly.

*Oral Questions**[Translation]***PRIVACY**

Mr. Matthew Dubé (Beloil—Chambly, NDP): Mr. Speaker, the Privacy Commissioner is worried that American customs will subject Canadians to intrusive searches of their electronic devices. Searching an iPhone is not the same as searching a suitcase. It is looking directly into people's private lives.

[English]

Could the minister stand and finally confirm once and for all that Liberals will stand up for Canadians' rights at the border, rather than playing right into President Trump's hands by giving more powers to American agents on Canadian soil with bills like Bill C-23? Let us not hear this talk about respecting the law, because the law is completely silent on this issue. Maybe we can get an update on that, while we are it, to protect Canadians' privacy.

Hon. Ralph Goodale (Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, I hear, most definitely, the concerns of the Privacy Commissioner with respect to certain U.S. procedures. I also notice in the same report that he was far more positive about Canadian procedures and the work of the CBSA.

This is an area where technology is emerging and changing all the time. Obviously it is an area where we will have consultations and discussions with our American counterparts to ensure that the treatment of Canadians at the border is fair and professional, and consistent and respectful of the rights they have the right to.

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VETERANS AFFAIRS

Ms. Irene Mathysen (London—Fanshawe, NDP): Mr. Speaker, this afternoon, veterans and their families are gathering on the Hill to demand action on mefloquine, an anti-malaria drug with potentially severe side effects.

CF members were ordered to take mefloquine as part of a botched drug trial, and the results have been tragic. Both Conservative and Liberal governments have long ignored the calls for an investigation, leaving veterans and their families suffering.

Will the minister finally do something right and initiate a study to determine the long-term neurotoxicity of mefloquine?

● (1440)

Hon. Seamus O'Regan (Minister of Veterans Affairs, Lib.): Mr. Speaker, whatever the cause, we support veterans with service-related illnesses and injuries. Every situation is unique. We work with each veteran on his or her individual circumstances.

The health and well-being of our veterans is our top priority.

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*[Translation]***TAXATION**

Mr. Luc Berthold (Mégantic—L'Érable, CPC): Mr. Speaker, yesterday, the Minister of Finance showed that his government does not know anything about the reality of Canadian producers, ranchers, and farmers. His proposed tax changes will mean the end for family farms in Canada. Yesterday, the minister said that he wanted to talk to

farmers about his proposal. That is the problem: it is harvest time and our farmers are hard at work.

If the minister really wants to talk to farmers, will he agree to extend the consultation period and listen to farmers who will tell him in person that his tax reform is not a good idea?

[English]

Hon. Lawrence MacAulay (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I can understand that my hon. colleague is from a party that fully encourages wealthy Canadians to form a tax system that means they do not pay the rate of tax that middle-class Canadians pay. We are going to fix that.

Along with that, I am very proud to say that we are improving the grain transportation system, which is a very vital part of making sure that the agricultural sector prospers. We have worked with farmers and are going to continue to work for farmers and we will make sure that farmers prosper.

[Translation]

Mr. Luc Berthold (Mégantic—L'Érable, CPC): Mr. Speaker, yesterday, many farmers tried to get in touch with the Minister of Finance, but his voice mail is full. No one bothers to listen to the messages. What worries me is what the Minister of Agriculture and Agri-Food has said, or not said. He did not utter a word in defence of farmers who will have to pay for the Liberal government's out-of-control spending.

Does the minister agree with his Prime Minister, who has said that farmers, ranchers, and producers are wealthy, privileged people who are using their businesses to pay less taxes?

[English]

Hon. Lawrence MacAulay (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, we inherited the tax system from the Harper government, which encouraged wealthy Canadians to incorporate to make sure they paid less taxes than the middle class. We think that is unfair.

I am certainly very proud to be part of a government that invested \$100 million in science research in the agricultural sector. We have invested, and will continue to invest, in the agricultural sector to make sure that it is competitive worldwide.

Mr. John Barlow (Foothills, CPC): Mr. Speaker, the Liberals believe that it is only wealthy folks in gated communities who are going to be impacted by these punitive tax changes. Canadian farm families do not live in gated communities, and they will be impacted by these tax changes. Of course, the finance minister would know that if he picked up the phone and returned their calls, like he promised to yesterday.

Oral Questions

Will the Prime Minister commit today to extending the deadline for these consultations past October 2 so that the finance minister can keep his promise and call our farmers back?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, as I said, we want to work to make sure that we have a fair system. We want to make sure that we have a system that does not encourage wealthy Canadians to incorporate so they can pay a lower rate of tax than the middle class. This is really important. I assume that the members opposite do not want a system where the wealthy few can pay a lower rate of tax than the middle class. This is what we are going to address.

I will continue to listen to Canadians. When I heard yesterday of a gentleman named Terry, I called him today. I do not yet have the phone number for Nicole, but I would be happy to call her too. What I am trying to do is to listen to people across the country to make sure that our measures have the intended consequences and that we move forward with an economy that works for all Canadians.

Hon. Kevin Sorenson (Battle River—Crowfoot, CPC): Mr. Speaker, Jake Vermeer owns a dairy farm in my riding. Jake has told me that these massive tax increases that the Finance Minister is threatening to impose on all Canadians will damage the successful farm and cost jobs.

Farmers often mortgage their homes, their home quarter, and their land in order to expand, innovate, and create jobs for the local rural community. Why is the Liberal finance minister treating these farms as nothing more than cash cows and jeopardizing the future of farmers in Canada?

• (1445)

Hon. Lawrence MacAulay (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I can understand that my hon. colleague is from a party that supports the ability of people to incorporate and pay less tax than the middle class. The fact is, we as a government feel that is not fair. We are going to fix that.

Also, for the dairy farmer, my hon. colleague must be fully aware that we have invested \$350 million to make sure that the agricultural sector is on the cutting edge: \$100 million for the processing sector, and \$250 million for the dairy farmers. It is obvious that my hon. colleagues do not want to hear this, but we have worked and will continue to work with the agricultural sector.

* * *

[Translation]

FOREIGN AFFAIRS

Ms. Hélène Laverdière (Laurier—Sainte-Marie, NDP): Mr. Speaker, tomorrow, the treaty on the prohibition of nuclear weapons opens for signature at the United Nations. More than 120 countries have approved the treaty, but not Canada. Tomorrow as well, on Parliament Hill, a huge treaty will be unveiled and open for signature to all those who believe in nuclear disarmament.

My question for the Prime Minister and all Liberal members is the following: will you join the thousands of Canadians who will be signing the nuclear weapons ban treaty tomorrow?

The Speaker: I would remind the hon. member that she is to address her comments to the Chair.

The hon. Parliamentary Secretary to the Minister of Foreign Affairs.

Mr. Matt DeCoursey (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.): Mr. Speaker, our goal is certainly nuclear disarmament and we are taking the necessary steps to achieve that goal. That means working hard on having something tangible. In 2016, for the first time, Canada rallied 159 states to support and adopt a resolution on the fissile material cut-off treaty. That is a clear step toward eliminating nuclear weapons both for nuclear countries and non-nuclear countries.

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[English]

IMMIGRATION, REFUGEES AND CITIZENSHIP

Ms. Jenny Kwan (Vancouver East, NDP): Mr. Speaker, today the Department of Citizenship and Immigration still rejects permanent residency of family members based on their having a disability. The minister has admitted that this practice is outdated and “out of step” with what Canadians expect. The Liberals have been reviewing this issue for two years, and last week the minister met with the provinces, but there has still been no action. In the meantime, the future of families like those of Mercedes Benitez hangs in the balance.

Will the minister stop discriminating against children with disabilities and scrap this outdated provision?

[Translation]

Mr. Serge Cormier (Parliamentary Secretary to the Minister of Immigration, Refugees and Citizenship, Lib.): Mr. Speaker, I truly understand the concerns raised by the families grappling with this situation. We are conducting a thorough review of the policy regarding excessive demand, including by consulting the provinces and territories, because health care falls under their jurisdiction.

In fact, the minister recently met with the provincial and territorial ministers on this issue, and our goal is to strike the right balance between welcoming new members of Canadian society and protecting our public health and social services.

* * *

[English]

INDIGENOUS AFFAIRS

Mr. Mike Bossio (Hastings—Lennox and Addington, Lib.): Mr. Speaker, I was proud last month when the government announced it was moving forward with dissolving the old colonial vestige of the Department of Indian Affairs and is in the process of working in partnership to create two new departments: one focused on moving the relationship with indigenous peoples to one based on recognition of rights, respect, and co-operation; and another department focused on improving current service delivery to indigenous peoples.

Recent comments by a member of the Conservative caucus have caused outrage. Can the Minister of Crown-Indigenous Relations and Northern Affairs comment on the impact these comments will have on the efforts of all Canadians toward reconciliation?

Hon. Carolyn Bennett (Minister of Crown-Indigenous Relations and Northern Affairs, Lib.): Mr. Speaker, the senator's ongoing offensive comments regarding indigenous people are ill-informed, hurtful, and simply wrong. These disturbing views expressed by a sitting parliamentarian undermine progress toward reconciliation. Her removal from the Senate's aboriginal peoples committee was the right thing to do. If the Conservative leadership wants to demonstrate its commitment to reconciliation, it should remove the senator from its caucus.

* * *

●(1450)

TAXATION

Mr. Bob Saroya (Markham—Unionville, CPC): Mr. Speaker, Canadian entrepreneurs work hard and want to ensure that their children have a better life than theirs. These new tax changes will hurt these Canadians. The Prime Minister's intentions are clear: he wants to make local businesses pay more taxes to fund his out-of-control spending. This is not fair.

When will the Liberals stop their attacks on small business owners?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, we know that the party opposite was fine with tax advantages that encouraged the wealthy few to incorporate and get lower tax rates than middle-class Canadians. We are trying to make sure that the system is fair, because we just do not think that this works. What we are going to make sure of is that Canadians can continue to invest in a small business, to continue to invest in that active business to create jobs and economic activity. What we are not going to do is continue with a system that encourages the wealthy few to incorporate at a lower tax rate than the middle class.

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YOUTH

Mr. Alexander Nuttall (Barrie—Springwater—Oro-Medonte, CPC): Mr. Speaker, the Prime Minister appointed himself the Minister of Youth. He promised to reduce payroll taxes on youth and small businesses, but he has not done it. He promised to create 40,000 new jobs for youth, but he has lost over 18,000 jobs for youth to date. His proposed new taxes would only increase the number of young people in their parents' basements looking for work. When will the Prime Minister find a mirror, look his Minister of Youth in the eye, and fire him?

Mr. Peter Schiefke (Parliamentary Secretary to the Prime Minister (Youth), Lib.): Mr. Speaker, we are very proud of the investments that we have made in young Canadians, particularly after 10 years of inaction by the previous government. First and foremost, we doubled the number of summer jobs from 35,000 to roughly 70,000. Following that, we ensured that we were investing in young Canadians to make sure they have the funding to be able to go to university and get the education they need to find the jobs they are looking for. Most recently, we are very proud of the fact that we invested to ensure that there are 60,000 new co-op placements so

Oral Questions

that young Canadians have the experience and on-hand training experience they need to get the jobs they want. We are proud of these investments. We are going to continue to invest in young Canadians.

* * *

TAXATION

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Mr. Speaker, first they promised to lower taxes for small businesses and then they broke that promise. Now with their latest small business tax-grab scheme, the Liberals are attacking some of the hardest working people in the country. Now, rather than focusing on expanding, investing, or hiring, local businesses are fearful. Without sufficient details on this tax grab, it will only get worse.

My question is for the Minister of Small Business and Tourism, whose job it is to help create an environment where entrepreneurs can invest, hire, and grow. Is she proud of her government's ham-fisted approach and the fear it has caused in our business community?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, we want to be clear. What we are putting forward are measures to make sure that we do not have a system that encourages the wealthiest to incorporate so they have a lower tax rate than the middle class. We know that is important. What we are also going to continue to do is to grow our economy. That is exactly what we are achieving through the measures investing in our economy. Creating a system that is fair and allows the middle class to thrive helps all of us, and that is what we are looking forward to in our economy in the future.

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Mr. Speaker, entrepreneurs need to hear that they are valued and desperately needed in this country. Small business needs a champion inside cabinet, and the Minister of Small Business and Tourism cannot even rise in this place to speak to her government's record. She could choose to be that voice in cabinet. Perrin Beatty of the Canadian Chamber of Commerce has offered to the government to sit down with local businesses in town halls across the country and really hear small business owners. The minister's colleague, the finance minister, has refused to do so.

How about it, minister? Is the minister willing to meet with the chambers of commerce all across this country, or is she going to stay here in the Ottawa bubble?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, we want to make sure that we do not have a tax system that favours the wealthy over the middle class. We know that putting forward measures that would make a long-term difference is important.

Oral Questions

We also know that we need to listen, and that is why I am listening. I was pleased to speak to the St. John's Chamber of Commerce last week. I am looking forward this weekend to going to Fredericton to talk to the Canadian Chamber of Commerce and hear from it. We want to get these measures right. We want to continue to encourage investment in this country. We want to do it while making sure that our tax system is fair for everyone, especially the middle class.

* * *

• (1455)

[Translation]

NATURAL RESOURCES

Ms. Anne Minh-Thu Quach (Salaberry—Suroît, NDP): Mr. Speaker, Enbridge Line 9B is a 40-year-old pipeline that crosses the Ottawa River and passes through Vaudreuil-Soulanges.

Greenpeace, elected officials, and the public are extremely concerned. In fact, if the pipeline leaks, in less than 12 hours, three million people in the Montreal area will no longer have clean drinking water.

Will the government require Enbridge to strengthen the safety of its pipeline and share its emergency plans to protect our drinking water intakes? Furthermore, should that not already be the bare minimum before the government authorizes energy projects?

[English]

Hon. Jim Carr (Minister of Natural Resources, Lib.): Mr. Speaker, the health and safety of Canadians is of primary interest to the Government of Canada. It is one of the reasons we passed the Pipeline Safety Act, which introduced a whole new set of measures, talking about insurance liabilities and the necessity of timely clean-ups. It talks about who is responsible. In any approval of any major infrastructure project in the country, the safety and well-being of Canadians is at the very top of our list.

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FISHERIES AND OCEANS

Mr. Fin Donnelly (Port Moody—Coquitlam, NDP): Mr. Speaker, last month, an open-net salmon farm in Washington State released as many as 300,000 Atlantic salmon into the Pacific. Local first nations immediately declared a state of emergency. Washington State immediately imposed a moratorium on new salmon farms, but our federal fisheries minister chose to stand by and “monitor the situation”.

What will it take for the minister to protect west coast wild salmon and transition these dangerous salmon farms to safe, land-based, closed containment?

Hon. Dominic LeBlanc (Minister of Fisheries, Oceans and the Canadian Coast Guard, Lib.): Mr. Speaker, I was in British Columbia two weeks ago. I had the privilege to discuss this important issue with my new counterpart in the provincial government of British Columbia. We share the concern of all British Columbians with respect to the escape that took place in the United States. We obviously are working with American authorities to understand exactly how that happened and understand what, if any, impact it will have in Canadian rivers.

I can say to all Canadians that my colleagues from British Columbia, and in fact all British Columbians, have made it clear to our government that they want us to do everything possible to ensure that aquaculture can be done safely. We are open to all options to ensure that this can be done.

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TAXATION

Mr. Todd Doherty (Cariboo—Prince George, CPC): Mr. Speaker, fishermen are the lifeblood of our rural and remote coastal communities in Atlantic Canada. They work hard. They create jobs, and they pay their taxes. After they pay for the repairs to their vessels and gear and pay their employees, taxes, and other expenses, what little is left is put away for, some day, perhaps a modest retirement.

When the minister makes changes that crush the dreams of fishermen's retirement, there is nothing fair about that. Why can the minister not see that?

Hon. Dominic LeBlanc (Minister of Fisheries, Oceans and the Canadian Coast Guard, Lib.): Mr. Speaker, I have had the privilege on many occasions, including this morning, to meet with fishermen, for example, from southwest Nova Scotia, with my colleague the member of Parliament for that area. I can tell the hon. member that the fishermen we talk to want to earn their living in a responsible, sustainable way. They understand the importance of middle-class Canadians having the appropriate tax structure so they can continue to thrive and support their families.

We will always work to ensure that middle-class Canadians benefit from a tax regime that is fair for them, and if the wealthiest among us have to pay a bit more, that is understandable.

Mrs. Shannon Stubbs (Lakeland, CPC): Mr. Speaker, the Canadian Federation of Independent Business says Atlantic Canadians, like my relatives, feel tax pain more than most and that the combined tax burden is one of the biggest challenges in the region. Small business owners there have “significant anxiety” about the Liberals' tax plans. Hard-working, risk-taking, job-creating Canadians who do not have a family fortune to fall back on, as the Prime Minister does, will suffer from this Liberal cash grab.

Will the finance minister explain to middle-class fishermen, private contractors, and small business owners why he wants to make things so much harder for them?

Hon. Navdeep Bains (Minister of Innovation, Science and Economic Development, Lib.): Mr. Speaker, as the minister responsible for ACOA, I work very closely with all the communities in Atlantic Canada to create economic opportunities and economic development opportunities for small and medium-size enterprises. Through ACOA, for example, and our involvement as government, we worked with Riverside Lobster to help create 40 jobs for West Nova. In Egmont, with IO Solutions, we helped create 100 jobs. That is why, since 2015, there have been more than 400,000 jobs created in the Canadian economy. That is our number one priority, helping small and medium-size enterprises to create good-quality, resilient jobs across Canada.

Oral Questions

● (1500)

[Translation]

Mrs. Sylvie Boucher (Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix, CPC): Mr. Speaker, a new parliamentary session is starting, and the government is kicking it off with new taxes.

I strongly believe that the planned changes will discourage entrepreneurship and hurt those we want to help. That is what a Liberal MP said, because he feared, like most Canadians do, that the new Liberal taxes would have negative consequences for Atlantic Canada small businesses and the future of fishers.

Is the Prime Minister imposing this new tax to pay for his massive deficit or to budget for another holiday?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, we are considering how we can make our system fairer. Our current tax system encourages the wealthiest to incorporate so they can pay a lower tax rate than the middle class. That is the challenge.

We are listening. Across the country, I am always listening to ensure that our system is fair and that businesses can continue to invest in their operations.

Mr. Michel Picard (Montarville, Lib.): Mr. Speaker, residents of my riding, Montarville, especially families with young children, clearly understand the tax benefits. It is obvious that they are very interested in the changes the government plans to make. In light of our strong economic growth and proof that our plan for the middle class is working, can the Minister of Finance tell us about the current economic situation?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, our economy is humming along. We are in a very good position. Today, we announced our economic situation. We have recorded the highest rate of growth in a decade. Over the past year, we created almost 400,000 new jobs. That is a really good situation. We are continuing to invest in our economy because it is very important. There are now more families with jobs and more business opportunities across the country thanks to our rate of growth.

