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Monday, June 6, 2016

Speaker: The Honourable Geoff Regan

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HOUSE OF COMMONS

Monday, June 6, 2016

The House met at 11 a.m.

Prayer

PRIVATE MEMBERS' BUSINESS

• (1105)
[English]

ABANDONED VESSELS

Mrs. Bernadette Jordan (South Shore—St. Margarets, Lib.) moved:

That, in the opinion of the House, the government should: (a) take meaningful steps to address the issue of abandoned and derelict vessels within six months of this motion being adopted by the House; (b) recognize the requirement for the prohibition against the abandonment of a vessel through potential amendments to any relevant legislation; (c) incorporate an educational component within the government's strategy to address the issue of abandoned vessels in order to inform vessel owners on the risks and consequences of vessel abandonment; (d) improve vessel owner identification by considering ratifying the International Maritime Organization's International Convention on the Removal of Wrecks, 2007, and by considering widening the scope of the Canadian Register of Vessels; and (e) create a mechanism for government to assist in the removal of an abandoned vessel where its presence creates an economic burden for a community.

She said: Mr. Speaker, to start, I would like to thank my colleague, the hon. member for Châteauguay—Lacolle, for seconding the motion. I look forward to hearing her perspective on this issue later on.

I certainly do not need to make much of an argument to the residents of South Shore—St. Margarets about why the issue of abandoned and derelict vessels is so important. Indeed, many of my hon. colleagues, and certainly stakeholders in our communities, share my 400-tonne vessel-sized headache, which just does not seem to go away with Advil.

However, for many of my colleagues here, and Canadians who may not be familiar, I would like to paint a quick picture of the problems with abandoned and derelict vessels, why the House should call on the government to take a leadership role on this issue, and what I think makes the most sense in moving forward. I look forward to the debate and the discussions to follow.

Finally, I will be asking for my colleagues support on passing this motion in the House.

Our coastlines and waterways support us and our livelihoods in so many ways. We rely on them for food, resources, jobs, economic

return, tourism, recreation, and finding a sense of peace and home. As well, as with any asset, people do their best to manage it in a sustainable way. Large abandoned and derelict vessels affect the ability of our coastal communities to support these important activities.

Abandoned or derelict vessels can also be a navigational or environmental hazard, putting our marine environment and people's safety at risk. While some reactive mechanisms are currently in place to deal with these cases, we can do much more in terms of prevention.

Also, there is a huge financial and social cost. Municipalities and port operators have been burdened with significant challenges due to the presence of such vessels, including the inability to sell land, expenses related to monitoring and inspecting of the vessel or the site, lost revenue from docking fees, lost revenue from their hindrance on tourism activities, and, as well, public outcry.

Currently, this is a burden that falls completely on those who have the misfortune of owning a property on which a vessel is abandoned. As the mayor of Shelburne, Nova Scotia recently said, "We didn't ask for it, we didn't want it; [but now] we have it".

To illustrate this, between 2011 and 2015, the Government of Nova Scotia spent over \$12 million to remove the *MV Miner*, an abandoned vessel it did not own, from a provincially protected area. Our lack of legislation was abused, and an incredibly expensive bill was footed by taxpayers. That was \$12 million that could have been spent on education, health care, or roads. Instead, because of a lack of legislation, it was left to the taxpayer to pick up the bill.

If our federal government can in a responsible way help to lighten some of that load, we should. We can and should create mechanisms through which taxpayers are not left footing the bill at the end of the day, by making sure that there are strong incentives to safe and responsible vessel ownership, and penalties to those who violate these regimes.

The responsibility for an abandoned and derelict vessel has been batted around for years among all levels of government, but now is the time for the federal government to step up and take a leadership role. While this is certainly not a new problem, it has consistently proven to be an incredibly challenging one. Many people in coastal regions across Canada understand it too well.

Private Members' Business

To address this problem in a comprehensive way, we need cooperation and input among all levels of government and among different departments at the federal level. We need to harness the knowledge and experience of port owners and operators, municipalities, and other stakeholders, who know the challenges well. We need to make sure that experts, research, and evidence are leading the development of this framework.

Simply put, there are no easy solutions to this issue. Nothing will make these vessels go away overnight. However, there are several steps that can be taken to make that sure this is less of a problem for our children.

• (1110)

Canada needs more tools in our tool belt to deal with abandoned and derelict vessels. To that end, I am moving Motion No. 40, which contains several different components that if enacted can help deal with this problem.

First, we need action. This not a new problem, but it has not yet been dealt with. People in coastal communities have been waiting long enough for a resolution to this issue. I have been heartened by our Minister of Transport's strong mandate for marine safety, and by the Minister of Fisheries, Oceans and the Canadian Coast Guard's commitment to environmental protection. Solving the problem of abandoned and derelict vessels is a piece of this larger puzzle. Now is the right time. I am asking the government to act within six months of this motion being adopted in the House.

Second, we need to create legislative or regulatory penalties for abandonment. Currently, the bulk of the financial burden experienced from an abandoned vessel falls on the owner of a facility or property where the vessel is located. The responsibility rests with the property owners to pursue the vessel owners in court, often to varying success and at their financial expense. We could address that by making the abandonment of a vessel an offence in legislation, and prosecution could be done by law enforcement. Simply put, we need rules with more teeth. Taxpayers have been on the hook for millions of dollars in cleanup fees. It is time to be proactive and not simply reactive.

Third, we need to ensure that vessel owners understand their responsibilities. Though the issue of abandoned and derelict vessels is well known to many vessel owners and the general public, the complex regulatory framework surrounding it is not. If changes to this framework are made as proposed in this motion, an educational component should be included to ensure that people who want to follow the rules can do so easily, as most Canadians will and do. One key problem in addressing the issue of abandoned vessels is that the owners are often unknown. The Canadian Register of Vessels only includes those vessels that are designated for commercial purposes. Many older large vessels are purchased for salvage, which is not deemed a commercial purpose, and are subsequently abandoned if a salvage operation is projected to be unprofitable. Expanding the scope of the register could be a way to improve vessel owner identification. Past Transport Canada reports have recommended that Canada sign on to the International Maritime Organization's international convention on the removal of wrecks and its accompanying actions to address this issue. By adopting this convention, owners of very large vessels that are in Canadian waters

would have to take preventative steps to ensure they have the resources available to dispose of vessels safely and responsibly.

Transport truck owners have to register and insure their vehicles. When a truck is no longer useful, an owner cannot just leave it abandoned at the side of the road for someone else to deal with. Therefore, why are we allowing people to do it with vessels? There are 59% of vessels on the large vessel register that are over 30 years old. By following the recommendations of the International Maritime Organization's international convention on the removal of wrecks, we will help ensure that these vessels do not end up abandoned down the road or, more precisely, down the river.

However, we cannot ignore the problems we have now. Transport Canada estimates that there are currently over 600 abandoned and derelict vessels across Canada. There are many communities that have current and very real economic burdens from the inadvertent presence of abandoned vessels in their harbours and on their shores. Under the current regime, the federal government can only step in if a vessel is an environmental hazard or if it is blocking a navigable waterway. Currently if an abandoned ship sinks at a wharf, the Coast Guard can go in, raise it, and clean it. However, if it sinks again, there is no responsibility for anyone to step in and help because it has been deemed clean.

• (1115)

The final component of Motion No. 40 would call on the government to widen the scope of situations in which the federal government could intervene and aid in the removal of abandoned vessels.

As I mentioned earlier, we are spending millions of dollars on cleanup and salvage. Would it not be better to deal with these vessels before they become an environmental or economic issue?

The South Shore—St. Margarets is the most beautiful coastline in the world, and I know that many of my coastal colleagues feel the same way about their communities. Is it not time for us to step up and make sure that they are protected for all to enjoy, make their living from, and get a sense of peace that only being by the water can provide? Protecting marine life and a marine way of life is something we have a responsibility to do.

I am very much looking forward to the debate on this issue and to hearing ideas, comments, and feedback from my hon. colleagues on both sides of the floor. I feel confident that with the support and insights of the House, members of Parliament, and stakeholders across the country we can address the issue of abandoned and derelict vessels in ways that suit the needs of our diverse coastal communities. This is an issue that we can truly all come together on to do what is right for coastal Canada. Our coastlines are a source of pride and economic opportunity, and our policies should safeguard them and the livelihoods of those who depend on them.

Private Members' Business

This is a great opportunity for the federal government to take leadership on what has long been a thorn in the side of coastal communities across Canada. To that end, I am asking my hon. colleagues to support Motion No. 40.

Mr. Mark Strahl (Chilliwack—Hope, CPC): Mr. Speaker, I want to ask the member for South Shore—St. Margarets why she chose to pursue this through a motion and not through legislation. Perhaps she could expand on a concern I have had with previous attempts by members to deal with this sort of issue in that the burden has been shifted to taxpayers in those proposed solutions.

I know that she spoke about that in her comments, but I would like her to expand on why she thinks it should be the vessel owners who bear the responsibility and not Canadian taxpayers.

Mrs. Bernadette Jordan: Mr. Speaker, the legislative framework is created in the motion, which is why I chose to put forward a motion.

We currently spend a great deal of money on abandoned and derelict vessels, and the cost to clean and raise them can be in the millions of dollars. Motion No. 40 asks that we use our resources more effectively so that we actually save money in the long run. It would be prudent to deal with this problem in advance so that we do not have to deal with the issue of a cleanup further down the road.

[*Translation*]

Ms. Anne Minh-Thu Quach (Salaberry—Suroît, NDP): Mr. Speaker, I thank my colleague for moving this very important motion about abandoned vessels in ridings like Salaberry—Suroît.

In Beauharnois, a ship called the *Kathryn Spirit* has gained a certain notoriety, unfortunately, because it has been in Lake Saint-Louis, a drinking water reservoir, for five years. Several departments, including Transport Canada, Environment and Climate Change Canada, and Fisheries and Oceans Canada, have been passing this hot potato around.

Like the bill introduced by my colleague from Nanaimo—Ladysmith, this motion would make a single department, such as Fisheries and Oceans Canada, responsible for this file.

How does she think this bill can help communities like Beauharnois get rid of a wreck that has been there for a long time and that may affect the quality of their drinking water reservoir?

• (1120)

[*English*]

Mrs. Bernadette Jordan: Mr. Speaker, I would like to thank my hon. colleague for her question and for her continued work on helping with the issue of abandoned and derelict vessels.

It is appropriate that we are debating this today during World Oceans Week. The environment is one of our government's top priorities. The mandate letter from the Minister of Fisheries, Oceans and the Canadian Coast Guard specifically addresses the importance of keeping our oceans safe and clean.

This motion would allow us to be proactive in dealing with abandoned vessels and would allow the federal government to take a more active role, when the need arises, to deal with issues of environmental concern.

Mr. Rodger Cuzner (Parliamentary Secretary to the Minister of Employment, Workforce Development and Labour, Lib.): Mr. Speaker, I want to thank the member for bringing this motion forward.

Shortly after she was elected, the member was seized by this issue. I represent an area that in its most recent history has seen the MV *Miner* cast upon the shores of Scaterie Island, which is a provincially protected area. The issue has revolved around the lack of federal responsibility.

Not to speak ill of a defeated member, but Olivia Chow was the transport critic at the time, and she jumped up and down and waved her hands, saying that the federal government had to clean it up. The fact was that there was no legislation. It is good to get emotional about something, but that does not really fix the situation. The rules have to be in place. I spoke to Steven Fletcher, who was the parliamentary secretary at the time. We had several discussions, but the legislation just was not there.

How does the member believe that her bill is going to address those shortcomings in what is not there now and protect those small provinces, like Nova Scotia, from having to deal with a \$12-million cleanup, like that for the MV *Miner*?

Mrs. Bernadette Jordan: Mr. Speaker, Motion No. 40 is actually about making owners more accountable.

Taxpayers should not be on the hook for large cleanup costs. Saying that the Coast Guard should be responsible for all abandoned or derelict vessels is giving the owners a “get out of jail free” card. We want to make sure that this actually is not the case.

This motion is calling on the government to put more teeth in the legislation to make sure that it is actually an offence to abandon a vessel and that there are penalties attached to that offence.

Mr. Mark Strahl (Chilliwack—Hope, CPC): Mr. Speaker, as I said previously, I would like to thank the member for South Shore—St. Margarets for bringing forward this motion.

I am pleased to rise today as the official opposition critic for fisheries, oceans, and the Canadian Coast Guard to speak in favour of Motion No. 40. I will be voting in favour of it, and I will be encouraging my colleagues in the official opposition to do the same.

Motion No. 40 proposes that the government explore legislative options prohibiting the abandonment of a vessel, suggests an educational component on responsible vessel ownership, recommends improving vessel registration, and calls upon the government to assist in the removal of abandoned vessels where its presence creates an economic burden for a community.

I know that my colleague, the member for North Okanagan—Shuswap and the deputy critic for fisheries, oceans and the Canadian Coast Guard for the official opposition, will be sharing some compelling examples of that in his speech later on in this debate.

Vessels that are abandoned by their owners pose a serious challenge to Canada's coastal communities. Abandoned vessels can pose an imminent risk of environmental damage and can interfere in navigation. Ships left to drift or rot can cause long-term environmental damage, endanger other craft on the water, and create a general eyesore.

Private Members' Business

We know that derelict vessels are a major irritant and concern for municipalities and port authorities across the country, as they do not fall under local bylaws and local authorities often lack the financial means to deal with these abandoned vessels. That is certainly true for smaller communities.

Currently, vessels are removed by the Canadian Coast Guard or Transport Canada only if there is an imminent risk of environmental damage or if they are obstructing navigation.

Back in 2012, a Transport Canada study on the issue of abandoned and derelict vessels in Canada drew a number of conclusions. It was estimated that there were 397 abandoned and derelict vessels in Canada. The removal of these vessels could range from \$1,500 to \$3,000 for small vessels to hundreds of thousands of dollars for large vessels. We certainly heard from the member for South Shore—St. Margarets that some stretch into the millions.

Abandoned and derelict vessels are an issue being addressed by a growing number of municipalities and private shoreline property owners, and their removal is costly and requires significant technical resources. It is challenging or impossible to identify owners of such vessels, and consequently municipal governments or property owners may have to deal with the issue and pay for the removal themselves. There is also a lack of coordination of the type of information that is collected across the country, and it is not possible to do a cost estimate for the removal of all known abandoned and derelict vessels.

The report recommended that an interjurisdictional working group be formed to address the issue and to provide recommendations on identified issues, including creating definitions of the terms “abandoned vessel” and “derelict vessel”; developing relevant legislative and regulatory tools and a gap analysis to identify all responsible federal, provincial, and municipal authorities; highlighting methods used to identify owners; identifying potential sources of funding to remove abandoned and derelict vessels, including short-term and long-term options; creating a central inventory; developing training, communication, and awareness material; and facilitating the sharing of information in relation to the removal of abandoned and derelict vessels.

For these reasons, the former member of Parliament for West Vancouver—Sunshine Coast—Sea to Sky Country, John Weston, introduced a private members bill in the last parliament to address a number of the issues related to derelict and abandoned vessel. Bill C-695, An Act to amend the Canada Shipping Act, 2001 (prohibition against abandonment of vessel), would have amended provisions in part 2 of the Canada Shipping Act in order to prohibit the abandonment of a vessel. Clause 1 would have added the definition of “deemed abandoned” in section 210, describing when a vessel is considered abandoned. Clause 3 would have added the offence of abandonment of a vessel, liable on summary conviction to a fine of not more than \$100,000 or imprisonment for a term of not more than one year, or both.

Bill C-695 recognized that boat owners needed to be held accountable for their own vessels, just as this motion “recognizes the requirement for the prohibition against the abandonment of a vessel”.

● (1125)

In the last election, as part of our platform, the Conservative Party promised to support the provisions of Bill C-695. We also proposed to set aside \$1 million per year, beginning in 2016-17, to cover one-third of the cost of removing priority derelict vessels.

Over the years, a number of proposals were brought before the House that would take a different path. Two nearly identical bills, Bill C-231 and Bill C-638, would have shifted the burden from vessel owners to Canadian taxpayers.

Clause 1 of Bill C-638 would have designated the Canadian Coast Guard as the receiver of wreck. Clause 2 proposed to change the discretionary power found in section 155(3) of the Canada Shipping Act into an obligation for the receiver of wreck to take measures in order to remove, dispose or destroy a wreck.

Clause 3 of the bill would have given the minister of transport and the minister of fisheries and oceans regulatory powers respecting appropriate measures the receivers of wreck must take or direct to be taken to remove, dispose of or destroy a wreck, as well as exemptions from the obligation to do so.

Clause 4 would have required the minister of transport to file a report every five years before each House of Parliament regarding the operation of part 7 of the act.

There are a number of concerns with an approach that would designate the Canadian Coast Guard the receiver of wreck. The Coast Guard is considered to be part of the Department of Fisheries and Oceans. It is not a separate legal entity and simply cannot be designated as a permanent receiver of wreck.

However, there is a larger issue here. Automatically making the Canadian Coast Guard the receiver of all wrecks regardless of the level of threat the wreck poses to the environment or navigation would divert the limit of resources of the Canadian Coast Guard from the current important work that it is doing. Scientific work, work to manage our fisheries, life-saving search and rescue work would all be compromised if we were to shift the responsibility of addressing abandoned vessels from shipowners to the Canadian Coast Guard.

Washington State has a program for derelict ship removal, a program that Transport Canada has studied. What was learned from that experience was that any remediation program that did not improve shipowner responsibility and accountability merely encouraged vessel owners to abandon unwanted vessels, relying on taxpayers to pay for the cost of disposal.

We must not shift the financial burden of derelict and abandoned vessels on to taxpayers. We must do more to ensure that vessel owners are held responsible for their property. We do need to take action, and this is a major issue in many communities in British Columbia and right across the country. The motion should be passed by the House so the work can continue on making our laws and regulations on derelict vessels more comprehensive and more stringent.

I look forward to the debate on this and encourage all members of the House to support the motion.

Private Members' Business

•(1130)

Ms. Sheila Malcolmson (Nanaimo—Ladysmith, NDP): Mr. Speaker, I stand in support of Motion No. 40. I thank my colleague for bringing it to the House.

First, the problem of abandoned vessels is urgent and there is on-the-ground harm being done, including to B.C.'s ferry fleet. Second, local governments have been passing motions like this for over a decade. Third, I will tell members about the legislation I tabled in the House in February. Finally, since the problem is urgent, I will argue that the federal response also be urgent. The New Democrats want to turn words into action.

Here is the problem. A legislation gap allows for the abandonment of vessels that are not an immediate navigational or environmental hazard. No one department is responsible to prevent these vessels from becoming a greater hazard to the environment or navigation. When communities try to take action, they get the run around.

First, I want to give some good news. I have stood in the House at least three times since the beginning of the year and have asked for help with the *Viki Lyne II*. It is a 100-foot trawler abandoned four years ago. Transport Canada towed it into Ladysmith Harbour where it has sat ever since.

It did not originate in Ladysmith. The federal government brought it in, and local governments and communities have since been asking the federal government to get it out.

Four years ago, the Coast Guard filed a report with Transport Canada and Fisheries and Oceans saying that this vessel was an imminent risk to sink and that it was full of contaminants. It recommended full removal, yet that has not happened.

However, the good news is that partly with the excellent advocacy of Ladysmith city council, St'uminus First Nation, Georgia Strait Alliance and also a very big on-water rally of residents of Ladysmith last summer, after four years of rotting in the harbour, I was delighted to tell all the local community representatives, when I was back in the riding the week before last, that I had secured an agreement from the former fisheries minister, the member of Parliament for Nunavut. He agreed that the Coast Guard would remove this vessel by August.

We are delighted. I was so glad a week today to be able to thank him in person for taking that action on behalf of Ladysmith.

That it took four years and ministerial intervention is a major problem. The federal government must understand the urgency of the abandoned vessel problem, which has spiralled out of control over the past decade. Some 400-plus abandoned vessels litter our harbours and waterways all over the country. These are end-of-life freighters, large ships, and small recreational craft.

Why are there so many right now? Fibreglass is reaching the end of its lifetime, there are more intense storms and changed weather patterns on our coasts, there are changes in the coastal fishery which have moved some boats out of commercial use, and, finally, economic hardship has resulted in the abandonment of responsible ownership by some people.

Why does it matter? Oil and solvents pose environmental risks when these vessels inevitably sink. They can harm sensitive ecosystems and threaten shellfish and aquaculture industries that provide jobs in our region. They are eyesores that blight otherwise picturesque harbours on our coasts.

Like Ladysmith Harbour in my riding, former mayor Rob Hutchins, described spending millions on waterfront beautification only to have the harbour blighted by almost 50 abandoned vessels evicted from Vancouver harbour and Nanaimo harbour. It was not Ladysmith's problem, but became its visual pollution.

This is like Shelburne, Nova Scotia, where last week the mayor applied for an arrest warrant for the owner of the abandoned vessel *Farley Mowat*, and the CAO called for the federal government to help overwhelmed municipalities like theirs with federal legislation.

Municipalities have been calling on the federal government and the province for help for years to no avail. For 12 years, I was elected to local government and we passed resolutions calling on action on abandoned vessels every year. The Union of BC Municipalities, the Association of Vancouver Island Coastal Communities, and the long-time regional district of Nanaimo chair, Joe Stanhope, all stood together, with strong advocacy and encouragement to no avail.

As chair of Islands Trust Council, three times I led delegations to the provincial government and to the responsible minister. One time, 19 local governments stood with me. Gary Holman, the New Democrat provincial MLA for Saanich—Gulf Islands, has pushed hard on this issue and it has all fallen on deaf ears. The B.C. Liberal government has not acted on this file.

•(1135)

We did get an inventory, a fact sheet, and a working group, which was good, but those actions did not remove a single vessel from our waters. These motions fell on deaf ears. This undermines the confidence the coastal communities have in senior levels of government, which is a problem. It is one of the reasons I ran for federal government. I wanted to bring legislation to the House to act on this issue once and for all.

The member of Parliament for South Shore—St. Margarets had options in front of her to either bring legislation or to bring a motion. She chose to go with a motion, and it is a good one. I will vote in support of it. Honestly, however, I have been voting on motions to fix abandoned vessels for 15 years, and the problem has only grown. It is not what people have been asking for, and it is not what the urgency of this problem requires.

Private Members' Business

By contrast, Bill C-219, the bill I introduced in February, could become a law. It would solve the inaction on abandoned vessels federally. By making the Coast Guard the responsible agency, we would end the runaround, and that is the biggest frustration. We do not know which ministry to ask. The government would have the mandatory obligation to deal with the removal and recycling of these vessels once and for all, and it would be responsible for the collection of the cost from the original owners as well.

I hope to have support from the Liberal government for my abandoned vessel solution, as it supported former MP Jean Crowder's almost identical bill a year ago.

Other countries have comprehensive legislation. I have visited Norway and the coastal authority there takes action when there is an abandoned vessel. It does not mess around to find out who owns it. It gets it out of the water where immediately it can protect the ecological and economic values of the region. Then it passes on the bill to the responsible owner.

I helped to bring the Washington State derelict vessel program manager to Canada. She met with Transport Canada representatives so they could learn how well a comprehensive solution could work here.

Canada also needs a national plan, not a ship-by-ship approach. We cannot just shuffle this problem from one community to the next.

We also heard in the House of when the *Silver King* started to sink in Baynes Sound, mid-Vancouver Island. My colleague for Courtenay—Alberni worked very hard to protect the aquaculture and migratory bird habitat. He secured Coast Guard removal, but the *Silver King* was towed from his riding to mine in Ladysmith Harbour. It sat there for months instead of the days that were originally promised, and that was right at the beginning of tourist season.

Nanaimo Port Authority, to its credit, has acted, although it does not have to, on vessels both inside and outside its waters. However, it is also pleading for federal leadership and a comprehensive approach. Right now, it is costly and uncoordinated.

The costs of not dealing with this are real, and I have a brand new example of the cost to coastal communities in B.C.

In the course of our research, we spoke with the BC Ferry and Marine Workers' Union and with BC Ferries management. We heard that the *Queen of Oak Bay*, a public ferry which has the capacity to carry 1,500 people, hit an overturned sailboat, an abandoned vessel. Vessel Traffic Services and the Coast Guard were involved and had to stay at the scene of the collision until it was clear, and the *Queen of Oak Bay* was cleared to resume its trip.

Collisions like that endanger the safety of passengers and crew. They create travel delays and economic costs. Additional staff had to be assigned to monitor the ferry afterward to ensure it was safe. It is dangerous, time consuming, and expensive. That collision in March was just one of three hits or near misses in just a few months this year.

While I support the motion, it will not help coastal communities as fast as we need. A legislated solution binding future governments will. Therefore, I really hope the government will bring in full

legislation or else support mine. Until then, action is needed so communities can see immediate results.

Therefore, I would like to seek the consent of my colleague who sponsored the motion to propose the following amendment: That the motion be amended by adding after the words “abandoned and derelict vessels” the following words: “including the dismantling of abandoned ships or wrecks that lie in waters that are a source of drinking water, or threaten the environment, or obstruct navigation.

• (1140)

The Deputy Speaker: Order, please. It is my duty to inform hon. members that pursuant to Standing Order 93(3), no amendment may be proposed to a private member's motion or to the motion for second reading of a private member's bill unless the sponsor of the item indicates his or her consent.

Therefore, I ask the hon. member for South Shore—St. Margarets if she consents to this amendment being moved.

Mrs. Bernadette Jordan: No, Mr. Speaker, I do not consent to the amendment.

The Deputy Speaker: There is no consent. Therefore, pursuant to Standing Order 93(3) the amendment cannot be moved at this time.

Resuming debate. The hon. Parliamentary Secretary to the Minister of Transport.

Ms. Kate Young (Parliamentary Secretary to the Minister of Transport, Lib.): Mr. Speaker, I am pleased to rise and speak in support of private member's motion M-40 on abandoned and derelict vessels.

Before I start I wish to thank the hon. member for South Shore—St. Margarets on behalf of the government. As a representative of a beautiful coastal region in Nova Scotia, the hon. member and the people she represents have first-hand experience with this issue and the complications it poses.

The Government of Canada recognizes that abandoned and derelict vessels, including shipwrecks, are a growing problem for local communities. The potential issues are known. They can present fire and other hazards that threaten the security of surrounding infrastructure. They can place local fisheries and aquaculture businesses at risk. They can create negative economic impacts by taking up scarce moorage space at wharfs causing loss of revenue to property owners and local communities or by reducing the tourism draw of some of Canada's most picturesque waterfront communities. Additionally, the average age of Canadian vessels continues to rise so it is clear a solution is needed.

It is important to recognize that while most boats are disposed of properly, a small percentage of abandoned and wrecked vessels threaten to impact Canada's coastal and freshwater communities.

Private Members' Business

It is also important to clarify that not all abandoned and derelict vessels pose the same hazards and a risk-based approach is needed to ensure that the most hazardous vessels are addressed. This is where local and provincial partners can play an important role as they are well-placed to help determine which vessels pose the greatest risk to their local communities.

Although we may never eliminate all abandoned and derelict vessels, all stakeholders and all levels of government must work together to address the real risks that hazardous vessels pose.

Dealing with these hazardous vessels can be very expensive. It may require court proceedings to compel owners to take action on their vessels. That is of course if the owner is known. In other cases, irresponsible owners have simply walked away and chosen to no longer bear any responsibility for their property.

The first challenge, a key challenge we face, is the current regulatory and legal regime that governs abandoned and derelict vessels.

Under the Constitution Act, 1867, the federal government is exclusively responsible for matters related to navigation and shipping, but that legislation does not give us a comprehensive legal framework to address abandoned or derelict vessels that pose immediate risk to navigation, the marine environment, or safe operations of our waterways. This is clearly the first challenge we need to address.

Furthermore, current federal acts and regulations target the impacts from vessels, such as pollution or obstructions to navigation. They are designed to directly address the issue of abandonment and ultimately identify the owner of a vessel to hold him or her responsible.

The second challenge we face is clarifying roles and responsibilities. The issue is complex and involves a wide range of legal, economic, and social factors that fall under the jurisdiction of several federal departments and levels of governments in Canada. Allow me to explain the current scheme.

When a boat is a risk to navigation, Transport Canada acts. When a boat is a pollution risk, the Canadian Coast Guard is responsible to respond. Environment and Climate Change Canada also has a role to play in managing pollution incidents by providing advice to responders 24 hours a day, seven days a week. Moreover, Fisheries and Oceans Canada is responsible for boats abandoned in small craft harbours and provides scientific advice on risks to aquatic species and fisheries.

Likewise, provinces, territories, local governments, and indigenous organizations also have a role to play. Some own the land below the water and have shared jurisdiction over a boat anchored or moored there. They are also generally responsible for matters related to waste management, private property, and law enforcement. They are the eyes and ears along most waterways and know most about where these problem vessels are located and the hazards they pose.

We also need to recognize that action may not be required on every single vessel. We need a way to identify those vessels that pose the highest immediate risk.

● (1145)

The third challenge is the ability to track vessels and owners, follow up on vessels that pose a threat, and support remediation.

It is evident that Canada cannot continue with a boat-by-boat approach to abandoned and derelict vessels. We need a proactive, national strategy to address the problem.

The government's support of Motion No. 40 clearly signals our ongoing commitment to move forward with concrete actions to tackle this issue. We must first focus on prevention and ensure that Canada's waters do not become a dumping ground for abandoned and derelict vessels. We must ensure we can hold owners responsible for their vessels. This would be particularly helpful to address the great number of pleasure crafts that are abandoned in Canada.

Motion No. 40 supports the government's commitment to protect Canada's freshwater resources and oceans. It proposes that the government address gaps in existing authorities, for which we are devoted to working with provincial, territorial, local and indigenous partners, and other stakeholders to develop a long-term strategy to deal with abandoned and derelict vessels. As the federal government cannot solemnly address abandoned and derelict vessels, having shared responsibility with the other levels of government is essential.

Additionally, the Government of Canada is currently actively studying a number of legal and program options. One option for consideration is accession to the Nairobi International Convention on the Removal of Wrecks, which was adopted by the International Maritime Organization in 2007, and which came into force internationally last year. The Nairobi convention ensures that vessel owners take responsibility for remediating the hazards posed by wrecks resulting from maritime casualties, and requires large vessels, over 300 gross tonnes, to maintain wreck remediation insurance. However, the convention does not aim to improve vessel owner identification, but rather, aims to ensure that vessel owners are liable for actions taken to deal with hazardous wrecks. We are looking carefully at the Nairobi convention and all the comments provided to the government through targeted consultations.

