

House of Commons Rises for Summer

On June 20, the House of Commons rose for its traditional summer recess after weeks of rancorous behaviour among all political parties. Many believe the most useful segment of this session of Parliament has



passed. In recent days, political gamesmanship reduced the effectiveness of parliamentary committees and the tenor of debate in the House was decidedly unproductive. With Parliament not scheduled to resume until September 17, Government and opposition MPs will focus on constituency work over the summer months.

The Conservative Government seems to have little in the way of a formal legislative agenda to pursue.

Speculation abounds that the current session of Parliament may be cut short by prorogation later in the summer and a new session of Parliament, with a new set of government priorities delivered in a Throne Speech, will begin sometime in the fall.

Prorogation is a provision the government can use to end a session of Parliament. Like the summoning and dissolution of Parliament, prorogation is a prerogative act of the Crown, taken on the advice of the Prime Minister. The principal effect of ending a session by prorogation is to terminate parliamentary business. Members are released from their parliamentary duties until Parliament is next summoned. All unfinished business is dropped from or “dies” on the *Order Paper* and all committees lose their power to transact business, providing a fresh start for the next session. No committee can sit during a prorogation.

Bills which have not received Royal Assent before prorogation are terminated and, in order to be proceeded with in the new session, must be reintroduced as if they

had never existed. Governments use prorogation as a tool to refresh or “start again” without calling an election. Whether the Conservative Government prorogues or not, it must consider how to balance setting a new agenda for the fall with the uncertain tenure of a minority Parliament.

With several provincial elections on the horizon, the likelihood of a federal election before 2008 is low. Already, 2007 has been a busy year for provincial elections. Quebec, Manitoba and PEI have recently held their votes. Ontario is set to go to the polls on October 10; Saskatchewan, Alberta, Newfoundland and Labrador, and Northwest Territories each may be headed for fall elections. A provincial election in Nova Scotia will not likely take place until 2008; BC and New Brunswick will not face a vote until 2009.

A recent development which may act to stabilize the current minority Parliament is the passage of Bill C-16 (fixed election dates). In May, Parliament passed the Bill which fixes federal election dates every four years. The legislation sets October 19, 2009 as the date for the next federal election.

Opposition parties will continue to have the ability to force an earlier

Seats by Political Party	
Conservatives	124
Liberals	98
Bloc Québécois	49
New Democratic Party	29
Independent	4
Vacant	4
Total	308

election by defeating the minority Government in a confidence vote, but, given the fixed election date the Prime Minister is constrained in his ability to pull the plug on his own government because conditions appear favorable for the Conservative Party.

With public opinion polls continuing to indicate that no political party has the support to form a majority government, opposition parties are unlikely to unite in defeating the government in the foreseeable future.

Canadian Central Appears Before House Finance Committee on ATM Fees

On April 19, Canadian Central President and CEO, David Phillips, appeared before the House of Commons Standing Committee on Finance as part of the Committee's study on ATM fees and electronic bill payments.

Mr. Phillips, who appeared on a panel comprised largely of representatives from the large banks, highlighted two key points of contrast between credit unions and the banks on the subject of ATM fees: the existence of surcharge-free, inter-credit union networks in the credit union system; and the manner in which credit unions set fees locally. On a point of agreement with the large banks, Mr. Phillips did make clear to MPs that Canadian Central sees no apparent public benefit from the regulation of ATM fees.

During the last hearing on the issue on May 8, NDP MP Judy Wasylycia-Leis put forward a motion, *“That the Standing Committee on Finance formally request Canada’s chartered banks to provide it with specific information clearly outlining the costs incurred and fees charged on a per transaction basis for automated banking machine transfers.”* That motion was defeated by the Committee.