[English]

Mr. Blake Richards (Banff—Airdrie, CPC): Mr. Speaker, small business is the lifeblood of the tourism industry and of Canada, and campground owners and many other small business owners just like them are amongst the hardest working Canadians; and the Minister of Small Business and Tourism is simply cheerleading while her government destroys their businesses with huge new tax bills.

Why has the minister stood by as family-run campgrounds are taxed for being too small to be a small business? Why is she not standing up against this tax hike on all small businesses that will lay waste not only to the tourism industry but to all of the Canadian economy?

Hon. Bardish Chagger (Leader of the Government in the House of Commons and Minister of Small Business and Tourism, Lib.): Mr. Speaker, I appreciate the opportunity to rise in this place and to remind all Canadians that our tourism industry is doing better than ever and it has a champion at the cabinet table, because the Prime Minister and this government take the tourism industry and small businesses seriously. Not only are they the

backbone of the economy, but they are the very people for whom we will continue to fight.

This year was Canada's 150th anniversary of Confederation. We saw record numbers, and 2018 will be the year of Canada-China tourism, when we expect to increase those numbers.

The tourism industry is booming. This government will continue to support it. The tourism industry is the number one employer of youth, and we are proud of its record.

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*[Translation]***THE ENVIRONMENT**

Mr. François Choquette (Drummond, NDP): Mr. Speaker, the government is putting the environment in the Drummond area at risk because of its catastrophic management of 9,000 tonnes of toxic materials in my riding. The Province of Quebec has issued notices of violation to the Liberal government and is threatening legal action for sending highly contaminated soil to an unauthorized site. People's health and the environment in the Drummond area deserve to be protected. Will the Liberal government walk the talk and comply with environmental legislation?

[English]

Mr. Jonathan Wilkinson (Parliamentary Secretary to the Minister of Environment and Climate Change, Lib.): Mr. Speaker, we on this side of the House take the protection of the environment very seriously. Issues such as contaminated sites are addressed through the Canadian Environmental Protection Act.

We work hard to ensure that we are addressing those in a thoughtful way, and we engage with governments, including the Government of Quebec, to discuss issues as they arise.

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FOREIGN AFFAIRS

Mr. Randeep Sarai (Surrey Centre, Lib.): Mr. Speaker, the situation in Myanmar is devastating. The Rohingya people are suffering the sort of violence and horrors that should be relegated to our history books. Thousands of women and children have been attacked, killed, and forced out of their homes.

Will the Parliamentary Secretary to the Minister of Foreign Affairs update the House on what actions Canada is taking to prevent these horrible acts against the Rohingya people?

Oral Questions

●(1505)

Mr. Omar Alhabra (Parliamentary Secretary to the Minister of Foreign Affairs (Consular Affairs), Lib.): Mr. Speaker, our government is seized by the unacceptable persecution of the Rohingya people in Myanmar and is actively engaged on this file. The Prime Minister and the Minister of Foreign Affairs have raised this at the highest levels, including with Aung San Suu Kyi and Kofi Annan. They will both continue to raise it this week at the UN General Assembly.

We will continue to provide humanitarian aid to the Rohingya and call on the Myanmar government to allow access into Rakhine State to further assess the situation.

This violence has been equated to ethnic cleansing. This is unacceptable and must cease immediately.

* * *

TAXATION

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Mr. Speaker, I have met with countless small business owners to discuss the Liberals' plans to raise their taxes. Most of the people I have met have a small family-owned business; some have mortgaged their family home and taken huge risks that they share with their spouses. They contribute everything they have to the success of their dreams. They want to know how the minister intends to have bureaucrats determine the reasonableness of how they share income from the family business.

When did it become the minister's job to tell families which spouse should receive what benefit for the risks that a family-owned business shares?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, the challenge we have is that our system currently favours the wealthy. It allows them to incorporate so that they can actually pay a lower tax rate than the middle class. What we need to do is continue to make sure that our system is fair. We are going to listen to small business owners. We are going to listen to people across the country to make sure we hear their comments. These measures are intended to make sure the system is fair, intended to make sure everyone has opportunities, and as we listen to people, we will make sure we take their issues and ideas into account, but be clear that we want to move forward to make sure our system is fair for the middle class and for all Canadians for the future.

* * *

[Translation]

FOREIGN AFFAIRS

Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ): Mr. Speaker, Catalans have given a separatist government a majority mandate, and those elected representatives can now legitimately consult the people about their future.

Canada must now decide whether it respects voting rights or supports the Spanish government's aggressive repression tactics. Over 70% of Catalans on both sides want to vote, and it is up to them to decide whether they stay in Spain.

Will the Prime Minister ask the UN to ensure respect for voting rights and democracy in Catalonia?

Mr. Matt DeCoursey (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.): Mr. Speaker, as the minister said yesterday, Canada enjoys friendly relations with a democratic and united Spain. The future of Catalonia is a Spanish domestic matter. We hope that the parties will find a harmonious and respectful solution to this domestic matter within Spain's constitutional framework.

* * *

CANADIAN HERITAGE

Ms. Monique Pauzé (Repentigny, BQ): Mr. Speaker, yesterday we asked the Minister of Canadian Heritage to make Netflix and Spotify pay GST like everyone else. Here is what she said, "we do not believe that a new tax...is the best way to support our creators."

Since this GST exemption is a privilege that other cultural creators do not enjoy, will the minister remove the GST from all cultural products in the interest of fairness?

Either she is giving the American giants a free pass or she is against charging GST on cultural products.

Hon. Mélanie Joly (Minister of Canadian Heritage, Lib.): Mr. Speaker, we invested \$1.9 billion in arts and culture, the largest investment in the past 30 years. We are still the only country in the G7 to have made such a significant investment in this area.

Knowing that there is some concern in the production sector, we have decided to have a major discussion on the importance of supporting Canadian content in a digital era.

I invite my colleague to attend the presentation of our vision, which will take place on September 28. I will be providing more information on the government's vision for this sector at that time.

●(1510)

Mr. Rhéal Fortin: Mr. Speaker, I have to wonder if the earpieces on the other side of the aisle are working, because the answers have nothing to do with the questions.

Mr. Xavier Barsalou-Duval: Mr. Speaker, I seek unanimous consent for the following motion: that the House of Commons acknowledge that the Government of Catalonia has decided to hold a referendum on Catalan independence on October 1, 2017, and therefore that the House of Commons call for the right to vote and the democratic process in Catalonia to be respected.

The Speaker: Does the hon. member have the unanimous consent of the House to move the motion?

Some hon. members: No.

*Government Orders***GOVERNMENT ORDERS***[English]***STRENGTHENING MOTOR VEHICLE SAFETY FOR CANADIANS ACT**

The House resumed consideration of the motion that Bill S-2, An Act to amend the Motor Vehicle Safety Act and to make a consequential amendment to another Act, be read the second time and referred to a committee.

The Speaker: The hon. member for Yellowhead has two and a half minutes remaining in debate, followed by questions and comments.

The hon. member for Yellowhead.

Mr. Jim Eglinski (Yellowhead, CPC): Mr. Speaker, part of my speech dealt with some of the early history and safety of motor vehicle regulations. I want to go back to Ralph Nader.

Ralph Nader did a lot for North America, and for a lot of Americans and Canadians, in forcing the government of the United States to strengthen the way it set rules and regulations in the manufacturing of vehicles in North America. Because of that and because of our bilateral trade agreements, we buy the same vehicles that the United States build. We build a lot of the components that are used in the vehicles that are sold in the United States and vice versa.

Ralph Nader and the Nader's Raiders forced government back in the sixties to do what we are doing today, strengthening the motor vehicle safety acts across North America and across our country to make the vehicles we purchase as consumers in Canada, whether they are made here or in the United States, or made in European countries, much safer and that they protect Canadians. That is very important. I have to thank Ralph Nader and the Nader's Raiders. They led the way. The government and the people of Canada must lead the way as well and ensure Bill S-2 is good and it protects Canadians when they purchase motor vehicles.

Toward the end of my speech, when you were not here, Mr. Speaker, I talked about the motorcycle industry and how the dealers of motorcycles would modify motorcycles that were built to Canadian safety standards before they sold them. The bill needs to look at this and enforce it. I hope that as the bill goes through, that Parliament follows Bill S-2, and we continually change it to meet the changing times and needs of new technology in the industry.

• (1515)

The Speaker: The hon. member is an experienced member, but perhaps he did not quite realize that the rule against noting the presence or absence of a member does include the Speaker, who is often in meetings, as he knows.

Questions and comments, the hon. member for Saanich—Gulf Islands.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, my hon. friend from Yellowhead's speech mostly preceded question period. I am really pleased that in the debate today on Bill S-2 he is the first member to reference the Volkswagen fraud case. If there was another, I apologize. As I look at the legislation, it certainly should apply not just to human safety issues but to fraud that involves

allowing polluting vehicles to pollute while their online reporting system tells the owners of the cars that they are not polluting.

In the spirit of my friend's hero, Ralph Nader, and Nader's Raiders, whom he mentioned a few times, does he think Bill S-2 will go far enough to protect us if a vehicle manufacturer defaults on environmental safety as opposed to vehicular safety as it is commonly understood?

Mr. Jim Eglinski: Mr. Speaker, Bill S-2 will definitely strengthen the ability of the Canadian government to deal with corporations, such as the 2015 fiasco with Volkswagen.

Now, is it strong enough? No, we could have been stronger in some of the legislation. That is why I said, in the last couple of moments of my speech, that we needed to continually upgrade Bill S-2, and whatever we were going to call it after that, so we would stay up to date with the current change in technologies. People who defraud the public in their vehicles should be dealt with severely, quickly, and it should hurt them in their pockets.

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I enjoyed the member's speech. He talked about the importance of our manufacturers and companies. It does need to be acknowledged. Those big manufacturers and the thousands of jobs and opportunities they have provided Canada's middle class over the years has been overwhelming, feeding our manufacturing industry, second to no other industry, for many years, as well as the way they are getting in technology and so forth.

The legislation we are talking about today is all about making our streets and roads safer by looking at the obligations that manufacturers and companies have to ensure that the products they are selling are safe for our roads.

The member across the way seems to agree with the legislation. We look forward to the Conservatives supporting it going to committee.

My question for the member would be more of an affirmation than anything else. We recognize that our manufacturing companies play such an important role. However, it is also important for us to recognize that the Government of Canada does need to step up, ensure that we are harmonizing with the laws of the U.S.A., and that we move forward, one step at a time, to ensure our roads and streets across our country are better because of legislation of this nature. Would the member agree?

Mr. Jim Eglinski: Mr. Speaker, that is an excellent question, and one I can say yes to right off the bat. However, I want to add to that.

Bill S-2 is a modernizing of our safety act. It is very important, as I said a number of times, that we keep it up to date. We need to give credit where credit is due. We have to look at the statistical data on what our motor vehicle manufacturers in Canada and in North America have done to ensure they have made their vehicles as safe as possible. Going back 20, 30 years, that was not the case.

Tributes

Today, it is the case and that is because we have strong legislation and we are proposing stronger legislation. We always need strong legislation to ensure they comply and comply willingly, and they will. If there are financial losses because they do not comply, they will keep their eye on what they do.

We have to look further. Bill S-2 is the start. We are going through an era now where people across the United States are manufacturing vehicles that are driverless, from small recreational vehicles to large transport trucks. One of these day they are going to tear all over the country. We will probably all see vehicles driving across Canada with no one behind the wheel. God for sake, I hope that does not happen.

However, it is coming. They tell us it is coming. Mercedes-Benz has a large class commercial truck that can drive itself. We all know that electric cars in the United States can drive themselves very well. What are we going to do? They are taking over. We have to be careful.

The federal government also needs to work and encourage the manufacturers to keep us informed of their new technical achievements, and it needs to start today. We need to work with the provinces and the legislators, the people who look after our roads and streets. We have to get prepared for those driverless vehicles. The only way they are going to drive is by electronics. We need to get our act together. We need to start today to get those rules into place.

● (1520)

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, autonomous vehicles are already being tested in Canada.

My question for the member is quite simple. With regard to the Toyota recall scandal that took place, not only in Canada but also in the United States, at the end of that process, the United States received investment and services from the recall, while Canada did not get anything under his government.

What were the reasons for that? Why did the United States receive millions of dollars for new auto development; consumer protections, including pick up, delivery, and return of a vehicle; and investment in communities? Why did his government get zero?

Mr. Jim Eglinski: Mr. Speaker, I am not exactly sure how the member was phrasing this. However, I would believe that the United States probably received financial reward from Toyota because its motor vehicle safety act probably had a section in it very similar to what the current government is trying to do with Bill S-2, where the Minister of Transport could levy fines against major corporations for such things. It was not in our act before. I do not believe we had the ability to go after it as the United States did.

This is one thing that makes Bill S-2 very good, and it is one reason I support it.

Mr. Glen Motz (Medicine Hat—Cardston—Warner, CPC): Mr. Speaker, I appreciate the wisdom of my learned friend and colleague on being able to see into the future of what the Canadian automotive sector might be facing.

Does the member believe this legislation strikes the appropriate balance between protecting Canadian drivers and the consumer?

Mr. Jim Eglinski: Mr. Speaker, Bill S-2 could go further. As I said it earlier, we need to really look at what is coming down the road. It is coming so fast that we need to get the legislation in place. Bill S-2 has the right ingredients. It strengthens some of our authorities, which is very necessary. However, it does not go far enough. To go far enough, we need to look at the future. We need to get those regulations in place now. We need to protect the drivers and the public. We need to protect the public and the drivers from the driverless vehicles. We have to ensure everything is safe so this all works together in harmony.

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● (1525)

ARNOLD CHAN

Mr. Mark Holland (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, 22 years ago, I walked into the basement of a campaign office and met Arnold Chan. I hate it that I can say his name here; I do not want to be able to do that in this place.

Arnold instantly became one of my best friends. Anybody who knew him knew of his evident care and passion in all that he did for everyone around him. I met him at a time that was particularly challenging in my life, just because I was so scared. I was young, 20 years old, and had just found out that I was going to have a son. My son happens to be here today, and he actually worked for Arnold.

Arnold was that steady, calm voice in my life. For every dark moment in my life, he evened me out and made things okay. He was somebody I could pick up the phone to talk to. He gave me advice. He was a mentor and somebody I looked up to. In the years that we knew each other, we dreamed about this place and coming here. When we were both elected at the same time, unfortunately, he already had the cloud of illness, but we did get that opportunity to serve together.

When we talked, of course, we dreamt of all the things that we wanted to do together, and we were supposed to walk out those doors together having done them. Although we are not going to get that chance, I did get a chance to talk to Arnold in those last days and with his remarkable wife, Jean, and his phenomenal kids, Nathaniel, Ethan, and Theo. They were his life and who he talked about every moment, every day I saw him here. When he came here, it was a way for him to make the world a better place for them.

At first, when he knew he was going to go, he wanted to give the speech I am about to read, but it became apparent that he was not going to be able to do it. I wish it was he giving it. I can picture him sitting over my left shoulder right now, and I hate to look back and know he is not there. I just want to let people know how much he loved them, how much everything that he did was to try to make the world a better place for them. In his final moments, he talked about the issues that he cared and worried about. Yes, he cared about the House, but he cared mostly about it for the better world it could make for them.

Tributes

These would have been Arnold's last words to the House:

Mr. Speaker, from the beginning of my parliamentary career, I have been preoccupied with issues of the exercise of democracy. This has been a passion of mine since my youth, and is a touchstone for all of my work as a Member of the Parliament of Canada. It is fitting that I address these issues once more today to my colleagues.

My inaugural speech in Parliament focused on the theme of democracy, since I rose in the House that day to discuss the Private Member's Bill introduced by the Member for Wellington-Halton Hills to reform the Canada Elections Act and the Parliament of Canada Act. I had the opportunity in that speech to address what I felt were important elements of change that were needed in Parliament, which would hopefully help to reverse a trend of dysfunction that had been growing during the tenure of the previous government.

On June 12th of this year, I had the opportunity again to direct my comments to issues of democracy, and of the conduct of our business in Parliament. I wish that my children could have been present, but of course June is a time for examinations in school. Nevertheless, I had them and their generation very much in mind that day, and I do so again now as I consider the critical challenges of the future, and the role of democracy and democratic institutions in meeting those challenges.

I believe that we as a society and a government are just beginning to grapple with the three existential threats that will face my children's generation: climate change, accelerating technological change, and the parochialism and social unrest that arise in reaction to these first two forces.

Climate change is undeniably the focus of attention today, as it should be.

The recent flooding in Texas, hurricane in the Caribbean and Florida, violent monsoon rains in Bangladesh and northern India, and closer to home, the BC wildfires all point to an increasingly unpredictable and potentially destructive pattern of changes to which everyone must adapt.

● (1530)

This is in part why I continue to appreciate the presence and advocacy of the Leader of the Green Party, the Member for Saanich-Gulf Islands, along with the leadership of the Minister of Environment and Climate Change. Their tireless work is to be commended and supported.

Climate change is not just about storms, flooding and heat. It is also about crop failure, food shortage, water scarcity, mass displacement of people, and the violent conflicts that can arise out of those situations. It is imperative that we stop treating climate change as solely an environmental issue, but recognize it as an all-encompassing priority that we as a society and a government must confront with the utmost urgency.

One potential response to climate change is to focus on technological solutions, but technology itself represents a second challenge. In particular, the confluence of artificial intelligence, robotics and genomics, which represents the potential for profound changes to the relationship between people, machines and their environment.

There has been much discussion recently of the impact on human employment of self-driving cars and the increased use of robots for everything from manufacturing to personal services. This has led to speculation about the future of work itself, and the possible dislocation of social relationships that have existed since the founding of cities ten thousand years ago. These are issues that we are just beginning to grapple with, but which will be profoundly important for my children and their generation.

In the face of relentless technological change and economic competition, how resilient will our social institutions be? How will our communities manage the potential for mass unemployment, or even just the fear of those kinds of changes?

Therein lies the third challenge: reactionism. In the face of climate change, accelerating technological advancements and the disruptions that they are causing, the tendency of people and communities is to "circle the wagons" and, even worse to "fear the other". We have already seen evidence of this around the world: increasing nationalism, religious fundamentalism, and isolationism. Rising sectarian violence in many countries. Distrust of elites, and strife based on economic class.

So what do we do?

We are Members of Parliament, a body which is ultimately about civilized discussion and debate. The word "Parliament" itself derives from the French word "parler": to speak. Our task is to exercise democracy through communication, deliberation, and ultimately decision-making. Not in our own interest, but in the interest of the people. We are representatives of and we are responsible to the people of our country, and it is our responsibility and our duty to try and meet the challenges of the day through our best collective effort.