To conclude, the motion aims to put in place measures that focus first on preventing the problem before focusing on how to remove these vessels. The government believes that supporting Motion No. 40 is the right thing to do, but is suggesting the following friendly amendments to further clarify language. I hope the member will accept these proposed changes and encourage all members to vote in favour of Motion No. 40.

I move:

That the motion be amended by:

- (a) adding after the word "should" the following: "in collaboration with provincial, territorial, municipal and Indigenous organizations";
- (b) deleting the words "by considering ratifying the International Maritime Organization's International Convention on the Removal of Wrecks, 2007, and";
- (c) replacing the words "create a mechanism" with the words "identify mechanisms"; and

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(d) adding after the words "for a community" the following: "(f) consider measures to ensure owners are strictly liable for remediating abandoned vessels, such as acceding to the Nairobi International Convention for the Removal of Wrecks, 2007."

• (1150)

The Deputy Speaker: Order please, as per earlier today, pursuant to Standing Order 93, no amendment may be proposed to a private member's motion or to a motion for second reading of a private member's bill unless the sponsor of the item indicates his or her consent.

I therefore ask the hon. member for South Shore—St. Margarets if she consents to the amendment being moved.

Mrs. Bernadette Jordan: Mr. Speaker, I give my consent to the amendment.

The Deputy Speaker: Resuming debate, the hon. member for North Okanagan—Shuswap.

Mr. Mel Arnold (North Okanagan—Shuswap, CPC): Mr. Speaker, it is an honour to rise in the House today as the member for North Okanagan—Shuswap and deputy critic for fisheries and oceans, and the Canadian Coast Guard.

I rise today to speak on Motion No. 40, a motion to address the issue of abandoned and derelict vessels. I thank the member for South Shore—St. Margarets for bringing the motion to the House, because the issue of abandoned and derelict vessels poses real problems to communities right across Canada.

The House debated the matter of abandoned and derelict vessels in its examination of three private member's bills during the 41st Parliament, and I sincerely hope this 42nd Parliament can muster the will and consensus to deliver a new system for dealing with abandoned and derelict vessels.

In approaching this debate, I must say that an important component of such a system must be upholding the responsibility of those who own the vessels to remove or dispose of their vessels in a responsible manner. I understand that a major obstacle to holding some owners accountable to their responsibilities is the absence of an effective tracking of ownership, and I hope this debate can produce some solutions in this regard.

Having spent nearly 40 years in the marine industry, I have witnessed the expansion and evolution of boating and vessels plying our waters. Whether it be along our coastlines, our navigable rivers, or in our inland lakes, we are seeing the size and numbers of vessels ever increasing. As such, today's debate regarding abandoned and derelict vessels acknowledges the current and future need for a Canada-wide management system for dealing with this problem when it arises.

People from around the world and across Canada have been building boats for centuries. The early vessels, which were made mostly of wood, were somewhat biodegradable and as such posed less of a threat of polluting or contaminating the waters if they were abandoned. As demands for shipbuilding and associated technologies increased, so did the lifespan and operating costs of the vessels being built.

New technologies also brought with them the need for fuel and other fluids for operating these vessels. Abandoned or derelict

vessels containing fluids and fuels pose a very real risk to fouling the waters and habitats. This is something on which we can all agree we must work toward preventing.

Despite advancements in manufacturing technologies and materials, every vessel has a limited lifespan and at some point the cost of maintenance outweighs the cost of replacing a vessel. As these vessels, large and small, age and become more and more costly to maintain, they are often sold, down the line, to other owners that are less financially prepared to spend large amounts of money on new purchases or on maintaining and refitting.

This happens with small and large vessels alike. I have seen examples of this in my home riding of North Okanagan—Shuswap, where we are blessed with world-class boating on our lakes and river systems. However, as the vessels on these waterways age and become less seaworthy, owners often look to free themselves of the cost of maintenance or disposal.

Sometimes this is done by selling the vessel to someone motivated to become a boat owner, who thinks they are getting a bargain deal. Unfortunately, the purchasers in these situations find out too late that the real reason the vessel was sold was the cost required to maintain or repair the vessel. Whether the original owner simply gives up on maintaining the vessel or passes the albatross on to another unsuspecting owner, occasionally the end result is the abandonment of the vessel.

I know that even in the transfer of a vessel destined for the scrapyards, vessels can end up abandoned if the new owner runs out of liquidity or a sudden dip in the value of scrap metal makes the scrapping operation economically senseless.

On our smaller waterways, with smaller craft, it is not usually a major issue, but on our ocean coastlines or our navigable rivers, we do not want to see our bays, harbours, and beaches become a dumping ground for financially strapped or unscrupulous owners.

The threat that such dumping poses to the environment and to public safety on the waters can and must be prevented.

• (1155)

As an example of this, just last month my office was contacted regarding an abandoned houseboat left on a beach on Shuswap Lake. The vessel had been tied at this location for a number of years and had each year risen and fallen with the rising and falling levels of the lake. This year as the lake levels rose the houseboat did not, causing great concern for nearby property owners and local government officials. Concerns over potential fuel and oil leakage and public safety were difficult to address. Numerous calls by a concerned local resident only led to frustration from being passed from one government department to another. The uncertainty of which government or department held responsibility brought more concerns over delays in action. Thankfully in the past days, our provincial government has taken action and remedial measures are taking place. This is but one example of how an improved system of tracking vessel ownership, vessel transfer, and ownership responsibilities and accountability could help protect our waterways and our taxpayers.

*Government Orders***GOVERNMENT ORDERS**

[Translation]

BUDGET IMPLEMENTATION ACT, 2016, NO. 1

The House resumed from June 3 consideration of Bill C-15, An Act to implement certain provisions of the budget tabled in Parliament on March 22, 2016 and other measures, as reported with amendments from the committee, and of the motions in Group No. 1.

The Deputy Speaker: The hon. parliamentary secretary will have about four and a half minutes to finish his speech.

Mr. François-Philippe Champagne (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, I am pleased to resume the debate on the budget, which we began last week.

I think it is important to go over some background on the consultation we did with Canadians. What was different during our last consultation is that the Minister of Finance and I criss-crossed the entire country.

I personally went from Moncton to Yellowknife, while the Minister of Finance went from Halifax to Vancouver. We consulted with Canadians in order to give them a budget that works for the middle class and for Canadian families.

I am especially proud of the fact that during the consultations that were held from coast to coast to coast, we had the opportunity to listen to Canadians, who told us what they would like to see in the federal budget. Between the two of us, we met with hundreds, if not thousands of people through that consultation process. On top of that, about 300,000 people contacted the Department of Finance to share their opinions. The Trudeau government is all about being open and transparent, as well as consulting Canadians.

Most people who took part in the consultations asked us to do two things: help them and their families, and grow the economy.

The first thing we did in order to help families was lower taxes for the middle class, which was one of the most important measures in the last budget.

I listened to the comments made by the members across the aisle. It is important to remember that the Trudeau government has lowered taxes for no less than nine million Canadians.

● (1205)

The Deputy Speaker: I normally do not interrupt members when they mention the name of another member. However, in this case, the hon. member mentioned the Prime Minister's name twice.

Mr. François-Philippe Champagne: Mr. Speaker, thank you for your indulgence.

Obviously, I was talking about the current Prime Minister's government. I apologize. Essentially, I was saying that the Liberal government is working for the middle class.

The first measure taken was to lower taxes for no less than nine million Canadians, effective January 1, which puts more money in Canadians' pockets. This tax cut will help grow the economy, help small and medium-sized businesses, and allow Canadians to invest more.

One challenge of tracking vessel ownership is the fact that late-in-vessel-life transfers are not always tracked through the Canadian Register of Vessels. This can happen if the parties involved are not aware of their responsibilities to report the transfer or they do not declare the transfer to avoid payment of taxes. The end result is that the actual owner may not be the owner on record in the federal registry. As such, it is often difficult if not impossible to ensure the cost of removal and cleanup goes to the vessel owner and does not end up with the public taxpayer. Establishing a system to deal with this issue will require much collaboration with all levels of government. Municipal, regional, provincial, federal, and international governing bodies will all need to work together to answer questions. Those are questions such as the following: How will Canada deal with foreign ownership of vessels left in Canadian waters; how will we deal with bankrupt or insolvent owners; how will we deal with untracked vessel sales? While answering these questions, I would call on all discussants to develop legislation and regulations that do not place a greater burden on Canadian taxpayers.

How do we develop legislation that places the onus on the vessel owners, making them aware of their responsibilities and holding them accountable so that in the end our harbours, communities, local governments, and government departments do not bear the cost of removal? That should be borne by the vessel owners.

As previously mentioned during the 41st Parliament, the previous member for West Vancouver—Sunshine Coast—Sea to Sky Country, John Weston, introduced Bill C-695, An Act to amend the Canada Shipping Act, 2001, which sought to establish a prohibition against abandonment of vessels. This bill would have introduced significant penalties for abandonment of vessels. Unfortunately, this bill did not make it through the legislative process prior to the 2015 election.

We will find that a system for preventing and dealing with abandoned and derelict vessels must include at least the following: an improved system for vessel registration and tracking; measures to confirm vessel owners are educated on and aware of their legal responsibilities upon purchase and sale of a vessel; and measures, including penalties and enforcement powers, holding vessel owners accountable for their responsibilities. I believe that such a system is needed and welcomed by Canadians. I believe that any such system must be sustainable and effective, with the federal government providing leadership. Such a system should cast no department or level of government simply as a janitor of our shorelines at the taxpayers' expense.

I will be supporting this motion from the member for South Shore—St. Margarets. If the government adopts this motion, I will be willing to work with her and others to find solutions to the issue of abandoned and derelict vessels in a way that is good for Canada and all Canadians.

● (1200)

The Deputy Speaker: 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.

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The second measure was the Canada child benefit. It has often been said, but this may be the most significant social public policy since universal health care was introduced in Canada. Nine out of 10 Canadians will receive more help to raise their children. The benefit will be simpler and non-taxable. It will help families send their children to summer camp, or buy school supplies and clothing.

Canadians asked us to grow the economy. I must admit that I am quite proud of the investments in infrastructure that we will be making, which total no less than \$120 billion over 10 years. In the last budget, we announced phase 1, which will involve a record investment of \$3.4 billion in public transportation. Goods and people must be able to circulate more freely in our cities.

We are also planning historic investments of \$5 billion in wastewater treatment systems. There is no need to remind members that municipalities across the country need this assistance. After 10 years of underfunding in our infrastructure, these investments are being very well received by Canada's municipalities.

We will also be investing \$3.4 billion in social housing and affordable housing. This is a very important measure. Canadians have told us that affordable housing is a priority.

In closing, I would like to say a few words about our innovation program. We are well aware that innovation is what will drive continued economic growth in Canada. At present, we are working on our innovation program, which will allow our economy to work for all Canadians, the middle class, and Canadian families.

I am proud of our recent budget.

[*English*]

Ms. Dianne L. Watts (South Surrey—White Rock, CPC): Mr. Speaker, I appreciate the member's comments and speech. Obviously in speaking about not funding infrastructure for 10 years, I am just wondering if the member realized that, number one, we led the G7 in investments in public infrastructure. I just wanted to know if he was aware of that.

• (1210)

Mr. François-Philippe Champagne: Mr. Speaker, infrastructure is a key component of our last budget. I would disagree with the member. I had the privilege to travel across Canada and speak with mayors. They have quite a different view from the member in terms of investment in infrastructure.

That is why we had to make a historic investment of \$120 billion over the next 10 years, investing in public transport, water and waste water, and social housing.

When we speak to mayors, we understand what the facts are and what the reality is in this country.

Mr. Erin Weir (Regina—Lewvan, NDP): Mr. Speaker, the Liberals ran on the idea of a new health accord, and yet this budget does not include any increase at all in the Canada health transfer. In fact, if we compare budget 2016 to budget 2015, we find that projected transfers to provincial governments are actually lower now than they had been under the previous Conservative government.

Indeed, by 2019-20, the Canada health transfer will be \$600 million lower under budget 2016 than it would have been under

budget 2015, and if we look at overall transfers, they are about \$1 billion lower again by 2019-20.

I wonder if the hon. parliamentary secretary could explain to us why his government is cutting transfer payments to the provinces.

Mr. François-Philippe Champagne: Mr. Speaker, I have a lot of respect for the hon. member and I have known him for a long time. We did a number of things in public policy together.

I can only invite the member to look at the budget. I am quite happy to answer that question. I wish I could have been asked that question because we have made a historic investment in health transfers, \$36.1 billion in health transfers. That is the historic high in this country in terms of investment, so obviously we do take health as a very serious matter.

I am happy to see that my colleague the Minister of Health is negotiating the next health accord, but I can say for this House, \$36.1 billion. This is a fact. This is the historic high investment in terms of health transfers in this country.

[*Translation*]

Mr. Louis Plamondon (Bécancour—Nicolet—Saurel, BQ): Mr. Speaker, I would like to ask my learned colleague how he feels, as a member of Parliament from Quebec, about remaining silent on certain economic files that are very important to Quebec, such as Bill C-10. The government is about to tell Aveos employees, 1,800 of whom are in Quebec, that they will be losing their jobs, even though the Prime Minister guaranteed that this law would require that all work done on Air Canada aircraft be carried out in Quebec, Ontario, and Winnipeg.

How does he feel, as a member from Quebec, about employment insurance, for example, given that all Quebec regions were excluded from the special program? How does he feel about the fact that the automotive industry received \$1 billion and Bombardier is not getting a penny?

Is their only duty to serve the party and not to serve the interests of Quebec?

Mr. François-Philippe Champagne: Mr. Speaker, I thank my colleague from Bécancour—Nicolet—Saurel. I had plenty of opportunities to cross swords with him during the election campaign, and I have a great deal of respect for him. He is the dean of the House of Commons, so obviously, we always pay close attention when he speaks.

To answer his question, I must say that I am proud to be here on this side of the House and working with my Liberal caucus colleagues to advance issues affecting Quebec and promote the province's economic interests.

The member is well aware that in the last budget, we invested \$30 million to help the pyrrhotite victims in Trois-Rivières, which is adjacent to his riding. That is a regional issue that also affects him. He knows that.

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We also invested \$500 million in high-speed Internet, which will help regions of Quebec like mine and his, which really need that service.

On the more substantive part of his question, I am proud to support the bill because we made important choices both in the budget and with regard to Bill C-10 on deregulation. This legislation affecting Air Canada will also create jobs in Quebec.

In closing, with regard to employment insurance and the fact that wait times have been reduced from two weeks to one week, I can say that from the discussions I have had with my constituents and his, people are happy that for once, they have a government that is thinking about middle-class workers and working for them.

• (1215)

[*English*]

Mr. Phil McColeman (Brantford—Brant, CPC): Mr. Speaker, it is my pleasure to rise today at report stage and speak to Bill C-15, the budget implementation act.

I would like to first of all talk about the context of the budget in terms of it going forward, where we have been, and where we are today, because it is very revealing. In fact, it is very disconcerting and discouraging for Canadians in many ways, particularly small businesses. It is outright disconnected, and the disconnect is happening because the Liberal government feels it has the right to spend whenever it wants, wherever it wants.

Let us go back to what this budget includes, and probably equally as important, what it does not include.

It includes excessive spending: \$150 billion over the mandate of the government. Although promised during the election campaign, and I will talk about broken promises as another adjunct to my speech today, the broken promise of modest deficits of \$10 billion a year and \$25 billion over three years was, of course, thrown out the window. That was thrown out along with the fiscal anchors of trying to bring the budget back to balance so that Canadians can have the strong secure future they are looking for financially. The only fiscal anchor that the finance minister continues to hang his hat on is the debt-to-GDP ratio. However, in many ways it is questionable as to how that will happen because of the way the economy works, which has yet to be seen.

That said, what this budget does not include, and what is probably one of the most significant parts in my mind, is the broken promise to small business in this country. Every member across the way on the Liberal benches mentioned it during the election campaign. They mentioned it when they were in front of debate groups, such as the groups I am very familiar with, the leaders within the home building industry. Most communities have a home builders association. The Liberals sat beside their competitors in the election and were asked what their stance was with respect to small businesses. Most of these companies and individuals in the room would have been small entrepreneurs who were made a promise. The promise made by all parties was that everyone would follow through and reduce the small business taxation rate to 9% from what we had laid out: first 10.5%, and then down to 9%. What this budget does not include is that reduction in taxation for small business.

Who are small businesses? They are people who are represented by groups such as home builders, but also groups such as the CFIB. What was incredibly telling was the discussion at committee with the finance minister. He was questioned about whether he had met with Dan Kelly, the president of the largest group of entrepreneurs and small business people in this country, the Canadian Federation of Independent Business, who had reached out to the finance minister. Dan Kelly said that he would like to bring forward the concerns and thoughts of the small business people through that large network of organizations and thousands of members. The Liberals claimed over and over again that in the huge consultations that went across this country that they covered all of their bases and did everything. However, for some reason, the finance minister specifically missed meeting with one of the most important leaders of the small business community prior to bringing in this budget. That is hugely telling about what their priorities really are.

Small businesses were thinking that when they went to the debates during the election campaign that they could go back and do some planning with respect to their business, because all parties, no matter which party was elected, was going to take the tax rate down to 9%. Without that tax reduction, they will now have to reduce the planning of expansion and investment within their company. These are the people who employ 80% of Canadians. It is that important. They are the entrepreneurs, business creators, and small and medium-sized businesses in all of our communities right across this country. That, along with the dropping of the incentive to hire new employees, the new hiring credit for new employees as well, is a double whammy to small business. That is what is not in the budget, just so people know.

• (1220)

By the way, many of the people who own small businesses in this country are middle-class individuals. They are not rich. Their incomes, on average, are not at the six-figure level. They survive, in many circumstances, on very small margins.

I want to highlight that point today specifically, because what we continue to hear is a very weak argument from the finance minister and the present government. We continue to hear, "Listen, here's how we're helping small business. We're giving the family tax credit. That means that individuals will be able to spend more with small businesses."

What a disconnect that is. That is such a weak argument that the finance minister makes over and over again. I think the average is less than \$10 a week from the family tax credit that is going to the average family in this country, and that is going to have some huge ability to stimulate small business. That is not the case. It is absolutely a false assumption. It is one that is frankly looked upon by the commentators as one of the weakest arguments, lacking in credibility, that any budget has ever seen.

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I would like to go on to talk, not only about the breaking of promises, especially to small communities, but also what the future probably holds from the indications from the government. The future for small business holds this. It has increases in small business taxation through CPP. That is going to happen. Canada pension plan payroll taxes are going to increase for small businesses, all businesses, across this country. That is not only for the businesses, their owners, and the people who provide the jobs, the job creators, but also for the people who work within those small businesses, who are going to be taxed at another level.

What is the prospect for the entrepreneurs, the job creators, in this country? They are going to pay more taxes. They are going to pay more taxes because of the spending of the present government, which has broken the promise to hold to what it said to Canadians would be a modest deficit.

Let me talk a bit about another argument that has emerged over and over again through the discussions at committee and here in this House on this issue. We continue to have as the response from the government, “Well, you know what? You guys shouldn’t be talking about a story of Conservative values going forward because you left \$150 billion of debt during your term.”

Let me clarify what happened in this country and the reason we went into deficit stimulus spending. The government uses it in the context of just throwing it out there. It is another political point that it thinks it is making with Canadians, saying, “The Conservatives can’t talk. They left us \$150 billion.”

Many of us were in this House during those times of the global downturn. I had a personal relationship with the then finance minister, Jim Flaherty. I can tell members from discussions with him that the world economy was in crisis. It was to the point that in 24 hours there could have been a global collapse if industrialized countries did not come together and make a commitment to put money into stimulating the economy. We, as a government, though we are not prone to wanting to go into deficit, agreed, and we saved the auto industry. We did projects across this country that pumped money into our economy. We literally saved the economy of our country, and of the industrialized world, to be quite frank.

When the government brings up this \$150-billion debt, it is never in the context of what it was.

I will make one last point. We put in specific timelines to bring it back to balance. In 2014-15, we were \$1.9 billion over, in surplus, in that budget, because we made investments that we had to make because of the world economy, the global economic downturn. Some people called it “the great recession”. It was definitely the second-biggest downturn in the world economy since the depression. That is our track record.

• (1225)

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I question some of the statements made by the member, and I will start with his concluding remarks.

He made reference to the \$150-billion deficit that the Conservatives held. It is important to note that when the former prime minister took office, the member knows full well that they inherited

a multi-billion dollar surplus. They converted that multi-billion dollar surplus into a multi-billion dollar deficit before the recession even began.

What really needs to be emphasized is this. If they had an ounce of integrity on the issue of balanced budgets or budget financing and could establish a priority, I would ask the member to please explain to the House how, in the first year or two prior to entering into the recession, the Conservatives squandered billions in surplus and converted it into billions of dollars in deficit.

Mr. Phil McColeman: Mr. Speaker, I am very pleased to answer this question. The situation we found ourselves in was a surplus. The member is right. He is absolutely right. What did Conservatives do with it? We paid down the debt. We did not spend it, because it was not necessary at that time. The only time we undertook spending was because of the global situation that was happening in the world. We committed to spending to stimulate the economy, as other countries did. In doing so, we came through that period of time better than any other industrialized G7 country in the world. We came through it better, and everyone recognized that. Members on that side of the aisle have told me that they admired the way we handled those years.

I have one last point. When we were sitting on the benches in those days, that side was asking us to double the amount of money we were going to spend on stimulus. They kept saying it was inadequate and that and we needed to spend \$300 billion, or \$500 billion.

Mr. Erin Weir (Regina—Lewvan, NDP): Mr. Speaker, that last answer, the notion of having used the surplus to repay debt, was pretty strange. If that is all that the former Conservative government had done, then it would have had annual surpluses and continued to repay debt. I think the real answer as to why the former government erased the surplus was that it gave billions of dollars away through corporate tax cuts.

The question, though, that I want to ask the member for Brantford—Brant is to do with the whole notion of omnibus budget bills. In the last Parliament in which the member participated, the Liberals were very critical of the former Conservative government for omnibus budget bills. Now we see the Liberal government introducing a budget bill that goes far beyond fiscal measures, that modifies various other pieces of legislation. I wonder if the member finds that strange.

Mr. Phil McColeman: Mr. Speaker, the premise of the question begins with the fact that somehow it is wrong to pay down debt, that in good economic times it is wrong to use surpluses to pay down debt. Instead, the Liberals feel that they should spend that money. This is taxpayers’ money. This is one of the reasons that many of us came to Ottawa. We were sick and tired of politicians thinking that it was their money and they could do whatever they want with it, which is the attitude of the government right now.

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Going forward, whether the complexities of the budget are split out or part of the budget, they are part of the legislative agenda of the government. That is the reality. We have to get used to that.

However, the reality is that hearing my colleague from NDP say it was wrong to pay down debt does not surprise me. It is absolutely right to pay down debt.

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, what a privilege and pleasure it is to talk to one of the most important pieces of legislation we will see this year.

A vast majority of Canadians will see this budget for what it is, a budget that makes a lot of sense and that will deliver on some important campaign commitments made by our Prime Minister and by Liberals from coast to coast to coast.

I want to focus on one of the most important commitments the Liberal Party of Canada, headed by our leader, made last summer, and that was to focus on Canada's middle class and those who are trying to become part of Canada's middle class. The budget delivers in spades on that issue.

There are two significant incentives in the budget, the first being the cut to the middle-class tax and the second dealing with the Canada child benefit program, both of which I would like to comment on.

I would first like to talk about the importance of Canada's middle class. Economists always have pros and cons with respect to any policy, but I think we would find unanimous agreement that the middle class, in essence, drives the economy. If we have a healthy middle class, we will have a healthy economy. That is why an overwhelming number of Canadians understand the benefits we were talking about when we talk about the importance of Canada's middle class.

One of the first measures we are taking is to reduce the middle-class tax. Over nine million Canadians will benefit directly from this tax cut. This measure is supported by a tax increase to 1% of the Canadian population. We are asking those individuals to appreciate the many wonders we offer here in Canada and to pay a fairer share of the total tax going into the treasury. I believe that most of the individuals in that 1% recognize the value of what we are attempting to accomplish through this particular budget.

I hear Conservatives and the odd New Democrat talk about Canada's small businesses, which is the backbone of our economy. Members of the Liberal caucus and others have talked about the importance of supporting small business, but there has also been some unfair criticism of the government. There is substantial support for small business in the budget.

If we were to canvas small businesses today, we would find that what they want, more than anything else, is more customers. The former speaker mentioned that if we give an extra \$10 a day or a week to an individual family, that would not necessarily help small businesses. The member is being very short-sighted. It is not about one individual getting a \$10 weekly increase through a child tax benefit. Rather, it is about the cumulative total, the millions of dollars that would be given to 9.2 million Canadians. That money would be put back in the pockets of Canadians, and those Canadians

would spend that money. That disposable income would assist small businesses in every region of this country. This government is supporting small businesses in a tangible way, and that is one of the ways it is being done.

• (1230)

Another initiative is the investment in infrastructure. When we invest billions of dollars over the next number of years in Canada's infrastructure, that work, in good part, will be done by small businesses. It will directly support small businesses. There will be many spinoffs. Small business will be hiring to build infrastructure and through building infrastructure will help Canada's export of products. In other words, by building the infrastructure, we will allow our products to get to market that much more efficiently. Whether it is directly or indirectly, we are seeing a great investment in Canada's small business.

Within the budget we also see a government that truly cares about Canadians. The Minister of Veterans Affairs has done a fantastic job of highlighting how this caring approach toward our veterans is taking place. For example, nine service centres are being reopened under this government.

I want to highlight two other things that I know are important to my constituents and Canadians. One is the Canada child benefit program. This will literally lift hundreds of thousands of children out of poverty. Families will have the money that is necessary to meet the needs of Canada's children, whether it is lifting children out of poverty or providing the things that are really important to them. We would have to go back to the days when we created health care in terms of the value, size, and introduction of a program. I take great pride in the fact that the Canada child benefit program is being instituted under this Liberal government. It is going to be one of those programs that will be reflected on as one of the great social programs Canada has brought forward.

The other program is health care. We have had a great deal of debate about health care over the last little while, with issues like palliative care and the cost of medicine. Let there be no doubt that this government, unlike the previous government, recognizes how important health care is to our nation. That is one of the reasons we have a Minister of Health who has entered into a consultation process that ultimately will achieve a new health care accord.

Earlier today, the Parliamentary Secretary to the Minister of Finance made a declaration about \$36 billion-plus, the highest number of dollars ever going toward health transfer fees. Not only does it take money, it also takes a plan. This is a government that is developing a long-term plan that Canadians want to see happen. This is something we took seriously many years ago when we came up with the health care accord of 2004. Once it expired, and the Conservative government did absolutely nothing.

• (1235)

It did not believe in consulting. It did not believe in the Canada health care system, as Liberals do. We are delivering, whether it is money or the effort toward achieving the health care accord.

I see that my time has already expired, but I would love the opportunity to answer any questions.

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• (1240)

Mr. Earl Dreshen (Red Deer—Mountain View, CPC): Mr. Speaker, the last two Liberal speakers have both mentioned health care.

I was involved in the health care system back in the 1990s, when it was gutted by the Liberal Party. It was left on the backs of the provinces. I think that is something one has to keep in perspective when they speak about the way they cut the budget.

He talked about \$36.1 billion. If the parliamentary secretary looks at page 240 of the budget, he will see that there are some years when it is even less than the 3% minimum the Conservatives had.

I wonder if the parliamentary secretary can explain his rationale for his argument that we now have the maximum amount for health care. He is adding to it and suggesting that it is going to be so much more, when it will actually be less than what the Conservatives had planned for the base amounts.

Mr. Kevin Lamoureux: Mr. Speaker, in fact, by the time we hit 2002, we had an all-time high in terms of health care dollars in the budget. That was even prior to the \$40 billion that was a part of the health care accord that took us from 2004 to 2014.

How many times did we stand in this chamber, when I was in opposition, and hear a government member say that they had a record number of dollars going towards health care? The reason they had those record health care dollars was because of a Liberal government agreement on the 2004 health care accord.

If we go back to the 1990s, which the member made reference to, I was a provincial MLA then. The fear then was that the government was actually, through tax credits, going to work its way out of health care. It was Jean Chrétien's government that gave the guarantee of cash going to provinces to finance health care. That was a huge relief at that time.

The Liberal Party has absolutely nothing to apologize for—

The Deputy Speaker: The hon. member for Beloeil—Chambly.
[Translation]

Mr. Matthew Dubé (Beloeil—Chambly, NDP): Mr. Speaker, I listened to my colleague's speech, but every time I thought of a question for him, he moved to another topic and then I had a new question for him. He touched on many things that are connected to the Liberal government's broken promises.

The first broken promise is, of course, about small and medium-sized businesses and the tax cut that the Liberal Party promised during the campaign. The Liberals have backtracked on that promise.

The second broken promise is the government's more caring approach to veterans, which my colleague mentioned. The Liberals took veterans to court, even though they had promised to put an end to the proceedings undertaken by the previous government. I have to wonder how the Liberals justify that.

At the end of his speech, my colleague talked a lot about infrastructure and all of the infrastructure money. I have to wonder how this money can be used for something when the government cannot even manage to sign agreements with the Government of

Quebec. We are going to miss out on the 2016 construction season and it will be 2017 before we see any benefit from that money.

How does my colleague justify all of these broken promises, not to mention the fact that this is an omnibus bill?

[English]

Mr. Kevin Lamoureux: Mr. Speaker, we will have to agree to disagree.

The member can reference whatever he wants, but at the end of the day, there is enough in this budget that does support what he is asking us to support.

If we look at the importance of infrastructure, whether it is public transit or social housing, these are issues we have never before seen a government make such a commitment to, in terms of real dollars and working with different levels of government, to make things happen.

Contrast that to what we saw before we formed government. The Conservatives would talk about money, but they never delivered on the money.

In a relatively short period of time, the Liberal government has actually been able to advance the file to the degree that not only are we seeing record highs in infrastructure dollars being committed but we are also starting to see some of that money already being spent.

The NDP's promise last time around was that it was going to have a balanced budget. That was its primary promise.

I would suggest that none of these things would be possible if it were not for Canadians agreeing with the Liberal government's approach in using taxpayers' dollars and having a more robust approach to dealing with Canada's economy.

• (1245)

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Mr. Speaker, I am very pleased to speak to Bill C-15. As we know, the government introduces a budget, usually in the spring, then there are two budget implementation acts that turn it into legislation. Therefore, it is appropriate that I make some general comments about the budget, its fiscal implications, and my concerns about the direction in which the government is going. I will also pick out some of the very concerning elements in Bill C-15, the budget implementation act.