No further hearings on the ATM fee issue have been scheduled and the Committee has yet to release its report. Full transcripts of all testimony may be viewed at: <http://cmte.parl.gc.ca/cmte/CommitteeList.aspx?Lang=1&PARLSES=391&JNT=0&SELID=e21 &COM=10479>

Bill C-37 Receives Royal Assent, Comes Into Force

On March 29, Bill C-37, *an Act to amend the law governing financial institutions and to provide for related and consequential matters*, received Royal Assent in the Senate. The Bill passed through Parliament without significant amendment. On April 20, a number of legislative measures in the Bill came into force including measures to:

- make it easier for credit unions to establish retail associations under the Cooperative Credit Associations Act;
- reduce the cost of mortgages for some borrowers from federally-regulated financial institutions by lowering the down payment some consumers must make before mortgage insurance is required by law;
- provide an enabling framework for electronic cheque imaging;
- provide timely disclosure online and in federally regulated financial institution branches for subjects such as complaint-handling procedures;

The implementation of the new CDIC opt-out regime for retail associations incorporated under the Cooperative Credit Associations Act will require the development of regulations over the next few months.

Canadian Central will keep members up-to-date on the implementation of this provision.

Canadian Central Participates in Competition Bureau Consultation on Merger Review Fees

On June 12 in Toronto, Canadian Central participated in a one day stakeholder consultation on mergers hosted by the Competition Bureau. The consultation provided Canadian Central with another opportunity to present the credit union system’s longstanding concern with the Bureau’s flat \$50,000 fee for reviewing mergers between credit unions.

During the consultation, representatives of the Bureau and other attendees indicated they understood the nature of credit union concerns with the flat fee. In fact, the Bureau indicated that it was considering the possibility of amending the *Competition Act* to make Bureau fees less onerous in situations where large organizations (e.g. a large credit union) amalgamates with a small entity (e.g. a credit union with minimal assets). However, at this time, the Bureau has yet to indicate whether such a proposed amendment would meet with federal government approval or when such an amendment would be introduced in Parliament. Canadian Central will conduct further discussions with the Bureau in regard to this possible amendment.

The stakeholder consultation followed a May 16 meeting between Canadian Central and the Commissioner of Competition, Sheridan Scott in Ottawa to discuss the flat merger review fee.

Senate Hearings on Rural Poverty

On April 26, Canadian Central’s Agriculture Sub-Committee Chair, Pam Skotnitsky of SaskCentral, appeared before the Standing Senate Committee on Agriculture and Forestry on its study on rural poverty in Canada. Ms. Skotnitsky appeared on a panel along with Canadian Co-operative Association.

Ms. Skotnitsky discussed the role of Saskatchewan credit unions in the life of rural Canadians and how they serve as important tools in helping stop the spiral of rural decline and rural poverty. Specifically, credit unions are direct participants in the development of a vibrant, value-added agricultural sector by promoting government programs delivered through initiatives, such as the Farm Improvement and Marketing Co-operative Loans Act.

Ms. Skotnitsky’s presentation may be viewed at: http://www.parl.gc.ca/39/1/parlbus/commbus/senate/Com-e/agri-e/23cv-e.htm?Language=E&Parl=39&Ses=1&comm_id=2

“Tackling the Environmental Challenge” Luncheon

On May 16, Canadian Central, along with Canadian Co-operative Association, Conseil Canadien de la Co-opération, and Desjardins co-hosted a luncheon for MPs, Senators and senior departmental officials regarding financial co-operatives and the environment. Outgoing Vancity CEO Dave Mowat and Desjardins Secretary General Pauline D’Amboise made presentations on their organizations’ respective efforts to effect positive change through the development of business practices and products which sustain our environment and prevent further climate change. The event was well attended, highlighted by several questions from participants such as NDP Environment Critic, Nathan Cullen, M.P. following the presentations.

The scheduled guest speaker for the fall’s discussion series luncheon is Mountain Equipment Co-op CEO, Peter Robinson. Details of this event will follow.

Credit Union Stabilization Funds Meet in Ottawa

A meeting of credit union and caisse populaire stabilization funds and regulators took place in Ottawa on June 14 and 15. Representatives from the Bank of Canada, CMHC, Canadian Central, BC Central, CPA, CDIC, OSFI and FCAC made presentations on subjects such as economic forecasts, the real estate market, prepaid debit cards, white label ATMs, and the BC-Alberta free trade agreement.

These periodic meetings bring together a distinctive group of credit union and caisse populaire deposit insurers, provincial and federal regulators, and other federal officials to discuss a wide range of subjects of relevance to the credit union system.