In facing the challenges of climate change, accelerating technological change, and the forces of reactionism, we must remember that our greatest strengths lie within our

civility to each other, our humanity in the face of our own limitations, and our own willingness to serve. We can adapt to change, we can respond to challenges, but we adapt and respond best when we do so after reasoned debate with an open mind and through listening carefully to the needs of those we are so fortunate to serve.

But there is one more step to take in thinking about managing the problems of the future, and that is to consider who the "we" of Parliament should be?

Historically, our great Parliament has been predominantly composed of men, and largely of European descent. It was only in 2014, just short three years ago that there was a Chinese Liberal MP in the GTA – me, an Asian male. On the issue of gender balance, despite it being nearly 100 years since the first woman was elected to Parliament, we are still far from balanced. Our government has taken some good steps to address this, but we can and should do more. We owe it to ourselves, our community and our children to continue to strive for improvement in our democratic institutions, so that we can better serve our communities, and better meet those challenges of the future.

Diversity is healthy, and increases the chances of survival and success, a truth known at least since Charles Darwin. The greater the range of ideas and opinions that are brought to bear on the problems of our day, the more likely that we as an institution will be able to come up with workable solutions that serve our communities. And a greater diversity of members will in turn bring those broader ideas forward.

● (1535)

Mr. Speaker, my call to action to my colleagues is to constantly be open to new ideas, to be willing to adjust the assumptions that ground one's viewpoint, if the facts of the world and the challenges of the day require it. I would also call upon greater empowerment of diverse voices as a foundation of addressing the challenges that face us.

But my call is not only to my colleagues in Parliament. It is also to other Canadians of visible minority descent: we should not be satisfied with the status quo; we should expect more for ourselves and our children. But at the same time it is up to us to be braver, to go beyond our comfort zones and engage with people of other backgrounds, to diversify and broaden our relationships, and to seek the betterment of all. We have to take a chance, to engage and to participate. That will help to strengthen the institutions that serve us all.

The triple challenges of climate change, accelerating technological change, and social reactionism are extraordinary and radical, and our ultimate responses may have to be as well. However, if we maintain our commitment to our democratic traditions, and broaden and diversify our institutions to reflect the range of voices present in our society, I'm confident that we can take the steps necessary to meet these challenges and to flourish, one step at a time.

While I wish I could be there for you and with you to contribute more to the great work of our Parliament, and to better the world for my children and yours, I will have to leave this to you, my colleagues.

I wish you all well.

Mr. Fin Donnelly (Port Moody—Coquitlam, NDP): Mr. Speaker, I would just like to acknowledge the words from the member for Ajax and his heartfelt tribute in putting the last words of Mr. Chan on record in *Hansard*. It is most appreciated. I am confident in saying that I know that all members of the House, as well as family members of Mr. Chan, will join with me in thanking the member for sharing his words in this place.

Tributes

Mr. Mark Holland: Mr. Speaker, I would just say thanks. Arnold had such a profound respect for this place and for the members who serve here. I know, through the member, that those words will be very warmly received by Arnold's family who are with us here today.

Mr. Scott Reid (Lanark—Frontenac—Kingston, CPC): Mr. Speaker, on numerous occasions since learning of Arnold's passing, I thought of what the best way of summarizing him in his role as a parliamentarian would be. In some ways it is not that he stood out as being different from the rest of us, but rather that he best exemplified that which is, or ought to be, what we can bring forward in this place. In many ways he was the personification of what ought to be the best in us, regardless of our partisan stripe, notably his remarkable ability to be non-partisan in a very partisan place.

The other day the Prime Minister said that he respectfully disagreed with Arnold's assessment that he was not going to make a lasting contribution. The Prime Minister was right, of course, but I have to say that Arnold was right in the sense that he had the potential—he was a young man—to make a difference in this country had he lived longer, had he had the chance to live out a full career lasting decades, to have transformed this place in a way that unfortunately is not possible. We have all been robbed of that.

I feel a little envious that the hon. member knew Arnold for as long as he did, and the rest of us did not get the chance to develop that same friendship. I feel we have all been robbed by the fact that we will not, in the future, have the chance to develop and learn from this extraordinary man.

● (1540)

Mr. Mark Holland: Mr. Speaker, the last couple of times I spoke to Arnold, there were a couple of things he was really preoccupied with. First and foremost was his family. No one was harder on himself than Arnold. He was reflecting upon the work he did as a father. One can never do a good enough job as a father. We can never feel we have done enough for our children. I know he felt that way about his boys. He wished he could have done so much more in their lives. That was his first and biggest concern in his heart, and for Jean as well, who has been such a remarkable partner to him every step of this long journey, particularly as he went through the last, most challenging part.

Lastly, the part he lamented was that he did not get to make the contribution he wanted. That weighed very heavily on him.

The hon. member is a thousand per cent correct. He was a better parliamentarian than I am or ever will be. He was someone I learned from every day, whose guidance I sought in everything I have ever done politically. He managed every day I was ever in. He was someone who had been a bedrock of my life in so many ways, and I feel like the floor is not under me some days.

One of the hardest parts of trying to grapple with something like this is the injustice, when there is someone who is that remarkable, who had that much more to give. We talked about his speech, about the things he really cared about, and some of things he really wanted to persist as his legacy. It is not a small one, his love of this institution, his belief in what it could accomplish, belief in decorum and how we should treat one another and how we should engage in debate. That belief in the challenges we face and the need for the institution to rise to the quality of that challenge is one that I will

certainly carry forward, and I know a lot of members will. Maybe we will not live up to it every day in the House, but it is something it behooves us to remember. He made a much bigger impact than he ever realized.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, I was so moved by the letter, I did not know if I should rise to say anything, but I thank the member for Ajax for reading it.

What is striking about it is the power of analysis and the thoughtfulness of looking at the perils of climate change, technological change, and social reactionary trends and analyzing them at the same time as he was aware that his time with us was running out. His thoughts turned to what we should do as a society, as a human family.

A brilliant mind wrote that letter. It was someone who was fully engaged with the life of the human species as a family on this planet. I will read it over again.

I hope all of us can, as we have said more than once recently, live up to the challenge he put before us.

I really thank the member for Ajax. I certainly would never rise on a point of order that it was not relevant to Bill S-2. It was about time we heard that letter.

Mr. Mark Holland: Mr. Speaker, I thank the member for Saanich—Gulf Islands. I know she was a good friend to the member, and I want to thank her on behalf of Arnold's family.

Ms. Filomena Tassi (Hamilton West—Ancaster—Dundas, Lib.): Mr. Speaker, I cannot express to this House the honour I have to stand at this moment to say a few words.

First, I want to say to his family that what Arnold has asked us to do and tasked us with, I and others around me have already started on. Today is an example. We have rules in this House, but we exercise great judgment and say that sometimes we are going to allow those rules to be bent so we can do things we think are right, honourable, and just. The last two days have been a great example of that. It was through his passing that we are witnessing what he is calling us to do.

To Arnold's wife Jean, his rock, his everything, to his three children, whom we have heard over and over again he loved so dearly, I think it has been fantastic for everyone in this House to witness the love and respect and to come together so that we could make the wonderful tributes over the last two days in this place.

Second, I would like to say that as a new MP, I had the honour and privilege of serving with Arnold on PROC. When I looked at Arnold, he was everything I as an MP wanted to be when I came into service. I wanted to serve. I wanted to work hard. I wanted to put my constituents first. I wanted at the same time to love and respect my family. I just admired how he found the balance in doing all that. Even in PROC, I saw how Arnold would enable that committee to come together. He was a peacemaker. He was able to move things forward in such a respectful way. I have to say that he has impacted, I know, many of us in so many positive ways.

Government Orders

I want his family to know that he will never be forgotten, that his way will impact me and others in this House in their daily lives and in their respect for this place. I want to let them know, finally, that if I can model that man's way of life, I will have truly succeeded.

I thank the Parliamentary Secretary to the Minister of Public Safety for reading that. I am sorry for the loss for so many I know Arnold was close to. I just want to again thank this House for the courtesy to have these beautiful tributes over the last couple of days.

* * *

● (1545)

STRENGTHENING MOTOR VEHICLE SAFETY FOR CANADIANS ACT

The House resumed consideration of the motion that Bill S-2, An Act to amend the Motor Vehicle Safety Act and to make a consequential amendment to another Act, be read the second time and referred to a committee.

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, it is with a heavy heart I rise to continue debate, but that is what we need to do here in the House of Commons on bills that make a difference for Canadians. We will do that in the spirit of what has been taking place. Mr. Chan and his family can rest assured that this bill is in the spirit of getting the co-operation of all the members in the House.

It is an important one for public safety. Bill S-2, an act to amend the Motor Vehicle Safety Act and to make a consequential amendment to another act, is about providing safety that we do not currently have for Canadians.

For those not aware, an automotive recall is not even enforceable in Canada when, for example, child seats are defective. Even if the safety or reliability of brakes or other components in a vehicle, and their data, are being questioned, a recall cannot be forced in this country. That is different from the situation in the United States.

My speech will focus on a few of these things. This bill is an opportunity to protect Canadian consumers and provide the reciprocity that is necessary.

It is interesting to note that I have been on record on this issue for over a decade in the House. In the past, no transport minister from any political party, whether Conservative or Liberal, could force the auto companies to do what is necessary. Ironically, throughout these years a series of accidents, insurance increases, and public safety issues have been neglected. In addition, consumers have been put at the lower end of that.

Right now the most notorious issues are with respect to Volkswagen and the manipulation of emissions and Toyota's wilful attempts to mislead the public with respect to the Prius. In this case reciprocity was not provided to Canada to match the settlements in the United States. Last is the issue with Takata airbags, which are defective in Canada, and we are treated as secondary citizens with respect to this recall. Every Takata airbag has issues, yet it has the entire market with respect to airbags and safety, so just about everybody has defective material in their car, and Canada's recall program is subservient to that of the United States.

I want to touch on a few figures as to how we got to this place, but it is important to recognize where we have been with the industry.

Therefore, I am going to focus on the following: our rights as individuals with respect to consumer issues; on trade, with respect to where the industry has gone; on what has happened to diminish our capabilities for a recall in this matter; and on the future with respect to where we can go with this legislation when it goes for testimony and what would take place.

It is important to note that the legislation in Bill S-2 was previously brought in by then Minister Baird, who at that time had promised to bring this in under the Conservative regime. He came close to getting some amendments and changes, but there was a lack of political will and a lack of exercise to get this across the goal line on the final day. Unfortunately, it was a missed opportunity, but the first of the strong debates that took place here in the House of Commons related to the Toyota file. That file is important because it highlights that we do not get reciprocity now. As Transport Canada at that time was applauding Toyota for issuing a recall notice, the United States was having hearings, and it actually had the company president come to the United States to apologize. Toyota did not even bother to step into Canada at that time.

There was a multi-million-dollar settlement, and consumers were protected much more extensively in the United States. On top of that, the U.S. was given investments in new research and technology. What did Canada get? Zero. We got absolutely nothing related to that.

● (1550)

That was at a time when, for the last three decades, the industry had been crying for reciprocity related to standards. Therefore, there has been a good movement toward this.

It has been frustrating to see issues such as the bumper issue, for example, between the two countries become a problem, or when the different components of their manufacturing are not aligned properly, which was a lobbying-intensive industry action.

However, when it came to consumer rights, it was a different story for Canadians. There were different expectations with respect to consumers. More importantly, there was a weak-kneed government that, to this day, has decided to let a foreign nation set the rules, the compensation level, and the accountability of automakers in the United States. There is a complete abdication of responsibility happening until this bill is passed, because currently the transport minister has no official powers. He or she is an empty vessel. It does not matter what political party he or she is affiliated with. They have known this for a long time, and we have seen it affect Canadians. There are a number of cases that have been out there in the past. Therefore, we are glad to see this bill come forward, and I will touch on some of the new powers that are very important.

Government Orders

There was a last-ditch effort by the previous Conservative administration to table a bill in its dying days of government to address this issue. It has only now resurfaced because the airbag situation with Takata has reached such heightened proportions that we can rest assured that Canadians are shaken, whether it be through the Volkswagen or Toyota scandals. We went through the election with the Volkswagen scandal and saw Canadians not only lose tens of thousands of dollars in vehicle investment, but at a time when we had been asked to take the actions necessary to combat global warming by reducing emissions and pollution, there was also an organized complicit attempt, which was successful for a short time, to market this to Canadians, Americans, and people across the world with dishonesty, which increased emissions and pollution, and Volkswagen benefited from this financially. That resulted in financial penalties in the United States. However, there was nothing for consumers in Canada. Therefore, a class action private lawsuit is necessary because the government could not be bothered and is too lazy.

We finally have this bill coming from the other place, from the Senate. It was not tabled in the House of Commons, as we would have expected, by the Minister of Transport, given the fact that the previous Conservative regime had assembled the bill, which has been available and ready for two years, sitting on a shelf. The Liberals just had to dust it off, bring it forward, get it going, and get it done. Instead, it took the other place to get it going. The Liberals supposedly do not have a caucus in the Senate. Therefore, it seems it took a private member's initiative to get it going. That is what it is at the end of the day.

I am grateful this is related to the work of the previous minister of transport and the Conservatives because there is some good work that was done in this bill. For instance, the minister has the power to order a company to publish a notice of non-compliance as stipulated in the minister's order. Right now companies do not have to comply with that, but the minister would be able to force a recall on a child seat, for example, that has been ordered for recall and is not listed. He or she would be able to order a correction, and the companies would have to do additional inspections and follow ministerial orders.

●(1555)

While they would have it under lesser but quite significant powers, there is also the talk about designating enforcement officers with the power to enter into an administrative agreement for enforcing the act, enhanced powers for Transport Canada inspectors, and the power to exempt companies from the regulations under specifics. If they are going to be moving forward on new technology and new awareness, that would be important to it. I have some concerns about that, but there is some ministerial discretion in there; and it will be key whether there are going to be Transport Canada officials who are ready, trained, and available to do this work. I am very pleased that this is coming forward to do that.

There would also be monetary penalties and an appeal and tribunal element, which would bring more publicity to the files. That is important because having a government website for these is not sufficient or people finally bringing their car into the automotive repair shop and then finding out about a recall later on, are not the

best ways to handle it. There would be enhanced powers for the inspectors and measures to support dealers.

One thing whose importance I want to make sure is noted is that it is unfortunate this country has moved and has not retained its automotive footprint. It is ironic right now, as I talk about these things, that we are currently in restructuring or re-discussions of a North America free trade agreement. When we signed with regard to NAFTA and free trade, we were at that time the number two automotive manufacturing country for assembly and production. That meant that a lot of the assembly and production took place, and the parts and other supporting manufacturing and innovation took place around it in clusters. The industry is known as clusters. Obviously for transportation and other matters, it is easier for it to be around the assembly component, and it is also better for resources to be drawn upon.

Things have changed to some degree with regard to materials. When we signed on to that agreement and even 10, 20, 30, and 40 years ago, steel was the main component of an automobile. It still is to this day, but now there are several compounds and elements that are used for different parts, including everything from plastic to some materials that are lighter and are also variations of different elements to make the vehicle lighter, stronger, more flexible, and so forth.

The big thing is that when we signed these trade agreements, we gave up the Auto Pact. The Auto Pact was about the production and manufacturing in Canada of vehicles that would then be shipped into the United States. It was a very positive trade agreement where we actually had access into the American market and did a lot of manufacturing and distributing into the United States. In fact, that is when we were at the height of the auto industry. When we signed on to free trade in NAFTA, that was later challenged by the Japanese to move their products into our areas, and we have since tumbled into eighth or ninth place. To see why that is important to this particular bill and this file, we look no further than the industry and the concentration of that industry on recalls. One example would be airbags—Takata recently filing for bankruptcy. Basically, in consolidating the entire industry under one manufacturer, there are increased vulnerabilities.

We have seen the concentration and we have seen Canada lose out. Good points are being made right now in terms of where we have lost a lot of jobs to Mexico and now to the southern United States through incentives and that, but the reality is that a lot of it is driven by lower wages. It is ironic that, in Mexico, the people who are assembling vehicles will never be able to afford them. It is not that these are luxury automobiles, and it is not that they are foreign to their country; it is just that their wages for making them and manufacturing them are no reflection of the vehicles' value.

●(1600)

What ends up happening is that they are shipped out and other societies will then purchase them. It has been a low-wage market that has also led to the conflict in the United States related to President Trump and the loss of automotive and other manufacturing there. The point in all of that is that we have lost control and lost significant input and footprint of the decision-makers and the industry itself.

Government Orders

When we now leave it to others to look at refinement of those vehicles in manufacturing, often it is done through their lens. I am proud to say that in my riding of Windsor West infant car seats were created in the past through AUTO21. The Liberals did not renew AUTO21, but they innovated when it was still going and created safer seats.

Now with the production and distribution moving from this area, if we do not fight for this industry, which we are not doing fully right now, we will lose more jobs, more control, and more innovation to others. Without this bill we will be solely dependent on the United States and others for protection of our vehicles and our standards.

It does affect other government policy. Let me point to a program the Conservatives brought in called the ecoAUTO rebate program. This is a blast from the past. This was a government initiative to bring lower-emission vehicles into Canada. I mentioned earlier the fact that Volkswagen ran basically a systematic scam that is now dominating the courts, and the only protection for Canadian consumers is the courts, unfortunately. In the United States there were hearings. In the ecoAUTO rebate program, the Conservatives thought it would be great if consumers purchased lower-emission vehicles. They put out \$110 million, and if people's vehicle reached a certain qualification measure for emissions standards and the mileage, then they would get a Canadian taxpayer-funded incentive of \$1,000 to \$2,000 depending upon the vehicle.

What a wonderful idea it was, when companies decided to take airbags out of their cars to increase mileage by reducing weight. The Yaris, for example, made by Toyota, took the side airbags out, and the ecoAUTO rebate program applied to it. We also had secondary vehicles that could not pass European standards related to emissions sent into Canada and they then received the ecoAUTO rebate. All this was at a taxpayer subsidy, and foreign manufactured automobiles were subsidized by the government.

These are the challenges in why this legislation is so important. If we are going to look at this industry and the high tech that will be necessary in the future, we need to make sure that consumer rights are protected, public safety is paramount, and the minister has the authority through the bill to address some of those issues.

Autonomous vehicles were mentioned earlier. They are coming. In fact some municipalities have become testing zones for autonomous vehicles now. Autonomous trucks will actually be coming to the roadways of our country rather soon. We need to make sure that these laws and orders are in place, because the new technology will need oversight, and that is what the bill provides. We will make sure it provides enough, though.

• (1605)

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, there seems to be a fairly high sense of awareness with respect to the importance of the legislation, and that is quite gratifying. This morning one of the member's colleagues commented that at times we get different types of legislation, and it seems to me that a consensus appears to be developing with respect to Bill S-2. There might be some issues with some of the smaller areas of concern, but generally speaking, we want to move forward.