It is important to note that the Prime Minister just returned from the G7. That should give him some cause to reflect on the direction he has decided to follow. He went there believing other G7 countries should agree that we should embark on a stimulus spending plan. It was very clear that he was met with a very cool reception to this idea by many countries.

As Brian Crowley from the Macdonald-Laurier Institute indicated, “a 'growth-friendly' agenda can't be written in red ink”, and they know that “today's deficit is tomorrow's tax hike”.

What came out of that G7 was a discussion that every country needed to reflect on its own current situation. He had a goal that was clearly not met in his conversations at the G7.

The Liberals often talk about the spending we did, but I find it quite stunning that they fail to realize that during 2008-09, we had a global recession. It was the biggest crisis in the world since the Great Depression. They seem to not reflect on that point very well. What we have now is slow growth. We have a little stagnation, absolutely, but we do not have a recession and we certainly do not have a global recession. Therefore, to go to other countries and feel they need the same response, the Liberals are not really looking at the current situation and adapting appropriately.

It is important to contrast this response during the Prime Minister's recent visit to what happened when we were in government, when Minister Flaherty, our colleague, played a key role in the response to the crisis. He was named the best finance minister in the world. When they talked about his record, they said was, "Our winner has earned a reputation for maintaining a sound fiscal policy. His country...has performed remarkably well", and that he had played "a key role in the G8's discussions". This is a huge difference in the response to the global recession and the leadership role we played as opposed to what is happening right now.

We need to first look at the Liberal government's first budget. I remember attending a number of all candidates forums, and a number of key promises were made. The first major broken promise was that the Liberals would run a small deficit of \$10 billion. We now know that we are looking at a \$30 billion deficit, and this does not include the \$3 billion they have committed to home care. We see another announcement that was never in the fiscal plan, a very important initiative, global health, but it was not planned for. The Liberals seem to have a way of spending money that I have never seen before, money that has not been planned.

It is also important to note that as we go forward most economists recognize that unilateral stimulus is bound to have a marginal impact on an open economy. Canada is an open economy, so the money the Liberals are spending, which is adding to the debt of the next generation, is going to be very marginal in terms of its impact.

Another important fact to know, even as we engaged in our stimulus spending, is that we had a plan to get back to balanced budget, and we did that. During the worst of times, the net GDP to debt went from 34% to 31%. Right now the Liberals are on track to increase it. They left one marker, being the \$10 billion. Then they said they would decrease the net debt to GDP. It now looks like they will blow that one out of the water. It is a really big concern.

• (1250)

It is interesting to contrast what is happening in Britain right now, which is seeing some reasonable growth. The following comes from its budget speech:

Britain can choose, as others are, short term fixes and more stimulus. Or we can lead the world with long term solutions to long term problems...we choose the long term. We choose to put the next generation first.

Unfortunately, that is not what our government has done. The Liberals have chosen short term to take care of themselves, and to make popular decisions rather than worry about their grandchildren.

When our finance critic gave her speech on the budget implementation act, she was able to look at the statements of the Minister of Finance during the pre-budget and when he was in the

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private sector. She pointed out that he had a really different perspective on the issues around debt and retirement. It put some real holes into his approach in the budget. I do not know how he can align himself or sleep well at night when it looks like the budget goes so contrary to what his fundamental beliefs are.

I will give members a couple of examples.

What does the U.K., Ireland, Belgium, the Netherlands, Denmark, Spain, and the U.S. have in common? They have an old age security system that kicks in at the age of 67 or older. Australia is going into a system where the old age system kicks in at 67 or older. What have we done in the budget implementation act? We have moved in the opposite direction.

Sometimes the decisions a government has to make are not popular and they are not made lightly. We knew that it was a very difficult decision to make, but we also looked at the demographics of our country. We looked at the fact that people were healthier and living longer. I think there are many people we know who have lived their retirement perhaps longer than their working years. Therefore, it was a difficult decision, but it was not an unusual decision.

What is the cost of the change the Liberals are making? It is estimated to cost an additional \$10 billion. It is also important to note for those who are not aware that old age security comes out of current revenue. It is not something like the Canada pension plan where we put money away for our future. Therefore, the Liberals have given my children and grandchildren an additional \$10 billion of debt, and that is unacceptable. They have to be in a position to look at the long-term health of our country.

The small business tax rate is another example. The government sat at forums. I sat beside my Liberal counterpart at forums when the Liberals promised a 10.5% to 9% decrease. However, the budget implementation act would turn that around. It was a legislated change. It was a change the Liberals said they accepted, but they reversed it. The budget implementation act would move it from 9% back to 10.5%. It is absolutely unacceptable.

In looking at some of broken promises, whether it is the deficit or small business, my biggest concern is that the Liberals are not taking care of the next generation. They are looking at saddling it with a horrific debt.

The Liberals are also showing they are having a bit of a problem in delivering on their promises. Even when they commit money, they do not estimate it properly, and then they have trouble delivering. We can look at the cost of bringing in the refugees. They said that it would be \$250 million, but it is now over \$850 million.

The Liberals provided \$8.4 billion for first nations, and we support that, but there is no plan for accountability. There is no plan on how it would be delivered. Even when there is money that we believe is well spent, the Liberals' plan for delivery and execution is lacking.

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I have a big concern about the overall direction of the Liberals. I have a concern about many of the specific measures. I have a concern about the government's endless lust to spend taxpayer money, as exhibited by its recent March spending spree, where they took a surplus and in one month spent about \$11 billion.

We are creating a structural deficit and someday we will have to pay the piper for the foolish choices of today.

• (1255)

Mr. David de Burgh Graham (Laurentides—Labelle, Lib.): Mr. Speaker, I have a couple of quick questions. I am curious as to whether the member is aware of the history of the ability of the Conservatives to balance budgets, going back over a century. The last time the Conservatives took the country from a deficit to a surplus without inheriting it from us was in the late 19th century. I wonder whether the member was aware of that.

I am also curious about the member's comments regarding seniors. How long should somebody living in poverty be required to stay in poverty? The member wants the age to go from 65 to 67 before people can get their seniors' benefits. At what age do the Conservatives say that people are old enough to stop being poor?

Mrs. Cathy McLeod: Mr. Speaker, the member was not here, so he might not recall the events when we made that change. We had made a commitment to the provinces about the seniors citizens who they had on welfare, where it basically transitions to old age security and GIS. However, we made a commitment to the provinces that we would ensure this issue was taken care of. The member might not be aware of it, but part of our due consideration and concern was that this would be taken care of.

[*Translation*]

Mr. Pierre Nantel (Longueuil—Saint-Hubert, NDP): Mr. Speaker, I would like to begin by asking my colleague if the government's decision to introduce an omnibus bill like this one strikes her as strange at all.

We have obviously seen such omnibus bills over the past five years. The one thing they all have in common is that they are designed to silence parliamentarians, and that includes opposition members and backbenchers. With this particular omnibus bill, the government has silenced Liberal MPs from Quebec.

I would like my colleague to comment on this strategy and the price to pay considering that they have been blamed for what they did in the past and that the Liberals are doing the same thing now.

[*English*]

Mrs. Cathy McLeod: Mr. Speaker, there is no question that there is a lot in the budget. I have bigger concerns about the Liberal policies. Again, I gave some very specific examples. The most important thing the government could have done was to have looked at what was slow growth as opposed to what was global recession and how best respond to that. The way to respond to that is with things like the small business tax, ensuring it is lowered as we had intended, and reducing red tape.

There are many policies that the government could have looked at that would have supported and stimulated that low growth without going into deficits for future generations. The Liberals did not even

include things like many of their commitments, for example \$3 billion for the health accord.

Ms. Dianne L. Watts (South Surrey—White Rock, CPC): Mr. Speaker, I would like my colleague to comment on one thing. As we well know, during the election the Liberals promised \$3.4 billion for palliative care. Yet it was not in the budget. Also, they voted down an amendment for those seeking assisted suicide to be informed about palliative care options. I wonder if my hon. colleague could comment on that issue.

Mrs. Cathy McLeod: Mr. Speaker, the government is showing an incredible lack of faith in the provinces and their ability. If the Liberals believed in the provinces and in palliative care, they would have had that \$3 billion in the budget, and at least a chapter of the accord would have dealt with that and it would be happening now. All Canadians should be very concerned about that. Not only did the Liberals vote down the ability for someone who chose assisted dying to be informed about options around palliative care, they did not follow through on their budget commitment to fund it.

Mr. Anthony Housefather (Mount Royal, Lib.): Mr. Speaker, one thing I would like to have my hon. colleague's opinion on relates to municipal funding in the budget. As a former mayor, I heard wonderful reviews at the Federation of Canadian Municipalities convention this past weekend about the government's plans to fund infrastructure for municipalities and the empowerment of municipalities. I wonder if the hon. member would at least be willing to speak to that and say something about it.

• (1300)

Mrs. Cathy McLeod: Mr. Speaker, I remember this being very well received in terms of the municipalities. The gas tax fund was not only doubled, but it was legislated and gave municipalities funding on which they could count. However, we also renegotiated and gave municipalities flexibility on how they could spend their money.

The money to municipalities is very important. I was incredibly pleased, when we had our economic action plan, with how efficiently we got the money out the door for important projects. Even the auditor general indicated that. With the Liberal government, we are now seven months in and the pennies are not even going out the door.

Mrs. Celina Caesar-Chavannes (Parliamentary Secretary to the Prime Minister, Lib.): Mr. Speaker, it gives me great pleasure to stand to speak to Bill C-15.

This past weekend while in Whitby, I had the opportunity to attend a number of events. I went to the "art heals" program at Ontario Shores, a program which supports using art as a way to heal the challenges one faces in life. I also went to the Whitby Yacht Club and joined a reception following the blessing of the fleet. I visited Nova's Ark, an organization run by a courageously selfless woman named Mary-Ann Nova, who opened up her property to children with developmental challenges. Some local high school students were also at Nova's Ark to help with the movie night so that the children, who are not normally invited to go to the fair or to proms, had an opportunity to just hang out. I also went to the 105th Brooklin fair and helped the Abilities Centre celebrate its fourth birthday. At every corner, at every event, I saw people smiling, families having fun, enjoying the weather, and celebrating together.

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I mention all of this because when I joined government I wanted to ensure that my role here helped to make lives better for Canadian families, much like the ones I saw this weekend, and I believe the budget does just that. I am therefore proud to stand to support it.

I first want to talk about what this budget does to help families with the cost of raising their children. With the introduction of the Canada child benefit, a targeted, tax-free, progressive benefit for middle-class families and those working hard to join the middle class, Canadian families will have more money in their pockets. Starting this July, nine out of 10 Canadian families will open their mailbox and find a cheque providing them with a benefit that is more generous than their existing benefits. That is money that families, including many of those I saw at the Brooklin fair, can use to provide the best possible start in life for their children.

However, what I saw in Whitby this weekend is not the norm for many families across this country. In a country as prosperous as Canada, no child should ever live in poverty. No child should go to school hungry, or not have a safe place to call home. The Canada child benefit combats child poverty by targeting the most support to those families in greatest need.

This benefit will lift hundreds of thousands of children out of poverty. As members may have heard my colleague, the hon. Minister of Finance, say many times in the House, the CCB is the “most significant social policy innovation in a generation”, and I am incredibly proud to stand here today to support the budget that provides for it.

In remembering those high-schoolers volunteering at Nova's Ark, and as the parent of three children, I am always thinking ahead, thinking about their futures. As a parliamentarian, I am focused on our collective responsibility to make sure the next generation has every opportunity to succeed. My oldest daughter will be starting college or university next fall and I want to ensure that all doors are open to her, and to all our children, as they head off to school, start an apprenticeship, or join the workforce.

When I was campaigning in Whitby, and increasingly since I was elected, I have heard over and over again from people in Whitby who are concerned about youth employment and underemployment. This remains a persistent and ongoing challenge in Whitby and the broader Durham region. We know that our country's future prosperity depends on the success of our young people and that in order to be successful today, tomorrow, and in the years to come, our future leaders need access to meaningful work at the start of their careers.

I am so pleased to stand here today to talk about how the measures contained in budget 2016 make important investments to make sure that our young people have those opportunities. As I stand here today, more than 77,000 young people from coast to coast are employed through the Canada summer jobs program. That is more than double the number who found placements in 2015.

• (1305)

In my riding alone, more than 400 students will be employed at 68 small businesses, non-profit organizations, and civic institutions across Whitby. These young people will spend their summer learning

valuable skills and gaining important experience while assisting these businesses and organizations to better serve our community.

I want to talk about one organization in particular that is participating in the Canada summer jobs program. That is the Abilities Centre. I would be remiss if I did not mention that the vision for this centre came to fruition under the leadership of the former member of Parliament for Whitby, the late Jim Flaherty. The centre, which provides programs and services, including sports, fitness, arts, and life skills opportunities for people of all ages and of all levels of ability, is one organization that is receiving funding this year. I had a chance to hear from the executive director on how important this program is to its success, and how much of a difference it will make for families in Whitby. He told me that, through this Canada summer jobs program, the Abilities Centre was able to hire 26 students this year, who will work a combined 7,000 hours in service to a diverse population. These students will assist the Abilities Centre in providing programming support while they receive on-the-job experience that will help them to continue their studies and enter the workforce.

While we are on the topic of young people, I want to touch on how proud I am that the budget does so much to support students and ensure that post-secondary education is available and affordable.

Budget 2016 enhances the Canada student grants program by increasing the amounts by 50%, thus allowing close to 250,000 low- to middle-income students access to funds for higher education.

My riding is home to the Whitby campus of Durham College, and I have heard how pleased it is with the increased resources that its students will receive in order to support their academic endeavours. If members want to see how talented these young people are, I invite them to visit my office on the Hill or my constituency office and they will see their artwork proudly displayed.

The last point I want to make today is with respect to the historic investments we are making into public transit and infrastructure. Many residents of my riding travel to Toronto and other parts of the GTA for work each day. I have talked to them about their long commutes and the many hours they spend each week idling in traffic or the time they spend on a bus or a train. The time they spend commuting is time they are away from their homes and families. The budget is investing billions of dollars into public transit and infrastructure over the coming years, an investment that will result in more school pickups and drop-offs, family dinners, and bedtime stories for families in Whitby and the Durham region.

Budget 2016 will make a real difference in the lives of Canadians from coast to coast to coast. It is a plan to get the Canadian economy moving again, while taking real action to support the middle class and those working hard to join it. I am very proud to stand here today and support it.

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Ms. Dianne L. Watts (South Surrey—White Rock, CPC): Mr. Speaker, I appreciate hearing about the member's community. I have a question with respect to the small business tax. We know that the Prime Minister said that small businesses are just a haven for the rich, and that the promise during the election was to reduce the small business tax from 10.5% to 9%. I wonder why that promise was broken.

• (1310)

Mrs. Celina Caesar-Chavannes: Mr. Speaker, the small business tax rate was maintained at 10.5%. Before getting this job as the representative for Whitby, I owned a small business. I knew that in order for my business to be successful and grow I needed to have customers come in the door. That was the only way my business could grow. What this budget has done is put more money into the pockets of middle-class families across the country.

Not only that, we have also made an investment into digital infrastructure, ensuring that businesses not only have the capability of gathering customers domestically in Canada but that they will be able to open their doors to customers around the world. Therefore, this budget really does focus on middle-class families who are business owners, and supports our small to medium-sized enterprises.

Mr. Wayne Stetski (Kootenay—Columbia, NDP): Mr. Speaker, I very much appreciated the focus on youth employment and the future of youth. One of the questions that I have the hardest time answering when I am speaking to school groups is about the future for youth, given a \$30-billion deficit projected this year, another \$30 billion next year, and over \$700 billion in total debt facing kids moving into the future.

If a student asks the hon. member for advice, such as “How am I going to deal with all of this \$700-billion debt in the future that you're handing off to me?”, I would appreciate hearing what her answer would be.

Mrs. Celina Caesar-Chavannes: Mr. Speaker, the finance minister has said a number of times that we are going to move toward a balanced budget responsibly. Right now, we are in a period of very stagnant growth in our country.

I speak to students often in my riding. I speak to fifth grade students at Jack Miner Public School. When they ask me about our budget and about the debt, I give them a small course in economics and say, “Right now, we need to do something to kick-start our economy and help it start to move, and one of the ways in which to do that is by making investments.”

We are not just making investments haphazardly. We are making very specific investments in public transit and in social infrastructure. We are doing that in a green and sustainable way, and that will help generations for years and years to come.

Mr. Lloyd Longfield (Guelph, Lib.): Mr. Speaker, I thank the hon. member for her presentation. The investments in infrastructure could have some effects on small business, the businesses that are actually performing the infrastructure changes.

I wonder if the member would comment on the impact upon small business and maybe the multiplier effect that might result in giving us some economic growth, which we have not seen for years.

Mrs. Celina Caesar-Chavannes: Mr. Speaker, the infrastructure investment not only helps the businesses that are going to be providing the services, but also helps ensure that we have proper public transit. We are looking into rapid transit. We are looking for innovative ways to ensure that investment is done in a green and sustainable way. It also helps to reduce traffic, to reduce the burden of getting to those small businesses to allow those customers in the door.

I think that this budget has really taken a comprehensive look at how to get the Canadian economy going again by putting money into people's pockets, by having strategic investments in infrastructure, and by allowing those customers to get to those businesses.

Mr. Kelly McCauley (Edmonton West, CPC): Mr. Speaker, I rise in the House today to speak of the Liberal government's proposed line of credit plan, also known as budget 2016. As everyone can imagine, either from the last sentence or my previous speech on this bill, I am not a fan of this budget.

The Minister of Finance and his parliamentary secretary have gone on ad nauseam about pre-budget consultations as a way to justify this mess of a budget. They went coast to coast to coast consulting thousands of Canadians, record numbers of Canadians, epic numbers of Canadians, listening to what Canadians wanted in this budget. The parliamentary secretary even spoke of hearing of people's dreams in formulating this budget.

When looking at this budget, I am wondering just what these Canadians told them. I would like to hear from either one of them about how many of the thousands they claim to have consulted said, “Please break your campaign promise of running a small deficit, and instead saddle us with an additional \$20 billion in debt this year alone.”

I wonder how many said, “Please, Finance Minister, break your campaign promise to balance the budget in the fourth year of your mandate, and instead hit us with \$120 billion in added debt and let us pay for that with a hefty hike in taxes.” How many spoke about their dreams, as the parliamentary secretary claimed, by saying, “I dream of this government twice breaking its promise to provide \$3 billion in home care and palliative care”? Precisely how many went out to consultations and said, “Please, oh, please, break your promise to cut taxes for small business owners”? I am sure that there were many who asked them to break their promise to make their famous tax changes revenue neutral instead of a \$3-billion hole in the books.

I would dearly love to hear how many Canadians attended these meetings and said, “Minister, we need a tax cut for people like MPs in the House today, those who make \$170,000 a year, but let's give nothing to the 66% of Canadian taxpayers who make \$45,000 a year or less.” I am sure that they were sitting at the round table being told that those making \$170,000 a year are the real ones who need our help, not the working poor.

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The constant refrain of having heard from the people on this budget is just a catchphrase, merely offering platitudes in order to distract from what this budget really is. It is a budget full of broken promises that will do nothing but saddle Canadians with future taxes, and doublespeak that shows nowhere how they will ever pay back this borrowed money. In fact, the government seems to be in denial that this money has to be paid back at all, like the money is coming from some magical ATM machine, perhaps run by the bank of sunny ways and unicorns.

Members of the chamber may know that I have been a vocal advocate of EI fairness for all Canadians. I am happy that the government finally came to its senses when adding Edmonton to the zones where people are eligible for additional help. However, I am still at a loss as to why we had to fight the government tooth and nail to have the Edmonton region included. The Parliamentary Secretary to the Minister of Employment, Workforce Development and Labour told the House that Edmonton was finally eligible, after the added jobs losses when the Fort McMurray fire moved above the magical and completely arbitrary two-point increase threshold.

What the government could not seem to understand is that unemployment had trended up 35% over the benchmark from the previous year. However, we were told by the Edmonton Liberal MP that a 35% increase in out-of-work Edmontonians was not a dramatic enough increase to warrant action. The Prime Minister further told out-of-work Edmontonians that they were fortunate with a 35% increase in unemployment, as it could have been worse. The Liberals should maybe change their line from “real change” to “just hang in there”.

The government does not seem to understand the difference between a percentage point increase, on which the formula is based, and what a percentage increase is. Unemployed people in Edmonton region know, as they are living it every day. The Liberals' magical two-point increase threshold for Edmonton above the 4.9% base rate, they said, actually means that Edmonton would need a 39% increase in unemployment before the people are eligible for additional help. That seems to be very confusing for the government. However, being out of work and having the government and its Alberta MP sitting on their hands instead of advocating for the province is all the more perplexing.

It is not just Edmonton that is facing this ridiculous situation. The oil and gas region of southern Saskatchewan is also being placed in this conundrum. What a message this government is sending to the unemployed in these regions. Simply put, this government is saying two things through its current policy: one, that people chose to live in the wrong place; and, two, the government would like to see more people unemployed before it is able to help. Yes, more people need to be hurting before it can help, something a government should never say to its citizens. The government's main purpose is to help its citizens, to ensure that all citizens are prosperous.

● (1315)

The second area where the government seems to shrug its shoulders to the west is in its self-congratulatory infrastructure program. The Liberals' golden goose of infrastructure spending includes a complete bias in favour of eastern cities. Budget 2016 allocates the cream of the crop to Toronto, Montreal, and Quebec

City. However, for those backward-thinking western cities of Calgary, Edmonton, Regina, and Saskatoon that do not seem to elect enough Liberals, the government is simply throwing a bone to them to save face.

I broke down the numbers the last time, but I know that the members across the way have a short memory, so I will again go over the distribution breakdown in the Liberals' infrastructure spending. The province of Alberta, for years Canada's fastest growing province, the economic engine of this country, has been allocated \$347 million for public transit infrastructure, just 10% of the total amount of funds available. Alberta currently boasts 12% of Canada's population, and that number is set to grow in the coming years. Ontario will get \$1.5 billion for public infrastructure, 44% of the total amount of funds available, yet has 38% of the country's population. Quebec will receive 27% of the total amount of funds available, and it has just 23% of the country's population.

Alberta is being shortchanged almost 15% on a per capita basis. Alberta, which still contributes to the equalization plan, is getting shortchanged. Alberta is still the fastest-growing province with the fastest-growing big cities. Alberta has taken it on the chin with the oil crash. With all of this, Alberta is still not getting its fair share.

We should be thankful that we have the infrastructure minister himself in Edmonton, otherwise we would not be so fortunate as to be only shortchanged 15%. Again, the infrastructure minister is probably too busy renovating his office and picking out the perfect furniture to stand up for his city and his province.

Let us look at the scorecard. We have one Edmonton Liberal MP who says that a 35% increase in Edmonton unemployment was not dramatic enough to warrant help. We have another Alberta Liberal MP saying 100,000 newly employed Albertans are finding their situation “refreshing”, and are happy that the Liberal government and all four Alberta Liberal MPs are refusing to support the energy east pipeline. We have another Alberta Liberal MP who cannot find the funds to ensure his home province receives a fair share of infrastructure funding, but he certainly found funds to fund sky palace 2.0 in his Ottawa office.

The whole fair share mentality does not apply to actions or behaviour of the Liberal government. Fair share only seems to apply to successful and hard-working Canadians when it comes to asking them to pay more taxes.

What is clear is the fact that the budget is a dog's breakfast of broken promises, out of control spending, no plan to grow the economy or pay back the huge deficits, but with some regional favouritism thrown in for good measure.

I hope that I am wrong in this regard. In fact, I am begging the government to prove me wrong. I am asking the government to treat all regions in the country as equals. I am asking the government to honour its campaign promises. Until then, I will refuse to support this unfair, unbalanced, and unequal budget.

Government Orders

• (1320)

Mr. David de Burgh Graham (Laurentides—Labelle, Lib.): Mr. Speaker, as I toured my rather large riding, about four times the size of P.E.I., I talked to my 43 city councils, many schools, many community organizations, and many chambers of commerce. The questions that I receive often came back to whether they can have more investment in infrastructure, in our youth, in our communities and families, in the future.

Did the member not hear from constituents in his riding that they want a that future they can look forward to?

Mr. Kelly McCauley: Mr. Speaker, it is clear that the budget would not invest in the future that the member is referring to. Canadians are not asking for a future of massive debt and massive taxes. The government ran on a specific promise to cap the budget deficit at \$10 billion. Canadians are not saying they want a future of massive debt, that they want to bury their children and grandchildren in \$120 billion of deficit spending over four years. Canadians are not asking for that.

[*Translation*]

Ms. Anne Minh-Thu Quach (Salaberry—Suroît, NDP): Mr. Speaker, the Liberals go on and on about how they are working for the middle class, but they cancelled the measure that the Conservatives initiated to cut small business taxes from 11% to 9%.

Earlier, they were also boasting about how they are working for youth, but they outright cancelled the youth hiring tax credit for small businesses. That will make it harder for youth to find work. Plus, how can young people hope for work in agriculture, including in Salaberry—Suroît, with all of the problems related to the border and diafiltered milk?

The Liberals' budget does not promise a very bright future for youth. What are my colleague's thoughts on that?

• (1325)

[*English*]

Mr. Kelly McCauley: Mr. Speaker, my hon. colleague has brought up some very strong points that we both, oddly enough, agree on.

I think this underlines the problem with the Liberal budget. When Conservatives and NDP both agree on very basic things, there is something wrong with the Liberal budget. Cancelling the small business tax break is another one of the broken promises.

I am sure that none of the Liberals, when they went coast to coast to coast, heard "I am a small business person, so cancel my tax break." The Liberals have said again and again that the middle-class tax break of \$1 a day is going to trickle down and help the small businesses. That is fraudulent talk. It is plain silly. It is not going to happen.

My NDP colleague is very right about the cancelling of the small business tax breaks and the hiring tax breaks. It is hurting the youth and it is hurting Canadians. There is a zero tax break for those making under \$45,000, which is a huge majority of Canadian taxpayers and a huge majority of people who need it. It is ridiculous. I understand what my colleague is saying. I agree with her 100%.

The budget does nothing for youth, does nothing for our future, and it does nothing for small businesses.

Mr. Ben Lobb (Huron—Bruce, CPC): Mr. Speaker, the Liberal member asked a question around infrastructure. The previous government had record levels of infrastructure.

I wonder if the member for Edmonton West would comment on an issue with small rural municipalities, especially in Ontario, and in the one I represent. Municipality after municipality has received letters from Kathleen Wynne that the municipalities are too wealthy, that they have too much money and they are not eligible for infrastructure projects, for sewers, roads, bridges. It is outrageous.

I wonder if the member for Edmonton West would comment on that and maybe have the Liberals across the way send a message to Kathleen Wynne in Toronto to get going on helping rural municipalities across this province, and in other provinces.

Mr. Kelly McCauley: Mr. Speaker, my colleague brings up a very valid point that I spoke about as well, which is the general unfairness of how items, such as the transit infrastructure, are rolled out.

There is a tiny portion for Edmonton, a tiny portion of Calgary, almost nothing for Regina, if anything, and yet there is a big chunk for cities that are predominantly Liberal and out east. It discriminates against areas that are not very well served by Liberal MPs.

This is just another example of favouring certain areas at the expense of others. It should be about fairness and growth. Growing across the country should be about fairness, not picking specific winners in certain little areas.

Mr. Lloyd Longfield (Guelph, Lib.): Mr. Speaker, I am honoured to rise on behalf of my constituents in Guelph to extend my wholehearted support for budget 2016, growing the middle class, Bill C-15. The budget has many bona fides, from the emphasis on the environment, to infrastructure investments, to building the economy, but there is no doubt in my mind that the budget's greatest asset is its focus on innovation.

However, I feel compelled to ask the House this: what is innovation exactly? Innovation is much more than a buzzword. It is a perspective, a new way of seeing our world. Innovation is creativity with a job to do, as John Emmerling defined it. Innovation is the route to developing a prosperous future for business and a more efficient government for the Canadian people. Assembling new technologies, best practices, and ideas is critical, but the process does not stop there. In fact, that is just the beginning.

By bringing together experts and entrepreneurs with new technologies and by utilizing the best available practices from around the world, Canada will flourish, cementing our place as a prosperous nation. That not only adds to the value of our economy but adds to the value of economies around the world.

Government Orders

As I was the former president of the Guelph Chamber of Commerce and co-founder of Innovation Guelph, I have seen this work, and we did our part to grow our community.

As a result of hard work and creativity, Guelphites now have the lowest unemployment rate in Canada. Guelph is ranked number one in the agricultural biotechnology cluster in Ontario. It is also one of the top two in Canada. Guelph's advanced manufacturing sector has 360 businesses employing over 14,000 people in Guelph, with employment growing at close to 10% annually.

Clean technology is a rapidly growing sector in my riding. Canada's largest solar panel manufacturer is located in Guelph, and many businesses are working around the world on water and air quality as well as on alternative energy.

The University of Guelph and Conestoga College have been key to shaping Guelph's growth. Focusing on innovation through business, academic, and government partnerships has been key to Guelph's success, and it will be the key to Canada's success going forward.

If this is what the city of Guelph can accomplish with an innovation network, just imagine what Canada could accomplish if there were a string of innovation networks linking coast to coast to coast.

Building this new future for Canada begins where this government does; it begins with engaging Canadians. Creative and entrepreneurial citizens are at the heart of this new innovation agenda.

Investing in education is a crucial step in developing Canadian talent and as a means of attracting talent from abroad. Through the Canada Foundation for Innovation, the Government of Canada has already made significant investments in research infrastructure at Canada's universities, colleges, and research institutes.

Provinces and territories also provide substantial funding for campus renewal every year. Nevertheless, much of Canada's post-secondary infrastructure is over 25 years old and is nearing the end of its useful life. This presents an opportunity to invest in greener and innovation-friendly spaces.

As chair of the innovation and post-secondary education caucus, I strongly support budget 2016, as it will invest \$2 billion dollars in a new post-secondary institutions strategic investment fund.

Commercialization and growth is truly an indispensable element of the innovation process. Dynamic, globally interconnected firms will propel clean economic growth, increase Canada's productivity, and support well-paying jobs for the middle class.