Dates of Interest Ahead

June 28 - Deadline for comments on OSFI draft guideline (E-17) on "Assessments of Responsible Persons by FREs" (Federally Regulated Entities)

July 3 - Canadian Central to Meet with Minister of Human Resources and Social Development in Ottawa

August 15 – Deadline for submissions to Consumer Measures Committee (Industry Canada) Consultation on Credit Reporting Harmonization

Status of Government Business (as of June 25, 2007)

House of Commons

C-6	Aviation Safety Bill (report)
C-7	Military Justice Bill (2 nd reading)
C-12	Emergency Management Bill (2 nd reading)
C-20	Airports and Transportation Appeal Tribunal Bill (2 nd reading)
C-21	Firearms Centre and Gun Registry Bill (2 nd reading)
C-27	Repeat Offenders Bill (committee)
C-29	Air Canada Public Participation Act (2 nd reading)
C-30	Clean Air Act (report)
C-31	Voter Identification Bill (concurrence of Senate amendments)
C-32	Impaired Driving Bill (committee)
C-33	Income Tax Bill (committee)
C-41	Competition Act (2 nd reading)
C-43	Senate Elections Bill (2 nd reading)
C-44	First Nations Human Rights Bill (committee)
C-45	Seacoast and Inland Fisheries Sustainable Development Bill (2 nd reading)
C-53	Investment Disputes Between States and Nationals of Other States Convention Bill (committee)
C-54	Loan Accountability Bill (committee)
C-55	Extra Advanced Voting Days Bill (committee)
C-56	Expanding House Seats Bill (2 nd reading)
C-57	Foreign Nationals Working in Canada Bill (committee)
C-58	Railway Transportation Bill (committee)
C-64	Pilotage Act (1st reading)

Senate

S-4	Senate Tenure Bill (committee)
C-10	Minimum Sentences for Firearms Crimes Bill (2 nd reading)
C-14	Adoption Bill (3 rd reading)
C-18	DNA identification Bill (3 rd reading)
C-22	Age of Sexual Protection Bill (committee)
C-23	Criminal Procedure Bill (2 nd reading)
C-26	Pay Day Loans Bill (report)
C-35	Reverse Onus Bail Hearings Bill (2 nd reading)
C-42	Amending the Quarantine Act (committee)
C-47	2010 Olympic Games Trademark Bill (3 rd reading)
C-51	Nunavik Inuit Land Claims Agreement Bill (committee)
C-52	Budget Implementation Bill (report)
C-59	Unauthorized Recording of a Movie Bill (report)
C-60	Main Estimates (3 rd reading)
C-61	Red Cross Society Trademark Bill (3 rd reading)
C-62	Wage Earner protection Program Bill (2 nd reading)

Adopted/Royal Assent

C-2	Federal Accountability Act
S-2	Hazardous Materials Information Review Act
C-3	International Bridges and Tunnels Bill
S-3	Military Sex Offenders Bill
C-4	Elections Canada Act Mandatory Review
C-5	Public Health Agency of Canada Bill
S-5	Tax Conventions Implementation Act
S-6	First Nations Land Management Act
C-8	Money for the Public Service of Canada
C-9	Conditional Sentencing Bill
C-11	Transportation and Railway Safety Act
C-13	Budget Implementation Bill
C-15	Agricultural Marketing Programs Act
C-16	Fixed Election Date Bill
C-17	Judges' Salary and benefits Bill
C-19	Street Racing Bill
C-24	Softwood Lumber Bill
C-25	Proceeds of Crime and Terrorist Financing Act Bill
C-28	Second Budget Implementation Act
C-37	Financial Institutions Bill
C-34	First Nations Education in B.C. Bill
C-38	Supplementary Estimates Implementation Bill
C-39	Second Supplementary Estimates Implementation Bill
C-40	Air Travellers Security Charge Act
C-46	Railway Back to Work Bill
C-48	UN Anti-Corruption Bill
C-49	2006-2007 Supplementary Estimates Bill
C-50	2007-2008 Main Estimates Bill