Do members of the NDP have some specific amendments that are already developed that they would like to see at this stage? If they do, it would be great to work with committee. Standing committees can do great work in looking at ways to improve legislation. Just listening to the debate today, I note that there seems to be a great deal of recognition that this legislation is needed. Based on what I have heard, I anticipate that the bill will receive unanimous support to get to committee at the very least.

I wonder if the member would like to share some of his thoughts with regard to the potential for any specific amendments that he might have in mind.

Mr. Brian Masse: Absolutely, Mr. Speaker. One of the amendments that I will be tabling relates to work that I previously did in this Parliament on what is called "the right to repair". The right to repair involves the automotive aftermarket, not the actual dealerships. The aftermarket had a hard time getting information from dealerships or companies about equipment, software, training, or any of those things. Stores like Canadian Tire and small garages and repair shops are not getting proper information or training or even material from the manufacturers, the OEMs. Just downloading a piece of software was prevented. A car could be fixed at a local garage, but it would have to be towed somewhere else to get the software installed, a simple download that would take seconds. This is one of the concerns that I will be raising.

Technology is changing. A voluntary agreement with respect to this was created in the past, so I am hopeful that the Conservatives and the Liberals will support this idea. We may need to look at this some more, because technology has changed quite significantly in the last 10 years. The bill does not take into account some of the new elements that are required.

As an example, people living in a rural area who receive a recall notice cannot get their vehicles fixed because the local garage cannot get the proper software from the manufacturer. This is not done for free. It pays the same price as everybody else, but if the local garage cannot download the information, the vehicle has to be towed or it is left to sit on the streets for a longer period of time, thereby creating worse environmental and repair issues, which in turn create more danger.

If a recall takes place with respect to airbags, for example, and the repairs can only be done in dealerships, then all the vehicles involved cannot be fixed properly. Those vehicles will continue to be on the road with parts that have been recalled, instead of having the local garage and the medium-sized business fix the problem. We need to make sure this is covered in the legislation.

Points of Order

The Liberals seem to be fixated on attacking small businesses right now, but maybe they will understand because of public safety issues and environmental issues that we have to support small business on this issue, because it is those small businesses that are being frozen out at times just because manufacturers will not release information.

The United States provides this information under its environmental laws, and it was done even on a number of different conditions and so forth that were voluntary and were later followed up. It was more than just voluntary. If the recalls were necessary, they had the power to do so. In Canada, recalls were entirely voluntary, and only companies like General Motors were doing them in full capacity. Ford, to their credit, came to the table on this, and then eventually Chrysler.

We need to make sure the law is modernized, because if people are waiting in a lineup to have a child's car seat fixed because of a recall, that is wrong.

• (1610)

Ms. Jenny Kwan (Vancouver East, NDP): Mr. Speaker, I thank my colleague for his thoughtful comments and a lot of the historical context. He has done a lot of work on consumer protection. There is no question about that.

There is a provision in the bill that would allow the minister to use his power to set a fine in an amount less than the amount provided by the regulations. This raises the question of why we would have a provision like that. I wonder if the member could comment on whether he has some concerns around that provision, or how it could be subject to abuse.

Mr. Brian Masse: Mr. Speaker, that is a very interesting question, because it would seem to me to be an unnecessary protection against consumers. It would be an escape clause.

What is necessary in some matters is reciprocity with the United States. If we are truly going to have a law that would give us the same standards for vehicles sold in Canada and in the United States, the consumer should expect the same elements, and we should have the same results from those companies.

I used the example of the Toyota software problem they had with the Prius, because it is the primary one. In California, when the Prius had the software problem, California residents were often being picked up at their house—at least, their car was—and taken to the dealership. That was one of the agreements they had. Otherwise, the company would be fined. Meanwhile, in British Columbia, the owner had to drive the vehicle in, and that did not even come until months later, after there were a number of different pressures applied and it became so painfully obvious that they had to do something over here.

It has also resulted in the way the companies treat our country. Allowing a minister to monitor penalties through measures this complicated and convoluted is not good enough for consumers. We want simple laws in terms of expectations, and no escape clauses. That will be one of the interesting aspects when committee members are given an opportunity, with consumer rights groups coming in, to make sure it is simple and effective.

Lastly, to the examples of how we are treated versus the United States, we are the poor cousin in this situation. People are better off buying a vehicle in the United States. That is why people at some border communities are purchasing vehicles in the United States: it is the consumer protection. Also, there is the element of auto repair, in that the right to repair in aftermarket service is much more prolific in the U.S.

That difference simply has to end. If the companies want to have the same market to sell an apple in North America in Canada and the United States, then the consumers need to be treated that way as well. They cannot treat us differently just because they do not want to, and the bill has to protect us from that.

• (1615)

Mr. Kelly McCauley (Edmonton West, CPC): Mr. Speaker, I want to thank my colleague for his thoughtful comments. In terms of history, it is not often we hear reference as far back as the Auto Pact, so it was very nice.

I think we are generally all going to support Bill S-2 to get it to committee. However, one of the issues we have with the bill is how it underachieves, especially when addressing the many issues of the Auditor General's report, including one that states that over the past several years the Department of Transport has been making regulation changes only after the U.S. has made its changes, perhaps leaving Canadians in a safety limbo. I wonder if my colleague could comment on Transport Canada waiting for the U.S. changes, leaving Canadians at risk, and the fact that Bill S-2 does nothing to address this issue.

Mr. Brian Masse: Mr. Speaker, at the end of the day, we cannot take the dog's leftovers off the end of the table, as we currently do when we compare what the American consumer receives in protection on automobiles versus the protection we receive. That is what we really get. We get the scraps. We get what is available. When Toyota came and apologized to the United States Congress and Senate, our Department of Transport issued congratulations remarks. The U.S. got investments of millions of dollars and its consumers got better protection; we did not. That has to end. We need full reciprocity. The bill needs to do that.

* * *

POINTS OF ORDER

PRIVATE MEMBERS' BUSINESS

Mr. John Nater (Perth—Wellington, CPC): Mr. Speaker, I rise on a point of order in respect of the Chair's statement on May 9, 2017, concerning Bill C-343, an act to establish the Office of the Federal Ombudsman for Victims of Criminal Acts and to amend certain acts, standing in the name of the hon. member for Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix.

Like you, I have spent all summer reflecting on the Speaker's comments at that point, and I am now prepared to offer comments on his provisions at that time.

The Chair drew the attention of the House to the presence of a provision in Bill C-343, namely clause 26 of the bill:

26(1) Subject to subsection (2), this Act comes into force on a day to be fixed by order of the Governor in Council.

Points of Order

(2) No order may be made under subsection (1) unless the appropriation of moneys for the purposes of this Act has been recommended by the Governor General and the moneys have been appropriated by Parliament.

At the heart of the Chair's concern is section 54 of the Constitution Act, 1867, formerly the British North America Act, 1867, which requires the Governor General's recommendation for appropriations.

That constitutional provision is given procedural effect, and thus, jurisdiction for the Speaker through Standing Order 79(1), which was quoted in the June 20, 2017, intervention by the hon. member for Guelph.

Indeed, as the English constitutional scholar Sir Ivor Jennings once wrote:

In approaching the subject of financial control exercised by the House of Commons, we reach the borders of the realm where law, parliamentary privilege, and parliamentary custom are almost inextricably intertwined.

Over the course of 150 years, a number of procedural precedents concerning the crown's financial prerogatives have been accumulated. This is one area where we can more easily look back over the array of accumulated jurisprudence, because that piece of constitutional law, and the associated procedural rules, have not substantively changed since Confederation.

I draw your attention to *Beauchesne's Parliamentary Rules and Forms*, sixth edition, at citation 611, which provides that:

A bill from the Senate, certain clauses of which would necessitate some public expenditure, is in order if it is provided by a clause of the said bill that no such expenditure shall be made unless previously sanctioned by Parliament.

Reference is then made to the ruling of Mr. Speaker Cockburn, on April 5, 1870. Page 155 of the Journals records the following:

The last Clause in the first section, provides that nothing in this Act shall give authority to the Minister to cause expenditure, until previously sanctioned by Parliament; and this overrides the eighth section referred to by the Honourable Member. No contract could therefore be entered into under that section, which could bind the Government, and necessitate an expenditure of public moneys, unless it had been previously sanctioned by Parliament. He could not therefore sustain the objection of the Honourable Member for Chateaugay.

To be clear, the statutory language referenced was the proviso in section 1 of An Act to amend the Act relating to Lighthouses, Buoys and Beacons, which was quoted by the hon. member for Guelph.

By its own terms, subclause 26(2) of Bill C-343 would not give the Governor in Council, in this case, the authority to pass an order in council to bring the act into force unless and until such authority for expenditure, an appropriation, has been given by Parliament.

Turning back to *Beauchesne's*, let me quote citation 613:

A bill, which does not involve a direct expenditure but merely confers upon the government a power for the exercise of which public money will have to be voted by Parliament, is not a money bill, and no Royal Recommendation is necessary as a condition precedent to its introduction.

No reference is noted, but looking back to the fourth edition of *Beauchesne's*, the citation, there numbered as 277(2), refers to a ruling on February 23, 1912, at page 240 of the Journals.

In responding to Sir Wilfrid Laurier's point of order, the prime minister, Mr. Borden, as he then was, forcefully observed:

It does not appropriate any part of the public revenue, it does not appropriate one dollar of the public revenue for any such purpose. It merely does this: It provides that if parliament shall at any future time appropriate a certain sum of money for that particular purpose, then that money shall be expended by the Governor General in

Council under the provisions of this Bill, according to the method now laid down in the Bill before the House. The provisions of this Bill are perfectly simple and plain and not to be misunderstood...

Therefore, it is apparent that before one dollar of public money can be expended under the provisions of this Bill, a resolution must be brought down in parliament, assented to by His Royal Highness the Governor-General, considered in Committee of the Whole, and be the foundation of a Bill which will alone justify any expenditure under this Act.

● (1620)

Therefore, to suggest, as the right hon. gentleman has done, that this is a Bill for the appropriation of any part of the public revenues, seems to me to be entirely a misstatement of the case. The simple answer to it is, that without this Bill, if an appropriation were presented to this House, passed through Committee of the Whole and embodied in an Act of this parliament, the Governor General in Council would be left without any machinery whatever for the expenditure of that money. This Bill is solely designed to furnish machinery for the expenditure of a certain sum of money which may or may not be voted by parliament for that purpose. There is no question of the appropriation of one dollar of the public revenue of this country for this purpose until an appropriation Bill has been brought in founded upon a resolution which shall conform to section 54 of the British North America Act.

Mr. Speaker Sproule ruled in favour of Mr. Borden's argument. He stated:

My attention was drawn to the fact that when parliament could vote any money for that purpose, the resolution must pass through the usual course required for all money resolutions or Bills...That in my judgment seems to be ample guarantee for the House that it would have the full consideration that all money Bills have, and therefore I thought it unnecessary at the time that it should be introduced by a resolution. That was my opinion then, whether it was correct or not, and I still hold the same opinion.

One further passage from *Beauchesne's* sixth edition to offer, is citation 614, which reads:

A bill, designed to furnish machinery for the expenditure of a certain sum of public money, to be voted subsequently by Parliament, may be introduced in the House without the recommendation of the Crown.

That citation cross-references to Mr. Speaker Sproule's ruling on January 16, 1912, at page 118 of the *Journals*, based on an English precedent, which was described as "a motion for leave to bring in a Bill to enable the Government to acquire lands for public purposes, but not providing funds for the same. On objection being taken that the Bill "involved a charge upon the public," answer was made that the Bill only proposed to give the Government power to buy land, but for that power to be of any use an estimate must be voted in committee; that the Bill would not enable the Government to purchase any lands until the House, in Committee, had considered the Estimates and agreed to them; that the Bill did not authorize any public money although the expenditure was contemplated. The Speaker ruled that the object of the Bill was to take ground for certain purposes. It did not give them power to purchase the property."

What Bill C-343 does is establish a machinery, though one might, more accurately, say that it merely confirms the existing machinery for the Federal Ombudsman for Victims of Crime, who currently works under the auspices of the Minister of Justice, whereby some future additional expenditure might, at a later date, be approved and undertaken to this end. The need for a later parliamentary appropriation to be separately enacted is clearly made out in subclause 26(2) of the bill.

Points of Order

Moreover, to safeguard the financial initiative of the crown, Bill C-343, if passed, will not become law until proclaimed by the Governor General in Council, and then only if the condition precedent of necessary appropriations being made is satisfied, which of course follows a recommendation by the same Governor General, acting on the advice of those same constitutional advisers.

As the Chair's statement noted, this condition precedent for a coming into force order is similar to provisions found in Bill S-205 and Bill S-229. Before the summer adjournment, the hon. member for Guelph tendered submissions on the latter bill.

Without commenting on the merits of those two bills, it does not appear, from a cursory search of Senate proceedings, that this coming into force clause is an entirely novel approach in that House, although it may be the first such provision to make its way to the House of Commons in recent years. To that end, it makes sense to explore how the other place has handled this issue.

Through its Rule 10-7, the Senate gives procedural footing to section 54 of the Constitution Act, 1867. That rule reads, "The Senate shall not proceed with a bill appropriating public money unless the appropriation has been recommended by the Governor General."

That rule is more trite than our own Standing Order 79(1), but it still applies the same principle. Therefore, how does that rule-addressing the constitutional principle in section 54 intersect with provisions worded like clause 26 of Bill C-343?

Page 155 of *Senate Procedure in Practice* informs us that:

In addition to the factors outlined in the above quotation, rulings have noted that a bill that would otherwise require the Royal Recommendation can proceed if it clearly provides that it does not come into effect until funds have been separately appropriated by Parliament.

• (1625)

In support of that proposition, footnote 181 references citation 611 of Beauchesne's, which I earlier quoted, as well as two rulings of Mr. Speaker Kinsella. The first ruling, delivered on May 27, 2008, and recorded at page 1086 of the *Senate Journals*, lays out the Senate Speaker's logic in working through the question. The hon. member for Guelph quoted a portion of it. Allow me to quote further parts of that ruling, which state:

The key to this issue is, of course, clause 52(2). Under this clause, most of the Bill cannot come into force until funds have been recommended by the Governor General and appropriated by Parliament for the purposes of the Bill. No expenditure whatsoever would thus be incurred by the mere passage of Bill S-234...

When the term "appropriation" is used, it is often used quite loosely. It does, however, have a narrower meaning. An appropriation is a sum of money allocated by Parliament for a specific purpose. As seen with supply bills, appropriations quite often fund entities whose legal framework has been separately established.

One must, therefore, consider whether Bill S-234 actually "appropriates" money within this meaning. As already discussed, funds for the purposes of Bill S-234 will have to be separately appropriated or voted by Parliament, on the Governor General's recommendation, before the Bill can enter into force.

Here comes the kicker:

Bill S-234 thus appears to respect fully the financial initiative of the Crown, since no funds are being or must be appropriated.

Later, Speaker Kinsella said:

Bill S-234 respects the financial initiative of the Crown, while allowing Parliament the opportunity to consider a new proposal. The Bill in no way incurs actual expenditures, it merely sets the stage for such expenditures to be incurred, if

the Crown chooses to recommend them, and if Parliament chooses to appropriate these funds.

The second ruling, on May 5, 2009, found at page 564 of the *Senate Journals*, recalls the analysis in the ruling I just quoted and concluded:

The ruling on Bill S-230 is the same. The bill does not require a Royal Recommendation, since nothing can happen following its adoption until and unless funds have been appropriated".

This line of logic is also followed by former law clerk and parliamentary counsel, Rob Walsh, in his 1994 *Canadian Parliamentary Review* article entitled, "Some Thoughts on Section 54 and the Financial Initiative of the Crown", where he quoted from a former chief legislative counsel of the Department of Justice. He stated:

Sometimes bills are passed during a session for which no appropriation is made. In those cases we will usually put an appropriation clause in the bill because there has been no appropriation. In other cases, we do not have to put appropriations in the bill; we presume that Parliament will appropriate the moneys. If they do not appropriate the moneys, effectively the law will not operate.

Finally, I want to address the 1978 ruling of Deputy Speaker Gérald Laniel, cited by the government House leader's parliamentary secretary in his submission and answered by the hon. member for Guelph. Mr. Walsh offered this critical perspective of the decision, in the article I just referenced. He stated:

It is difficult to see why this should be so when passage of the bill, with a non-appropriation clause, would clearly indicate that an expenditure of public funds under the bill is not authorized.

Later in the article, Mr. Walsh argued the following:

In respect of a private member's bill containing a non-appropriation clause, the Speaker need only ask two questions: (a) would the bill, in the absence of the non-appropriation clause, require a royal recommendation? and (b) if so, is the non-appropriation clause sufficient to dispense with requiring a royal recommendation? In respect of the latter, the test should be whether the non-appropriation clause clearly disclaims authorization by Parliament to expend public funds for purposes of the bill. In the absence of an authorization by Parliament, no public funds may be expended: section 26, Financial Administration Act.

Additionally, Mr. Walsh advanced this thought:

It is also argued that such bills constitute an indirect demand for supply and would, if passed, leave the Crown bound to make a demand for supply for purposes of the bill and the Crown ought not to be put in a position where its financial initiative is compromised. In this connection, it is pertinent to note that the Crown has been known to not proclaim...into force an Act that has been passed by Parliament. If the Crown is not obliged—and evidently does not feel itself obliged—to bring into force an Act that Parliament has seen fit to enact, how can it say that enactment of a private member's bill with a non-appropriation clause leaves it obliged to exercise its financial initiative and to make a demand for supply? In short, this argument lacks credibility.

• (1630)

In conclusion, the authorities are clear that the legislative language used by the hon. member for Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix is an acceptable manner in which to proceed. It recognizes the government's exclusive rights concerning financial initiatives, while offering something of a turnkey statutory structure for the government to bring into force at a time of its choosing and in a manner entirely respectful of our constitutional rules concerning financial bills.

Government Orders

I may add as a way to sum up, that this is an important bill and if we look at the human side of things, we are looking at an ombudsperson for victims of crime and we need to think of those victims at all times, think of the impact that the legislation like this would have.

I offer this submission to you, Mr. Speaker, to take under advisement when ruling on the royal recommendation of the bill.

The Assistant Deputy Speaker (Mr. Anthony Rota): I want to thank the hon. member for his submission. It will be added to other input that has been given over time, and the Speaker will be ruling on it shortly.

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 Nanaimo—Ladysmith, Social Development; the hon. member for Windsor West, Public Safety.

* * *

STRENGTHENING MOTOR VEHICLE SAFETY FOR CANADIANS ACT

The House resumed consideration of the motion that Bill S-2, An Act to amend the Motor Vehicle Safety Act and to make a consequential amendment to another Act, be read the second time and referred to a committee.

Ms. Rachael Harder (Lethbridge, CPC): Mr. Speaker, I will be splitting my time with the member for York—Simcoe. He will be speaking after me.