Connections between knowledge producers and users, including researchers and firms, and collaboration within supply chains, driven by market opportunities, create value through innovation while supporting economic growth. Information gaps and coordination challenges may prevent these linkages from being developed to their full potential, impacting the strength of innovation ecosystems.

Therefore, to help address these challenges, budget 2016 proposes to make available up to \$800 million over four years, starting in 2017-18, to support innovation networks and clusters as part of the government's upcoming innovation agenda.

● (1330)

Last, but certainly not least, science and technology is the fuel that makes innovation possible. Technology has always shaped the course of human events, and the future will be no different. Therefore, we cannot ignore or become mere bystanders while other nations in the world race past us in an effort to gain the technological upper hand.

Canada's universities, colleges, and other research institutions play a fundamental role in our society by developing the leading technologies of the day, just as we did in the past with penicillin, the Avro Arrow, and the telephone, to name just a few examples of Canadian technology.

In keeping with Canada's long history as a global leader in research and development, budget 2016 proposes an additional \$95 million per year, on an ongoing basis, to be provided to granting councils. This will be the highest amount of new annual funding for discovery research in more than a decade. As well as demonstrating the foresight of budget 2016, this initiative will support up to 50% of the eligible costs of infrastructure projects at post-secondary institutions, paving the way for success for hundreds of thousands of Canadian youth.

As a member of the House of Commons Standing Committee on Industry, Science and Technology, I recently visited businesses in Montreal's aerospace industry that form part of Canada's aerospace cluster. These businesses show the power of industry-academic collaboration, but also the importance of collaboration with the federal government, to compete and partner with each other and with countries in this area.

I am a member of the automotive caucus, and the same can be said about that sector. It is critically important that government, industry, and academia work together to develop our innovation agenda. Budget 2016 gives us first steps to focus government as a key partner in innovation.

Budget 2016 provides Canadians with the tools they need to innovate and build a stronger, healthier, and greener Canada for future generations. I eagerly await the advances in science and technology that will come about as a direct result of the investments we make here today.

No less than Mahatma Gandhi said that we must be the change we wish to see in the world. By embracing and embodying innovation as a perspective, acting as a lens through which we can see the world, Canadians will once again be the change they wish to see in the world and being the trailblazers to whom the world can look as a model for success.

Government Orders

● (1335)

Ms. Dianne L. Watts (South Surrey—White Rock, CPC): Mr. Speaker, I thank the member for a lot of that information on innovation. As a former CEO of a health-tech innovation foundation, I am glad to hear that the Liberals are continuing the great work that we started.

Most universities have incubators, commercialization centres, and the network of clusters, from Halifax all the way to British Columbia and through North America. That network is very strong. I wonder if the member has reviewed the database to look at those clusters. What is the plan in terms of funding those innovation centres?

Mr. Lloyd Longfield: Mr. Speaker, I thank the member for South Surrey—White Rock. It is great to hear that she also has a passion for innovation.

We are looking at the clusters across Canada through the innovation and post-secondary education caucus. We are looking at a way forward where the federal government can partner with the provincial governments and the educational institutes to try to get research commercialized and have commercialization fund new jobs in Canada. It is a long-term project, but it starts with budget 2016.

Mr. Wayne Stetski (Kootenay—Columbia, NDP): Mr. Speaker, I very much share the interest in innovation and green energy the member spoke of.

I recently held a climate change workshop in Nelson in my riding, and 250 people showed up for it. One of the presentations was by a fellow who has a solar company, and he was quite concerned that there are no grants available for people to invest in solar energy in their homes currently. I wonder if the member is aware of any programs that can help Canadians do the right thing, whether it be with the purchase of electric vehicles or solar panels for their homes, that are part of this particular budget.

Mr. Lloyd Longfield: Mr. Speaker, I thank the member for Kootenay—Columbia for his very astute question. Nelson, B.C. is kind of a twin city to Guelph, where we have a lot of environmental efforts and a lot of people focusing on the world ahead of us. The funding we are looking at in our budget is in green technology investments through our green technology funds. We hope to see those rolling out through the provinces to the municipalities so that people, such as the person the member described, will have access to some assistance in developing green technology going forward.

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I appreciate the member's thoughts about innovation. I would ask the member to comment on how important it is that we incorporate stakeholders. I will use the example of Magellan Aerospace, a great aerospace company in Winnipeg. One of the things I appreciated when I had the tour was the fact that the company had a space for Red River College, a post-secondary institution. By having that relationship, students are able to use world technology that the college would not likely have been able to use without that type of co-operation.

Could the member provide some of his thoughts on how important it is to have co-operation between the private and public sectors on the issue of innovation?

● (1340)

Mr. Lloyd Longfield: Mr. Speaker, I thank the hon. member for Winnipeg North. It is wonderful to get a question from my hometown. I am a graduate of Red River College. In fact, the person who is working on the aerospace sector is a former classmate of mine.

It is very important to have all three partners at the table. Something I really saw develop strongly through my work with the chamber of commerce in Guelph was that government, education, and business all need to work together. Government needs to provide policy, direction, and assistance to compete globally. Education needs to provide the new ideas and the young people coming into the market with new ideas to move us forward as a country. Business needs to backstop some of this and be an honoured member at the table, bringing forward funds and opportunities to create globally.

Ms. Rachel Blaney (North Island—Powell River, NDP): Mr. Speaker, I rise in the House for a second time to speak to Bill C-15, an act to implement certain provisions of the budget tabled in Parliament on March 22, 2016 and other measures. Specifically, I plan to address issues of budgetary concern that would have a direct impact on my riding of North Island—Powell River.

We are currently at the report stage, so I will also be discussing a few of the NDP's proposed amendments to the bill. Thirty-six amendments were tabled in committee by the opposition parties; 15 of them came from the NDP. These amendments would not have made this a progressive budget, in my eyes, but they were crucial and would have made the bill passable. Unfortunately, without them, I am afraid I will have to oppose the main motion at report stage.

As we know, the Liberals decided to listen to its false majority, rejected most proposed changes in committee, and introduced time allocation in the House after only two days of debate.

The Liberal government campaigns on a promise of more help for the middle class. In the communities I serve, I hear from people who identify as middle class but who make less than \$45,000 a year. I also represent people who are the working poor and struggle day to day to make ends meet. This tax break would not help these people.

At a time when Canadians need a government to tackle growing income and wealth inequality, the Liberals went in the opposite direction. Everyone agrees that those in the highest tax bracket, earning \$210,000 or more, would benefit the most from the Liberal's so-called middle-class tax cut. Six out of 10 Canadians will get nothing from this Liberal plan.

What sets New Democrats apart is our belief that the government should be tackling inequality, not compounding it.

Government Orders

One community in my riding is facing a very painful reality. A mill closed and has been shut down for almost two years. There is no word yet to the community on whether it will reopen or not, but the impacts have been extremely painful, and I have been so grateful to the people who have contacted my office to share their stories and to ask for help.

The people in the communities I serve are hard-working and dedicated to the communities they live in. This tax break would not help them in their process to revision their family or their community. New Democrats proposed to modify the tax cuts so that working-class and middle-class Canadians would benefit from tax changes. The PBO confirmed today that the NDP plan would benefit nine million more Canadians and have a much fairer distribution of benefits.

It is time for a government that is more fair to those who work so hard in our communities.

Two weeks ago, I started a tour in my riding of North Island—Powell River for town halls, to have a conversation on seniors' issues. I listened to their priorities so that I could understand their needs better and work to ensure that they are met. In a riding as large as mine, I have completed only a third of the area and look forward to completing the rest, but I will tell members that these voices were strong and often unanimous. I was deeply touched and startled by the stark realities they shared with me of the people who supported us in the building of this country. Many of them are now feeling completely abandoned.

I have been in Ottawa for nearly eight months now and I am astounded to witness how little we have spoken about the needs of our elders. The budget would not include any additional provisions for home care or palliative care, even after the Liberals promised \$3 billion for home care during the campaign. I can tell members that, in the riding of North Island—Powell River, it is desperately needed.

How many more years until we see money or even a strategy in place to meet the needs of Canada's seniors? By 2036, the number of seniors will double. It should be a critical question we are asking in the House, planning for now and for the future.

When the federal budget was introduced, we did welcome the government's recommendation to increase the GIS for single seniors. Let us remember that on the campaign trail the Liberals' promise was to help them immediately. Why are seniors having to wait until July?

The NDP moved to make the increase to the GIS retroactive to January 1. The Liberals rejected our amendments. However, the seniors in my riding can count on an MP who will have their interests in mind.

• (1345)

It is rare for politicians to agree on anything, but during the election all three parties promised to lower the small business tax rate to 9%. Liberal MPs still have yet to keep the election promise they made to small business owners that would see a break on their taxes.

New Democrats have been fighting for a long time for tax cuts for small businesses, which are the real job creators in Canada. In the communities I serve, our natural resource industries have taken

many hits. Now with less of these jobs, small businesses have stepped up to the challenge of working in the communities to create economic development and local jobs.

Vague comments hoping people will have more money to spend, which would be good for small business, are not enough. Small businesses are the backbone of our economy, and in rural and remote communities they are often dedicated to supporting the communities in so many ways. It is time to return the favour to these small businesses, to give them what they need so they can make choices, which will help communities across Canada.

The NDP proposed two amendments at the Standing Committee on Finance for the Liberal government to reconsider the tax increase for small and medium-sized enterprises. Not only did the Liberal members of the committee reject all amendments proposed by the opposition, but on many occasions they remained silent and refused to explain their decisions.

Dan Kelly, president and CEO of the Canadian Federation of Independent Business, said it best. He said:

So you can imagine our surprise on budget day when we heard that, "Budget 2016 proposes that the small business tax rate remain at 10.5 per cent after 2016"....

We've been trying to figure out why the government did this. Some reasons have been floated. I have to say, after meeting with several cabinet ministers, and many MPs of all parties, there has been no suggestion as to why the government chose to take this action.

I would like to thank my colleague and neighbouring MP, the member for Courtenay—Alberni, for standing up for small businesses. In the last weeks he has launched a campaign that encourages small businesses to send a broken promise invoice to the Liberal government. In total, the cancelled tax reduction will cost Canadian small businesses \$2.2 billion over the next four years. Many small business owners were counting on these scheduled reductions. They could have upgraded their operations or given their employees a raise. Now, they feel betrayed. I encourage all small businesses in my riding to stand with us and send these invoices to the Liberal government.

Consecutive Liberal and Conservative governments have given massive tax giveaways to Canada's most profitable corporations. Meanwhile, the NDP is a party that offers tangible solutions that would make a difference for those who need it most. We are listening to small businesses.

Budget time is the government's opportunity to start capping transaction fees for credit cards and facilitating the transfer of family businesses between generations. These are small changes that would go a long way.

Government Orders

The Liberals repeatedly criticized the anti-democratic behaviour of the Conservatives with their omnibus bills, but now that they are in power, they are repeating the practice. Bill C-15 is a large bill. It has 179 pages, amends over 30 separate statutes, refers to nine different ministries, and impacts several others. Moreover, it retroactively repeals an act and proposes retroactive changes, includes a complex chapter on bank recapitalization, and proposes changes to employment insurance.

The budget and its implementation bill simply do not meet the needs of the vast majority of the people I serve. Unfortunately, like his Liberal predecessors, the Prime Minister has given us an omnibus bill that puts tax relief for CEOs and big, profitable corporations ahead of help for many hard-working Canadians, unemployed workers, and small and medium-sized businesses.

At a time when Canada needs a government that will combat rising inequality, the Liberals' first budget is inadequate.

• (1350)

Mr. William Amos (Pontiac, Lib.): Mr. Speaker, I appreciate the intent behind the member's speech, which is to fight for lower- and middle-income Canadians.

However, I would ask the hon. member what she thinks about the measures taken by the government in the budget to establish the Canada child benefit and provide \$6,400, tax-free, to families earning \$30,000 less for each child under the age of six and \$5,400 for children between the ages of six and 18. Does that strike her as a measure that is helpful to middle-class Canadians?

Ms. Rachel Blaney: Mr. Speaker, I gratefully appreciate knowing that there is a bit of help coming specifically to families in communities that are, in some cases, ravaged by poverty. I believe the families in my community will also appreciate that. However, it does not touch on the core issues. There were so many people in my riding who spoke about not having a family, being single or being older. What will they do? I talked to people in my communities who were facing such challenges as three people living in a one-bedroom apartment. We need to ensure that we are looking at equality in a wholesome way and that we are answering the cries of the communities we serve.

I also want to say that although the money will help, it does not touch the core need for affordable child care. When I knocked on doors across my riding, I talked to many women who had to make desperate choices to not work because they simply could not afford to work. Therefore, when they have to make those choices, it is not fair or right. We have to do our job in the House and discuss these important issues and ensure that we are doing what we need to do. Although the child tax benefit will help to support those families, it certainly will not answer that specific need. That money does not create more affordable child care or enough spaces in the communities that I serve.

Ms. Marilyn Gladu (Sarnia—Lambton, CPC): Mr. Speaker, I agree with what my colleague had to say about the small business tax and the disappointment of seeing that broken promise come out in this budget. I wonder if she could comment on other broken promises that we have seen in this budget that are disappointing.

Ms. Rachel Blaney: Mr. Speaker, it is a huge broken promise for small businesses across this country that were relying on that tax

break to give them the support they need. The reality is that in this changing economy, small businesses are the very backbone. They are the organizations and businesses that are helping us pay for things in our community. They are volunteering their time. They are donating money to local community organizations. If we do not support those businesses, it is so much harder on all of our communities.

In terms of broken promises, I think we have seen some things that we should really be concerned with. I mentioned the GIS. People need resources now. They are having to wait until July.

Another big concern of mine is with respect to some of the infrastructure promises, where we were told one number and given a half number. Specifically, if we look at the file around transit, I represent small communities, and the challenge for them is to have transit services that work. Often when cuts happen, it is the small communities that pay. I will be watching for that.

Mr. David de Burgh Graham (Laurentides—Labelle, Lib.): Mr. Speaker, I think I will have some trouble following the grim reaper of questions.

I have a very quick question. How did the member and the NDP plan to carry through on their promises when they promised not to have any deficits, ever, and to pursue the policy of austerity?

Ms. Rachel Blaney: Mr. Speaker, I gratefully accept the question from the member opposite.

Our party felt very strongly that the important thing was to look at the reality that large corporations are taxed way below average across this world. We need to increase some of that money because it is about making decisions and having priorities. Therefore, we need to tax people who have more, support the people who have less, and take a step in creating equality across this country. I am very sad that the opposite side did not choose to really work for the people of Canada and continues to work for larger corporations.

• (1355)

[*Translation*]

The Deputy Speaker: Before we resume debate, I must inform the hon. member for Mount Royal that there are only four minutes remaining for his speech.

The hon. member for Mount Royal.

[*English*]

Mr. Anthony Housefather (Mount Royal, Lib.): Mr. Speaker, I would like to thank all of the hon. members who spoke before me in this debate today. This is the second time I have had the opportunity to speak in the House on Bill C-15.

To try to say something different, I want to start off by focusing on a couple of the things I have heard.

[*Translation*]

This morning, I heard a Bloc Québécois member accusing the government of neglecting Quebec. He also accused the government members from Quebec of neglecting Quebec.

*Statements by Members**[English]*

Then I heard another member from Alberta saying that the budget disproportionately helped eastern Canada and affected Alberta.

I just want to say that we can be upset and disagree with provisions in the budget, but I would call upon all of us, as Canadians, to recognize that we are here as members of Parliament, not only to stand up for the people of our riding and our region, but also to stand up for all of Canada.

Therefore, I would call upon us not to continually divide ourselves by region, saying that one region is favoured over another, but to recognize that all of us believe in the best interest of Canada, and that we are furthering policies that are in the best interest of Canada.

I would only suggest that that be how we start off in this debate. I am pleased to be able to talk about Bill C-15, because coming out of an election campaign, I saw a lot of things going on in my riding that were disconcerting. I am very happy that some of these situations are alleviated by provisions taken in Bill C-15 and in the budget as a whole.

Number one is the Canada child benefit. It was frustrating, as we all walked door to door during the election, meeting so many families with children living in poverty. I am lucky to represent a riding that has a very affluent side, but we also have a very poor section. I got to meet families living on very low incomes with children, who had to question whether they had enough money to put their child in an after-school program as well as feed them.

All parties, whether Conservative, Liberal, or New Democrat, agree that we want Canadian children to start out with a fair chance, to have a full belly, to be able to participate not only in primary and secondary school but to go to university or trade school or whatever option they want post-secondary, and to be able to participate in after-school sports or arts or other programs.

The Canada child benefit says we are focusing on the poorest Canadians, we are focusing on those parents who earn, for example, less than \$30,000 a year, and saying they are going to get \$6,400 tax-free for children below the age of six and \$5,400 tax-free for children above the age of six. That makes a real difference.

Whatever we think of the whole budget, whatever we think of Bill C-15, I certainly hope we are able to applaud that measure.

As well, I want to focus on seniors. One of the things that was also disconcerting was seeing the number of seniors in my riding living in poverty, widows especially, living alone in their 80s and 90s, with no family in Montreal to support them. These people will benefit from the enhanced guaranteed income supplement for single seniors, of 10%.

I will resume my comments later.

[Translation]

The Deputy Speaker: The hon. member for Mount Royal will have six minutes for his speech when the House resumes debate on this motion.

*[Translation]***STATEMENTS BY MEMBERS****HAUT-RICHELIEU WOMEN'S CENTRE**

Mr. Jean Rioux (Saint-Jean, Lib.): Mr. Speaker, I would like to acknowledge the exceptional work of the Centre de femmes Haut-Richelieu. It is a centre for public education on the status of women that was founded in 1983 to help improve the living conditions of women.

This year, Lucie Boudreault and Francine Pilon, two smart, caring women, won the prestigious female personality of the year award for 2016. These two women in the riding of Saint-Jean are very involved in their respective fields. We can see that their influence is paving the way to economic and social equality.

I want to congratulate the two award recipients and the Centre de femmes Haut-Richelieu and point out to my colleagues that this organization worked actively to submit a proposal to Status of Women Canada for an initiative to prepare women for political life and thereby promote gender parity in decision-making bodies.

* * *

● (1400)

*[English]***SEX TRAFFICKING**

Mr. Arnold Viersen (Peace River—Westlock, CPC): Mr. Speaker, recently ECPAT International released a study showing that Canada is a prominent child sex tourism destination with indigenous women and children being especially vulnerable.

This report also reveals that the Internet allows sex traffickers to easily advertise their victims online, often through the website backpage.com. In April, Toronto police arrested two sex traffickers who forced a 16-year-old girl into prostitution. In May, three more sex traffickers were arrested in Toronto after trafficking a 17-year-old girl. Both girls were featured in ads on backpage.com. Since 2013, the Toronto police have investigated 359 sex trafficking cases. In each of these cases, every single girl was advertised on backpage.com. This is a reality in other cities across Canada as well.

The previous Conservative government ordered Craigslist to end similar ads in 2010, and they complied.

I urge the Liberal government to demand that backpage.com stop allowing victims of sex trafficking to be advertised in cities across Canada.

* * *

PORTUGAL DAY

Ms. Julie Dzerowicz (Davenport, Lib.): Mr. Speaker,

Love is a fire that burns unseen;
A wound that aches yet isn't felt;
An always discontent contentment;
A pain that rages without hurting.

Statements by Members

So wrote one of the most revered of Portugal's poets, a man by the name of Luis de Camoens in one of his most famous poems, *Amor é um fogo que arde sem se ver*. Luis de Camoens serves as a symbol of the Portuguese nation. The day of his death, June 10, is the day that Portugal observes its national day. It is also a day that Portugal celebrates its global Portuguese community, its emigrants, and their descendants living in communities all around the world. I am proud to say that one such community is in my riding of Davenport, home to the largest Portuguese community in Canada.

We will also join in on the celebrations right here on Parliament Hill in Ottawa. The Canada-Portugal Parliamentary Friendship Group together with Portugal's Ambassador to Canada, José Fernando Moreira da Cunha, is hosting the first ever Portugal Day on the Hill tomorrow evening, Tuesday, June 7, all members are invited—

The Speaker: The hon. member for Courtenay—Alberni.

* * *

EMERGENCY PREPAREDNESS

Mr. Gord Johns (Courtenay—Alberni, NDP): Mr. Speaker, this week in Port Alberni, volunteers will be training how to best respond to a disaster caused by an earthquake or tsunami. These exercises, put on by the province and local governments along with the Red Cross and Salvation Army, will teach life-saving skills and emergency preparedness procedures. On Vancouver Island, we know that it's not a matter of, "if" a big one will hit but "when" a big one will hit. That is why we need federal leadership on emergency preparedness across jurisdictions.

Sadly, all we've seen from the federal government is the cancelling of the joint emergency preparedness program; continued down-loading onto provincial and local authorities; and, the recent closure of the Coast Guard MCTS Centre in Comox, which was the only communications centre not in a tsunami subduction zone.

It is time Canadians, especially those in coastal communities, had the confidence that their federal government is there for them, ready for these kinds of emergencies, not if they strike, but when they strike.

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RAMADAN

Mr. Marc Miller (Ville-Marie—Le Sud-Ouest—Île-des-Soeurs, Lib.): Mr. Speaker, *as-salaam alaykum* to you and all our Muslim sisters and brothers in Canada observing the fast of the holy month of Ramadan.

As in many faiths, fasting is prescribed upon believers to help attain a higher state of consciousness and knowledge. During the blessed month of Ramadan, many Canadian Muslims enjoy fasting as a retreat to help clear the mind and strengthen body and spirit.

[*Translation*]

However, the month of Ramadan is not just about self-awareness and purification. It is also a month for sharing and helping the most vulnerable members of our society. Some examples of such initiatives include the charitable work done by the mosques in our

communities, including my riding of Ville-Marie—Le Sud-Ouest—Île-des-Soeurs.

Ramadan Mubarak.

* * *

[*English*]

LEN MARCHAND

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Mr. Speaker, I would like to pay tribute to the Hon. Len Marchand, who passed away last week in Kamloops. Len was considered a true hero. His autobiography, entitled *Breaking Trail*, truly embodied what he achieved during his life.

Len advocated for a stronger role for indigenous people in Canadian political life. He was the first and only first nations person to be elected three times in the House of Commons from British Columbia. In Ottawa, he was appointed as parliamentary secretary, minister of state, minister of the environment, and, laterally, a senator.

According to B.C.'s lieutenant-governor, upon receiving the Order of B.C., Mr. Marchand was able to influence Canadian policy from the inside in a way that no other aboriginal Canadian had ever been able to do. Beyond, politics, his achievements were far-reaching and have a huge impact on our country and community.

A true gentleman, Len will be dearly missed. I know his legacy will live on and I offer my sincere condolences to the family.

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● (1405)

RAMADAN

Mrs. Salma Zahid (Scarborough Centre, Lib.): Mr. Speaker, today is the first day of Ramadan. Ramadan is the ninth month in the Islamic calendar and is a very blessed and revered month for Muslims all over the world. The word *sawm*, or fasting, is one of the five major pillars of Islam.

Fasting is not just abstaining from eating and drinking from dusk to dawn. It teaches a person the principles of compassion and encourages patience and selflessness, as through fasting, we feel the pains of deprivation, but endure them patiently. It creates in a person the real spirit of social belonging, unity, and brotherhood, of equality before God, as well as before the law. Fasting has benefits like detoxifying and overhauling the body. It also provides a person with a transparent soul and a clear mind.

I would like to wish all Canadians of Muslim faith *Ramadan Kareem* and *Ramadan Mubarak*, and in this blessed month, please make a special prayer for all of our brothers and sisters in Fort McMurray.

RAMADAN

Ms. Iqra Khalid (Mississauga—Erin Mills, Lib.): Mr. Speaker, today is the first day of Ramadan, the most auspicious month in the Islamic calendar. Over the next month, millions of Muslims will fast from sunrise to sunset without a morsel of food or a sip of water. Fasting is one of the main pillars of Islam and it gives those who observe the fast a stronger sense of patience and a look into the lives of those less fortunate.

I want to wish every Canadian a *Ramadan Mubarak*. I hope this holy month brings each of us closer to our families and friends. Every evening as we gather for Iftar, which is the meal to break the fast for the day, and we break bread together, we strengthen the ties and relationships in our communities. Across Canada and in my riding of Mississauga—Erin Mills, we begin our fast and welcome the joyous celebrations this month will bring.

In other news, I am hungry. *Ramadan Mubarak*.

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DEMOCRATIC REFORM

Mr. Scott Reid (Lanark—Frontenac—Kingston, CPC): Mr. Speaker, the government is peddling a fictional narrative that it consulted the Conservative Party on its amendment to the NDP motion for a special committee on electoral reform. Here are the facts.

The day the motion was debated, I did not learn that an amendment was in the works until moments before debate started. Even then, I was never shown a copy. As for advance consultation, the day prior, the minister sent a note on a torn sheet of paper saying she wanted to chat. In a conversation that certainly did not last five minutes, she asked what I thought of the NDP motion without ever indicating that she was planning to seek amendments. So far was I from being a part of the subsequent negotiations that I reacted to the minister's peculiar little visit by going to the NDP critic's office to warn him that the Liberals were up to something. I was right; I just did not guess what.

If the Liberals want to pass off this kind of sandbagging as consultation, is it any wonder that Conservatives are adamant that the final consultation on any new voting system must take the form of a national referendum?

* * *

ATTACK ON AMRITSAR TEMPLE

Mr. Randeep Sarai (Surrey Centre, Lib.): Mr. Speaker, I was nine years and old and it was Saturday morning that I woke up and saw my father and mother glued to the TV, only to find out that the place I had visited twice before, a place that mesmerized me because of its tranquillity, radiance, and royalty, the Golden Temple, the holiest of Sikh gurdwaras, built by Guru Ram Das himself, was being shot with heavy artillery, machine guns, and tanks.

All I could hear was my father saying, "I never thought this could happen. Who would attack a place of worship?" Thousands of worshippers had come to pray, but were confined as no one was allowed to leave. In the barrage of fire, thousands were killed, the healing waters turned red with blood, and the classical rags of music fell silent to the screams of the wounded.

Statements by Members

While Sikhs will never forget 1984, we continue to pray that places of worship remain such: a place for prayer, reflection, and refuge.

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● (1410)

LEN MARCHAND

Mr. Robert-Falcon Ouellette (Winnipeg Centre, Lib.): Mr. Speaker, this weekend saw the passing of two public figures, both known as passionate fighters, each in his respective rings and arenas. Strong-minded and passionate, both fought for their communities and both addressed issues in the broader civil society. One of these figures was the world-renowned boxer Muhammad Ali.

The other was a fighter and a hero to many throughout British Columbia, and indeed left a lasting impression on all Canadians, Len Marchand. Len was born in Vernon, B.C., a member of the Okanagan Indian Band. As our Prime Minister has so aptly put it, Canada has lost a trailblazer.

Beginning his long career in federal politics as a staffer in 1965, Len became a special assistant to ministers within the ministry of Indian Affairs. In the 1968 general election, underestimated and against huge odds, Len was elected to the House, making him the very first status Indian to join Parliament. He served as the minister of small business and the minister of the environment, and ended his political career serving in the Senate for four years. He was a leader who stood tall and would never fail in the tasks ahead of him.

Our deepest condolences to the family and friends of this great role model and great Canadian.

* * *

[Translation]

D-DAY

Mr. Pierre Paul-Hus (Charlesbourg—Haute-Saint-Charles, CPC): Mr. Speaker, June 6, 1944, D-Day, was a pivotal day in human history, known as the longest day.

That day, nearly 150,000 American, British, French, and Canadian soldiers stormed the Atlantic Wall in Normandy to free Europe from Nazi oppression.

Over 14,000 Canadian heroes from all over the country took part in the Normandy landing, and 355 of them gave their lives. That was the first day of an extremely arduous campaign that would take nearly three months to complete. The road to Caen was opened through the efforts of Canadian soldiers and, from there, France and western Europe were liberated.

As a former commanding officer of the Régiment de la Chaudière, the only French-Canadian unit to participate in the landing at Juno Beach, I am particularly honoured to commemorate this historic day.

Let us remember all of those who gave their lives in battle to protect our freedom, and let us be forever grateful to these heroes as we say, "never again".

Oral Questions

[English]

D-DAY

Mrs. Sherry Romanado (Longueuil—Charles-LeMoyne, Lib.): Mr. Speaker, I rise today to thank our veterans on the 72nd anniversary of D-Day.

The Royal Canadian Navy sent over 100 ships and 10,000 sailors as the Canadian contingent of over 14,000 soldiers landed in Normandy, France, including Juno Beach alongside the Allied troops. The success achieved in Normandy was the turning point in World War II. Canadians gave their lives to end the scourge of Nazi Germany.

[Translation]

We are proud of our veterans, and we are grateful for their service and sacrifice, which allow us to enjoy the freedom we have today and ensure that the events of the Second World War never happen again. Those who lost their lives in the wars of the past made the ultimate sacrifice.

Let us remember those who gave their lives for the sake of our future.

[English]

Lest we forget their enormous sacrifice for our freedom.

* * *

[Translation]

CANADA SUMMER JOBS

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Mr. Speaker, I am very pleased to announce that about 322 young people in Sherbrooke will have quality summer jobs that will give them work experience in their fields of study thanks to the Canada summer jobs program. I would therefore like to thank the government for doubling the budget envelope for this program, whose benefits I have seen.

The more than \$1 million injected directly into my community will allow 124 organizations in Sherbrooke, which work in a variety of areas, to hire hundreds of students and give them their first real work experience. Without this money, these unique employment opportunities would not be available. As the member for Sherbrooke, this is the sixth time that I will be able to attest to the remarkable results and benefits of the Canada summer jobs program.

I would like to wish all the recipient organizations and the young people who will benefit from the program a great summer marked by learning, personal development, friendship, and success. I wish the people of Sherbrooke a good summer.

* * *

• (1415)

[English]

D-DAY

Mr. James Bezan (Selkirk—Interlake—Eastman, CPC): Mr. Speaker, today is the 72nd anniversary of D-Day, one of the most important military victories of all time. On this day in 1944, the Allied forces in the Second World War achieved one of the most

significant victories in history. Nearly 150,000 Allied troops courageously stormed the beaches of Normandy. Over 14,000 Canadian soldiers fearlessly fought shoulder to shoulder with our allies in the face of tyranny and fascism.

All aspects of the Canadian Armed Forces were engaged in this historic battle: the 3rd Canadian Infantry Division landed ashore with our allies; the Royal Canadian Navy provided support in the waters; and the Royal Canadian Air Force helped prepare the invasion by bombing targets. Canadian troops rallied to take Juno Beach and push farther into enemy territory than any of their allies. This victory forever altered the course of the Second World War and all of history. As a result, we are able to enjoy freedom, democracy, and the rule of law, cornerstones of our Canadian way of life.

Three hundred and fifty-five Canadians never returned from the beaches of Normandy. We are eternally grateful for their sacrifice. Lest we forget.

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RAMADAN

Mr. Terry Duguid (Winnipeg South, Lib.): Mr. Speaker, today I rise in the House to say *Ramadan Mubarak* and *Ramadan Kareem* and offer my best wishes to the Muslim community for the first day of fasting in the holy month of Ramadan.

During Ramadan, Muslims will be fasting between the hours of sunrise and sunset and they will practise *zakat*, which demonstrates selflessness and compassion for those less fortunate. These actions embody the very values we cherish as Canadians.

This is an important time to be thankful for the rich cultural and religious diversity that we are privileged to share in Canada. During this holy month, I stand with Winnipeg's Muslim community to celebrate the spirit of Ramadan.

Ramadan Mubarak, Ramadan Kareem.

ORAL QUESTIONS

[English]

DEMOCRATIC REFORM

Hon. Rona Ambrose (Leader of the Opposition, CPC): Mr. Speaker, the Liberals say that they will abandon their plans to change our voting system if they do not have widespread public support. Yet they refuse to commit to the most transparent and accessible way of gauging that public support, which is a referendum.

Does the Prime Minister think making such a significant change should be behind closed doors by a handful of Liberal cabinet ministers, or will he finally commit to giving Canadians a direct say in the future of their democracy?

Oral Questions

Right Hon. Justin Trudeau (Prime Minister, Lib.): Mr. Speaker, in the last election, Canadians overwhelmingly voted for parties that had committed to moving beyond first past the post, which is why in our committee we are happy to reflect a broad range of voices from Canadians and are glad to work with opposition parties to ensure there are strong voices heard on all sides of the issue. That is the kind of consultations and engagement that Canadians expect to hear and see when we talk about electoral reform. That is exactly the kind of engagement the previous government did none of.

Hon. Rona Ambrose (Leader of the Opposition, CPC): Mr. Speaker, every Canadian expects to have a direct say in the future of their democracy.

[*Translation*]

In 2012, the current Minister of Foreign Affairs wrote, “Precedent makes holding a referendum necessary in Canada: changing the voting system would require popular support”.

There is one thing Canadians support, and that is a referendum.

Will the Prime Minister listen to his own minister and finally commit to holding a referendum?

Right Hon. Justin Trudeau (Prime Minister, Lib.): Mr. Speaker, an issue as broad and complex as changing our voting system calls for engaged consultations and for multiple voices to be heard, including those of experts from the different parties and Canadians who are concerned about how we are going to go about improving our electoral system.

This process is more complex than the “yes or no” of a referendum. This is about allowing people to express their opinion on the values behind our electoral system and good governance in Canada.

[*English*]

Hon. Rona Ambrose (Leader of the Opposition, CPC): Mr. Speaker, in 2012, the current Minister of Foreign Affairs wrote a policy paper on electoral reform in which he said, “Precedent makes holding a referendum necessary in Canada: changing the voting system would require popular support.”

There is one thing that does have popular support of Canadians right now, and that is if our voting system is changed, Canadians want a say. If the Prime Minister will not listen to Canadians on this, will he at least listen to his minister and give Canadians a referendum?

• (1420)

Right Hon. Justin Trudeau (Prime Minister, Lib.): Mr. Speaker, a couple of years ago, the previous government changed our electoral processes as a way of barring, unfortunately, many people from being able to vote, or trying to. Canadians made themselves heard in the general election, rejecting not just the platform the other party put forward, but its entire approach, which is why we favour an approach that is engaged, open, consultative, drawing in multiple voices with different ideas about how to improve our electoral system. We look forward to a strong and robust process.

[*Translation*]

Mr. Alain Rayes (Richmond—Arthabaska, CPC): Mr. Speaker, have you ever played a game called “who is telling the truth”? Let us play it now.

First of all, the Prime Minister said that the 2015 election would be the last one under the current voting system.

Second, his principal secretary said on Twitter, which seems to be the preferred network of the Minister of Democratic Institutions, that a referendum would be one option to consider.

Third, the minister herself said that if she did not have public support, she would not go ahead with the reform.

Who is telling the truth? Three-quarters of Canadians want a referendum. Will the Prime Minister listen to them?

Right Hon. Justin Trudeau (Prime Minister, Lib.): Mr. Speaker, the reality is that my hon. colleague just demonstrated how engaged we are on this issue and how open we are to perspectives of all kinds in that regard.

Unlike the Conservative way of doing things, where only one person's opinion mattered in any discussion or proposal, many people in our party are involved in examining important issues. We look forward to hearing what Canadians have to say regarding our electoral system.

Mr. Alain Rayes (Richmond—Arthabaska, CPC): Mr. Speaker, let us continue playing “who is telling the truth?”

Fourth, the member for Mount Royal said that the referendum is a tool we could use.

Fifth, the Leader of the Government in the House of Commons first rejected holding a referendum, then indicated that he was open to it.

Sixth, the Minister of Foreign Affairs wrote in a policy paper that “precedent makes holding a referendum necessary in Canada: changing the voting system would require popular support.”

When will the Prime Minister listen to the members of his own caucus and ensure that a referendum is held so that all Canadians can express their views?

Right Hon. Justin Trudeau (Prime Minister, Lib.): Mr. Speaker, apparently the members opposite have not yet understood that we have an engaged caucus and that its members have many views and visions. For too long they have followed only one path and held only one view.

We, the members of the Liberal Party, listen to Canadians, discuss our different perspectives, and, together, build the best approach for Canadians in a consultative and collaborative manner.

I know this is unheard of for them, but that is how we operate.

Oral Questions

[English]

PHYSICIAN-ASSISTED DYING

Ms. Marjolaine Boutin-Sweet (Hochelaga, NDP): Mr. Speaker, Senate Liberal leader James Cowan has now joined the growing number of Canadians saying that Bill C-14 is likely unconstitutional. Cowan said that this government legislation is so flawed that Canadians would be better off with no legislation at all. This bill does not respect the Supreme Court's decision, and it will be tied up in courts for years.

Instead of ramming through Bill C-14, will the government listen to James Cowan and work on getting the bill right the first time?

Right Hon. Justin Trudeau (Prime Minister, Lib.): Mr. Speaker, if there was ever an example of the reforms that the Liberal Party made to the Senate over the past years removing partisanship and patronage from that place, there is no better example than the NDP highlighting the great work that the Senate is doing weighing in on an important piece of legislation.

I thank the hon. member for her comments about the excellent work done by the independent voices in the Senate, and I look forward to hearing what the Senate has to say about Bill C-14 when it returns to us.

[Translation]

Ms. Marjolaine Boutin-Sweet (Hochelaga, NDP): Mr. Speaker, the government had the chance to do things differently with Bill C-14, but it decided to ignore experts, not to work with the opposition, and to limit debate.

Warnings were coming in from all over. Quebec's health and social services minister called Bill C-14 unenforceable. He thinks that the notion of reasonably foreseeable death is medically unfeasible and he refuses to include it in Quebec's law.

Will the government finally realize that Bill C-14 must be amended?

• (1425)

Right Hon. Justin Trudeau (Prime Minister, Lib.): Mr. Speaker, as part of the debates on Bill C-14, we listened to many politicians from all the different parties share their views.

However, we did more than that. We listened to doctors and Canadians. We consulted the public at large, across the country, to ensure that this important and transformative measure regarding medical assistance in dying would be properly designed to uphold Canadians' rights and freedoms while protecting the most vulnerable.

That is the balance we have struck, and we are proud of it.

[English]

Mr. Murray Rankin (Victoria, NDP): Mr. Speaker, it is not just Quebec that is protesting. Peter Hogg, Canada's foremost constitutional scholar, today testified that Bill C-14 fails to respect the Carter decision and will undoubtedly be struck down as soon as it gets to court. He said that the government cannot turn around and exclude a group of people that the Supreme Court clearly ruled have these charter rights.

It is never too late for the government to do the right thing. Will the Liberals finally respect the charter and announce that they are willing to fix the bill?

Right Hon. Justin Trudeau (Prime Minister, Lib.): Mr. Speaker, this government recognizes that this is a big step in the history of our country, and making sure that we do that in a responsible and thoughtful way, that both upholds Canadians' rights and freedoms while defending the most vulnerable, is exactly what we have done with this piece of legislation.

On top of that, we made sure that we heard from Canadians and experts and we allowed and encouraged a free vote in the House of Commons. Unfortunately, it is disappointing that the NDP did not allow themselves a free vote on this issue.

Mr. Murray Rankin (Victoria, NDP): Mr. Speaker, the Liberals' stubborn refusal to listen to experts and work with the opposition will mean suffering Canadians spending years in court defending rights that they have already won.

Kay Carter's family is also disillusioned with the current government. They said today that they felt betrayed. Today they called out the Prime Minister for his refusal to listen to Canadians.

If the Liberals really disagree with the Alberta Court of Appeal, the Ontario court, and Canada's foremost constitutional scholar, will they at least now table the government's legal opinion on the bill, so that Canadians can judge for themselves?

Right Hon. Justin Trudeau (Prime Minister, Lib.): Mr. Speaker, what Canadians expect of this government is to make sure that we are both defending the rights and freedoms of Canadians while protecting the most vulnerable, and that is exactly the balance that we have struck with Bill C-14.

Throughout we have been open to amendments, including accepting amendments from opposition members. We look forward to hearing the deliberations that the Senate is carrying forward on this same piece of legislation.

We are ensuring that this big step that Canada is taking, despite people who think it goes too far and others who think it does not go far enough, is done the right way.

* * *

DEMOCRATIC REFORM

Mr. Scott Reid (Lanark—Frontenac—Kingston, CPC): Mr. Speaker, on Friday, the minister told the CBC, "if an overwhelming majority of Canadians tell us that they want system X, we will... listen to what they've said".

One logical implication of the minister's words is that if the Liberal proposal for electoral reform is supported by an underwhelming minority of Canadians, say under 50% in a national referendum, then it ought not to be imposed on the nation for election 2019.

Either the minister's words mean she favours a referendum, or they mean nothing at all and are meant to simply misdirect us. Which of the two is correct?

Oral Questions

Hon. Maryam Monsef (Minister of Democratic Institutions, Lib.): Mr. Speaker, we have said from the very beginning that we will not move forward on any reform to our electoral system without the broad support of Canadians.

This means it is vitally important for the special all-party committee to begin its work of hearing from Canadians first-hand what their needs are and what values they would like to see reflected in their electoral system. I look forward to support from all members in this House when this vote is up for discussion tomorrow.

Mr. Scott Reid (Lanark—Frontenac—Kingston, CPC): Mr. Speaker, last week the *Toronto Star* said, “If the Liberal government truly wants broad buy-in from Canadians on electoral reform, it should hold a referendum and let people vote.” It said that a referendum is “the only way to guarantee that electoral reform has democratic legitimacy”.

Therefore, I ask the minister again, and particularly given her earlier words on Friday, does she support a national referendum, or was she just saying all that stuff as a way of misdirecting us?

Hon. Maryam Monsef (Minister of Democratic Institutions, Lib.): Mr. Speaker, I will repeat what I said in this place on Thursday and so many other times before, that there is at least a three-step process for us to undertake.

The first step is to establish the committee and have it go out and hear from Canadians. The second step is for us to come up with a plan and debate that plan in this House. The third step is where my hon. colleague is at, which is determining whether or not the recommended reforms have the broad buy-in of Canadians.

Let us get on with the first step.

• (1430)

Mr. Blake Richards (Banff—Airdrie, CPC): Mr. Speaker, in 2012, the Minister of Foreign Affairs said, “Precedent makes holding a referendum necessary in Canada: changing the voting system would require popular support.”

If that minister actually believes his own words, will he try to convince the Prime Minister that Canadians deserve a direct say, through a vote in a referendum, on any changes to how they vote?

Hon. Maryam Monsef (Minister of Democratic Institutions, Lib.): Mr. Speaker, our government is entering electoral reform with an open mind.

As the member opposite well knows, the amended motion that the NDP put on the table late last week allows for the committee to investigate ways of determining how to engage the broad support of Canadians. This is an important addition that we added to the motion to address the hon. colleagues' concerns, and look forward to unanimous support of the House on this matter tomorrow.

Mr. Blake Richards (Banff—Airdrie, CPC): Mr. Speaker, much like other times, we keep hearing about the interest of political parties and of politicians.

The discussion on changing our most basic democratic institution is not about political parties nor about the interest of politicians. It is about the Canadian people.

It should be about making sure that each and every Canadian voice has an opportunity to have a direct say through a referendum. Will the Liberals hold one, yes or no?

Hon. Maryam Monsef (Minister of Democratic Institutions, Lib.): Mr. Speaker, it appears that we have found common ground.

The one thing that we can all agree on in this House is that is crucial to the success of us being able to modernize our electoral system is first hearing from Canadians. That is why we committed to bringing forward an all-parliamentary committee to hear from Canadians, to act as a forum to hear their thoughts and aspirations for their electoral reform.

I am really looking forward to this vote tomorrow and unanimous support from all members.

Mrs. Shannon Stubbs (Lakeland, CPC): Mr. Speaker, the Liberal approach to electoral reform is a bit strange.

They believe that the current system makes it difficult for people to vote, yet record numbers of Canadians voted in 2015. In the 1992 referendum on the Charlottetown accord, nearly 75% of eligible Canadians voted.

Three-quarters of Canadians are demanding to have their say again. Will the Liberals hold a referendum on fundamental changes to how Canadians vote?

Hon. Maryam Monsef (Minister of Democratic Institutions, Lib.): Mr. Speaker, the former government did not consult Canadians or experts or Elections Canada on the changes they brought forward through the Fair Elections Act. I totally understand why bringing a committee forward to hear from Canadians is a strange concept to them.

We have entered this process with an open mind and look forward to getting down to the work of hearing from Canadians and moving away from a hyperpartisan debate on process.

Mrs. Shannon Stubbs (Lakeland, CPC): Mr. Speaker, I think the minister does not need to patronize us. The fact is that this is not up for politicians to decide; it is up to Canadians.

We keep asking these questions because her answers make no sense. One hundred per cent of Canadian voters deserve to have a direct say in how they will elect their governments. What is so hard to understand?

My question, once again, is, will the minister finally listen to Canadians and agree to hold a referendum on how they vote?

Hon. Maryam Monsef (Minister of Democratic Institutions, Lib.): Mr. Speaker, our commitment is to hear directly from Canadians. Our hope is that all 338 members in this House will advocate on behalf of their constituents and contribute constructively to the substance of electoral reform.

I hope that the mood tomorrow, with the vote tomorrow, will allow us to move away from an unproductive partisan debate on process to the substance of electoral reform, and ensuring that all Canadians, including young people who are not yet old enough to vote, can be part of this important conversation.

*Oral Questions**[Translation]***PHYSICIAN-ASSISTED DYING**

Ms. Brigitte Sansoucy (Saint-Hyacinthe—Bagot, NDP): Mr. Speaker, the medical assistance in dying bill is historic. The government should have done the right thing.

That is exactly what it did not do. Knowing the timeline was tight, it nevertheless waited until April to introduce its bill. It refused to listen to the experts.

Today, Peter Hogg, one of Canada's most respected constitutional experts, once again said that Bill C-14 would not pass the test in terms of the charter or the Carter decision.

When will the Liberals change course and do the right thing?

• (1435)

[English]

Hon. Jody Wilson-Raybould (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, we have sought to ensure that we hear from a diversity of voices in this country with respect to this incredibly difficult and complex issue. To paraphrase the Supreme Court of Canada, the court does not have a monopoly on the protection and promotion of rights, and Parliament has to do its job to be an ally to the vulnerable.

We have sought to find a balance between the diversity of views and perspectives in this country, balancing personal autonomy and protecting the vulnerable.

[Translation]

Ms. Brigitte Sansoucy (Saint-Hyacinthe—Bagot, NDP): Mr. Speaker, medical assistance in dying is about the law, but it is, above all, about people.

The Carter family fought for years alongside their mother to make it possible for people to die with dignity in Canada. Today, they are saying that they feel betrayed by the Liberal government. The government says that it listens to Canadians, but it listens only to those who agree with it.

Now that the government has failed to get its bill passed by June 6, will it come up with a bill that is charter-compliant and in line with the Carter decision?

[English]

Hon. Jody Wilson-Raybould (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, we are incredibly mindful of the deadline of the Supreme Court of Canada. It is incumbent upon parliamentarians to put in place a national framework around our medical assistance in dying to ensure that there are the appropriate and necessary safeguards in place, to ensure certainty for medical practitioners, and to ensure that there is access for patients who want to access medical assistance in dying.

This is an incredibly complex discussion. We have certainly listened to the voices of Canadians, and it is the voices of Canadians who have contributed toward Bill C-14.

NATIONAL DEFENCE

Mr. James Bezan (Selkirk—Interlake—Eastman, CPC): Mr. Speaker, from helicopters to submarines, and now fighter jets, the legacy of the Liberals is to buy old and make do.

The Liberals have made up their minds to buy the Super Hornet and now are working on the right narrative to support it.

Let us be perfectly clear. The Liberals are only sole-sourcing the Super Hornets to fulfill an ill-advised political campaign promise. Simply put, the Canadian Armed Forces deserve a lot better.

Will the Prime Minister admit that he broke his promise for an open and fair competition to replace our fighter jets?

Hon. John McKay (Parliamentary Secretary to the Minister of National Defence, Lib.): Mr. Speaker, the government is committed to a well-equipped and modern air force. Unfortunately, the last five years have been a bit of a loss. As a consequence, there is a developing capability gap which needs to be managed. We have obligations to NATO, we have obligations to NORAD, we have obligations to our own defence and to expeditionary matters.

Accordingly, we are proceeding forward on this matter, and we will be moving toward a decision soon.

Mr. James Bezan (Selkirk—Interlake—Eastman, CPC): Mr. Speaker, the Liberals will not even use our fighter jets to defeat and degrade ISIS, and the Liberal suggestion that our fighter jets are literally on their last legs is patently false. We know that our fighter jets can operate effectively until 2025, and there is no urgency to replace them on an interim basis. The Liberals do not need to sole source the Super Hornet to transition from the CF-18 to avoid their imaginary capability gap. Why are the Liberals misleading Canadians and breaking their promise for a fair and transparent competition?

Hon. John McKay (Parliamentary Secretary to the Minister of National Defence, Lib.): Mr. Speaker, unfortunately, due to the inaction of the previous government, we are developing a capability gap, and that capability gap needs to be managed. So four years out, five years out, 10 years out, the chief of defence needs to be thinking about how to manage that capability gap. Accordingly, the minister has taken the responsible action, and he is moving forward with making a decision sooner rather than later, which should have happened maybe five years ago now.

[Translation]

Mr. Pierre Paul-Hus (Charlesbourg—Haute-Saint-Charles, CPC): Mr. Speaker, senior officials have confirmed that the Liberal government has already decided to purchase F-18 Super Hornets. Before making the announcement, the Liberals just have to finalize the narrative to justify this purchase. Although they promised to hold an open, transparent competition, the result has already been decided: another broken Liberal promise.

Can the government confirm that it plans to purchase the F-18 Super Hornet? What expert advice is it basing this decision on?

Oral Questions

● (1440)

[English]

Hon. John McKay (Parliamentary Secretary to the Minister of National Defence, Lib.): Mr. Speaker, as I said in an earlier response to a question, the unfortunate reality is that we have lost five years on this particular procurement. As a consequence, we are now approaching a situation where we have a capability gap. If we are going to manage the capability gap, we need to move to the point of making a decision. Unlike the previous government, we will be making a decision.

[Translation]

Mr. Pierre Paul-Hus (Charlesbourg—Haute-Saint-Charles, CPC): Mr. Speaker, the current fleet of CF-18s has been refurbished to last until 2025, which is enough time to transition to the next fighter jet. The urgency the Liberals are describing seems to have been invented specifically to give the Prime Minister an excuse not to purchase the F-35.

If the government goes ahead with this decision, is the minister aware of the risk of legal action and the negative repercussions this will have on the Canadian businesses that manufacture the F-35?

[English]

Hon. John McKay (Parliamentary Secretary to the Minister of National Defence, Lib.): Mr. Speaker, getting a question from the Conservative Party, having manufactured, in effect, this capability gap, is ironic in the extreme. We are, therefore, in a position where we are going to have to make serious decisions about the replacement for the CF-18. We cannot any longer carry on in the fashion we have been carrying on. Had these decisions actually been addressed and done in the last three or four or five years, we would not be here talking about this matter today.

[Translation]

Ms. Christine Moore (Abitibi—Témiscamingue, NDP): Mr. Speaker, they have been in power for seven months now, and replacing our CF-18s did not seem to be on their radar, and yet, we have known for years that they need to be replaced. I hardly need to point out that replacing any military equipment requires planning. It is not like going shopping at Toys “R” Us. These kinds of purchases are not made on a whim. What our soldiers need is the right equipment for the job. When will the government put in place a transparent process to replace the CF-18s?

[English]

Hon. John McKay (Parliamentary Secretary to the Minister of National Defence, Lib.): Mr. Speaker, the hon. member will know, being in the NDP, that for the last five, six, seven, eight years, the CF-18 decision had been pending and pending and continued to be pending. Had the previous government actually done something more than get in and out of photo ops, possibly we would not actually be talking about this at this point.

Mr. Randall Garrison (Esquimalt—Saanich—Sooke, NDP): Mr. Speaker, during the campaign, the Liberals said that they would not purchase the F-35, but right after being elected, they said maybe yes, maybe no. Now it looks like they may have already decided on another fighter jet, but still without the promised open and transparent competition. In fact, it looks like the Liberal government is running procurement as an inside job, just like the Conservatives.

Why have they abandoned an open tender process to replace our aging CF-18s, and when will they put in place a procurement system that can actually deliver the equipment our military needs?

Hon. John McKay (Parliamentary Secretary to the Minister of National Defence, Lib.): Mr. Speaker, as members know, we inherited a procurement system that by many measurements was a broken procurement system. Accordingly, the minister has had to take serious decisions—all ministers, in fact, have had to take serious decisions—with respect to getting the equipment the hon. member and I would agree is the equipment that needs to replace the CF-18. Accordingly, we are proceeding with the decision process, and hopefully we will have a decision soon.

* * *

*[Translation]***NATURAL RESOURCES**

Mr. Marc Serré (Nickel Belt, Lib.): Mr. Speaker, the previous government showed no interest in science and innovation, but, since taking office, our government has put them back on the map. That is one of the important measures taken by this government.

It is by investing in leading-edge sectors that Canada will continue to progress and secure its future. Without a doubt, clean energy is one of those sectors.

Will the Minister of Natural Resources inform the House of the new Canadian strategy in that regard?

Hon. Jim Carr (Minister of Natural Resources, Lib.): Mr. Speaker, I would like to thank my colleague from Nickel Belt for his question.

When I was in San Francisco last week, I announced that Canada would double its funding for clean energy to \$775 million by 2020. With these investments, our government is taking a strong leadership role on climate change.

* * *

*[English]***IMMIGRATION, REFUGEES, AND CITIZENSHIP**

Hon. Michelle Rempel (Calgary Nose Hill, CPC): Mr. Speaker, soon Syrian refugees will see their one year of government-funded support terminate. Moreover, many of these refugees cannot access training to learn English or French. A refugee at committee last week said, through a translator, “No, I am not working. How can I work if I don’t know the English to communicate?” His family has already had to turn to food banks to make ends meet.

When will the Liberals admit that by failing to have any comprehensive plan to provide Syrian refugees with language training, these refugees may require social assistance after their year of funding runs out?

Oral Questions

•(1445)

Hon. John McCallum (Minister of Immigration, Refugees and Citizenship, Lib.): Mr. Speaker, we certainly have a comprehensive plan to provide language training, because we understand that success in English or French is key to finding a job and key to success in Canada. That is why the government has funded \$600 million for settlement in 2016-17. That is \$27 million extra for the new refugees, and language is very much at the top of our priorities.

Hon. Michelle Rempel (Calgary Nose Hill, CPC): Mr. Speaker, this refugee at committee begged to differ. He said, when asked about his wife's chances to learn English, "Her situation is worse than mine. I try my best to learn English on the streets, through my friends, or through some acquaintances. She doesn't have that chance because she mainly stays at home with the kids".

Will the Liberals admit that their lack of a plan to provide language training to Syrian refugees is creating gender inequity and isolating these women, or will they continue to treat these women simply as photo ops?

Hon. John McCallum (Minister of Immigration, Refugees and Citizenship, Lib.): Mr. Speaker, we are working very hard through our funding to provide language training to men, to women, and to children. We also understand that many of the Syrian refugee mothers have significant numbers of children to look after, and therefore they need child care facilities to help them with the language training. We understand there is more work to do in that area, but we are working very hard through the settlement agencies to provide that funding to support language training for everybody.

* * *

FOREIGN AFFAIRS

Hon. Tony Clement (Parry Sound—Muskoka, CPC): Mr. Speaker, it is becoming increasingly clear that the Liberals will cave in to Chinese belligerence at the drop of a proverbial hat.

Last week, at the insistence of the Chinese government, the Prime Minister bowed to demands to meet not with the president but with the foreign minister, who then took time out of his busy schedule to berate a Canadian journalist while our foreign minister kept as quiet as a church mouse.

When will the Liberals grow a backbone and ensure that Canadian foreign policy is actually run by Canadians?

Hon. Stéphane Dion (Minister of Foreign Affairs, Lib.): Mr. Speaker, we actually need to grow the relationship between Canada and the sixth of humanity, China, which was so damaged by the former government.

This is why we need to make progress in every aspect, including human rights, including the rule of law. It is what I said very clearly in the meetings with the minister of foreign affairs of China. It is what I said during the conference he just mentioned. It is what I said also in my subsequent relationship with the minister.

We will continue to improve our relationship with China and to advocate the case for human rights everywhere in the world, including in China.

Hon. Peter Kent (Thornhill, CPC): Mr. Speaker, by any realistic measure, last week's visit by China's foreign minister did not go so

well. Again, the Prime Minister broke with protocol and caved in to Minister Wang's demand for a meeting. Then Canada's minister stood silent while the Chinese minister angrily scolded a Canadian journalist.

When will the Liberals stand up to China and demand meaningful answers on China's human rights transgressions?

Hon. Stéphane Dion (Minister of Foreign Affairs, Lib.): Mr. Speaker, there are two erroneous things in the member's comments. First, of course I was not silent regarding human rights groups, including in the press conference. The obligation to hurt my—

Hon. Ed Fast: You were at the press conference.

The Speaker: I would ask the member for Abbotsford to try to restrain himself. I know he is excited about all this, but I know he can restrain himself from commenting until whenever he may have the floor. Right now, the hon. Minister of Foreign Affairs has the floor.

Hon. Stéphane Dion: Mr. Speaker, it will probably hurt my modesty, but I need to quote myself. I said in the press conference, "In our international engagement Canada will continue to champion the values of pluralism, democracy, inclusive and accountable governance and respect for diversity and universal human rights."

About the practice of our foreign affairs ministers meeting leaders of the world, I meet leaders of the world everywhere in the world. The Prime Minister will certainly be willing to meet—

•(1450)

The Speaker: The hon. member for Berthier—Maskinongé.

* * *

[*Translation*]

DAIRY INDUSTRY

Ms. Ruth Ellen Brosseau (Berthier—Maskinongé, NDP): Mr. Speaker, last week, thousands of dairy farmers came to Ottawa to speak out against the government's inability to protect them on the diafiltered milk issue.

Farmers have lost millions of dollars because the government did not enforce its own regulations. Now, the government is trying to convince us that opening our markets through the trans-Pacific partnership is going to be a good thing.

Does the government take us for fools? How are farmers supposed to feel reassured about the trans-Pacific partnership when the government is not even capable of enforcing its own import regulations?

Oral Questions

Mr. David Lametti (Parliamentary Secretary to the Minister of International Trade, Lib.): Mr. Speaker, we are consulting with dairy farmers across Canada on the trans-Pacific partnership. We have not yet taken a position, but once we do so, we will be sure to consult and provide compensation as necessary.

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CANADIAN HERITAGE

Mr. Pierre Nantel (Longueuil—Saint-Hubert, NDP): Mr. Speaker, the trans-Pacific partnership also raises concerns for cultural industries.

The TPP explicitly prevents the government from developing policies to support Canadian content on digital platforms. On one hand, we have a Minister of Canadian Heritage holding consultations on digital media, and on the other hand we have her government signing a treaty that will limit its own capacity to intervene online.

Despite all her fine words, the minister's hands will be tied. However, she promised to protect our cultural diversity in these trade agreements.

How will the minister defend such an absurdity to our cultural industries?

Hon. Mélanie Joly (Minister of Canadian Heritage, Lib.): Mr. Speaker, Canadian content and support for creators of content are a priority for our government.

For years, our approach during trade talks has always been to maintain our capacity and to support cultural and creative industries. That remains unchanged today, especially during our talks on the TPP.

We also want to seize the opportunities offered through our various trade talks. That is why our government is determined to listen to Canadians on the issue and that is why the Minister of International Trade is—

The Speaker: The hon. member for Brantford—Brant.

* * *

[English]

SMALL BUSINESS

Mr. Phil McColeman (Brantford—Brant, CPC): Mr. Speaker, from day one, the Liberals have shown a complete lack of interest in the needs of small businesses. After ending the small business hiring credit, they broke their promise to lower the small business tax rate. The chamber of commerce says businesses are worried about a big CPP tax increase, which it says is “headed for the middle class like an elbow to the chest”.

Why is the finance minister so intent on squeezing every penny he can out of middle-class businesses and workers?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, we are focused on ensuring that Canadians have the opportunity to retire in dignity. We started down this path immediately on getting elected. We told Canadians this is something we wanted to do. We moved forward with improving the guaranteed income supplement for seniors in poverty. We changed the OAS system so that we can help

seniors retire when they can. We are working collaboratively with the provinces to enhance our Canada pension plan, which is an investment in the future of Canadians, allowing Canadians to retire in dignity.

Hon. Kevin Sorenson (Battle River—Crowfoot, CPC): Mr. Speaker, hard-working Canadians cannot afford to pay more taxes. The Canadian Federation of Independent Business said that no business can afford higher payroll taxes either, but the finance minister is again putting Canadian jobs at risk. The Liberals have already backed off on their election promise to lower the small business tax rate. Now they are going to raise payroll taxes.