I am pleased to rise in the House to speak to Bill S-2, the strengthening motor vehicle safety for Canadians act. This legislation would better protect Canadians, their families, their children, and their loved ones, as it would make sure that defects within vehicles are taken care of properly. Hearing that one's family car or mini-van has a potentially dangerous flaw is absolutely terrifying to a family. Our cars, our trucks, and our mini-vans carry our most precious cargo; that being, of course, our children and our other loved ones. This legislation would apply to much more than just the family SUV. It would also apply to manufactured vehicles, including service vehicles, buses, transport trucks, etc., that might have an impact on our roadways and their safety and, of course, on other drivers on the road as well.

Consumers deserve to know that as soon as a defect is uncovered, the company will be required to make purchasers aware of the defect and do everything in its power to fix the problem. As consumers, we hope this is in fact the case. This legislation would accomplish that by granting the Minister of Transport the authority to order a company to issue a recall if its representatives choose not to do so on their own. It would also ensure that car companies repair a recalled vehicle at no cost to the consumer, and it would prevent new vehicles from being sold in Canada until the problem that has been identified has been fixed. By providing the minister the option of initiating a recall, consumers can be assured that their safety comes before a company's profit, which of course is advantageous to everyday Canadians.

I am pleased to see that this bill does have bi-partisan support, as it should. This bill was originally introduced in 2015 under our previous Conservative government. It was slightly different. It came

in as Bill C-62 and had a few slight changes, but for the most part we certainly see many similarities and are very much in support of this bill. We believe that this bill is a good testament to the incredible work that was done by the current deputy leader of the Conservative caucus who was the transport minister at that time.

Please allow me to explain why this legislation is so important. The number of safety-related recalls actually increased from 2010 to 2015, not just by a bit but by 74% in those five years. In 2015, five million passenger vehicles were recalled in Canada. That is a big number. Many companies have realized the risk of not issuing a recall, but there are still examples of companies delaying safety recalls because of their corporate interests. One has to think back to the massive Takata airbag recall of 2015. This is certainly a prime example. Takata is a huge parts supplier to over 19 different auto manufacturers. When defects were uncovered in its airbags, different manufacturers issued recalls at different times, thus sometimes prioritizing a recall in the United States before getting around to issuing a recall in Canada. That, of course, puts those who drive those vehicles here in Canada at risk.

The first Takata airbags were recalled in 2008 in Canada. However, because Canada relies on voluntary action by companies, few details were provided to Transport Canada. As a result, it was difficult for us to connect the dots between numerous airbag recalls across several different car manufacturers. It was government regulators in the United States in 2014, quite some time later, who actually connected the dots and escalated the recall to multiple manufacturers. Instead of being proactive like the U.S. officials, Canada was forced into a position where we had to be reactive, again putting our consumers and drivers at risk. It took until 2015 for the majority of recalls to be issued for these airbags in Canada. That is quite some time later: from 2008 to 2015. Even in 2017, there continue to be recalls of these airbags. That is nearly 10 years later.

Why did it take almost 10 years for the recalls to be completed and seven years for the majority of the recalls to be made? The answer is that Canadian laws have not kept pace with other industrial countries' laws. The United States has much stricter laws, allowing the government to issue a recall. Until this legislation currently being discussed in the House passes, the government will continue to rely fully on the voluntary compliance of companies to issue recalls on their own accord.

● (1635)

The penalties for not issuing a recall in Canada are less than those in the United States and punitive damages in court are significantly less than those in the United States. All of this adds up to a lower incentive for vehicle manufacturers to issue recall notices in Canada, or at the very least, to prioritize recalls in the United States first.

Government Orders

Going back to the Takata airbags example, once the problem was understood, there was a global shortage of replacement airbags, which then posed another problem. Companies had to prioritize how much they were willing to spend to secure the parts they needed to replace the airbags across multiple countries. Even though recalls had been issued, the biggest markets with the greatest liability got their attention first, which, as we can imagine, meant the United States and not Canada.

How will this legislation help with these issues I have brought up today? I believe it will help in a number of ways. First, we need better inspection and testing practices when the first signs of a potential defect come to light. The legislation significantly increases the power of the minister to order tests and studies of potential defects. It also includes significant fines, both against an individual and a company that gets in the way of a government inspector who might want to do that test.

Second, we need to increase the powers of the minister to force companies to take responsibility, even if it they did not manufacture the defective part. The Takata airbags were seen as a parts supply problem by many manufacturers, who did not feel fully responsible for the problem at hand. The legislation makes it crystal clear that car manufacturers are responsible for their final product and the safety and well-being of Canadians. If they picked a supplier with a defective part, it is still on the manufacturer to make the right decision on behalf of the consumer and to take responsibility.

Third, in order to strengthen our policy within Canada, we need to give the minister the ability to initiate a recall. This applies to manufacturers who have not identified a defect in the vehicles they sell, but could now be compelled to issue a recall if a substandard part is used in the vehicles they manufacture. Even in 2017, a decade after the first recalls, there were still new recalls being made for Takata airbags. The legislation would have allowed the minister to issue a directive to all manufacturers in Canada to replace those airbags and to protect the safety and well-being of Canadians. Instead, some Canadians found out years later that they had been at risk this entire time. Had they needed their airbag, it may not have been there as required.

The legislation is long past due. It is unfortunate that it has taken more than two years for it to come back to House since it was first introduced by the previous Conservative government. The bill directly defends the safety of Canadians and our confidence in the vehicles we drive.

While the Conservative Party of Canada is a strong champion of reducing red tape, we recognize there is a vital role for government to play in protecting the health, well-being, and safety of Canadians. This is where government can adequately and responsibly step in.

The new powers granted by the legislation would help Canada catch up with other industrial nations when it comes to protecting our own Canadian consumers. I stand on behalf of consumers across Canada who get in their vehicles day in and day out to get to their jobs across Canada. I will also do all I can to protect those jobs across Canada.

It is time for this legislation to pass. I am excited that there is bipartisan support for it in the House.

● (1640)

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I found it interesting that the member spent a bit of her time talking about it being time that we saw this legislation. It is important to point out that the Harper government was very much behind in trying to get an understanding of what was happening in North America. In fact, it was the U.S.A. that nudged the former Conservative government to take any action whatsoever.

Within two years, our government has not only done the review process but has also added some other benefits on issues related to automobile recall procedures, giving our minister some strength and authority. I am a little surprised but also grateful that the Conservative Party appears to be supportive of the legislation. We look forward to its going to committee.

Could the member provide her thoughts on the amendment proposed by the Senate? Does she support the amendment?

● (1645)

Ms. Rachael Harder: Mr. Speaker, I am pleased to hear the hon. member acknowledge the great work that has been done by the deputy leader of the Conservative Party. She certainly has done a tremendous amount of work on this issue. Once again, we are very happy to see this piece of legislation come back to the floor and to support it going forward in order to look after the safety and well-being of Canadians.

That said, it took the government two years to bring it to the floor. The reason it was able to do that within two years, which I would still argue was a fair amount of time and much more than was needed, was, again, the hard work done by my hon. colleague. I would want her to be acknowledged in the work that she did, rather than the current government taking responsibility and praise for her work.

Mr. Matt Jeneroux (Edmonton Riverbend, CPC): Mr. Speaker, it is a pleasure to rise and ask my colleague a question. She raised a good point. It took two years. We are now about two years into this mandate of the Liberal government, and we are finally going through the process of debating this bill.

That reminds me that this summer hundreds and hundreds of people came to my office to talk to me about the tax changes that are happening right now. There was a 70-day consultation period, and that was it from the government.

Could the member comment on the hypocrisy between the two? We had 70 days to talk about an important issue that I am talking to many constituents about in my riding, and this bill has taken two years to come forward.

Ms. Rachael Harder: Mr. Speaker, that is an excellent question, and I would like to thank my hon. colleague for asking it.

We have a piece of legislation in front of the House today. The hard work was done by the previous government, and yet it took the current government nearly two years to finally bring it to the House for debate. Two years is a long time for this piece of legislation when all the background work was already done.

Government Orders

However, I will talk about another piece that is in the works, and that is tax hikes on small businesses across Canada. We are talking about hard-working women and men from coast to coast across this nation. We are talking about women and men who had a dream, a vision, a desire to provide jobs and to contribute to the well-being of our country. We are talking about men and women who stepped up, took a risk, and put their houses, their families, their cars, and their well-being on the line in order to supply jobs to Canadians. We are talking about the majority of Canadians who find their well-being in small businesses.

That is how they make the money, the paycheques that come home and put food on the table, put fuel in their cars, pay for the mortgage of the houses they live in, put their kids into school and sports, and allow them to live a good, healthy life as Canadians. We are talking about middle-class citizens of this country. We are talking about a government currently in power that is putting in three different changes with regard to our taxation, and it is going to rob Canadians of their jobs and punish small business owners who create those jobs.

Hon. Peter Van Loan (York—Simcoe, CPC): Mr. Speaker, it will be tough for me to hit those heights that the member for Lethbridge just did in standing up for her constituents, but we in the Conservative Party have been standing up for ordinary Canadians for quite some time. That is what this party is all about, our agenda of consumer protecting legislation, of measures to protect ordinary Canadians, which is reflected in the bill, which is essentially the Liberal government taking up our Bill C-62 from the last Parliament and bringing it forward in this Parliament. That is one example of it, but there are many other examples of that.

We did a great deal to introduce more competition, for example, in the wireless sector so that people would pay less. It is an ongoing struggle to do in this country, and it tends to happen in federally regulated industries for some reason, but we did that. We protected consumers when we brought in a ban on biphenyl, BPH, which was a chemical in a lot of plastic materials to make them soft. It was appealing to have in things that babies and children would be chewing on, and of course, it was hazardous. Our government banned that so that children would be protected.

I and other members encouraged a ban on phosphates in dishwasher detergents so that we could protect the health of Lake Simcoe and so many other lakes in which phosphates were affecting water quality, and that was to the detriment of all consumers and ordinary citizens. We did it throughout, with a number of measures under our chemical action plan where we methodically evaluated, one after another, chemicals that were being introduced into consumer environments or into people's homes, to assess whether they were hazardous, what the risks were, if we really needed to have these chemicals in people's homes, and how we could protect Canadians better.

We also did it in some of our rules that we brought in to ensure that there was greater truth in food packaging, again, something to protect consumers. I could go on and on, but that was an agenda where the Conservative Party, in our finest tradition, was standing up to protect ordinary Canadians, to protect ordinary citizens and provide them with the protection that they thought was a legitimate role of the government, of the state.

That is often a question because another element of our Conservative philosophy is that we are great believers in freedom, liberty, and minimizing the role of government. The question becomes what is the appropriate role of government and where is there a place. What many of these things have in common are values that justify the government stepping in where people look to government to play that role. As Conservatives, we understood and continue to understand that difference between when government is the correct answer to the question and when it is not.

In a case like this one, where we are dealing with safety, safety is paramount. There is no greater role for a government than to ensure the safety of its citizens. In this case, when we are dealing with auto recalls, the dangers of something going wrong of a mechanical nature are indeed great. The consequences are great, and that is one reason that suggests perhaps the government has a role, one reason why Canadians expect government to play a role.

Another occasion is where there is an imbalance in information or knowledge between different entities or in power. With automobiles, that is certainly the case. More and more with specializations in society, typical Canadians do not necessarily know how to fix a car, what is wrong with a car, and how to recognize if there is a flaw in a vehicle. They do not have those kinds of resources compared with the very significant multinational corporation that has a lot at stake. That is where people are looking for government to step in on the side of ordinary consumers, and that is what we Conservatives were doing when we introduced the predecessor to this bill, Bill C-62.

As technology changes, as things become more technical—and we have seen that happen in the auto sector with automobiles—again there is a place for us to step in on the side of consumers, on the side of ordinary Canadians to make sure their interests are protected. That is again a legitimate role for us.

I talk about that imbalance. That imbalance when major corporations are involved has sadly and unfortunately been an issue in the auto sector. We have seen that recently. We have seen that on the international stage with some of the European manufacturers who were caught up in this very major scandal to do with diesel emissions and diesel emission testing.

● (1650)

Big corporations found ways to alter their technology so the vehicles “knew” when they were being tested and suddenly changed the way they operated to score better on those tests and then later, on the efficiency test, went back to the regular way of operating. Obviously, that would raise a lot of questions of trust, but it is also a place where the government has to step in to defend consumers and their interests. It meant, of course, that the efficiency and the mileage advertized was not really what was expected by consumers and citizens, and it also meant that some of the other objectives of those emission and efficiency standards were not being achieved.

Government Orders

We also have to ask ourselves why that happens. Why did those companies do that? We see that is also a response to government intervention that the companies went there. Obviously there are important questions of ethics and morality in play and incentives we have to look at, but what is funny is that it puts those two different tensions at play. When the Conservative government brought Bill C-62 forward, the member for Milton was the minister at the time, though there was much work done in the run-up to it by predecessor ministers, but the purpose was to find the right balance in standing up for consumers and making sure their interests were protected.

Earlier today, we discussed recalls in the drug industry and some of the powers of big pharma, another area where the Conservative government was very active in standing up for ordinary citizens and an area where perhaps more still needs to be done to ensure the interests of ordinary citizens are protected. We see a little of that right now with the spreading of the opioid crisis. Have we really looked carefully at whether all of the incentives are right and all of the protections are there for consumers? That needs to be addressed at the federal level and especially at the provincial level. These are all important values at play, but the bottom line for us as Conservatives, people who stand up for their constituents, is that we want to be there for those consumers when they face those imbalances and risks and stand up for them.

With respect to the auto industry in particular, I have had personal experience with recall notices, and some funny things can happen. With my most recent recall notice, I went to a dealership and, oddly, the mechanic working on the car refused to do the recall work, suggesting to me I had to get my car detailed first in order to get it done, because he was not happy with the cleanliness of the area where he would have to work on the airbag. I have a Honda and took it to a Honda dealership here in Ottawa. I had to ask myself why that happened. There was nothing particularly unusual about the situation, but what troubles me is that either there were incentives in place—where the mechanic was being told if he sold 10 car details that month he would win a trip somewhere, he was trying to upsell, and this was his chance to do that—or perhaps there is an imbalance in the pressure on dealerships to provide these recall repairs and they feel they do not have sufficient compensation to do it, which goes to the amendment before the House that the Senate has introduced.

I do not know whether that amendment strikes exactly the right balance, but I do know that amendment obviously addresses what may be a very real issue, and my own personal experience is telling me that it was a real issue. I do not want to leave anybody with the impression that I have a problem with Honda. My car has 470,000 kilometres on it. It has been outstanding and I would buy another Civic Si when the time comes, which is probably relatively soon. It is a high-quality vehicle manufactured not too far from my constituency and that of the hon. member for Simcoe—Grey. It is an outstanding vehicle that has performed very well, but this recall experience tells me that there are still very real problems, that we have to do things to stand up for consumers, to ensure their interests are protected, and that we have to get the balance right. I am of the view that Bill C-62 was a great step forward in doing that. I am also of the view that perhaps some of the initiatives in the amendment that comes from our friends in the Senate may be yet another element in improving that one step further. It is certainly an issue for which we have to find the right answer.

This, to me, is a piece of legislation I have no problem supporting. It is in the long tradition of what we in the Conservative Party have stood for and is, in fact, a bill that we presented in the last Parliament. I am happy to speak in favour of it and vote for it when the time comes.

• (1655)

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):

Mr. Speaker, the member across the way spent a great deal of time talking about the importance of safety, which is, in fact, what the legislation is primarily here for. However, when we look specifically at the amendment being proposed by the Senate, it is important for us to recognize that part of the Senate amendment would have the Government of Canada play a stronger role in terms of regulating commercial relations. If we read through the amendment, we will see it is a very serious concern. Knowing the member across the way as well as I do, I am sure he would have some opinion on that particular issue.

When we think of the Motor Vehicle Safety Act and how important it is that we keep to that scope within the proposed legislation, I would be interested to know if the member feels we would be going in the wrong direction, which I believe, if in fact we were to start looking at ways to regulate commercial relations within this particular legislation. Would the member not agree that, even though the intention might have been good, it is something that should maybe be re-thought out? I suggest it be sent to the standing committee in terms of the role of looking at this specifically.

• (1700)

Hon. Peter Van Loan: Mr. Speaker, I have to disagree with my friend, because using his logic, we would not be able to support the bill. The consequence of forcing a recall, and the way that our auto sector is structured these days, means that the dealer, being one party as the member was saying, is different from the other party, the manufacturer. The dealer is asked to correct the defect that has been established by the manufacturer. Therefore, the government is already inserting itself in determining that commercial relationship through that order.

What has been stated, and what my own experience tells me, is that there is perhaps not a perfect balance, whatever contractual arrangements those dealers have with the manufacturers. Again, there is also a question there about who has greater bargaining power in that relationship and how we evaluate making sure that it is a fair transaction. I think there is a problem. The dealers, the local small businesses—I know the current government does not place great value in those smaller local businesses—have to be treated fairly. They cannot be left holding disproportionately the cost of a problem that was created by the manufacturer and be told that they have to live with that if they want to be a dealer. It is simply unfair, because those are unknown costs down the road that they had nothing to do with causing but are being asked to pay for. Therefore, any normal contractual relationship, any normal legal relationship, would suggest there should be something there to correct that and make those who are responsible for the cause having to bear the cost.

Government Orders

Otherwise, I put it to the member, more and more people will get my experience. They will show up with their recall notice, and the car dealers are going to find some other reason, some other way to try to recover that cost that they are going to have to bear for doing the recall repair. In order to pay for that recall repair, they will be forcing individual consumers to pay for other unnecessary repairs and services so that the dealers are left whole financially from what they feel they have been treated unfairly on.

Mr. Kevin Lamoureux: Mr. Speaker, I do not agree with the member across the way. If we look specifically, the minister could order a company to correct a defect and could also order the manufacturer to cover the cost of the remedy, which is what this legislation would do. This protection would be available to owners, including the dealers. Therefore, the argument that the member across the way is putting forward, I would say, is faulty at best. Would he not agree?

Hon. Peter Van Loan: Mr. Speaker, certainly what has been heard from the dealers is that the way it is written is not sufficient, and the way it is working right now already is not sufficient to satisfy the relationship.

As I said, I am not sure the amendment has the exact wording right, but it is clear that people are not satisfied with what the legislation proposes. It is an issue that needs to be addressed and needs to be wrestled with. I think that is an important thing for us to look at, and it is a good reason for this to be evaluated more closely at committee after we adopt it at second reading.

Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC): Mr. Speaker, I will be splitting my time with the hon. member for Peace River—Westlock.

As always, it is a pleasure to have the opportunity to stand in this great place and debate legislation. In the case of this legislation, we do not think much about this, quite honestly. We purchase a vehicle, regardless of whether it is new or used, and we take it for granted that the vehicle works considering today's technology and expertise, the workmanship, and the professionals that develop, manufacture, and assemble the parts into the vehicle. We take it for granted that when we open the door and push the button or turn the key that the vehicle will run for as long as advertised, for a few thousand miles, and it will come with a warranty covering it for a certain amount of time. In many cases that is the truth, that is how it works.