Why is the finance minister killing the backbone of the Canadian economy with irresponsible CPP payroll tax hikes?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, I would like to remind the member opposite that we are trying to enhance the Canada pension plan. That is a plan where Canadians can save. It is a plan where we can invest money so people can have a retirement in dignity. We know that working together with the provinces, we can achieve a real difference for Canadians, helping them to have a retirement in dignity and to save appropriately for that. We are committed to doing that in collaboration with our finance ministers in our provinces.

* * *

[Translation]

PENSIONS

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Mr. Speaker, the problem with this government is that every time it opens its mouth, there is a big disconnect.

As members will recall, they said they would make revenue-neutral tax changes. Instead, they have dug a \$1.7-billion hole.

Now, they are turning their attention to pensions. We are worried and we have every right to be worried.

Can the government promise not to increase Canadians' CPP payroll taxes?

● (1455)

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, we want to have a pension plan that will allow Canadians to live their retirement years with dignity. That is why we want to enhance our pension plan. I am working with the provinces in order to help Canadians retire with dignity.

Oral Questions

[English]

EMPLOYMENT

Mr. Ken McDonald (Avalon, Lib.): Mr. Speaker, when we were elected, we promised to help middle-class families and grow the economy. An important way to achieve this objective is to ensure that young Canadians are able to find work and get the experience required in the job market. We remember how the previous government spent more time putting up billboards than creating jobs for young Canadians.

Could the Minister of Employment, Workforce Development and Labour inform the House of the success of the Canada summer jobs program?

Hon. MaryAnn Mihychuk (Minister of Employment, Workforce Development and Labour, Lib.): Mr. Speaker, I want to report to the House that this government understands the importance of meaningful work in a summer job. That is why we promised to double the number of jobs this summer. In fact, we have more than doubled them.

I am proud to say that every hon. member in the House worked hard. We not only doubled, but we increased the number of jobs to 77,000 jobs this summer. It is because of the commitment of the minister for youth that we were able to keep the promise and focus on what was important, young—

The Speaker: Order, please. The hon. member for Battlefords—Lloydminster.

* * *

INTERNATIONAL TRADE

Hon. Gerry Ritz (Battlefords—Lloydminster, CPC): That they got neutral, Mr. Speaker. Those jobs are for half as long.

The leaders' declaration from the G7 in Japan has clear commitments to regional trade agreements like the TPP. Yet the Prime Minister seems more inclined to push for an early deal with China. While that is a very important market for us, the Prime Minister has also said, "It is important that people know that when they sign a deal with Canada...a change in government isn't going to lead to that contract being ripped up". Since he supported the leaders' declaration, why will the Prime Minister not prioritize the TPP before holding trade talks with China?

Mr. David Lametti (Parliamentary Secretary to the Minister of International Trade, Lib.): Mr. Speaker, increased trade relationships with China are in the minister's mandate letter, but we are not in negotiations for a trade agreement right now. We will take a cautious step-by-step approach.

As regards the TPP, we promised during the election, because it was a deal that we had not yet seen, that we would study it carefully. We are continuing to do that. We are doing our own studies, we are taking in studies, and the committee is studying. We will come to a position on that when the time is right.

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INFRASTRUCTURE

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, people in Windsor have fought for a long time for a new border crossing with

the United States. Manufacturers, farmers, and those in other key sectors are left wondering whether the government will deliver the Gordie Howe international bridge border crossing on time. This means jobs and investment for Canada as this region accounts for 40% of the daily trade between Canada and the United States.

My question is for the Prime Minister. His government has already missed two important deadlines for this crucial infrastructure. Could the Prime Minister confirm today that his government is on track to make this crossing happen by 2020? This is his opportunity to reassure the citizens and industries from manufacturing—

The Speaker: Order, please. The hon. Minister of Infrastructure and Communities.

Hon. Amarjeet Sohi (Minister of Infrastructure and Communities, Lib.): Mr. Speaker, our government's commitment to building the Gordie Howe international bridge is unwavering.

Nearly 30% of the surface trade, as the hon. member has mentioned, crosses at this very important crossing. It is very critical for us to continue to grow our trade with the United States. The first step of the process, where we listed all the companies to build this bridge, has already happened. We are on the next stage—

The Speaker: Order, please. The hon. member for Don Valley East.

* * *

INNOVATION

Ms. Yasmin Ratansi (Don Valley East, Lib.): Mr. Speaker, headquartered in my riding of Don Valley East, Thales Canada is a global leader in the development of high technologies in aerospace, urban transportation, security, and urban science. In addition, Thales Canada is a leader in the promotion of gender diversity and equality in the workplace.

[Translation]

Can the minister tell the House how the government can ensure that Canada continues to support innovative companies like Thales Canada?

Mr. Greg Fergus (Parliamentary Secretary to the Minister of Innovation, Science and Economic Development, Lib.): Mr. Speaker, I would like to thank my hon. colleague for her question and her important work in support of Canadian entrepreneurship.

• (1500)

[English]

The 2016 budget shows how committed we are to promoting Canadian innovation. We are investing about \$4.5 billion as a down payment to start the innovation agenda, with investments in initiatives such as strengthening business clusters, building post-secondary infrastructure, and extending broadband service. This is an agenda for change. It will address the economic challenges, grow our businesses and help us take the next steps toward growing a more innovative economy.

* * *

INDIGENOUS AFFAIRS

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Mr. Speaker, the First Nations Financial Transparency Act gave band members for the first time ever access to critical information such as salaries and expenses of their leaders and audited financial statements. On Friday, the minister admitted to Canadians that “no formal consultations” were held before gutting the act.

Does the minister not believe that band members should have input into a decision that affects them so directly?

Hon. Carolyn Bennett (Minister of Indigenous and Northern Affairs, Lib.): Mr. Speaker, again, the department was not in charge at that time. As the opposition critic, we consulted broadly through that time. We know exactly what first nations feel about transparency. Accountability is very important to everyone. We have to do it their way, not the way the Conservatives did it.

* * *

[Translation]

SOFTWOOD LUMBER

Mr. Rhéal Fortin (Rivière-du-Nord, BQ): Mr. Speaker, since the price of lumber from Quebec's public forests is set at an auction, it is higher, and our companies are only competitive when a free trade agreement exists. Under the softwood lumber agreement, Quebec has lost some major sales to British Columbia. Quebec can push for free trade all it wants, but it does not yet have status as a country. The federal government is negotiating on our behalf, but the government has been refusing to answer our questions for six months.

If Ottawa accepts a protectionist agreement, will it exempt Quebec so that NAFTA applies to us?

Mr. David Lametti (Parliamentary Secretary to the Minister of International Trade, Lib.): Mr. Speaker, the government recognizes how important the forestry industry is to Quebec and Canada. We are negotiating with our American counterparts. This morning, the minister met with industry representatives in Montreal. We are working very closely with the industry, the Government of Quebec, and other governments across the country. We are working together to ensure that we get an agreement that is good for Canada.

* * *

MIRABEL AIRPORT LANDS

Mr. Simon Marcell (Mirabel, BQ): Mr. Speaker, nearly 50 years ago, thousands of people were kicked out of their homes by the

Oral Questions

federal government so that it could build the Mirabel airport. It was a colonialist fiasco of historic proportions. Today, the residents of Mirabel whose land was expropriated and their descendants want their land back, but the government is putting it up for sale. The government turned these people's lives upside down and left them a heap of ruins. Now it needs to take them into account.

Will the Prime Minister promise to give the original property owners and their descendants right of first refusal in the sale of the expropriated Mirabel lands, and will he offer them an official apology?

Hon. Marc Garneau (Minister of Transport, Lib.): Mr. Speaker, I am aware of the situation involving the former Mirabel airport lands. The main objective of the sale, enabling tenant farmers to buy the lands they were leasing, was achieved. Approximately 750 acres, or 7% of the former airport lands, has not yet been sold.

In the coming weeks, the government will proceed with the sale of the remaining Mirabel lands. Parcels will be offered in accordance with the policy on management of real property.

* * *

[English]

THE ENVIRONMENT

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, June 17 will be the world day to combat desertification. This is an area where Canada was once extremely helpful. We even hosted the fifth meeting of the treaty to combat desertification, having ratified it in 1995. It is a key instrument, not just for developing countries but for dealing with increasing drought within Canada. Shamefully, the previous government withdrew us in 2013. I want to know when Canada will be back.

Could the Prime Minister tell us specifically if Canada can rejoin the convention?

Right Hon. Justin Trudeau (Prime Minister, Lib.): Mr. Speaker, we recognize not just the link between land degradation and climate change, but also the risks that desertification poses to realizing sustainable development goals. We are coordinating with our international partners to implement the 2030 agenda and its ambitious objectives to eradicate poverty, fight inequality and injustice, and tackle climate change.

We recognize the important work done by the UN Convention to Combat Desertification and look forward to updating the House soon, possibly on June 17 itself.

• (1505)

Mr. Peter Julian: Mr. Speaker, the Prime Minister misled the House during question period when he said that the NDP had a whipped vote on Bill C-14. He knows that is not the case. He knows on this side of the House, it was a free vote.

Routine Proceedings

However, the NDP caucus is united in its determination that Bill C-14, as it is, is—

The Speaker: This is clearly debate, as the member knows, though I appreciate his intervention.

[*Translation*]

CANADA POST

Ms. Marjolaine Boutin-Sweet (Hochelaga, NDP): Mr. Speaker, I have never gathered as many signatures on a petition as I have for the one I am presenting today, which is about the reduction of Canada Post services.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

PUBLIC SAFETY AND NATIONAL SECURITY

Mr. Robert Oliphant (Don Valley West, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the third report of the Standing Committee on Public Safety and National Security, entitled “Main Estimates for the fiscal year ending March 31, 2017”.

[*English*]

I also have the privilege to present, in both official languages, the fourth report of the Standing Committee on Public Safety and National Security, entitled “Supplementary Estimates (A)” for the fiscal year ending March 31, 2017.

LIAISON

Hon. Judy A. Sgro (Humber River—Black Creek, Lib.): Mr. Speaker, it is my pleasure to present, in both official languages, the second report of the Liaison Committee regarding committee activities and expenditures.

* * *

• (1510)

PETITIONS

PHYSICIAN-ASSISTED DYING

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Mr. Speaker, I have the honour to present two petitions today from across Canada. The petitioners are calling on Parliament to provide adequate safeguards for vulnerable Canadians, especially those with mental health challenges, to provide clear conscience protections for health care workers at institutions, and to protect children and those under 18 from physician-assisted suicide.

VISITORS' VISAS

Mr. James Bezan (Selkirk—Interlake—Eastman, CPC): Mr. Speaker, I have the pleasure to present my first e-petition today, petition e-33, which was started by Nick Krawetz out of Winnipeg. It has almost 2,500 signatures on it in support of lifting the temporary visa requirements for Ukrainian citizens who want to visit Canada for at least 90 days.

The argument is that in support of trade and a new free trade agreement between Canada and the Ukraine, business people and those who want to expand their horizons and educational opportunities should be allowed to come back and forth easily between Canada and Ukraine. I support this petition.

When the Conservatives were in power, I gathered these signatures by the thousands. Now that the Liberals have broken their promise to restore home mail delivery, I am still gathering hundreds of signatures. Here is another petition.

[*English*]

41ST GENERAL ELECTION

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, I have the honour to rise today to present two petitions.

The first involves Canadians concerned about the potential electoral fraud that occurred in the 2011 federal election. Clearly, many offences took place in the use of calls to misdirect voters, but the culprits have yet to be found. The petitioners ask for action on that.

THE ENVIRONMENT

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, the second petition is from residents of my riding in the vicinity of the Saanich Inlet. It is described in this petition and by the Province of B.C. as an ecologically sensitive area. An increase in the use of recreational boats is leading to the petitioners to call for the area to be proclaimed a zero-discharge zone in order to protect its ecological integrity.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, would you be so kind as to call Starred Question No. 118? If the government's response to this question could be made an order for return, the response would be tabled immediately, as if read.

The Speaker: Is that agreed?

Some hon. members: Agreed.

Privilege

PRIVILEGE

REPORT STAGE AMENDMENTS

[Text]

***Question No. 118—Mr. Kennedy Stewart:**

With respect to the communication of scientific research and government scientists speaking to the public about their research: (a) what is the complete and detailed list of all changes, amendments, or updates made to the communication policies of departments and agencies since November 4, 2015; (b) for each item in (a), (i) what department or agency was it for, (ii) what section of the policy did it pertain to, (iii) on what date was it implemented, (iv) what was the text of the relevant sections before the change, (v) what was the text of the relevant sections after the change, (vi) what was the government's rationale for it, (vii) is there any evidence that the approval process for scientists speaking to the media has changed; (c) what is the total number of media interviews given by federal scientists for each month since November 2014, broken down by department or agency; (d) what new processes has the government implemented since November 4, 2015, to track and ensure that science-related media requests are responded to in a timely and accurate manner; (e) what new resources or programs has the government provided to federal scientists since November 4, 2015, to assist them in speaking to the public and the media about their research; (f) what is the complete and detailed list of all internal memos, directives, or emails sent to federal scientists since November 4, 2015, concerning the communication of scientific research and the approval process for speaking to the media; (g) for each item in (f), what are the details, including, but not limited to, (i) its title, (ii) who was it sent by, (iii) on what date was it sent; (h) what is the complete and detailed list of all briefing notes prepared for Ministers since November 4, 2015, concerning the issue of scientific integrity or science integrity policies; and (i) for each item in (h), (i) what was its title, (ii) which Minister was it for, (iii) on what date was it prepared?

(Return tabled)

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if Questions Nos. 111 and 113 could be made orders for returns, these returns would also be tabled immediately.

[English]

The Speaker: Is that agreed?**Some hon. members:** Agreed.

[Text]

Question No. 111—Ms. Brigitte Sansoucy:

With regard to federal spending in the riding of Saint-Hyacinthe—Bagot in each fiscal year from 2011 to 2016 inclusively: what are the details of all grants, loans, contributions and contracts awarded by the government, broken down by (i) the department or agency that awarded the funding, (ii) municipality, (iii) the name of the recipient, (iv) the amount received, (v) the program under which the grant, loan, contribution or contract was awarded, (vi) date?

(Return tabled)

Question No. 113—Mrs. Cathy McLeod:

With regard to the National Inquiry into Missing and Murdered Indigenous Women and Girls: what was the total cost incurred by the government for any related spending between December 8, 2015, and February 28, 2016, broken down by (i) total cost, (ii) travel, (iii) accommodations, (iv) room rentals, (v) meals, (vi) all other expenses?

(Return tabled)

[English]

Mr. Kevin Lamoureux: Mr. Speaker, I ask that the remaining questions be allowed to stand.

The Speaker: Is that agreed?**Some hon. members:** Agreed.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, I rise today on a point of privilege. It is a fairly complex matter, but I know you are familiar with the essence of it and I will attempt to be succinct.

It is a point of privilege under Standing Order section 41(1) in that I believe sincerely, having lived through this for the last two and a half years, that a process that has been undertaken by motions in committee is impeding my ability to fully represent my constituents and to fully do my job. That is a matter of privilege and I appeal to you, Mr. Speaker, to refer the matter to the Standing Committee on Procedure and House Affairs so it can be dealt with there.

Let me start with some very clear principles, because all of this emanates from my role as a member of a political party recognized under the Elections Act but with fewer than 12 members elected here, and thus falling under a different category of rights and privileges than other members of Parliament.

It is, of course, a clear principle and trite to note that all Canadians are equal, all federal electoral districts are equal, and that, therefore, representing our constituents, all members of Parliament are in theory equal, and even in principle. The Prime Minister is, as the old Latin phrase would put it, *primus inter pares*, first among equals. We are all equals here.

Not to be Orwellian about it, but it is clear that since 1963, some of us are more equal than others. While the constitution of this country makes no reference to political parties, over time our parliamentary process here has, at the behest of larger parties, enlarged the powers and rights of those members of Parliament who belong to one of the larger parties. In 1963, the only rule was passed that allowed additional funding to go to members of Parliament in parties of more than 12, and they are generally referred to in our rules now as “recognized parties”.

I can skip ahead on a lot of this and just say that until the late 1990s, there was no question as to how rules operated at report stage. Rules changed at report stage as a result of what we could call a 1999 protest effort by an opposition party, the Canadian Alliance party at that time, which did not like the Nisga'a Treaty that was going through the House and put forward 700 really mischievous amendments at report stage. They were not substantive. They did not change the way the treaty would work. They were not designed to work. They were designed to clog up the system.

Of course, it has always been the Speaker's role, and I will not take too much of your time, Mr. Speaker, on some precedents, but it is well understood that the Speaker has the responsibility of protecting members of Parliament and our personal rights while also ensuring that Parliament itself can function properly. I take you to a ruling of March 29, 2007. Speaker Milliken wrote:

The Speaker must remain ever mindful of the first principles of our great parliamentary tradition, principles best described by John George Bourinot, Clerk of this House from 1890 to 1902, who described these principles thus:

Privilege

“To protect the minority and restrain the improvidence and tyranny of the majority, to secure the transaction of public business in a decent and orderly manner, to enable every member to express his opinions within those limits necessary to preserve decorum and prevent an unnecessary waste of time, to give full opportunity for the consideration of every measure, and to prevent any legislative action being taken heedlessly and upon sudden impulse.”

Your predecessor, former Speaker Scheer, commented similarly on the responsibility of the Speaker on April 23, 2013, that an unquestionable duty of the Speaker is “to act as the guardian of the rights and privileges of members and of the House as an institution.”

In balancing this, I turn to a ruling of former Speaker Fraser on April 14, 1987. He said that the principle of protecting minorities from majority tyranny applicable in a number of contexts exceeding the normal interpretation of government opposition could surely be applied there. He also said it should be noted that where the Speaker has ruled in favour of protecting minorities, he tends to do so in the context of protecting their ability to hold the government to account so long as it is not at the expense of the government completing its business in a reasonably timely fashion.

● (1515)

On a different occasion in 1990, Speaker Fraser also spoke about the reality of how members of parties such as the Green Party or, in this House, the Bloc, or any independent members are treated. In denying a request from the Bloc Québécois to receive additional research funding when it fell below 12 seats, he stated:

...it is important to note that the decision does not mean that the members in this group are impeded from full participation in the work of the House or that they are deprived of support necessary to represent their constituencies adequately.

We are in a different situation. I recognize that. However, I have to say that what occurred as a result of that Nisga'a treaty report stage protest in 1999 took several years for the House Standing Committee on Procedure and House Affairs to amend the Standing Orders and change the process bills go through at report stage. The rules were changed such that members of parties with more than 12 members, having had an opportunity through their parties at committee stage, could not take basically another kick at the can and come back and repeat the committee process at report stage. Therefore, that process changed report stage. Through the committee on procedure and House affairs, we ended up having to change the Standing Orders around report stage. As I said, that took a couple of years.

When I became a member of Parliament, in reading through O'Brien and Bosc, which is our Bible here, I realized that since I was not in a party of more than 12 MPs I did have the right to make these motions for amendments at report stage. Obviously, the practical application of that was not an opportunity that I welcomed. It is very clear that in fully representing my constituents, they are interested in everything. There is not just one category of issue that interests my constituents. They are interested in all of the bills that go through this place, and they want me to represent them on all of the bills.

Only one bill at a time can be at report stage. However, many bills at a time can be at different committees going through clause by clause. What the previous administration did, and this is the crux of this, was to decide that since the Speaker could not deny my rights at report stage unless so-called opportunities were created elsewhere, a motion was passed through every committee through a period of time that said that I and other members in small parties would be

given 48 hours' notice before clause by clause to submit all of my amendments in that period and to then come to committee. However, I was not equal at committee. I did not move my amendments at committee. They were deemed moved and I could make brief comments. The practical application of this motion is that I have had to run occasionally from committee meetings simultaneously doing clause by clause. There have been times when I have had to prepare my amendments to a bill when the witnesses were still testifying on the bill and if new issues arose I did not have the opportunity to submit amendments based on that testimony because it had come in within the 48 hours between my deadline and when the committee moved to clause by clause. In other words, it is impractical, unworkable, and prejudicial to my rights.

My main point today, because I have canvassed the unfairness of these motions to the previous Speaker in the 41st Parliament, is that it is very clear now that these same motions, which are identically worded, have been pushed through every single committee once again, and that what we have here is another issue.

It has always been the case, and it is trite to say because it is found in O'Brien and Bosc and many other rulings by Speakers, which I will not trespass on your time and read back to you, that committees are the masters of their own process. However, this process is a fraud. The committees are no more the masters of this process than I am the master of their process. They all received identical motions. They received them in the Conservative administration and dutifully passed them. Now they have received them from the government House leader, and the government whip followed up to make sure that these motions were passed. It is supplanting the job of the committee on procedure and House affairs by amending the rules by which bills go through the House, through the fiction that each committee has acted independently to come up with this rule that treats members of Parliament who are independents or in parties of fewer than 12 members differently.

If the House committee on procedure and House affairs wishes to review how report stage should be run, then that is where that work should be done. It is very clear under many precedents that a committee cannot exceed its jurisdiction. Committees passing motions that are identical to each other with forced votes of government members is no more the committee being the master of its destiny than it is the case that they are coming up with these motions independently in each committee.

● (1520)

They are supplanting the role of the committee on procedure and House affairs, and impeding on my rights.

As many members of Parliament, through parliamentary tradition have done through the generations, I appeal to you, Mr. Speaker, to find the right balance, to protect the rights of MPs in smaller parties, to ensure that bills go through this House expeditiously, but that members of Parliament are not denied their rights nor that we allow a backdoor procedure to receive approval in this place which is literally supplanting the role of the Standing Committee on Procedure and House affairs.

● (1525)

The Speaker: I thank the hon. member for her intervention.

Government Orders

[Translation]

I see that the hon. member for Beloeil—Chambly is rising on the same question of privilege.

Mr. Matthew Dubé (Beloeil—Chambly, NDP): Mr. Speaker, I simply wanted to thank my colleague for her speech and say that everyone in the House recognizes the importance of protecting the rights of members so that they can do their job properly and represent their constituents and all Canadians effectively.

I also recall the same issue being raised in the previous Parliament, during similar debates.

That being said, Mr. Speaker, I ask for your indulgence to allow the NDP team to reply at a later date.

The Speaker: I thank the hon. member for Beloeil—Chambly for his intervention. I had anticipated that his party and the other parties might want to also make representations and comments.

[English]

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I appreciate the many words expressed by the leader of the Green Party. As the New Democrat Party has just indicated, we too would like to reserve the opportunity to come back before you to report to the House, provide further comment, once we have had the opportunity to peruse the member's comments.

The Speaker: I thank the hon. parliamentary secretary for his request, and I look forward to hearing from the members.

I see that the member for Lanark—Frontenac—Kingston might be wanting to ask the same thing.

Mr. Scott Reid (Lanark—Frontenac—Kingston, CPC): You correctly anticipated that, Mr. Speaker. I will just say exactly the same thing. We would like to be able to come back to you at a later point in time.

[Translation]

The Speaker: The hon. member for Montcalm is rising on the same question of privilege.

Mr. Luc Thériault (Montcalm, BQ): Mr. Speaker, yes, that is right. I would ask you to note that we would like to take part in the debate and we will add our remarks to the important issue raised by my colleague.

The Speaker: I thank the hon. member for Montcalm as well. We will proceed now to orders of the day.

GOVERNMENT ORDERS

[Translation]

BUDGET IMPLEMENTATION ACT, 2016, NO. 1

The House resumed consideration of Bill C-15, An Act to implement certain provisions of the budget tabled in Parliament on March 22, 2016 and other measures, as reported (with amendment) from the committee, and of the motions in Group No. 1.

The Speaker: The hon. member for Mount Royal has six minutes remaining.

Mr. Anthony Housefather (Mount Royal, Lib.): Mr. Speaker, I was talking about the measures in Bill C-15 to help our seniors. I believe that it is very important to take note of all the measures for seniors in Bill C-15 and in the budget.

[English]

I was talking about the guaranteed income supplement and the extra 10% that single seniors can receive, up to \$947 per year. However, what is also important is that where seniors are required to live apart because one of their health conditions or one of their circumstances requires that they be in a seniors residence or a care home or other places, we are allowed to now treat them as two separate individuals for the purpose of these supplements. This means that where they were losing money because they were married or living together common law, now they will not be penalized for that. That is also important.

I also want to talk about the \$200.4 million that is going to improve social housing for seniors, to renovate apartments to help seniors live in their houses for longer.

As we all know, seniors benefit from residing in their residences for as long as possible. We do not want our seniors to be forced into hospitals or institutions before they need to be there. With proper management, with proper accessibility for the handicapped, and with proper services such as bringing in caregivers from health institutions to bathe seniors, we can leave seniors in their homes longer, and they will have an improved quality of life. I hope we can have agreements with the provinces to ensure that the monies in the budget that we intend to transfer to the provinces for health care go toward helping seniors live in their homes for as long as possible. That will continue to improve quality of life for seniors at home.

I also want to talk about another group of people in my riding who I met with a lot during the campaign who were troubled, which are students. Today, students are struggling, as we all know, with the rising cost of tuition and the massive debt they need to incur. It is low compared with our neighbours in the United States, but still high by Canadian standards. Where students have accumulated more and more debt, they want measures to help them afford to go to college, to university, to vocational training.

We have improved the Canada summer grants program by allowing a 50% increase in the amount of money that all classes of individuals can receive in grants, including part-time students. We are enhancing the Canada student loans program by saying that they do not need to repay student loans until their income reaches \$25,000, and introducing more flexibility in terms of repayment measures for Canada student loans.

•(1530)

[Translation]

My NDP colleague was very proud that 320 students were hired in his riding. In my own riding 271 students were hired. Twice as many students were hired to work in our ridings as last year.

Government Orders

I believe that many of my colleagues are very pleased with the investment we made in summer jobs for students.

[*English*]

One other thing is training and apprenticeship programs in this budget. It is great to come out of university, but if students do not find jobs, they are still living in their parents' basement. We do not want perpetual living in parents' basements for our 20-something and 30-something generation. The monies that are going to enhance finding people jobs, going into apprenticeship programs, going into training, has the potential to help many Canadians of the younger generation.

I also want to point out the investments in our rural communities.

[*Translation*]

My hon. colleague from Laurentides—Labelle keeps talking about the lack of Internet in his community. That is also the case for many of my colleagues who live in rural regions in Canada.

I am very pleased and grateful that we invested \$500 million to improve Internet service in the regions of Canada that need it.

[*English*]

I also want to talk about our veterans. I think we all appreciate the incredible service that many women have for generations given to our armed forces. Our Second World War veterans are old now. They are in their late eighties, their nineties, or they are over a century old. They deserve not only our respect but our help in order to get the best services to which they should be entitled, more money for front-line services. Reopening the veterans offices is something that is very important to Branch 97 of the Legion, the Frederick Kisch brigade in my riding, and Legions all across the country.

As mayor of Côte Saint-Luc, I was very proud that we found free space for our Legion in the city. I know that all members from all parties want us to make sure that benefits for our veterans are the type of benefits they are entitled to by virtue of the incredible service they have given this country.

In conclusion, I believe the bill will help Canadians, enhance our middle class, and make our Canada a stronger and better place. I am pleased to support Bill C-15.

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I wonder if my colleague could provide some comment in terms of one of the most progressive moves that I have seen in literally 10 or more years; it has been a long time. The Canada child benefit program will lift literally tens of thousands of children out of poverty. I believe it is one of the focal points of this particular budget, which in the years ahead, people will reflect on as the budget that established this fantastic social program.

Could the member provide some comments in terms of what he thinks about this program, and possibly in regard to the increase to the guaranteed income supplement, which supports tens of thousands of seniors in all regions of our country?

Mr. Anthony Housefather: Mr. Speaker, I had started my speech by talking about the Canada child benefit, because I believe it is

probably one of the most innovative and important elements of this budget.

The Canada child benefit directs money to those who need it the most. Couples or singles who are raising children, earning under \$30,000 in income per year, will get \$6,400 tax-free for children below the age of six, and \$5,400 tax-free for children between six and 18.

What I saw during the election campaign in parts of my riding were many families who were struggling to decide how to use the small amount of money they had, struggling to decide between feeding kids and putting them in after-school sports. I know that this measure will really help many children in Canada come out of poverty.

• (1535)

Mr. Tom Kmiec (Calgary Shepard, CPC): Mr. Speaker, on the children's benefits program, since the member was talking about how great the program will be, maybe he could tell us why in the budget's annex 1, on page 240, which the budget implementation act is supposed to make law and implement, the children's benefit, in total numbers, actually starts going down as of 2017-18. It goes down every single year into the future, to 2020-21.

I would ask the member if his government intends to cut it back, cut it down, shred the program in the future, because that is what the numbers are showing. It actually shows the numbers going down year after year in the very Liberal budget that is promoting this children's benefit program.

What is the truth here?

Mr. Anthony Housefather: Mr. Speaker, on the Canada child benefit in terms of amount, I do not believe there is any intention that I have seen in this budget to change the actual amounts that families would be yielded under the benefit. I would have to review the document for the future years in terms of how the member is calculating it, but I do not believe there is an intention to decrease the actual amounts received per child in future subsequent years.

Mr. Daniel Blaikie (Elmwood—Transcona, NDP): Mr. Speaker, I heard the member at the end of his speech refer to veterans and what is in the budget for veterans. However, I am mystified, because presumably some of the money to be spent in that budget is now going to be spent on lawyers taking veterans back to court, arguing the very same case that the Harper Conservatives were so roundly and rightly criticized for. I wonder why the member's government is bringing veterans back to court, which will have it spend dollars in—

The Assistant Deputy Speaker (Mr. Anthony Rota): I am sorry, but we have a point of order.

Mr. Garnett Genuis: Mr. Speaker, it is just that the member should not reference the name of a member of the House.

The Assistant Deputy Speaker (Mr. Anthony Rota): I am sorry. I missed that.

I think the hon. member knows that, as he is shaking his head. I take it he apologizes for that.

Government Orders

Mr. Daniel Blaikie: My apologies for that, Mr. Speaker. It is the previous government that I am referring to, and I am keen to hear the member's answer.

Mr. Anthony Housefather: Mr. Speaker, I do not believe that the amount he is referring to, whatever the court costs are, relate to money that would be spent in Bill C-15 or under the budget itself. I know that the hon. member will join me in saying that since I personally do not have the knowledge of this particular case before the court, I would hardly be in the right to talk about it now.

Mr. John Brassard (Barrie—Innisfil, CPC): Mr. Speaker, it is a privilege to rise today to speak to Bill C-15, the budget implementation act.

I have spoken to many of my constituents with respect to the budget, and to say there is some concern among my constituents of Barrie—Innisfil is an understatement.

I spent nine years on city council in Barrie dealing with various budgets. I was a member of the finance committee.

Budgets are typically forward-looking documents. When I look at this document, and when my constituents who I have spoken to about the budget look at the document, there is one underlying theme that comes up regularly: Who is going to pay for this? To use the Liberal narrative, quite frankly the people who are going to pay for this are the middle class and anyone working hard to join the middle class.

One only has to look at the situation here in Ontario, my home province, to see some of the parallels to the mindset of unbridled spending that the current federal Liberal government has embarked on. They are very similar situations. It should not come as a surprise to anyone that they are very similar situations, because the very people who were running the premier's office in Ontario are now involved in the Prime Minister's Office. The mindset of debt and deficit spending is very evident not just in the budget but in some of the policies we have seen come from the Liberal government.

I would remind Canadians that the Ontario government is the largest sub-sovereign borrower on the planet. It is not second, not third, but the largest sub-sovereign borrower on the planet. The payment on the debt currently in Ontario is third only to health and education. It is an example of unbridled spending and debt that can occur. What we are seeing, quite frankly, is a 2.0 version happening federally that has happened in Ontario. The difference really is that there is just a bigger piggy bank for the Liberals to draw from. Add to that the green program, the unmitigated disaster and the costs associated with that. It is really something we are all going to be looking for. As I said earlier, budgets being forward-looking documents, the question for most Canadians is who is going to pay for this.

When we look at some of the promises the Liberal government made, it promised a small \$10-billion deficit. We now know that this year that it is going to be \$30 billion. We are looking at \$150 billion as we move forward. We also heard about, for example, the revenue neutral tax breaks. We now know that those tax breaks are going to cost Canadian taxpayers \$1.7 billion this year and \$8.9 billion over the next six years. In fact, we are going to see taxes rise to the tune of \$1.3 billion this year and \$2.4 billion next year.

When the Liberals talk about the middle class and taxes, when they throw out the talking points and talk in platitudes about the middle class and how they are the party of the middle class, I would suggest, as I have before in the House, that what we are actually seeing is effectively middle-class tax fraud. What the Liberals are imposing on the middle class is tax fraud. It is a shell game.

I have said this before, and I will say it again, to make my point. What the Liberals give, the Liberals take back. We only have to look at the budget to figure that out. The fitness tax credit that most Canadians have used, to the tune \$1.19 billion since 2006, is gone. The arts and fitness tax credit Canadians have benefited from, to the tune of \$118 million or \$119 million, is gone. Income splitting for families like mine, a typical middle-class family, is gone. TFSA's are gone as an option for saving. What the Liberals give, the Liberals take away.

● (1540)

On the issue of the OAS, and I think this is critical to discuss at this point, one of the reasons the OAS age limit was reduced from 67 to 65 was a matter of cost and sustainability.

In 2011, almost \$38 billion more would have been spent to sustain the OAS. It would be \$108 billion by 2020, and by 2030 it would cost almost \$266 billion to sustain. In 2012, the Conservative government chose, in keeping with OECD recommendations, to increase eligibility from 65 to 67. It did this because this measure alone would have an estimated annual spending increase of \$11 billion. Again, someone has to pay for that. Baby boomers, those born between 1946 and 1964, represented the largest age cohort in history. They retired. The cost of the OAS program was scheduled to balloon, as I said, to \$38 billion in 2011.

When the OAS system was originally designed and implemented, the average life expectancy was much shorter. Today the average Canadian life expectancy is 85-plus. Seniors starting to receive the benefit at 65 will live 20 years more, greatly increasing the costs for working taxpayers.

According to Statistics Canada, the most recent projections estimate that more than one in four Canadians will be over 65 by 2036. When OAS was introduced in the 1960s, the ratio of active workers to pensioners was 7:1. Today, however, it is 2.5:1. That is not enough to support the massive cost to Canadians.

The finance minister himself wrote a book advocating later retirements. In *The Real Retirement*, he wrote:

If we were to retire three years later than we now do, any concerns about having adequate retirement income would practically vanish. It would also alleviate any shortages in the workforce due to the aging of the population.

Government Orders

Again, we have a finance minister who on one hand understands this but on the other hand, as finance minister, reverses his position. It begs the question: would the Liberals and the Liberal Party run their households the way they are running the country?

There were also some other issues with respect to the small business tax cut. On the issue of infrastructure, and I spoke about this before, while money sits to be handed out, people sit, as jobs cannot be filled unless projects begin, and projects cannot begin until the funding has been received.

The government can now, today, get this money out in a fair and equitable manner. We have seen members of the Liberal Party out and about in their communities making funding announcements.

One of the things the Liberal Party ran on was fair and equitable infrastructure investment in the country. Granted, it has made significant investments, but there is one way we can get that money out the door quickly, one way we can get the money out that is equitable. In fact, Mayor Nenshi, this past weekend, at FCM, spoke about the issue of the gas tax being a way to get that money out the door.

If the Liberal government wanted to, rather than delay, and already we are starting to see delays in the construction season due to the fact that the money is not going out the door, it could use the gas tax revenue. There is an existing formula in place.

I know that in my city, the city of Barrie, we receive \$8 million a year in gas tax funding. The criteria is already set. The accountability system is already set for that gas tax money. In fact two weeks ago when I was in Vancouver, I met with the president of FCM. I met with the president of LUMCO in my role as urban affairs critic. Universally, every single one of them has suggested that the gas tax is the proper source for ensuring that infrastructure money is put out the door in a fair and equitable manner.

This budget, as I said earlier, is a shell game. I have statistics. I can show third party assessments of this budget and how it does not benefit wholly the middle class. I would suggest, finally, that the ones who benefit the most from the Liberal budget are in fact parliamentarians with respect to tax reductions. I think the same thing that holds in Ontario will hold true three and a half years from now. My constituents are looking at this, and I know that others across the country who voted Liberal did not vote for this.

• (1545)

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, during the summer, we talked about giving the middle class a tax break. This legislation is what it is all about. Our teachers, factory workers, bus drivers, and others would be given a substantial tax break.

For the first time in a long time, what I am seeing is Conservatives lining up to vote against these tax breaks. How would the member explain to more than nine million Canadians that the Conservative Party is actually voting against tax breaks for our middle class?

Mr. John Brassard: Mr. Speaker, to answer that question one would have to look at just who would benefit as the middle class. I know that the Liberals have used the narrative of the middle class to be the party of the middle class.

The fact is that Canadians know that the Conservative Party is the party of the middle class. We actually saw the lowest tax regimen in this country for middle-class Canadians in more than a generation. If members do not believe me, they can look at what Mr. David Macdonald, a senior economist at the Canadian Centre for Policy Alternatives, said when talking specifically about tax breaks and tax cuts. He said that there are 1.6 million families in this country who are earning \$48,000 to \$62,000 who would benefit from the middle-class tax cut by \$51.

This is what I said earlier about this tax fraud, this narrative the Liberals are using that lower-income Canadians would benefit the most from this. They would not, in fact. Do members know who would benefit from it? The member for Winnipeg North would benefit, because his family would see a tax decrease of \$813 as a result of the Liberals' measures.

How does the member explain to his constituents that he is actually getting a bigger tax break than those who are earning \$48,000 a year?

• (1550)

Mr. Erin Weir (Regina—Lewvan, NDP): Mr. Speaker, I would just like to pick up on this discussion about the so-called middle-class tax cut. I would ask the member for Barrie—Innisfil to speak to the fact that this measure would actually only apply to incomes over \$45,000 per year, and it would not even provide the maximum benefit until one reaches an income of \$90,000 per year. I wonder if perhaps the member for Barrie—Innisfil could help us understand how the Liberal Party defines the middle class in Canada.

Mr. John Brassard: That is a great question from my hon. colleague, because I am not sure that the Liberal Party really understands how to define the middle class, unless of course it defines it as the upper middle class being the one that would benefit the most from this.

I want to continue, and I am glad that hon. member talked about this. When we talk about tax reductions, when we look at families earning \$62,000 to \$78,000, we see that they would actually see a benefit of \$117. Granted, \$117 is a benefit, but to espouse the virtues of the tax cut the way the Liberals are is a false narrative. The Liberals are actually not telling the truth to most Canadians about what their middle-class tax cut would do, not to mention the fact, as well, that there would be a deficit created, as a result of this, of \$1.7 billion this year and \$8.9 billion over the next six years. That does not take into account the fact that the Liberals ran on a platform that this would be revenue neutral.

It would be \$124,000 to \$166,521 in tax benefits. Again, the members on the opposite side know full well that they would be the ones to benefit. Every member of this House, wrongly, would gain the most as a result of this tax decrease, to the tune, on average, of \$813. This false narrative that somehow the middle class would benefit from this tax break is something most Canadians are starting to come to grips with, this shell game, this middle-class tax fraud the Liberals are perpetuating on Canadians.

Government Orders

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Mr. Speaker, I am pleased to speak this afternoon to Bill C-15, budget implementation act, 2016. I would like to focus my comments today on one particular area that is of great interest to me and that our government is dedicated to enhancing and that will lead to a stronger economic growth profile for our country, the field of innovation.

When I think of innovation, I look at my riding and in the city of Vaughan there are literally thousands of innovative companies. One that comes to mind is Mircom Group of Companies, a company that has been in existence for many years and whose owners are good family friends. The Mircom Group of Companies is the largest independent designer, manufacturer, and distributor of intelligent building solutions. It competes against U.S. giants like General Electric, Tyco, and Johnson Controls employing literally hundreds of Canadians. Over half of its products are exported outside of Canada to more than 95 countries. Mircom employs a highly skilled workforce, including scientists and engineers. It hires the best from Canadian universities.

This company is one example of a Canadian success story and it is an innovator. I would also like to add that I am proud to say that another company in my riding Vision Plastics, part of the Vision Group of Companies investing \$150 million in Vaughan, will be employing literally 300 to 400 Canadians and is set to open this coming fall. I will have more to say on that in the months ahead.

Bill C-15 is a part of the legislative framework our government is attempting to put in place to encourage companies like this to start, to grow, to remain in Canada, and to succeed. That is what makes me happy about what our government is doing. In terms of its commitment to innovation, we are going in the right direction, a direction that will lead to better jobs, better benefits, a strong and growing economy, and a strengthened middle class.

What do we mean when we use the word “innovation”? Certainly it means different things to different people. I just cited an example of what innovation means in my community, but in the broader context, our government is daring to dream of doing something smarter, faster, and better to improve the status quo, to improve the quality of life in whatever way is possible.

Fundamentally we are trying to find solutions to the big problems, to the big issues that challenge us. That means social innovation, embracing the premise that a clean environment and a strong economy go hand in hand. It means understanding that some of our most important infrastructure is not only roads and bridges, but is also digital infrastructure in the context of a knowledge economy. It means moving beyond individual interests to see the collective opportunities.

Technology is fundamentally transforming the way Canadians access information, pay for goods and services, interact with each other, and build communities. At the same time, technology has now reached a new level. It is more than just communications. Technology has become a transformative tool in addressing global challenges like climate change and poverty. Where industrial progress once came at a cost to the environment, nowadays technology has emerged as our greatest tool in clean growth and healthy growth, and prosperous societies.

Our government has defined a new vision in 2016, a vision to build Canada as a centre of global innovation, renowned for its science and technology, creative and entrepreneurial citizens, and globally competitive companies offering high quality products and services, much like the Mircom Group of Companies. We are well positioned for this. We have world-leading research institutions, creative and innovative entrepreneurs such as the Mircom Group of Companies, businesses, and commercial organizations that can transform breakthroughs in the laboratory into products that enhance the lives of millions. That is the lives of millions of Canadians and also the lives of people around this earth that we inhabit.

Canada's innovative society already creates jobs for the middle class, enhances homegrown talent, and helps companies expand beyond our borders. However, we can and we will do much more. What is now an emerging economic opportunity will become the foundation of a modern 21st century Canada. We will transform our economy from one that depends on a few resources to one whose resources are as infinite as our diversity, creativity, and talent.

Through 2016 and 2017, we will define a bold new plan, the innovation agenda. Bill C-15 is a part of that blueprint to get to the innovation agenda. This will be a plan for change. It will define clear outcomes and pinpoint milestones toward achieving them. It will be a cross-government effort, drawing on Canadian and international experts in clean technology, health sciences, advanced manufacturing, digital technology, resource development, and much more.

It is important for us to be leaders in this field. We all hear that word, ecosystem. The ecosystem is important. In prior periods there may have been an auto plant where suppliers would co-exist in the surrounding area. However, today that has changed. Today with an ecosystem, we may have many small companies operating in clusters throughout the world and we need to be at the forefront of that. We need to be a part of that. That is what is going to create a strong and growing economy and strengthen our middle class.

● (1555)

To help us realize this vision, budget 2016 proposes several interim measures to promote research and accelerate business growth. It would focus new federal support for science on world-class discovery research, maintain funding for the commercialization of promising scientific discoveries, begin to orient federal business support toward those firms with ambitions to grow, and build a better evidence base to identify gaps, evaluate performance, and inform future decisions.

The rules are changing around us. In the old bricks and mortar economy, a bigger factory meant not just more output in wealth but more jobs. That is not the case in the new digital economy. We need to enable and support this change. We also need to ensure that we do so mindfully and in a way that does not stifle innovation.

Government Orders

The innovation leaders are the future and must be equipped with the skills they will need to succeed. Post-secondary and other research institutions are the front-line agents in fostering science and research excellence. They help train the Canadian workforce of tomorrow today. They help train my young daughters. They also help to create the knowledge base necessary for the private sector and policy-makers who are looking to build a thriving and clean economy. To ensure that these facilities continue to support our researchers and innovators, budget 2016 would invest up to \$2 billion over three years in a new post-secondary institutions strategic investment fund.

If investing in the spaces that enhance our innovative potential is the first step, the second step is most certainly investing in Canadian researchers themselves, particularly those on the cusp of new discoveries. In Canada, this funding typically flows from federal granting councils, which include the Canadian Institutes of Health Research, the Natural Sciences and Engineering Research Council, and the Social Sciences and Humanities Research Council. These councils already receive \$2.8 billion annually to support research and training of highly qualified people at universities and colleges across the country. This year and going forward, I am proud to state that our government would provide an additional \$95 million to support discovery research, the highest amount of new annual funding in over a decade.

To ensure that federal support for research, including through the granting councils, is strategic and effective, we will undertake a comprehensive review of federal support for fundamental science. We want to be sure that we are providing the right support to the right leaders and that fields of research reflect shared Canadian priorities.

Our government will also continue to support Canada's strength in genomics, the study of the entire genetic code that is fuelling innovations across a number of sectors. We would provide \$237.2 million over the next four years to support the pan-Canadian activities of genomics.

Well before genomics, Canadians carved out a special expertise in stem cell research. It started over 50 years ago when two of Canada's own doctors proved their very existence. Since that time, stem cell research has evolved into one of the world's greatest promises, with significant implications for medical treatments, commercial products, and public policy. We would provide up to \$12 million over two years in support of the stem cell network so it could continue to provide bridges that connect researchers and professionals through training and outreach activities.

To conclude, in the 21st century global economy, Canada needs to be innovative to be a leader. We need to be leaders. Our businesses need to be fostered and encouraged. We need to embrace the world of science, technology, engineering, and math. We need to diversify our economy to enable growth and prosperity throughout the country. We need to turn the page on the last 10 years.

In addition to these goals, I believe that Canada has a strong foundation to build upon. We have one of the best educated populations in the world. We have one of the highest university investments in research and development. We have one of the

world's best investment climates. We are a leading edge of global trade.

Let us be proud of Canada.

● (1600)

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Mr. Speaker, what my constituents and I have significant concerns about in the budget is the elimination of the small business hiring credit. It is hard for me to understand why the government would eliminate a measure specifically aimed at helping small businesses hire more people. Also of concern is the movement away from the election commitment made by the Liberal Party, as well as all parties in this place in fact, to follow up with the commitment to lower small business taxes. Small businesses will effectively experience a tax increase.

Specifically, on the elimination of that hiring credit, in light of the things he said in his speech, and good intentions no doubt, I wonder if the member could explain these policies.

Mr. Francesco Sorbara: Mr. Speaker, I would like to add a few comments specifically with respect to small business.

First, in the foreseeable future there will be EI reductions for small businesses. Therefore, small businesses will benefit from employment insurance reductions on their premiums. That can be a great thing for small businesses.

Second, we understand that small businesses are the backbone of the economy. We would like them to scale up and grow. However, we also need to have a healthy middle class and a strong demand for small businesses to prosper. That is what our budget aims to do. It aims to grow the economy by providing middle-class tax cuts, which now currently benefit nine million Canadians. We will be introducing the child Canada benefit, which will benefit nine out of 10 families. They will spend their money, and will spend their money at small businesses to help them grow and prosper as well.

Mr. Erin Weir (Regina—Lewvan, NDP): Mr. Speaker, the member for Vaughan—Woodbridge spoke about the role of post-secondary education in the innovation economy. The main way in which the federal government supports post-secondary education is through the Canada social transfer to provinces, which helps to fund universities. I was struck by the fact that the Canada social transfer in budget 2016 is exactly the same going forward as what was projected in budget 2015. Therefore, we are not seeing any increase in funding for post-secondary education from the new government.

I wonder if the member for Vaughan—Woodbridge could explain that and give us some sense of when the government might actually provide a higher level of federal funding for our universities and colleges.

Government Orders

•(1605)

Mr. Francesco Sorbara: Mr. Speaker, what I will say is that we have made a large commitment to post-secondary institutions. We have made a commitment to individuals who are enrolling at post-secondary institutions. If we look at the Canada student loan grants and debt repayment schedules that we have put in place in the budget in Bill C-15, we see literally a multi-billion dollar investment into our universities, and our students per se, so that when students exit university and begin working they will have a time frame to accumulate some capital before they need to repay their student loans. Therefore, on the one hand we are helping in terms of investing in infrastructure in universities and on the other hand we are also helping with students enrolling in universities, particularly middle and low-income students who need that assistance when going to university so that they are not burdened by such a high debt burden when they exit university.

Mr. Tom Kmiec (Calgary Shepard, CPC): Mr. Speaker, I would like to thank the member for Vaughan—Woodbridge for his interventions so far. I do a lot of work with him on the Kurdish file. Therefore, I know that he is learned and studies up on issues like this. However, I cannot believe that he would support a budget that will spend over \$100 billion. In this budget alone it will be \$29.6 billion, 80% of which is just program spending. It is just spending on programs. That will be passed on to the next generation. This is telling them that they will have to pay the bill for the wants of today, not the needs of today. How can he support such a bad budget where the vast majority of the spending is not spent on infrastructure or assets, rather it is bad program spending? How can he answer that? How can he support this budget?

Mr. Francesco Sorbara: Mr. Speaker, my colleague and I do some good work on the Kurdish file, and I am pleased to work with him on that.

What I will say is that I defer to what others have commented about infrastructure investments, whether it is the former federal reserve chairman Ben Bernanke or the current Bank of Canada governor Stephen Poloz, which is that key investments in infrastructure, which is what this budget undertakes, are an enabler for long-term growth and maintain our standard of living. Therefore, our budget, part and parcel of which represents our platform, and Bill C-15, which is the blueprint, is one of the large first measures to implement our infrastructure program, which will help grow our economy and strengthen our middle class.

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Mr. Speaker, I appreciate the opportunity to join this important debate on the government's budgetary policy. I will be focusing my remarks on certain areas that I have not had a chance to discuss yet in previous speeches on the government's budgetary policy.

There is an evidence sense of unreality to the discussion coming from government members on this. We hear a lot about what the budget aims to do. The budget aims to do this and it aims to do that. Our complaint is not with the intentions of the budget. Our complaint is with the provisions in the budget. There are many cases in which there is this obvious dissonance between high-minded claims about what the budget aims to do and the substance of the provision. We just heard a good example of that. A member talked

about small business in his riding and the important work it did, but then supported a budget that would raise taxes on small business and eliminate the hiring credit for small business. There is this evident dissonance here.

I had an opportunity to question the finance minister in committee of the whole last week. I asked three times, consecutively, if he believed that the government should eventually balance the budget at some point in the future. We did not get an answer to that question.

When the finance minister, who should know better, cannot even answer a direct question about whether it is important for a country to balance its budget at some point in the future, then we have a real problem with the seriousness of the plan. It is not a problem with intentions necessarily, but it is a problem with the seriousness of this so-called fiscal plan.

I want to talk about three specific things today. I want to talk about where economic growth really comes from. I want to talk about the impact of the budget on families. I want to speak about the impact of the budget on indigenous Canadians, specifically in the context of indigenous education.

We hear a lot about economic growth, and this comes back to the good intentions here. We hear the word “growth” used over and over again. Like so many of the words the government uses, especially in the context of budgetary policy, we have not ever heard it clearly defined. We do not hear the Liberals explain what they mean by growth and what exactly they plan to achieving in growth.

Economic growth is produced when there is an increase in the ability of society to provide for itself, when society grows in its economic means to provide for itself in terms of its wants and its need. Therefore, it is very closely linked to the concept of economic productivity, productivity being the rate of output given the input.

We often talk for example about labour productivity. As labour productivity increases, the amount of output that can be produced in a given hour of labour increases. That is really what creates economic growth. Economic growth is about finding ways of more productively using our time and our resources to produce more things that we can use to satisfy our wants and our needs. Fundamentally, foundationally it is about growth in productivity.

When the government thinks about trying to encourage economic growth, it should focus on productivity. The current government talks as if all that is required to increase growth is more government spending. Looking around the world, it is easy to see how there is no linear relationship at all between government spending and economic growth. Some countries do much better than others that have much lower levels of public spending. That is not to say the government does not have a role in identifying areas where productivity growth can occur, but it certainly is not in any sense linear.

From my perspective, there are a number of different things that facilitate increases in productivity, which is important for economic growth. One would be a more educated workforce, specifically though a workforce equipped with job-ready skills, and a marketplace that is well-equipped to commercialize knowledge that is produced.

Government Orders

That was why in 2007 our government came forward with a science and technology strategy that looked at ways of more effectively encouraging commercialization of knowledge. It was why we put an emphasis on encouraging the trades as well, because of the need to have a workforce that was equipped with job-ready skills. That was important for productivity and economic growth.

Efficient transportation infrastructure is obviously an important part of that as well, both in education and infrastructure. These are areas where government spending can play a positive role. What is disappointing about the budget is the total abuse of the word "infrastructure". The government redefines infrastructure to mean almost everything.

•(1610)

The minister confirmed in our discussion in committee of the whole that he believed child care was a form of infrastructure. Well, it is certainly not in the sense that economists traditionally define it. Transportation infrastructure obviously has a positive impact on productivity when it is well placed, well designed, and when it helps people get to and from work more quickly.

Productivity growth requires an economic system that provides significant returns on business innovation. Business innovation creates improvements in productivity, and therefore we need a system that creates incentives for that business innovation, things like relatively low business tax rates and benefits accruing to companies that choose to hire more people. That is why this budget would negatively impact productivity by effectively increasing the tax on small business by eliminating the hiring credit. These types of measures are not good for economic growth.

Economic growth requires a stable and predictable economic environment as well. People will invest in an economy that they have a reasonable expectation will do well over the long term. When we have extended periods of large budget deficits and we have the government going into deficit with no plan to get out of it when we are not in the midst of a recession, that clearly damages confidence and reduces the reason for investments in things that produce productivity growth.

We hear a lot about growth from the government, but we do not actually hear any discussion of those foundational constituent parts of growth, things like how we increase the productivity of our economy and how we increase the productivity of labour. These are things that the government should be thinking about in a more serious way, but the Liberals repeat this mantra that more government spending is somehow, absent of any clear connection or specificity in investment, going to lead to economic growth. That is a major concern I have with the plan of the Liberals.

I want to speak as well about the impact of the budget on families.

I believe in a simple principle with regard to family taxation. If two families are earning the same amount of money, then they should pay the same amount of tax. It would seem arbitrary and unreasonable, and therefore unfair, that we would have two families each earning the same family income but happen to pay different amounts of tax, simply by virtue of which people in the family are earning the income. That is why we brought in income splitting. It

was an important tax cut, but it was also a measure to ensure tax fairness.

However, the government does not seem to agree with this principle of tax fairness. The Liberals would eliminate income splitting, having the effect of raising taxes on many families, but also now ensuring a system of unequal taxation where we have families that are earning the same income, yet paying different amounts of taxes, simply because of how they decide to divide child care responsibilities. Our view has always been that it should be up to families to make their own child care choices, and families should not face some kind of direct or indirect fiscal penalty because of the financial choices they make.

Of course, the Liberal changes would also remove universality of child care benefits. We think that is a problem. We think a universal taxable benefit made good sense. Of course, a taxable benefit is inherently more progressive because the more money one makes, the more tax one pays on it. It had that built-in progressivity to it, but it was still designed to ensure that everyone had something to benefit from.

I want to speak briefly about the impact of the budget on indigenous Canadians. This budget would spend a significant amount of new money, but it does not come with the kinds of measures that are necessary to ensure the success of those investments, especially as it pertains to education.

We have a core problem when it comes to education in aboriginal communities. Unlike in every province across the country, on-reserve first nations education does not have legislated educational standards and a legislated mandate for core curriculum. It does not require that schools award a recognized provincial diploma. That is a problem. It is a problem when we do not have those structures in place to ensure that there can be a seamless transition between a school on a reserve and a school off a reserve. These are the kinds of measures, the kind of collaborative structuring of the system, improvements to accountability, that would make a real concrete difference. We think those kinds of changes should, and could, be accompanied by increased investment. However, the government has put in new money but does not actually have an effective plan to improve the system at all.

Those are a number of reasons, and there are many more I could list, why I am very concerned about this budget, and I will be opposing it.

•(1615)

Mr. Kyle Peterson (Newmarket—Aurora, Lib.): Mr. Speaker, I took some pleasure in listening to what I call the hon. member's litany of unfounded grievances with the budget. However, I have a specific question for my friend.

He no doubt is aware that the former finance minister of the previous government, the late Jim Flaherty, was adamantly opposed to income splitting. Part of the foundation for that opposition was that a consequence of income splitting would show an inordinate amount of women staying at home and not entering or staying in the workplace. Is that the policy the member wants to see achieved by having a robust income splitting regime?

Government Orders

Mr. Garnett Genuis: Mr. Speaker, I think to some extent the member would put words in the former finance minister's mouth, although to the extent that we may disagree on aspects of this.

On the question of people staying home or not, the tax system should be neutral with respect to the choices people make about child care. I do not think it should penalize people who make one kind of child care choice over another. Some parents may decide that a certain kind of child care arrangement is better for their family, whether that is a person at home, be it mom or dad; whether that is grandparents; whether that is institutional child care; or whether that is some kind of child care sharing arrangement with neighbours or friends.

What I see in my community is actually the increasing flexibility and variability of child care relationships. We increasingly see people working from home, and working different hours. We are not in that sort of narrow nine-to-five model for many people. Increasingly there is flexibility there. There is a lot of change and variability in child care.

From a state perspective, we should not go to families and say that we think this is what we want them to do with respect to child care. We should leave the decisions to the people who we think are the most important child care experts, mom and dad.

• (1620)

Mr. Erin Weir (Regina—Lewvan, NDP): Mr. Speaker, the hon. member for Sherwood Park—Fort Saskatchewan is a fellow alumnus of the Canadian University Society for Intercollegiate Debate, and he clearly understands the importance of defining his terms. I note that he began by defining economic growth in terms of the economy's capacity to produce output. Of course, by that definition, we can only look at the supply side, and productivity is the only factor that matters to economic growth.

We are all in support of more productivity, but I wonder if the House would accept that economic growth is actually about the total amount of output, which depends not only on productive capacity, but also on the demand for output. I wonder if the member for Sherwood Park—Fort Saskatchewan would acknowledge that in the current context of unemployed workers and unemployed resources, it is actually possible to increase economic growth by increasing demand through measures such as government spending.

Mr. Garnett Genuis: This is probably a debate that would take more than the time you would allow me, Mr. Speaker, to engage in great depth.

Probably the easiest way to answer that is as much as there are some good arguments for fiscal stimulus in certain contexts where there is sort of a brief aberration in terms of levels of demand, in the long term it will be an increase in productivity that sustains economic growth over a long period. I think Keynes would agree with that, as well as a range of economists across the spectrum.

The problem I have with the government's budgetary policy is not that it supports fiscal stimulus in unique times of recession, but that it seems to believe that we can perpetually run deficits. I think every serious economist would agree that we cannot be constantly running deficits to stimulate the economy. The very basis of Keynesianism is that we run deficits at certain times and surpluses at other times, not

that we have a constant situation in which spending exceeds what the government is taking in. Obviously, that would lead us to a debt crisis, and then we are in a situation where we cannot stimulate our way out of it, because we have run out of other people's money.

Mrs. Salma Zahid (Scarborough Centre, Lib.): Mr. Speaker, it is finally time for hard-working Canadians from coast to coast to coast to get a helping hand from their government.

Middle-class Canadians have been ignored for too long. Today is a day of change and hope. That is why I rise to speak in favour of Bill C-15, Budget Implementation Act, 2016, No. 1.

When I participated previously in the budget debate, I recognized and applauded the government's work towards helping middle-class families through the Canada child benefit program, reducing poverty, strategies to reduce youth unemployment, and investing in infrastructure and seniors.

However, there are many other initiatives of this budget that I would like to speak about today. I believe they pertain not only to Canadians across the country, but also to the many tireless and hard-working residents of my riding of Scarborough Centre.

As I have said before, my riding of Scarborough Centre is an extremely diverse community, comprised of Canadians hailing from across the globe. They are all here to work hard and provide lives for themselves and their children. We are not afraid of putting in long hours every day in Scarborough. However, for far too long, the costs of living for families, for things such as groceries and rent to other necessities, has continued to rise while paycheques have stayed the same.

At the same time, I always hear that youth are the future of a great Canada. While I do agree, I see the daily struggles that so many youth face, especially as they attempt to enter the job market and start giving back to society and their communities.

While we must assist youth all across the country in solidifying their future, we must also not forget about the many veterans in our communities. These are citizens who have gone above and beyond and provided the highest and most honourable forms of service to our country. Hence, these Canadian heroes must be provided with the resources and assistance they need in due recognition for their sacrifices.