I think most of us have received at some time a recall notice from a manufacturer or dealership on a particular part of the car or truck that we are driving. Sometimes it is a part that a manufacturer thinks may malfunction and cause an inconvenience, such as sitting on the side of the road. Other times, that recall will have a safety precaution attached to it. It may involve an ignition switch or something to do with the fuel line or a hose that runs fluid to the engine, or it might be some other thing that could cause serious injuries. Tragedies have happened because of faulty mechanisms within a vehicle.

Bill S-2 falls on the heels of Bill C-62 that was brought forward in June 2015 by our then minister of transport and now our deputy leader. This morning in his speech, the Minister of Transport acknowledged the work the House had done but particularly the work done by the deputy leader in bringing forward Bill C-62. Bill S-2 tries to make Bill C-62 better. What we have heard in the

discussions today is that we in the Conservative Party of Canada and members of all parties are really concerned about ensuring that these highly mechanized, technological vehicles that we get into every day are safe.

We support Bill S-2. What are some of the reasons we support it? The Senate amendments that have come forward would be significant additions to the bill. They would strengthen the legislation and give more security not only to the purchasers, but also to those who sell vehicles and take the risk of having a recall put on and having to come up with some way to be reimbursed.

• (1705)

Is it the funding that they get reimbursed to replace the parts? I talked to one of my dealers. As it is, if they get a safety recall and that part is not available, because it is a safety recall they obviously cannot nor do they want to turn around and say to me, or to my family member or to anyone else, to just get back in the car and when that part comes in they will replace it. That is not, quite honestly, the way it happens and nor is it the way it should happen. However, it puts an awful financial impact upon that dealer who has the responsibility of a vehicle that the manufacturer made. From my understanding, the dealer then has to do something to accommodate the customer. He or she has to give the customer a loaner or, in some cases, say there is a back order and, because it may have been a large recall, the number of parts across Canada take a while to be produced, so at some point in time the dealer may make a deal so that the customer has a vehicle to be safe in and to drive. Again, now the dealer is left with a vehicle that he or she cannot sell because it has a safety recall on it.

As part of that legislative amendment that is in front of us, I know the minister was looking at it in a bit of a different way: that this is actually about safety and not really about compensation issues. One of the strengths and the opportunity that we have in this bill is to give it the breadth of significance that maybe is allowable with these amendments, and so I would support some of those.

In 2015, for example, five million passenger cars were recalled in Canada. One of the issues is that the government would be able to force the recall. At some point in time, that is going to be an important part of what happens. Right now, it is voluntary. We have been very fortunate in Canada that we have not had serious impacts by not having the manufacturers do the recalls that are required on a voluntary basis. However, at some point in time, the government needs to have some sort of recognition and authority when there is a default, particularly a safety one. As much as I always get concerned when I see government wanting to put a lot of oversight over our businesses, and particularly our small businesses, that eat up those kinds of costs, in terms of safety we have an opportunity in this bill to make things better. I am just going to wrap up with that. I did not get into a lot of details.

Government Orders

However, as one of my colleagues said, we have a number of issues in front of us in terms of innovation technology with driverless vehicles of all kinds. We have issues when we are talking about the safety of vehicles. We are also compounding the issues on the road with the use of alcohol and now, with the proposed legislation that is going to come, with marijuana and the effects it would have on drivers; it is not just with drugs but with drugs and alcohol. I want to emphasize that, if the government is going to move forward with this, the department has to have the resources to make sure it can follow through with the enforcement that would come with this.

With that, I look forward to having the opportunity of supporting this bill, but mainly the support is because I want it to get to the committee. The committee would have the opportunity to look at not just the bill but also the amendments that come with it and make this as strong a bill as we can to protect all of our Canadian people, our friends and our families, on the road.

• (1710)

Mrs. Celina Caesar-Chavannes (Parliamentary Secretary to the Minister of International Development, Lib.): Mr. Speaker, I think we can all agree that this is good legislation and, as the member said, everyone is pretty much in agreement.

When to committee, what sort of things does the hon. member think the committee should focus on, in addition to the legislation and the amendments.

Mr. Bev Shipley: Mr. Speaker, for those of us who have sat on committee, as my friend across the way has, when we start bringing witnesses in and talking to them, sometimes things that we have not thought about pop up. That is why we go to committee. Sometimes issues we had not thought about or thought were secondary, when they are correlated to something else, they can become a priority.

One issue I had not really considered until I listened to the debate today was the significance of some protection to our small business owners and dealers. In my area of Lambton—Kent—Middlesex, these are all family-run car dealers and businesses. Not to be rude, but I am getting calls from many of these people who are really concerned about the small business tax that is being proposed.

Many of the amendments will get a lot of debate because they were brought forward after the original bill was considered. I will leave it at that.

• (1715)

Mr. Arnold Viersen (Peace River—Westlock, CPC): Mr. Speaker, Bill S-2 is about something that I am somewhat familiar with from the fact that before I came to this place, I worked in a Chrysler dealership and performed many recalls over the years.

The interesting thing about the recalls is that there is no similarity between any two of them. As mechanics tasked with correcting the issue, we often wondered why one thing was recalled and another was not, or why the same part was often recalled several times in a row. That goes to some of the issues the bill is trying to correct. I am not necessarily convinced that the bill will correct them, because in some cases we are truly not able to squeeze blood from a stone. In particular, we have seen this with the recalls of airbags. Many automotive manufacturers use the same supplier of airbags, and so the airbag recall crossed several different companies. It will be

interesting to see how this goes forward. I know there is anxiety that comes with that. My own vehicle has had that particular airbag recalled, and people keep getting a notice saying there is problem but no fix or parts for it. That is ongoing.

The recalls are interesting, particularly from the dealership perspective. I see we are talking about the 1% of the price, and things like that. Now, there are games that get played with that 1% of the price. The same part being purchased at retail would be \$150. If a recall part that could not be ordered for a retail customer was coming through the dealership, it might only be \$10. We get the 1%, but it is 1% of \$10, not of \$150, or maybe even more if that exact same part was being ordered for a customer. Since it is the percentages that are being put on, that dramatically reduces the price to the dealership.

Parts departments run on percentages. Everything is a percentage. Typically, they have an 18% handling cost. Of every part that comes in to a dealership and gets shipped back out again or is sold, 18% of that sale is the cost of their storing it, the cost of their employees, the cost of keeping the lights on, and all of those kinds of things.

In the amendments we were talking about, there is a good initiative to put the percentage in. It helps the local dealerships. It is always interesting how the games get played. To some degree, the free market will have to work this out. In a lot of cases, the dealers already have these agreements with the manufacturers on how they are going to get paid for recalls. Recalls have been happening for a long time now, and so a lot of these things have been worked out through the free market.

I commend this bill. It is supportable. There is no problem with that. I would just acknowledge that we might be coming late to the party in the fact that most recalls go off without a hitch. There are already vast agreements in place for them. The free market, typically through the court system, will often demand a recall of this or that. Often, these recalls are worldwide or global. If something happens in one jurisdiction, the company gets alerted to the fact there is a particular problem with a particular piece. The entire fleet of that vehicle is then recalled. A problem might be discovered in Mexico and the vehicles in Canada are recalled. The companies themselves do that just to limit their liability from these kinds of things. They are facing a lawsuit in one country and do not want to face it in other countries, and so they will issue the recall.

When it comes to the dealership level, it is always interesting that things get downloaded all the time. The costs of doing business typically end up getting downloaded to the dealership level.

Government Orders

● (1720)

It is relatively easy to announce that there is a recall for something, but it is the dealership that faces the customer. The manufacturer announces there is a recall and says there are no parts. The dealership has to deal with the fact that every time the customer gets a notice, they might come to the dealership and ask what it means. The dealership then has to outline what the notice means. A lot of times there will be one or two notices before they actually get the parts. Each time the customer shows up at the dealership, it takes resources from the dealership. Instead of being able to deal with a customer who brings money in, the service writer has to deal with a customer who is just there for a recall notice. They are not going to be booking an appointment or anything. The customer is going to leave without any cashflow coming to the dealership. There is a significant cost associated with doing that. We need to ensure our network of dealers across the country get paid for the recalls that are put in place.

If it is the minister who puts the recall in and the manufacturer says it is not, that gets really interesting in terms of who pays. They are saying the manufacturer will pay. That is great, but we need to ensure the manufacturer, or someone, continues to pay the dealerships when it comes to a mandated recall by the minister. That is my reading of the amendment, anyway.

The whole system is in place already for when a manufacturer declares a recall, but it gets a little more interesting if the minister is going to declare the recall. Can the manufacturer at that point just say that since it is the minister who is declaring it, the parts will be made available and they will pay for getting the job done, but not necessarily reimburse the dealership's parts department or ensure they can actually make some money on it, particularly in the case of recalls that take a long time to develop the parts or develop the solution.

We have been talking a lot about recalls in the abstract. We just say the word "recall". I would like to talk about a couple of instances when I performed recalls. One particular issue was on a certain vehicle. On this vehicle, if the window was left open and the rain came in, it would flood the window switch and cause an electrical fire in the window switches. We had to replace thousands of window switches. That is what a recall looks like. A particular piece could get rainwater in it and it could cause a fire, so that piece had to be replaced.

Another recall I did many times was in a windshield wiper system. There was one piece that could fall apart at some point, so we replaced a lot of windshield wiper motors on a particular vehicle. We got really good at it because we did a lot of them in a short period of time. We were replacing windshield wiper motors to prevent the wipers from failing on the highway and causing a driver not to be able to see where he was going.

Another one I can think of was a shifter recall in a particular car. In this case the shifter might not actually go into park. When the vehicle was shut off and the driver pushed the shifter forward, it would say it was in park, but the transmission might not have actually been in park, and could have been in reverse, which could be bad. We had to replace the shifter, or in some cases reprogram the computer in order to prevent that from happening.

Those are some pictures of what recalls look like. No two of them were ever the same. Sometimes it was a really big job, sometimes not. The window switch, for example, literally took minutes. It took longer to drive the vehicle into the shop than it did to replace the part. Other times it was a really big deal. I can think of one particular recall that was issued because the subframe could rust and break, so we were replacing a subframe under a vehicle and doing a wheel alignment afterwards. That was kind of a big deal.

I thought I would explain to the chamber, from my experience, what a recall actually looks like in terms of the guy who has to do it. Getting paid for it can sometimes be an issue when, as I explained earlier, we are dealing with percentages and the manufacturer just lowers the price. They give the dealership the percentage, but it does not necessarily mean we can get paid.

Those are my comments. I come at it with a little more practical experience, so I look forward to the questions.

● (1725)

Mr. Matt Jeneroux (Edmonton Riverbend, CPC): Mr. Speaker, it was a pleasure to hear the well-thought-out and articulated response of the member for Peace River—Westlock in response to the bill before us.

The member talked a lot about his past as a mechanic and how he is fighting for his constituents. I was curious to know if he had the same experience I had this past summer, where this was not necessarily the topic that people talked to me about at the doors and in the office. It was all about the tax changes that the government is putting in place.

I am curious if the member had similar conversations, and if this bill should be the priority on which we are focusing. Perhaps we should be focusing on what the rest of Canadians are focusing on, the tax changes the Liberals seem to be jamming down our throats.

Mr. Arnold Viersen: Mr. Speaker, I know that initially, at the beginning of the summer, I had hundreds of farmers coming to me over the cash ticket deferral system. That is how the summer started out. It deteriorated from there, in terms of the outrage over the tax system, particularly when it came to farmers who were looking to sell their farm to their son or daughter. That came out loud and clear.

Then in the last week that I was in the riding, just before I left for Ottawa, we actually had the Slave Lake and District Chamber of Commerce put together an emergency meeting with me to outline their concerns with the new proposed tax changes. There were nearly 100 people in the room, and they were very concerned about where we were going. The number one question was, "Can the government do this? Can it just come in, without listening, and do this?"

It was a very disheartening place to be, in terms of the fact that the government can just come in and do this without listening to what people have to say, changing our lives in northern Alberta significantly, when it comes to tax changes. Farming is probably about a third of the economy where we live. There is a lot of concern right now as what their future looks like.

Private Members' Business

Farmers have spent a lot of money on their succession planning, which is a big deal. Anyone who comes from northern Alberta knows exactly what succession planning means. They have spent money on it. They have hired consultants to see how to transfer their farm to their children. Basically that entire plan is now up in the air as we go forward with the new tax proposals that have been put forward. There is deep concern in my riding as to where this is going to go. A lot of people feel the carpet has been pulled out from under them.

The Assistant Deputy Speaker (Mr. Anthony Rota): I am afraid we are out of time. It being 5:30 p.m., the House will now proceed to the consideration of private members' business, as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

The House proceeded to the consideration of Bill S-231, An Act to amend the Canada Evidence Act and the Criminal Code (protection of journalistic sources), as reported with amendment from the committee.

The Assistant Deputy Speaker (Mr. Anthony Rota): There being no motions at report stage, the House will now proceed without debate to the putting of the question on the motion to concur in the bill at report stage.

• (1730)

[*Translation*]

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC) moved that Bill S-231, an act to amend the Canada Evidence Act and the Criminal Code (protection of journalistic sources), as amended, be concurred in at report stage.

[*English*]

The Assistant Deputy Speaker (Mr. Anthony Rota): The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

The Assistant Deputy Speaker (Mr. Anthony Rota): When shall the bill be read the third time? By leave, now?

Some hon. members: Agreed.

[*Translation*]

Mr. Gérard Deltell moved that the bill be read the third time and passed.

He said: Mr. Speaker, this is not the first time that I have had the privilege of rising in the House, specifically to speak to Bill S-231, but I do it every time with some emotion. Having enjoyed the privilege and good fortune of being a journalist for 20 years, I am fully aware of the perils that lie ahead for the profession if, unfortunately, it cannot be practised with all the freedom bestowed upon us. Bill S-231 allows journalistic practice to be carried out in the noblest, safest, and fairest way for the public.

This is the third reading of this bill, which means that if parliamentarians agree, in a few hours, days, or weeks we will pass this very important piece of legislation that has a fantastic history.

About a year ago, misfortune befell journalists in Quebec, when it was discovered that senior journalists were the subject of police investigations and that their phones, iPhones, for example, their work tools, were being tapped. We learned that people whose job was to inform Canadians had been under surveillance far too regularly.

As soon as word got out about Patrick Lagacé, we learned that many other leading journalists in Quebec had been the subject of investigations either by the Sûreté du Québec, the Montreal police, or the RCMP. They include Patrick Lagacé, Vincent Larouche, Marie-Maude Denis, Alain Gravel, Isabelle Richer, Éric Thibault, Denis Lessard, André Cédilot, Nicolas Saillant, Félix Séguin, Monic Néron, Joël-Denis Bellavance, Gilles Toupin, Daniel Renaud, and Fabrice de Pierrebouurg. Those are just some of the seasoned journalists who have been working in Quebec for years and who need to gather information in order to do their jobs properly.

When they learned that all these people were under investigation and were being wiretapped, Quebecers, particularly journalists, were shocked. That was when Senator Claude Carignan decided to draft a bill that would protect journalistic sources so that journalists would never again be prevented from doing their jobs properly.

The beauty of Bill S-231 is that it sets out clear safeguards and makes the public the primary beneficiaries of a free press.

[*English*]

What we are talking about is one of the cornerstones of our very democracy. We are talking about a free press and freedom of expression here in the House of Commons, but first and foremost, from coast to coast in this country, the protection of journalists' sources. That is why the quality of the bill tabled by the hon. Senator Claude Carignan in the upper House, two months ago months ago, cleared the way and gave a clear mandate and clear signal to all whistle-blowers in this country that when they talk to a journalist, they are free to do that and no one will interrupt them in the process.

This is a cornerstone of democracy. This is a cornerstone for whistle-blowers. This is a cornerstone of journalism, so that is why I am so proud to be the godfather of the bill here in the House of Commons, thanks to the studious and very well done job by the hon. Senator Claude Carignan in the upper House.

• (1735)

[*Translation*]

Let us now take a detailed look at the issue to see what is so important about this bill and why it is so good for the future of press freedom in Canada. There are four key parts to this bill. First and foremost, it protects not journalists themselves but journalistic sources, the whistle-blowers who uncover wrongdoing and want to tell a journalist about it.

The bill also defines a journalist. Anyone can write the odd blog post and call themselves a journalist, but a real journalist is someone who meets certain criteria, which we will get into later.

Private Members' Business

If a police officer wants to conduct an investigation—and they are in no way being prevented from doing so—they are given even better tools to do that.

In the future, superior court judges will be able to issue warrants to the police. I will be sharing some examples later that are a little disturbing, to say the least.

Lastly, it reverses the burden of proof. Police officers will have to prove that wiretapping is absolutely vital to the investigation. That reverses the burden of proof. Those are the four key parts of this bill: protecting sources, defining who is a journalist, enabling superior court judges to issue warrants, and placing the burden of proof on the police. We must take the time to look at all four of these closely.

I will begin by talking about protecting sources. I mentioned it briefly earlier, but it is fundamental. In plying their trade, journalists are not immune to making mistakes, but when journalists want to do a thorough investigation, they must have the freedom to do so and, more importantly, the ability to speak openly to someone who wants to share information. They also need to have assurances that this individual will not be targeted by a few people with bad intentions. Sources are therefore protected, but journalists themselves are not. Why? Because journalists are still seen as vectors in all this. One of the key components of this exercise is based on the source, and that is why we want to protect sources. This is why we also realize that the only way journalists can do their jobs properly is if their sources are protected.

Some people may call themselves or see themselves as journalists, which can be problematic. I would like to read the definition of “journalist” as it appears in the second paragraph of subsection 39.1 (1) of the bill:

Journalist means a person whose main occupation is to contribute directly, either regularly or occasionally, for consideration, to the collection, writing or production of information for dissemination by the media, or anyone who assists such a person.

Clearly, no one can suddenly begin calling themselves a journalist overnight. They must practise that trade for a media outlet or in a serious, recognized, and established sector. It must be their livelihood. The definition clearly indicates that not just anyone can call themselves a journalist. This is crucial because, as a journalist myself for 20 years, I remember being angry and annoyed at times when people claimed to be journalists, when in the end, apart from some friends who saw their scribbles, they definitely were not journalists. With the amazing and spectacular evolution of the media and the means of communicating information, anyone can quickly publish something online, but that does not mean they have the serious and rigorous fundamental skills needed to practise the profession correctly and responsibly.

I mentioned earlier that warrants authorizing police to investigate will now be issued by superior court judges. That is the third key part of the bill. Again, the police will never be prevented from doing their job properly or from stopping evildoers from doing bad things.

We are protecting whistle-blowers, but at the same time, we are also protecting police officers, who need to do their due diligence. The difference is that the police will have even greater moral authority whenever they need to intervene, because they will have received authorization from a superior court judge.

Let us take the example of the Montreal police, better known as the SPVM. Does the House know how often the SPVM was given permission to investigate when it was asking so-called justices of the peace? Fully 98% of the SPVM's applications for warrants to investigate were granted. Is there even any point asking a justice, if they are going to say yes 98% of the time? I do not mean to put down those serving as justices of the peace, as their work is important and essential, but when it is a question of listening in on conversations between a journalist and a source, we need to make sure the decision lies with an experienced superior court judge.

In fact, this will give the police even more authority to do their job. Bill S-231, introduced by Senator Claude Carignan, strikes just the right balance. Yes, this bill protects the source, but on the off chance that a police officer needs to conduct an investigation into potential wrongdoing, then the officer will also have the moral authority to do so, because he or she will be armed with a warrant issued by a superior court judge.

● (1740)

We believe that strikes the right balance.

The last point I want to address is the reverse onus. Again I will cite the bill, specifically clause (9) on page 3, regarding the burden of proof:

A person who requests the disclosure has the burden of proving that the conditions set out in subsection (8) are fulfilled.

The idea behind this is to ensure that everything is legitimate. People cannot just pretend to be journalists, nor can people expect investigations to always be conducted right away or granted by lower court judges 98% of the time. These things have to be done properly. In the end, the police officer has the burden of proof to ensure that the entire process is done correctly and legitimately.

When the bill was introduced in the Senate it obviously caught the attention of journalists, but also of observers. I will quote a few people who were enthusiastic about the initiative, including the editor of *Le Devoir*, Brian Myles, who commended the senator “for achieving a miracle by generating an all-but-consensus among media owners and editors in Quebec and Canada.”

[English]

Tom Henheffer is the executive director of Canadian Journalists for Free Expression. In an article on April 12, 2017, he said, “Senator Carignan’s bill is the beginning of full legal recognition for the role that journalists play in serving the public and protecting democracy. The Liberal government must offer its complete support.”

[Translation]

So far that has been the case, and may it continue to be for the remaining hours of this debate.

[English]

The Globe and Mail's David Walmsley said, “We’re here because [we] are facing enormous threats.”

Private Members' Business

[Translation]

They are facing enormous threats when it comes to protecting sources. The *Globe and Mail* has spent up to \$1 million in the past few months protecting journalistic sources. Today we are witnessing the culmination of a very important exercise that is of great value to Canadian democracy, since we are at third reading stage of the bill.

[English]

In the last few months, we have seen a threat to many journalists who have to work correctly and protect the whistle-blowers. These people all across this country, in the public service or elsewhere, can see bad things happening and want to call the shots, want to blow the whistle like we used to say, but they must say that to journalists with the clear protection that belongs to them. This is why this bill is good. This bill is correct for journalists, but first and foremost this bill is great for Canadian democracy.

[Translation]

For that reason, we hope to have the support and co-operation of the entire House of Commons at this third reading stage. To date, the work has been done in a rigorous, positive, and constructive manner. There was the study in parliamentary committee where people with different views were able to provide input. I was even asked to appear before a parliamentary committee for the first time, which I enjoyed. I was accompanied by Senator Claude Carignan, the sponsor of the bill, and by another senator, the Hon. André Pratt, who was in the noble profession of journalism for decades, and had a stint as the editor-in-chief of *La Presse*. At the end of his career, he was a distinguished columnist at that newspaper.

I am very proud to have sat with these two parliamentary colleagues, Senators Pratte and Carignan, to push for the bill and especially for the protection of working journalists' sources. This bill is the embodiment of what must be done to protect what is very precious in our democracy, freedom of the press.

● (1745)

[English]

Ms. Pam Damoff (Oakville North—Burlington, Lib.): Madam Speaker, I am thankful for the opportunity to speak in support of Bill S-231, an act to amend the Canada Evidence Act and the Criminal Code regarding the protection of journalistic sources, otherwise known as the journalistic sources protection act.

I would like to begin by thanking the Senate sponsor for his diligence and hard work on this very important bill, which aims to ensure that the protection of journalistic sources is given due consideration whenever they are at issue in Canadian courts. I would also like to thank my colleague opposite, the member for Louis-Saint-Laurent, for shepherding the bill through the House and his commitment to journalistic freedom. The bill has moved swiftly through the House, thanks to the broad support from all parties.

As we all know, this issue was brought to the forefront a little less than a year ago following events involving the use of investigative tools targeting journalists, in particular revelations that police in Quebec had obtained warrants to monitor the cellphones of several journalists. Following this incident, the Quebec government reacted swiftly and amended its guidelines and safeguards for obtaining warrants that target journalists. As a result, journalists are now listed

alongside lawyers, judges, and members of the National Assembly for whom added safeguards and special protocols are in place in relation to warrant applications.

In November 2016, the Quebec government also launched the Chamberland commission to study the issue of the protection of journalists' confidential sources. The commission's hearings have recently concluded and the commission's final report is expected by next March. It is in this context that Bill S-231 was introduced last November.

In essence, Bill S-231 proposes changes to the Canada Evidence Act and the Criminal Code to enact special regimes to protect confidential journalistic sources. The Canada Evidence Act proposals would create a unique regime applicable any time the media wished to protect a journalistic source. This new regime would codify the common law developed and interpreted through several Supreme Court of Canada cases, while introducing some added protections. For example, the bill would place the onus on the person who seeks disclosure of the information instead of the person seeking to protect the information, as is currently the case.

The Criminal Code proposals relate to how investigative tools, such as search warrants and protection orders, can be issued and executed when they target journalists. Although the goal of these proposals is to protect journalistic sources, the procedure will apply any time a journalist is targeted by an investigative tool. The bill also proposes a triage procedure that requires the sealing of evidence collected and a review by a court before the information is disclosed to the police. Finally, the bill proposes that only Superior Court judges can issue an investigative tool in relation to a journalist.

When the merits of the bill were debated in this chamber at second reading, members expressed support for the bill's laudable objective and solid foundation. Members also expressed the view that the bill could be further improved, bearing in mind the complexity of the law in this area.

This bill is being reported back to the House today with amendments adopted by the Standing Committee on Public Safety and National Security. It was a pleasure to study this bill at committee. I would like to take this opportunity to personally thank my committee colleagues from this side, as well as across the aisle, for their collaboration during the bill's study. The bill, as amended, truly reflects a multi-partisan initiative.

I will focus the remainder of my remarks on the substantive amendments made to Bill S-231 by the committee.

With respect to the amendment to the Canada Evidence Act provisions, the public safety committee deleted the override provision found in proposed subsection 39.1(2) from the Canada Evidence Act portion of the bill. The override provision was problematic because it could conflict with other federal legislation, including matters of privacy and national security. We also did not think it was necessary to give effect to the protections for journalistic sources contained in the bill.

The committee also amended the test found in proposed subsection 39.1(8) of the Canada Evidence Act portion of the bill for the disclosure of information or a document that identified or was likely to identify a journalistic source.

• (1750)

In essence, Bill S-231 has been amended to replace the reference to “the essential role of the information or document in the proceeding” with “the importance of the information or document to a central issue in the proceeding”, as this more accurately reflects the common law as confirmed by the Supreme Court of Canada.

The committee also improved the bill by moving the condition added by the Senate at committee at proposed paragraph 39.1(8)(c), which relates to whether “due consideration was given to all means of disclosure that would preserve the identity of the journalistic source”, to a new proposed subsection 8.1, separate and apart from the test for authorizing disclosure. I think this should strengthen the protection, since it ensures that the source's identity is protected as a separate step, even when the document in question is admissible.

The public safety committee also made a few, and in my view, important improvements to the bill's proposed changes to the Criminal Code. First, the committee amended proposed subsection 488.01(2) so that it would not apply, despite any other act of Parliament. As I mentioned earlier, such an override provision is not necessary to give effect to the protections for journalistic sources contained in the bill and could conflict with other federal legislation, including in matters of national security. Proposed section 488.03 was also removed from the Criminal Code portion of the bill, for the same reason. These are sensible amendments, and I agree with them.

The committee also added a knowledge element to proposed subsection 488.01(2). As originally drafted, this subsection would have required that a warrant, authorization, or order relating to a journalist only be issued by a judge of a superior court, regardless of whether police were aware that their investigation related to a journalist. This is problematic, because in practice, for example in relation to online crime, police may not know the identity of the person they are investigating. If police do not know that they are investigating a journalist, they cannot be expected to follow these new requirements that would have been imposed by Bill S-231, as introduced, when obtaining a warrant, authorization, or order. I therefore agree with the amendment of proposed subsection 488.01(2) to ensure that it only applies if police know that they are seeking a warrant, authorization, or order in relation to a journalist.

Importantly, the committee also amended the bill to add a new process to confirm the validity of a warrant, authorization, or order issued outside of Bill S-231's new regime—in other words, obtained in good faith under the regular process—in the event that an officer subsequently discovered that the target of the investigative tool was a journalist. According to this new process, once they became aware that the warrant related to a journalist, police would be required to, first, inform a judge of the superior court; second, refrain from examining or reproducing the evidence; and finally, seal it until the superior court judge disposed of the application. The superior court judge would have the ability to confirm the existing warrant, vary it, and impose appropriate conditions to safeguard journalistic sources or revoke the order if the judge was of the opinion that the officer

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knew, or reasonably ought to have known, that the application related to a journalist.

The importance of this amendment cannot be overstated, because it would allow appropriate measures to be taken to protect the confidentiality of journalistic sources, even in cases where a warrant was issued in good faith outside of Bill S-231's regime.

Finally, the last key amendment made by the public safety committee is the addition of proposed subsections (4.1) and (4.2) to proposed section 488.01 of the Criminal Code to ensure that the new test for the issuance of warrants, authorizations, or orders relating to journalists would not apply when the application relates to a journalist's criminal activity. This amendment recognizes that it should not be more difficult for police to obtain a warrant against a journalist if that journalist is engaged in criminal activity.

I believe that these targeted but important amendments are perfectly in keeping with the spirit and important objectives of Bill S-231. I hope that all members support this bill, as amended, with bipartisan support, by the Standing Committee on Public Safety and National Security.

• (1755)

[*Translation*]

Ms. Christine Moore (Abitibi—Témiscamingue, NDP): Madam Speaker, I am pleased to be able to speak to this situation, because it is in the context of events that occurred in Quebec.

Last spring, Quebec media revealed that journalists had been under police surveillance, meaning that their telephone conversations had been tapped. Of course, people were shocked to learn about it. It was reported that journalist Patrick Lagacé was not the only one who had been under surveillance, and that other journalists had been under police surveillance, not just for a few weeks, but for periods of four to five years. They included journalists from *Enquête*, even Alain Gravel. This was clearly a serious situation.

Many people were shocked, and after some hesitation, the Quebec government decided to launch an inquiry into the protection of journalistic sources on November 11, 2016. Other measures were also adopted by the National Assembly of Quebec, including a unanimous motion stressing the importance it attaches to the protection of journalistic sources.

Quebec Minister of Justice Stéphanie Vallée stated:

The new disclosures are extremely serious, and as mentioned, it is essential that the public trust in its public institutions, in all institutions.

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Thus, it is important to remember the principle behind the protection of journalistic sources. It has to do with public trust in its institutions. A number of scandals have been uncovered by journalists who did a tremendous amount of investigative work, and by sources who never would have spoken up without the anonymity provided by the protection of journalistic sources. Without it, some of those stories might never have come to light.

It is really important that those kinds of things be made public, because it helps us move forward and create a healthy democracy. Without the work of journalists, there might even be more wrongdoing. Thanks to journalists, who do rigorous investigations and often get information from sources who could face serious consequences if their names ever got out, we have access to that information. Since people know that some oversight exists, perhaps this keeps them more honest in their work.

Given that the commission of inquiry is mandated to make recommendations on police practices and ways to protect sources, I think this could produce very positive results. Since the bill before us addresses only about 75% of the problem, it will be important to follow up on it, especially after what we have learned from Quebec, in order to settle things for good and address other protections that could prove necessary.

After what happened in Quebec, something needed to be done. People realized the magnitude of the problem, and since the federal government did not want to create its own commission of inquiry to protect journalistic sources, claiming that these problems did not exist at the federal level, it was important to find a solution. That is why Bill S-231 was introduced in the Senate.

● (1800)

This bill is based on another bill from 10 years ago. There was an attempt to solve this problem 10 years ago, but unfortunately, thanks to our sometimes inefficient parliamentary process, it was not successful, because bills died on the Order Paper, work stopped and started, and there were back-to-back minority governments.

Back in 2007, all political parties were unanimously in favour of taking action. Unfortunately, no action was taken. Then we learned that journalists had been spied on for years. That is terrible, but I applaud Mr. Ménard for the work he did 10 years ago to protect journalistic sources.

Bill S-231 resurrects most of the measures in Bill C-426, which was introduced 10 years ago, and it adds other measures to keep it current because new laws have been passed, so some additions were necessary to keep journalistic source protection up to date.

Let us consider the true ramifications of these revelations. In light of the revelations about the police surveillance of journalists, Canada's international ranking in terms of freedom of the press dropped 14 spots to 22nd. This had an extremely negative impact on Canada's image, a country considered to be rather free. It came to light that behind the image, the police were allowed to spy on journalistic sources.

The thing that really got me in all of this was how long it went on for. The spying did not just go on for a short period of time, for a week or two because the police thought that the journalists were in contact with certain people. The police were listening in on the

telephone conversations of renowned journalists in Canada for four or five years. They listened to all the details of the journalists' lives. It makes no sense. There was no specific time frame involved. It was truly an ongoing wiretap to try to gain some information. When we look at this mess, the first thing that comes to mind is that we should have gone further to solve this problem 10 years ago.

Now, 10 years later, it is vital that we pass the bill. It will not solve the problem in its entirety, but I estimate that it will address at least 75% of it. That is why we cannot allow parliamentary procedure to again prevent us from taking action on this problem.

It would have been good for the present government to introduce its own bill to resolve this issue. This is a members' bill. However, for the sake of Canada's public image, we can no longer afford to not act on this issue. Freedom of the press is a fundamental principle in Canada and Quebec. Our journalists deserve to know that they can do their job without being spied on with impunity. Furthermore, Quebecers and Canadians deserve to know that they are protected when they speak to a journalist, and that there will be no fallout.

With respect to employment insurance, we remember that in 2013 we learned that investigators had quotas for recovering payments from the unemployed. Had the journalist not investigated this story and had there been no guarantees to protect the source, we perhaps would never have learned about this. For that reason, it is important to protect our sources. Otherwise, people will not dare blow the whistle on such situations. When people no longer report such situations out of fear that they will not be able to remain anonymous, and when this has consequences, we stop making progress and democracy suffers.

● (1805)

Given that the protection of sources is closely linked to democracy, it is vital that we address this issue now. I hope that we will do so once and for all and that it will not take another 10 years.

[English]

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, there are a few thoughts that come to mind right away when we are debating Bill C-231, and one of those thoughts is reflecting on Arnold Chan, and some of the things he advocated for were to bring people and parties together in terms of how we can improve things if we work together. The bill going through the committee process demonstrated just that, where we were able to take a piece of legislation and improve it, with individuals from different parties working together and ultimately seeing amendments brought forward, which has improved the legislation we are debating here today.

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Freedom of the press is something we should never ever take for granted. We understand it is a fundamental pillar to good governance, to the whole issue of democracy. When I was first elected in 1988, I quickly found out the important relationship between the media and politicians. I will not go over the stories, but there were some embarrassing moments. At that time I may have had some different thoughts about the media, but I can honestly say today—with the experience I have gained over the years as a parliamentarian, whether inside the Manitoba legislature or here in the House of Commons—how important it is that we have an independent press, a press that feels it has the freedom to do what is necessary to ensure that there is a higher sense of accountability through the media on a wide variety of issues, whether it is within the political realm or any other realm on which media representatives will report.

I know when the issue first surfaced—if we were to narrow it down, and it has already been referred to—it was an incident where police officers in Quebec obtained warrants to monitor the cellphones of a fairly well known and respected journalist and a number of others. The journalist who garnered a great deal of attention was Patrick Lagacé. There was an instant reaction from coast to coast to coast that something was wrong. It did not take long for things to come together, whether it was inside the House of Commons or outside in different communities that realized this action was a serious offence against a profession that we need to ensure has a sense of independence and the ability to protect its sources.

My colleague across the way said he was a journalist for 20 years, and I am sure he speaks from experience in terms of how important those sources are. I cannot say how many times I have had a journalist come to me and ask what I would share off the record. Sometimes it is important to have those off-the-record discussions to give some depth on the issue at hand, whatever it might be. We should always be careful if we go off the record, but we find incredibly good reporters who want to be better informed and have a better sense of what is taking place behind the story.

● (1810)

Equally, when we look at some of the issues that are so critically important for the public to become aware of, the sources of information that make the public aware do need to be protected.

A vast majority of Canadians recognize the value of a free press. We should never take it for granted, and the Prime Minister makes sure that direction comes from the government through the different ministries and that direction is given in the mandate letters that are issued to the ministers. In the mandate letter issued to the Minister of Justice, the Prime Minister tasked the minister with ensuring that the rights of Canadians are protected and that the guarantees set out in the Canadian Charter of Rights and Freedoms are respected. The minister recognizes that freedom of the press is fundamental, that it is a Canadian value as stated in the charter. Moreover, in the spring of this year, during question period here in the House, the Prime Minister himself made a fairly clear statement indicating that the government strongly believes in the protection of journalistic sources. It should surprise no one that our government understands the importance of this issue.

We saw good work done by the standing committee. It reflected on the previous debate, reviewed some of the incidents that have occurred, including the one that I cited earlier, and came up with ways to improve the system. That is the way I look at Bill S-231.

I applaud the actions of those individuals whom I have named and the many whom I have not named, because as I have indicated, we should never take those fundamental issues for granted. We do need to stand guard and protect our democracy, our free press, those fundamental pillars that ultimately made Canada the great country that it is.

Journalism and the way the media reports events have greatly changed. I make reference to the days when I was first elected. I can remember sitting in the Manitoba legislature and looking into the press gallery, where I could see representatives from all the different mainstream media. There were three reporters from the *Winnipeg Free Press* and two from the CBC. CTV had a reporter there. Even Global had a permanent reporter there. There was also a reporter from the *Winnipeg Sun*. Other media outlets were also there. Back then there was no blogging, no Internet, and no social media.

I appreciate the member's discussion about what a lot of people question: what is a journalist? Today, with issues like fake news and so forth, there is a great deal of concern about that. I appreciate the member across the way recognizing that. We recognize that journalism is an honourable profession in this legislation, a profession with high standards, a profession that is the main source of income for its practitioners. To me it is also important for a journalist to be employed by a main media outlet. These are important things. We need to recognize that there is a difference between *CTV National News* and Joe Blow on some blog claiming to be a journalist.

I appreciate the debate that we have had here today and I look forward to an ongoing debate on the issue.

● (1815)

Ms. Filomena Tassi (Hamilton West—Ancaster—Dundas, Lib.): Madam Speaker, I am pleased to rise this evening to speak to Bill S-231 to protect the confidentiality of journalist sources. I wish to commend the member for Louis-Saint-Laurent, who I know is very passionate about this. It was good to see that he had the opportunity to speak today and to express his passion.

Freedom of the press is a fundamental Canadian value that is protected by the charter. Our government supports this and will defend charter rights. We know that journalists play a key role in ensuring that Canada remains a free and democratic society. Therefore, as my colleagues have said, we will be supporting the bill with the amendments made at committee.

The bill would protect journalists and their sources. That is the distinguishing factor here. We know journalists are protected under section 2(b) of the charter. However, case law has demonstrated that their sources are not protected. That is part of the reason why the need for this has come forward.

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It is important to protect the sources of journalists for a number of reasons, the main one being that it enables us to get closer to the truth. We know journalists have sources who are reliable and who would hesitate to come forward if they knew their names would be disclosed. It is important to know that is not sneaky or inappropriate. We have to recognize that certain risks and costs that are taken are not fair and that people are coming forward in the interests of truth. They need to have that assurance.

I relate this to my own life because I, unlike the member, I am not a journalist and have never taken on that role. However, I was a chaplain in a high school and had students come to see me. Over the years, we formed beautiful relationships of trust, friendship, and those sorts of things. If there were any issues or anything that students thought needed attention, they could come to me. The importance for them when they were going to share certain things with me was that it would be in the interest of the community. They would tell me things like a fight was going to break out after school and that it would happen in the park a half mile away. However, they would only tell me that if I promised I would not say where my source came from. Was what they were telling me important? Absolutely. Did I then notify the authorities so the police would be there and there would not be a brutal fight? That is exactly what I did. Did it prevent that fight from happening? Yes.

There are many other examples. Some of these examples were very serious, such as mental health issues, where self-harm was happening. Students would come to me in the interest of protecting another student, in the interest of saving that other student's life. However, they would tell me that I could not reveal where I got the information. I could give them that assurance, and I could follow up and reach out. At the end of the day, justice was served and help was offered. It was a good thing because I had that right.

The goal of journalists is a bit different, but they are after truth and they want accountability. They want Canadians to be informed. This is very important for a free and democratic society. We want Canadians to be informed as well. We, as a government, want to be accountable. For those constituents who have said that they want members to make a difference, to be honest, and they want to be able to trust us, that is exactly what I want to deliver. I want to restore their faith. That is why I am here today.

We, as a government, want to ensure that journalists get the information they need in order to keep us accountable. We want to be held to account. If an investigation is required, we want to ensure we have the information to lead us to that investigation. We do not want that information to be held back. At the end of the day, we know all Canadians will benefit from it.

● (1820)

The bill does many things, but what I want to focus on next is the test that is used. The common law would apply in a situation where we are talking about journalist source confidentiality privilege. The common law uses the Wigmore test. That test has four criteria: one, the communications must originate in a confidence that they will not be disclosed; two, this element of confidentiality must be essential to the full and satisfactory maintenance of the relationship between the parties; three, the relationship must be one that in the opinion of the community ought to be diligently, deliberately, and consciously

fostered; and, four, the public interest served by protecting the identity of the source in this particular case must outweigh that of the public interest in getting the truth.

Bill S-231 codifies and simplifies that legislation so that we are not involved in conflicts and wondering what test to use. The test here is simple: the administration of justice outweighs the public interest in preserving confidentiality. It is simplified and codified so that we do not have to go back to the Wigmore test.

This also applies to warrants. The bill includes conditions that allow any material seized by a warrant to be held until a decision is made. This ability to build conditions into a warrant is important because the warrant can be issued and the conditions can be set.

The other thing I would like to talk about, which is very important and very different, is that the burden of proof now shifts to the person who wants the information disclosed. I know that journalists will appreciate and value that very much.

At the end of the day, the bill puts in place a robust and unprecedented protection of journalists' sources by clarifying the test, by preventing conflict of interest law issues, and by ensuring that new safeguards will only apply in appropriate places. I am pleased about this change for journalists. I want to encourage journalists and impress upon them today how important we, as representatives, as members of Parliament, believe their job is. They are doing a very important job. We want to help them do their job well. We think this legislation will help them do that.

The Assistant Deputy Speaker (Mrs. Carol Hughes): Resuming debate. Before I acknowledge the next speaker, I want to advise him that he will unfortunately not be able to complete his full allotment.

The hon. member for Newmarket—Aurora.

● (1825)

Mr. Kyle Peterson (Newmarket—Aurora, Lib.): Madam Speaker, it is an honour to rise today to speak again on Bill S-231. I recall that the last time I spoke in the House, I think at second reading in May, my time was also truncated. Perhaps I will be able to say what I need to say in the short period of time we have.

This bill came to the House by way of its sponsorship by my good friend from Louis-Saint-Laurent in the other place. It is being debated here in the last few minutes of private members' business on our second day back after we have been in our constituencies for the summer. These facts should not belie the importance of this bill. This is a fundamental bill. This will fundamentally underline what we see as important to Canadians and as Canadians.

Fundamentally, this bill is about democracy. It has been said that democracy is the worst government, except for all of the other types. We need to hold what we have dear. We must cherish our democracy. Our democracy is not going to remain strong and robust if the good people in this place and throughout Canada stand idly by. Democracy, like all that we love and cherish, must always be nourished. It must always be improved. At its essence, this bill would improve our democracy.

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[English]

Why is that so? It is for many reasons, but let me take the brief time I have to elaborate on one or two of them. I believe it was the British member of Parliament Lord Macaulay who first said that the media is the fourth pillar of democracy, after the executive, Parliament, and the judiciary. The media plays just as important a role. None of us here today would imagine that democracy could exist without Parliament. None of us here today could possibly fathom democracy without an effective judiciary. None of us here would even dare to dream of government or democracy existing without an executive answerable to Parliament.

I suggest that a robust media is as important as these other three branches of government. Without the protection of journalists and journalistic sources, there can be no free media. Make no mistake about it, that is how democracies die in this world: it is when journalists cannot do their job, cannot speak truth to the people who send us here, are afraid of the state, or fear for their safety and that of their families. This is what we are talking about here. We need to make no mistake about this.

Bill S-231, in its essence, is at the foundation of democracy. I urge every member to support it. It is a fantastic piece of legislation. It has been amended in committee. This is what we need to support. This bill highlights where democracy, the law, and journalism meet, all of which are important and fundamental principles of our free society.

Professionally, I am a lawyer, and I am entitled to privileges. Lawyer-client privilege is one of the most sacred tenets of our law. I could not possibly have done my job as a lawyer without my client having the full and utmost confidence in knowing that whatever they said to me, I could never tell another soul. That fosters truth. That is how people can be confident in this system and how they can be free to say what they need to say.

As a lawyer, I do not think that this privilege is any more important than the same privilege a journalist has when they are speaking to their sources. How will the wrongs of the world be righted if good people do not have other people to speak to and explain the wrongs? Those journalists take those stories of woe, corruption, and fraud and bring them to the people. Without journalism, these stories do not see the light of day. Not only will these stories or the people who want to tell the stories potentially die, but I also suggest that democracy itself will die.

• (1830)

I for one will not stand by and let democracy die. I urge all members to support Bill S-231.

[Translation]

The Assistant Deputy Speaker (Mrs. Carol Hughes): The time provided for the consideration of private members' business has now expired, and the order is dropped to the bottom of the order of precedence on the Order Paper.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

SOCIAL DEVELOPMENT

Ms. Sheila Malcolmson (Nanaimo—Ladysmith, NDP): Madam Speaker, I am following up on a discussion with the minister upon the announcement, with great pride, of the new parental leave provisions. My question, at least six months ago now, was when is the government going to implement legislative measures that would actually help women and families on the ground. This was a measure that appeared to be targeted more at wealthy parents needing extra parental leave. It was a disappointment that it did not actually put more money in the pockets of young families.

Today, I tabled an interim report arising from evidence we have been hearing throughout this year at the status of women committee on the imperative to close the legislative gap, for the federal government to do everything it can to remove barriers to women's economic success and bring economic justice for women.

We heard a lot of testimony at the committee that described a cycle that young families get into, and young women in particular. Not being able to find affordable child care, a family will have to make a decision about which parent will drop out of the workforce to accommodate that new family pressure, and because we still do not have federal pay equity legislation, it tends to be the female parent who is the one who earns the lower wage. Plus, women traditionally continue to do a disproportionate share of unpaid care. Therefore, it is the woman who drops out of the workforce, generally. When she re-enters the workforce, she is more likely to take on part-time and precarious work, for which there is no social safety net around employment insurance. We still do not have employment insurance that is designed for the shorter periods of work that part-time positions have. We certainly know in Canada, with the loss of good manufacturing jobs and full-time positions, there has been a real movement toward short-term contracts and precarious work. It particularly affects young women and young people generally.

Then we see later in life that, because they have been lower wage earners throughout their careers, women are more likely to retire with fewer savings. Especially if their marriage ends, they are particularly vulnerable to potentially retiring in poverty.

This is illustrated in my own riding. I heard this summer that at the Samaritan House, which is run by a wonderful group doing very hard work in Nanaimo, 50% of the homeless women at their shelter are now over the age of 50. These homeless shelters are designed around bunk beds. The women cannot climb into them.

In my own family, my sister Claire had to leave Toronto because, for her and her husband, child care was more expensive than their rent. We have heard these stories again and again.

I ask again to the government: what is it going to do with its legislative power in the House to remove those barriers to women's economic prosperity? If you are really a feminist government, please walk the talk.

The Assistant Deputy Speaker (Mrs. Carol Hughes): I just want to remind the member that the questions are to be addressed to the Chair and not directly to the government.

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The hon. Parliamentary Secretary to the Minister of Innovation, Science and Economic Development.

[*Translation*]

Mr. David Lametti (Parliamentary Secretary to the Minister of Innovation, Science and Economic Development, Lib.): Madam Speaker, I would like to thank my hon. colleague for her question. My colleague claims that our government is not keeping its word and does not support Canadian families. With all due respect to my colleague, she is wrong. Since we came into power, we have taken steps to make all programs more flexible and inclusive, including the employment insurance regime. I would like to say a few words about the improvements we have made to employment insurance.

Budget 2017 proposed to amend the Employment Insurance Act to make EI parental benefits more flexible. Parents will now be able to choose between two options. They can either receive EI parental benefits over a period of up to 12 months at the existing benefit rate, which is equivalent to 55% of their average weekly earnings, or they can receive those benefits over an extended period of up to 18 months at a lower benefit rate, which would be 33% of their average weekly earnings.

However, parents are free to continue sharing these benefits. In addition, pregnant women can claim maternity benefits up to 12 weeks before their due date. This is expanded from the current standard of eight weeks.

Budget 2017 provides for more inclusive benefits for family caregivers. In fact, a new employment insurance benefit will be offered to eligible Canadians for a maximum of 15 weeks so that they can provide care and support to an adult family member who is seriously ill. This is an add-on to the existing compassionate care benefit that is offered to people who are caring for a family member who is critically ill and whose life is at risk.

The most important thing to mention in this debate is that Canadians themselves inspired these improvements. Last year, our government held consultations with Canadians and we organized roundtables with stakeholders. We found out their opinions on how to offer more flexible EI maternity and parental benefits under the Canada Labour Code, as well as how to make benefits and leave more inclusive for family caregivers. We listened to what Canadians had to say and we did what they asked us to. That is the way we do things. We made people our priority.

It is also important to point out that the Canada child benefit, which has been in place for the past year, is the most important program of its generation. Thanks to this measure, nine out of ten Canadian families are now receiving better financial assistance. There is no doubt that, in addition to supporting Canadian families, we are also building a stronger middle class.

● (1835)

[*English*]

Ms. Sheila Malcolmson: Madam Speaker, I suggest that the extended parental leave provisions would have had more of an impact on Canadian families, and Canadian women in particular, if the Liberals had added more money into the fund. In this case,

people are now allowed to have parental leave living on just one-third of their salary. It really only benefits the wealthiest Canadians.

I also draw the minister's attention to a lot of the testimony we had from a huge range of witnesses at the status of women committee, that reiterated again and again that the EI system, because it is based on the number of hours worked, is discriminatory to women who work on a shorter-term basis. Again, we call on the government to implement a true feminist agenda by legislating pay equity; by making affordable child care universal so that when people get the child tax benefit they have somewhere to spend it; and to introduce the promised legislation to allow domestic violence leave for women in the workforce. We need to legislate to show that we care.

[*Translation*]

Mr. David Lametti: Madam Speaker, we are keeping our promises to help all Canadian families. In budget 2017, we announced a suite of measures to help the middle class and those working hard to join it.

For example, budget 2017 would make maternity and parental employment insurance benefits more flexible and family caregiver benefits more inclusive. We know that expanding employment insurance benefits alone is not enough to improve the lives of Canadians. That is why we are also investing in social infrastructure and putting more money into the pockets of Canadian families through the Canada child benefit.

We are improving the lives of all Canadian families.

● (1840)

[*English*]

PUBLIC SAFETY

Mr. Brian Masse (Windsor West, NDP): Madam Speaker, I rise again in the House to talk about the sale of Norsat, a Canadian-owned company, to Hytera, a Chinese company. This sale has created not only many concerns related to foreign control and ownership but also sensitivities on national security and with Canadian investments, those being tax credits and other types of investments to grow Canadian technological industries. It is important to note that these subsidies should be bearing fruit as jobs and innovation in Canada. For that to be plucked by a Chinese firm is an issue in itself, but more importantly, two former directors of the Canadian Security Intelligence Service, Richard Fadden and Ward Elcock, have said that the transactions should have been subjected to a full-scale security review, which the government did not do. It is very disconcerting.

Adjournment Proceedings

It is important to note what this Canadian company does. Norsat provides communications solutions and provision of services for government organizations, military, transportation, resources, marine industry companies, news organizations, public safety, search and rescue operators, and others. Basically, it has two main segments, Sinclair Technologies and satellite communications. This is important, because it was purchased by Hytera, a Chinese state company, which now has control over these advancements and technologies.

The U.S. has expressed concern with regard to this takeover. I would add that what has happened in the meantime is that we can only see the challenges faced by the use of this technology and these services, and then there is the lack of leverage we now have with regard to issues of international developments. It is quite obvious that the United States is concerned with regard to China's relationship with North Korea. We have those concerns as well, and we do know now that Canadian technology has again gone to a state-owned enterprise, with the Chinese government having connections with its companies. Being a Communist nation, it certainly has control over some of the industrial development there.

It is important to note that this subject has been raised before. Interestingly enough, I raised these concerns and worked hard for a number of years to get a security review of these kinds of transactions through a national security lens. The government failed to do so in this case, although it had been suggested by many people within the industry itself and experts in the field. This issue was opened up when we launched a campaign in the past when Chinese investors and other non-democratic governments were purchasing Canadian companies.

The sale of Norsat to Hytera was interesting in the sense that while it was going on, the Conservatives rejected it, but the Liberals opened the doors for it. Also, with Motorola in the United States, there were hearings about a number of different patent infringements that took place.

Therefore, my question for the government is this: why would we want to allow Canadian companies to basically be usurped in this way without full security reviews?

[*Translation*]

Mr. David Lametti (Parliamentary Secretary to the Minister of Innovation, Science and Economic Development, Lib.): Madam Speaker, I thank my hon. colleague for his question and his work with the Standing Committee on Industry, Science and Technology, where we work well together. I am pleased to respond to the member for Windsor West's remarks about how the Investment Canada Act and national security intersect.

I would like to begin by emphasizing that foreign direct investment plays a major positive role in the Canadian economy by contributing to research development, boosting productivity, and creating better-paying jobs for Canadians. Foreign direct investment and trade go hand in hand and link Canada into global value chains. Canada is and must continue to be open to foreign investment that helps create long-term jobs for Canadians.

However, we will not jeopardize national security for any investment. The Investment Canada Act plays an important role in protecting Canadians from threats to national security. The act allows

the government to examine investments made in Canada by foreign investors to limit the potential harm to national security.

This government's practice is clear and coherent. Last year, we published guidelines to ensure transparency in how we enforce the act. All foreign investments, regardless of value and investor, are subject to review in order to identify any possible concerns related to national security. This rigorous review involves several steps and is conducted by, and in consultation with, the government's national security agencies, including Public Safety Canada, the Royal Canadian Mounted Police, or RCMP, the Canadian Security Intelligence Service, as well as the Communications Security Establishment of Canada.

I can assure all Canadians that this government is taking its mandate very seriously, which is to protect national security. The hon. member for Windsor West raised the issue of a recent review of national security that received media coverage. The act limits the level of detail that can be disclosed on specific issues, and these limits are important to prevent causing commercial harm to Canadian companies and unduly compromising national security.

However, I can address this generally. Let's make something clear: this government has not cancelled a previous cabinet order. After more than a year of pending litigation challenging the legality of the previous order which, had it been overturned by the court, would have left no measures in place to protect national security, this government has consented to a court order allowing it to conduct another review in accordance with the act. The new review was conducted in collaboration with security agencies...

• (1845)

The Assistant Deputy Speaker (Mrs. Carol Hughes): Order.

The hon. member for Windsor West.

[*English*]

Mr. Brian Masse: Madam Speaker, the parliamentary secretary is battling a cold, so I appreciate him spending time here this evening for this debate, which is very important.

I would like to highlight a couple of important points. It seems odd, in a country like ours, that we are concerned about the court system looking at national security protection for Canadians and jobs against a non-democratic government. It is important that we look through that lens. The concerns I raised were part of the U.S.-China Economic and Security Review Commission, which raised this in Washington. As well, at the time, security officials recommended against the takeover, saying the technology transfer would give China access to advanced military laser technology and would diminish Canadian allied military advantages.

My concern is that once it is out the door with China, its relationship with other countries like North Korea is something we cannot control. That technology should be under control.

*Adjournment Proceedings**[Translation]*

Mr. David Lametti: Madam Speaker, as I already mentioned, because of the confidentiality provisions of the Investment Canada Act, I cannot comment in detail on specific cases. However, Canadians can rest assured that, under the act, foreign investments are subject to a rigorous national security due diligence process. The multi-step process for national security reviews is clearly set out in the law, and the government follows the law in all cases. This government welcomes foreign investment for the benefits it brings to the Canadian economy, including the opportunities it provides for Canadian businesses to compete in world markets.

● (1850)

[English]

The Assistant Deputy Speaker (Mrs. Carol Hughes): The motion that the House do now adjourn is 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 6:50 p.m.)

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