We must also recognize the social, economic, and other invaluable contributions that small businesses provide to our society. Small businesses are the engine of our economy. I would like to bring attention to the issues affecting small business owners and the many dedicated Canadians that they employ. The effects of struggling small businesses are not contained to the owners and their employers. The ripples impact millions of Canadians. It should be of the utmost importance to ensure their prosperity.

Also, with a challenging economy, many Canadians are in need of a helping hand with regard to employment insurance. Budget 2016 addresses that.

Government Orders

Middle-class families, youth, veterans, small businesses, and Canadians suffering unemployment have all been subject to unhelpful and sometimes even hurtful policies by the previous government. However, our government has promised change. I can proudly attest that with this budget, we are delivering on these promises for a better society, a better economy, and a better Canada.

The lack of affordable housing poses a great risk to millions of Canadians. As the budget itself states, when affordable housing is in short supply, Canada's whole economy suffers, from raising healthy children to pursuing education, jobs, and other opportunities. Affordable housing is the cornerstone of a strong Canadian family, and therefore of a strong Canada.

This is especially true in my riding of Scarborough Centre, where almost half of tenants spend more than 30% of their monthly household income on housing compared to the national average of less than one in five. Even more, the number of residents in subsidized housing is disproportionately higher in my riding. When it comes to quality of housing, almost one in five dwellings in Scarborough Centre is defined as unsuitable by the national household survey, compared to the about one in 20 nationally.

● (1625)

The need for action on affordable housing is clear, and this government is taking action. Budget 2016 proposes an investment of \$2.3 billion over the next two years in affordable housing, with \$739 million of that directed to first nations, Inuit, and northern housing. Additionally, a significant portion of this funding will be allocated provincially and territorially to ensure that resources are invested in the most pertinent needs. Much of this investment will be focused on green, clean, and sustainable economic growth.

Moving on, to support young Canadians in gaining the education and skills needed to compete in the economy of tomorrow, the budget proposes infrastructure investments through the Canada Foundation for Innovation. This program will support significant investments in research infrastructure at universities, colleges, and research hospitals nationwide, such as the University of Toronto in Scarborough and Centennial College, both institutions that many of my constituents attend. This will refresh and renew the current 25-year-old infrastructure and ensure that our nation continues to train, educate, and produce the brightest future leaders in the world.

In addition, budget 2016 would implement programs such as the educator school supply tax credit to help teachers and educators make ends meet in classrooms. As well, flat-rate student contributions will make it easier for post-secondary students to work and earn money without worrying about negative impacts on their financial aid eligibility. Initiatives such as these will ensure that Canada can attract young talent while boosting innovation and contributing to constructing a sustainable economy.

Our government is not forgetting about the countless veterans who have already made such a vital impact and contribution to Canada. Canada's veterans and their families deserve our care, compassion, and respect. With that in mind, budget 2016 is committed to reopening the staff service offices across the country that were closed by the previous government, and expanding veteran outreach services to regions that currently lack them.

Moreover, I strongly commend budget 2016 for increasing the maximum disability award for veterans to \$360,000, and also increasing the earnings loss benefit to 90% of pre-release military salary. These policies, among several other implementations in this budget, clearly exemplify our government's commitment to each and every Canadian, especially veterans who have served the highest duties.

This budget also addresses the concerns of the millions of Canadians whose livelihoods depend on small businesses. With this budget, the government has introduced a lower small business income tax rate of 10.5% on the first \$500,000 of active business income, allowing these hard-working businesses to retain more earnings that can be reinvested to support growth and job creation.

For those who are trying to re-enter the job market, I would also like to recognize the government's initiative of significantly increasing accessibility to employment insurance for thousands of Canadians through eligibility amendments. Not only that, but this budget will bring about a 50% reduction in waiting periods for unemployed Canadians who are in need of a helping hand to get back on their feet.

I must also mention that the government has been swift in its response to unforeseen and sharp rises in unemployment in certain regions by extending EI benefits in 12 regions across the country. Unlike the previous government, we are delivering on our promises. Budget 2016 is a testament to the delivery of these commitments.

As I have said before, there is much more to be done in the years ahead, but with budget 2016, our government has laid the foundation for future growth and prosperity. With this budget, we are investing in Canada's future, and today that future is extremely bright indeed.

● (1630)

Mr. John Brassard (Barrie—Innisfil, CPC): Mr. Speaker, one thing we are seeing with the Liberal budget, obviously, is increased deficit spending. We are looking at multi-billions of dollars in deficits that are going to be created, and an increase to the debt as well.

Government Orders

Recently, on a trip to Washington, I had the opportunity to listen to some of the top economists in the country. They were talking about the potential for a recession. It is not just a matter of if a recession is going to happen, it is a matter of when. We are currently in the sixth year of what are typically five-year cycles of recession. When a government spends as much as what the Liberals are proposing to spend, it leaves very little wiggle room with respect to getting out of a recession, as we did in 2008.

I would like to ask the hon. member this. If a recession were to hit, what measures would her government take in order to make sure that Canada recovers from that recession?

Mrs. Salma Zahid: Mr. Speaker, right now Canada is going through an infrastructure debt. We cannot pass that debt on to our future generations. It is time to invest now, not tomorrow, but today. The interest rates are low and we need to invest in our economy. That is exactly what we are doing through our budget 2016. We are investing in our middle class by giving tax breaks, introducing the Canada child benefit. This will lead to growing the economy, and all Canadians will benefit from that.

Mr. Erin Weir (Regina—Lewvan, NDP): Mr. Speaker, I fear that the member for Scarborough Centre's speaking notes may be out of date. She mentioned that the budget would extend employment insurance benefits in 12 regions. Since then, under pressure from the NDP, the Prime Minister has added three more regions to that benefit extension. We are now up to 15. In spite of that, Regina continues to be excluded from this extension of EI benefits.

To put that in context, there are eight EI regions across Alberta and Saskatchewan. At this point, seven of them are included in the benefit extension and only Regina is left out.

I wonder if the member for Scarborough Centre could shed any light on that decision and the rationale for leaving out Regina.

Mrs. Salma Zahid: Mr. Speaker, the member is right. In the budget, the government promised to monitor the economic situation after the budget, and, as a result, three other regions have been added. This is an evidence-based process, based on the data available. We will review the numbers, and wherever the help is needed, it will be extended.

• (1635)

Mr. Adam Vaughan (Parliamentary Secretary to the Prime Minister (Intergovernmental Affairs), Lib.): Mr. Speaker, I listened to the previous questions with great interest because it was not pressure from any political party; it is a formula that includes jurisdictions. It is not political pressure. It is not favouritism. It is evidence-based decision-making. I am glad that my colleague across the way knew that.

However, it was the first question that caught my attention and the infrastructure deficit. There was underspending by the previous government. There were zero infrastructure dollars in Alberta. Not a single new dollar from the new building Canada fund was spent in Alberta in the last two years. That money could have been putting people to work in Alberta. Instead, it sat in bank accounts in Ottawa, even though the billboards went up in that beautiful province.

However, this is the issue. The \$440-billion infrastructure deficit in this country has driven into places like Toronto, our home city, a

\$2.6-billion backlog in infrastructure repairs for Toronto Community Housing.

How will this budget address the deficit, both the fiscal and the infrastructure deficit, left to us by the previous government, a deplorable state of economic affairs, but even worse when it comes to measuring infrastructure impact?

Mrs. Salma Zahid: Mr. Speaker, I totally agree with my hon. colleague. I represent the riding of Scarborough Centre, which faces infrastructure debt for transit and affordable housing. It is not only an economic issue, but it is a social issue. Families cannot get back home in time to sit down and help their kids, or help their parents and look after them, because a lot of time is spent in Toronto on the roads.

Budget 2016's investment in transit and affordable housing will build on that, and people in my riding will definitely benefit from the investments in infrastructure as well as in affordable housing.

[*Translation*]

Mrs. Eva Nassif (Vimy, Lib.): Mr. Speaker, hon. members, colleagues, members of the opposition and friends, it is a privilege and an honour to address you here today, in this noble institution, regarding the first budget of this new government, which was tabled by the Minister of Finance on Tuesday, March 22.

All my colleagues were here when the Minister of Finance presented the details of this budget, the fiscal blueprint that will take great strides toward a better and brighter future for Canada. I am proud of this budget that addresses the concerns of everyday Canadians and especially the people in the riding of Vimy, the people that we who sit in this House have to thank for the great responsibilities they bestowed upon us to represent their interests. Every day, I am grateful for this privilege, as we all should be, and therefore I fully intend to honour that privilege with steadfast and genuine service to my constituents.

This budget does just that. It is a progressive budget with attainable goals that will be felt positively by Canadians of the middle class. I am delighted to be able to speak directly to the positive direction the government has been taking with respect to fiscal and social policy, which will begin to redefine what it means to assist the middle class and those who wish to become a part of it.

The middle class is the backbone of our economy and so the government has devised a budget for those people. They are the everyday citizens who work hard so that one day they can pay off their debts, own a home, raise their children and put them through school, save for retirement, and still have enough money and time for leisure and generosity. The middle class works tirelessly for this country, so it is about time that we got to work and had a government that works tirelessly for the middle class. With this budget, we begin to restore hope to the middle class and reinvigorate the economy.

Government Orders

The combination of long-overdue investments in infrastructure, re-engineering of social and economic policy, and commitment to providing stimulus and support wherever it is needed is an ambitious concoction of progressive policy initiatives that will act as a catalyst to bring about the kind of relief needed to energize our economy and our middle class. Through several initiatives, middle-class and low-income Canadians will have relief from their financial burdens and receive extended benefits in areas where they need them most.

Canadians who are single, partnered, or have families of their own will see positive fiscal changes putting more money directly in their pockets. One of the government's most crucial promises was to adjust the federal income tax structure. We kept that promise as soon as we took office by lowering taxes by 1.5% for middle-class Canadians earning between \$45,282 and \$90,563.

This cost was offset by raising taxes for the wealthiest Canadians so that we could offer help to those who need it most. This tax break represents up to \$670 per person or \$1,340 per couple per year. Thousands of people across Canada and in my riding of Vimy in particular will benefit directly from this tax cut.

With the creation of the new Canada child benefit, the government is offering greater benefits to Canadian families and, again, especially those who need it most. Lower-income families will see a greater share of the benefit to assist with the greater financial burden that comes with raising children. Families earning \$30,000 or less will receive the maximum of this new tax-free benefit, which means more money in the pockets of the Canadians who need it most.

• (1640)

Helping to keep 300,000 Canadian children out of poverty should always be a top priority for governments. Re-evaluating and prescribing newer, more efficient policies is the key to success for tomorrow's generation. By supporting and investing in Canadian families now, we are opening up new doors for our children that may have previously been inaccessible.

[*English*]

We may find ourselves in old age burdened with difficult choices. Our elderly years, while heavily contingent on the plans made in our youth and adult life, are often subject to changes we could not have foreseen such as the death of a loved one, early retirement because of health that eviscerates our pension, or perhaps a life of hardship that left us without much in the way of support, and little financial stability outside of government assistance. Life does not smile on us all the time.

After a life of hard work, one should be able to retire with dignity. The budget has made some of the most extensive enhancements and policy adjustments that would give seniors the assurance and security they deserve. The previous administration's decision to trim the OAS and GIS, among many other cuts and changes that affected our seniors, was a brash and unnecessary decision doing a great disservice to them. This was at a time when, given the realities of the rising cost of living, seniors who hovered around the poverty line and undeniable projections, depicting the growth our aging population in Canada, we should have been investing in their long-term prosperity, not cutting their lifelines and watching the very

people who helped build our country fade into destitution and obscurity.

On September 29, 2015, it was announced for the first time ever that in Canada there were more Canadians aged 65 and over than there were Canadians aged 15 and younger. Canada had nearly six million seniors when that announcement was made. In 21 years' time, it is expected that this number will increase by 50%. Without all of the ongoing changes, both the reversal of decisions by the previous administration and the new implementations by this government, we are taking proactive measures to ensure fair treatment and an acceptable standard of living for our seniors.

The additions made to affordable housing in the budget designed specifically for seniors, the increase to the GIS, restoring the age of eligibility for OAS, GIS and allowances and our government's intention to work with the provinces and territories to expand the CPP, and increase access to home care, these are the kinds of investments we need to be making in our country.

I chose to speak about these particular aspects of the budget today because of the positive impact they would have on my constituents. I believe the direction we are heading is the right one. I have met with countless Canadians and listened to their concerns. They want a government that looks out for all Canadians. They want a plan that helps the entire country move forward, not just one segment of society. Every one of the points from the budget I have mentioned today will help thousands of people in my riding of Vimy alone. It will also help millions of Canadians across the country for years to come.

I have been only able to scrape the surface of what the budget aims to achieve. It offers assurance for families, dignity for seniors, respect for our veterans, a future for our youth, renewed hope for aboriginals, a humanitarian global presence, sustainable environmental policies, fairness and equality.

When middle-class Canadians have more money in their pockets to save, invest, and grow the economy, it is all Canadians who benefit.

• (1645)

[*Translation*]

Mr. Tom Kmiec (Calgary Shepard, CPC): Mr. Speaker, I have a question for the member about the budget, and more specifically about schedule 1 and the Canada child benefit. This is a topic I have raised with other members.

In the government's budget, it appears that the amount for the Canada child benefit will drop starting in the 2018-19 fiscal year, going from \$22.8 billion to \$21.8 billion.

Does the member know why her government will reduce the amount allocated to the Canada child benefit in its budget by \$1 billion over four years?

Is it because the benefit will not be adjusted for inflation? Is it because the government thinks that families' incomes will increase so much that they will not be eligible for the benefit?

Can the member tell us why the government is cutting \$1 billion from this benefit?

Mrs. Eva Nassif: Mr. Speaker, I want to thank my colleague opposite for his excellent question.

What we actually did is this: before the election, we listened to Canadians, and during the election campaign, we promised to invest in families, in the middle class, and in our children.

We therefore made changes to the Canada child benefit so that it is fairer, automatic, and tax-free and benefits all children. More importantly, it will lift 300,000 children out of poverty. The fact is, that is what we promised and that is what we have done.

Mr. Pierre Nantel (Longueuil—Saint-Hubert, NDP): Mr. Speaker, I would first like to mention to my colleague that I am always a little surprised to see how people join a party, get elected, and become part of a government that made such huge promises, particularly in Quebec.

I cannot help but scratch my head, thinking that, clearly, governing is about making choices. Her government specifically chose not to support Bombardier and small businesses, although it promised to make evidence-based decisions. Knowing where her riding is located, I am sure that many people there who work in the aerospace industry will be asking their MP how she can support such an initiative.

An omnibus bill like this one certainly muzzles the opposition, but it also muzzles members like herself, who do not have much say in the matter and who will obviously have a hard time explaining this to their constituents.

I would like to hear her thoughts on that.

• (1650)

Mrs. Eva Nassif: Mr. Speaker, I thank my colleague for his question.

As I said earlier, we listened to Canadians before the election. We held round tables and decided to invest in families for the middle class. With respect to Bombardier in particular, we did not break our promises. We are in talks to garner better offers and support Bombardier. The fact is that we are waiting for the negotiations and will update the House on those negotiations in due time.

[*English*]

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I appreciate the passion and strong advocacy the member expresses, whether in here, in caucus, or wherever she might be.

Could the member reflect on the importance of the health care accord and how our government is working toward achieving that? All Canadians want to see us demonstrate leadership on this, and we have. There are \$36 billion, a record high amount, going toward health care this year.

[*Translation*]

Mrs. Eva Nassif: Mr. Speaker, I thank my colleague from this side of the House.

Government Orders

During the campaign, we promised to invest in families, the economy, and infrastructure. We also talked about health, which is under provincial jurisdiction. We promised huge investments to help people, to reduce wait times, for mental health, and for seniors. That is what we promised before the election, and that is what we will do.

The Assistant Deputy Speaker (Mr. Anthony Rota): 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 Renfrew—Nipissing—Pembroke, National Defence; the hon. member for Sherbrooke, Canada Revenue Agency; the hon. member for Laurier—Sainte-Marie, Foreign Affairs.

[*English*]

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, as the member of Parliament for Renfrew—Nipissing—Pembroke, I am pleased to have this opportunity to speak on behalf of the good people of my riding. I thank them for the confidence they have placed in me to be their elected representative, and I in return promise to do my best to protect their interests.

People in my riding are concerned over the contents of Bill C-15, which implements most of the government's first federal budget. They are concerned about the huge, never-ending deficits contained in the budget and the legacy it leaves for their families.

I am proud of the Conservative government that left a budget surplus. In fact the debt-to-GDP ratio was lower than it was when we got in, despite experiencing the greatest global recession since the Great Depression. We balanced the budget, running a \$1.9-billion surplus in 2014-15. The books were also \$600 million in surplus when we left office in October 2015, which was confirmed by the non-partisan parliamentary budget office. We gave Canada a healthy financial balance sheet with rising revenues that could have been used to pay for the Conservative small business tax cut that was reversed by the government.

The difference between Conservative debt versus Liberal debt is that Conservatives will go into debt like a person getting a mortgage on a home, eventually owning a home and having a place to live while paying off the mortgage. The Liberal budget is like someone going into debt by using their credit card to buy groceries without the funds to make the minimum monthly payment on the credit card.

Under Conservative budgets, eventually the individuals own their homes. Under the Liberals budget Canadians are never expected to pay off the mortgage and go hungry. It is left to the next generation to keep paying the mortgage on the family home.

A budget document is supposed to inspire confidence in an economy. Only by inspiring confidence will consumers loosen their purse strings and entrepreneurs invest in their businesses. Unfortunately for Canadians, investors spoke with their actions before the Minister of Finance rose in the House to deliver his first uninspiring budget.

Government Orders

There is a profound lack of confidence in the government. That is evident from the day it was elected. These are the science-based facts. According to Stats Canada, in the fourth quarter of 2015, which was after the 2015 federal election, billions of dollars had been transferred out of the country by Canadian investors. This represents the largest recorded flight of capital since records began to be kept, stretching back before the Great Depression. For the first time, Canadians are net creditors to the United States, an unprecedented occurrence.

It would appear well-connected insiders got all their cash out of Canada while the going was good. What that means for Canadians is that those private investment dollars are not available to create Canadian jobs, forcing Canada to further increase the national deficit while becoming more indebted to foreigners to replace the lost capital.

In another development that is causing a lack of confidence in the government, Canada has sold off all its official gold holdings. The Bank of Canada on February 23, 2016, showed gold reserves at zero. This is in stark contrast with other developed countries that have seen their central banks become net buyers of gold since 2010. Canada now stands as the only G7 nation that does not hold at least 100 tonnes of gold in its official reserves. Out of 188 member countries in the International Monetary Fund, 100 countries hold gold as part of their monetary assets. Canada is now among the 88 countries that have no gold, countries such as Angola, Belize, and Tonga. Are these coincidences or a sign that Canada is headed for financial disaster?

Not since the disastrous budget of former finance minister Allan J. MacEachen, when five-year mortgage rates spiked to over 21%, have Canadians been more apprehensive about their own personal financial security.

It has to be a Canadian record for breaking promises. The first budget deficit is not \$10 billion each of the first three years of the mandate as promised. It jumped to \$30 billion each of the first three years with no plans to get out of debt and create jobs, if Canadians can believe the \$30-billion annual figure. Is it really much higher?

No economist or institution recommended running deficits to finance government waste. In fact, most of the new spending in this budget has nothing to do with promoting economic growth. Any spending on infrastructure is a holdover from Conservative budgets. It was a budget intended to buy votes with the people's money based on election promises, promises that were made to be broken.

Is Canada preparing for a financial disaster? Are savings protected? Those are the questions now being asked of this uninspiring budget that is eroding investor and consumer confidence.

• (1655)

According to the former non-partisan parliamentary budget officer Kevin Page, the budget is heavy on spending programs for government consumption and lacking in details, including when the federal budget would return to balance, which is how our Conservative government left the nation's finances. "It could be better in transparency...it's kind of a budget without a fiscal plan", according to Page, who also said, "I think there's going to be pressure to raise taxes with this kind of spending in the budget."

Higher taxes drive down consumption and investment. This in turn chokes growth and leads to lower tax revenue, which in turn worsens an already out of control debt problem, and so it goes in a vicious cycle that leads to the need to keep raising taxes, credit downgrades, further loss of investor confidence beyond what this budget has already caused, more job losses, and the inevitable deep cuts to things like health care and defence spending that Canadians suffered from when Paul Martin was finance minister.

The non-partisan parliamentary budget officer observed that this is the least transparent budget, certainly when compared to Conservative budgets or even previous Paul Martin budgets.

An example of that lack of transparency is the bank recapitalization bail-in scheme, proposed in division 5, part 4, of Bill C-15, which is page 223 of the budget document. It has seniors, among others, worried. It allows the government to convert a bank's eligible long-term debt into common shares in order to recapitalize the bank. In addition to being concerned about bank deposits, any retirement savings that included the bank shares would be exposed as well.

Canadians entrust their savings to the chartered banks with the expectation of being able to access those savings when they need their money. I know that the people in my riding do not expect their savings to be redirected into common stock when a bank is in trouble. Canadians may use banks for long-term savings or to park money temporarily in what they thought was a safe place, for example, when they sell their home or a family business.

The Liberal government is scaring seniors about the safety of bank deposits. The question has to be asked.

A preliminary proposal was made by former finance minister James Flaherty regarding the charter bank solvency rules. However, under our previous Conservative government's plan, bank deposits were protected from seizure. In addition to financing the federal spending spree, Canada's banks are holding billions of dollars in debts from the oil sands. The depressed price of oil has already caused tens of thousands of Canadians to lose their jobs. Internationally, there are at least five countries with oil-depressed economies that are teetering on insolvency.

Another example of the lack of transparency referred to by the non-partisan parliamentary budget officer is the decision of the federal government to cover up the costs to Canadian taxpayers of the Ontario "greed" energy act. The greed energy act was brought in by the disgraced former government of Dalton McGuinty, and continues to drive electricity prices in the province of Ontario higher and higher. One of the consequences of that piece of misguided extremist-driven policy is the energy poverty that is now a fact of life in the province of Ontario.

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It is important to point out to Canadian taxpayers that part 1 of Bill C-15 implements certain income tax measures proposed in the March 22, 2016, budget by exempting from taxable income amounts received as rate assistance under the Ontario electricity support program. The Ontario electricity support program was brought in as an indirect tax levied on all electricity consumers to provide rate assistance for people who cannot afford to pay their electricity bills. Of all the issues that I am contacted on, the cost of electricity in Ontario draws the most complaints. We call this the Liberal policy of “heat or eat” in Ontario. Federal taxpayers are expected to pick up the costs of this budget tax measure.

What I predicted before the last election is now happening, as we can see in Bill C-15. I predicted that Canadian taxpayers would end up with part of the bill for Ontario's policy disasters. That was predictable because the same policy advisers in Queen's Park, who wrote the greed energy act and fled Toronto, are now hiding in Ottawa as the most senior advisers of the federal Liberal Party. The cozy relationship between the Prime Minister and the Ontario premier is bad for all taxpayers, just as I warned Canadians before the last election.

Nowhere in the federal budget do we see a line for the cost of defending the greed energy act in an international court. Canadians should be shocked to learn that because Canada is being sued under the international trade rules for the activities of the Ontario Liberal Party and international trade is a federal responsibility, Canadians could be forced to pay almost a billion dollars in claims. Because of the lack of transparency in this budget, it is not being disclosed how much the budget must be increased to pay for the other hare-brained green energy schemes that do nothing to protect the environment and cost Canadians jobs.

• (1700)

Mr. William Amos (Pontiac, Lib.): Mr. Speaker, it is sometimes challenging to listen to such hyperbole, with all due respect, moving from attacks against the Ontario government, which have little merit or place in the House.

Let us set that aside for the time being and focus specifically on the issue of gold. The member suggested that the government is somehow engaging in inappropriate practices by selling off gold assets. It seems to me a reasonable thing to do, advised by many financial experts who suggest that diversifying the investment reserves of different currencies is a good plan.

Would the member opposite like to inform the House of the previous government's initiatives to sell off gold, which I understand to have been a standard practice?

Mrs. Cheryl Gallant: Mr. Speaker, there is no line item on the gold sale that the current government incurred right before the budget this year. It begs the question of where we would be and how much more in debt we would be had we not sold off the gold reserves already.

However, since the reference was made to the Green Energy Act, I do want to emphasize that Canadian taxpayers are on the hook, if we look at part 1 of Bill C-15, which would implement a certain income tax measure proposed so that it would exempt the taxable income amounts received as rate assistance under the Ontario electricity support program. It is because the rates are so high that not only do

Ontario electricity consumers have to pay their own bills and others' bills; now they would have to pay it through their federal income taxes as well.

Mr. Erin Weir (Regina—Lewvan, NDP): Mr. Speaker, like the member for Pontiac, I was somewhat intrigued by the remarks about Canada's gold reserves and whether we should be holding them as part of our monetary base.

My question for the member would be this. Does Canada's role as a major gold producer have any bearing on how much gold it makes sense for us to hold or not hold in reserve?

• (1705)

Mrs. Cheryl Gallant: Mr. Speaker, now Canada is the only G7 country that holds no official reserves. That puts us into the same category as countries with no gold reserves, such as Tonga, etc. It is incumbent upon us to be part of the higher gold reserves in terms of the G7.

Mr. John Brassard (Barrie—Innisfil, CPC): Mr. Speaker, it is hardly an exaggeration to suggest that the policies of the Liberal brand in Ontario are coming to the federal level, considering the players that are involved. My question for the hon. member is this. With respect to the Green Energy Act, which, as I said in my speech earlier, has been an unmitigated disaster for Ontario, how would that play out federally if that same plan were to be enacted across this country?

Mrs. Cheryl Gallant: Mr. Speaker, certainly plans are under way to implement the spirit of the Green Energy Act federally. Now that they have put Ontario into bankruptcy, they are looking at the national treasury.

Not only are federal taxpayers expected to subsidize this electricity-subsidy program, but also if the court case at the Hague is lost, taxpayers will be on the hook for another \$1 billion, and there is not anything in this budget outlining that either. That is in addition to all the employment insurance extra premiums that employers would be on the hook for across the country because the Green Energy Act has hollowed out manufacturing in Ontario.

Mr. Raj Grewal (Brampton East, Lib.): Mr. Speaker, it is an honour to speak in support of this government's first annual federal budget.

Just recently I was knocking on doors in my riding of Brampton East just to be accessible to the people who sent me to Ottawa. Many of my constituents expressed support for this government's investments to help middle-class Canadians succeed, investments that would not just help them today but investments that would lay the groundwork for the success of future generations of hard-working Canadians. These hard-working Canadians include our young Canadians, who are some of the best and brightest and deserve great educational opportunities and work experiences for the future.

Here at home and around the world dramatic shifts are taking place that represent both challenges to and opportunities for Canada's economy. Managing Canada's ongoing demographic shift means that we must do more to invest in young Canadians, specifically in post-secondary education, training, and innovation.

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When I meet young people at community events, at the door, or at their school events, I see in them limitless potential to be the leaders of today and tomorrow, whether it be in the fields of science, law, business, the trades, or anything else they put their minds to.

I have had the opportunity to attend some of the best post-secondary institutions in this country. I have also had wonderful job experiences that helped me begin my career and prepared me for the honour of being a member of Parliament. Thus, I am a strong believer in the power of education and in training our young people to be the leaders of today and tomorrow. We must invest in this generation to ensure that we have support for our aging population and create economic growth to last generations.

Unfortunately, for far too many Canadians the rising cost of post-secondary education is making it less affordable. Fewer people are able to save for their education and those who receive financial assistance often find it difficult to repay their loans.

That is why budget 2016 proposes a package of reforms to the Canada student loans program that will make post-secondary education more affordable for students from low and middle-income families and ensure that student debt loads are more manageable. This includes a new flat rate student contribution to determine the eligibility for Canada student loans and grants. This will ensure that students are able to gain valuable work experience while not worrying about a reduction in their funding. This will also benefit adult learners who are working or have financial assets.

Budget 2016 would increase Canada student grants by 50%, from \$2,000 to \$3,000 per year for students from low-income families and \$800 to \$1,200 for students from middle-income families. Additionally, part-time students would receive \$1,200 to \$1,800 more per year as they aim to complete their education. This means that approximately 247,000 students from low-income families will benefit and 16,000 part-time students who work alongside school or care for their families will also benefit from the government's investments. This is a direct investment to meet the rising costs of post-secondary education. I cannot understate the impact that this will have for many ordinary young people who are looking to build brighter futures regardless of their family or personal income.

Also proposed is an increase in the loan repayment threshold to ensure that no students across the country will have to repay their Canada student loans until they are earning at least \$25,000 per year. This measure will provide assistance of \$131 million over five years starting in 2016-17. Finding a good job is hard for young people. We need to do better to ensure our recent graduates are not burdened by student debt until they are on their feet and earning a decent income.

Budget 2016 would also ensure our young people have the real life skills they need that can often only be gained from experience in the workforce. Our government is investing in employment opportunities for youth through the investment of an additional \$165 million in 2016-17 for the youth employment strategy.

● (1710)

As well, we are creating an expert panel on youth employment to guide future investments in labour market programming. We are ensuring co-op placements and work-integrated learning opportunities for young Canadians through an investment of \$73 million

over four years, starting in 2016-17 for the post-secondary industry partnership and co-operative placement initiative. We would help young Canadians gain valuable work and life experiences through an investment of \$105 million over five years to support youth services.

Additionally, there are numerous other provisions in our budget that would benefit young people. For example, by investing \$3.4 billion over three years to upgrade and improve public transit systems across Canada, we would make it easier for young Canadians to get to and from work and school, and it is also more environmentally friendly.

By way of another example, with the millions we are investing in small businesses and innovation, such as through the industrial research assistance program, we will create new jobs in the future for our young Canadians to transition into.

In all, budget 2016 is a strong follow-through on the commitments that we made in last year's campaign.

We need to ensure that we invest and create the opportunities for young Canadians to succeed. The future of Canada depends on the quality and work ethic of our young Canadians. By investing in them, we are investing in a stronger and more prosperous Canada for years to come.

I ran to become a member of Parliament to ensure future generations had the same opportunity as me. As the son of a taxi cab driver and a factory worker, I got to attend some of the best schools across this nation. I got to graduate from Osgoode Hall Law School, join as an interior lawyer, be called to the Ontario Bar, and become a member of Parliament.

When I go to schools across my riding, I see the potential in young Canadians. I see that in Canada, if one works hard, one can achieve anything, and that education is the single most powerful tool to change one's circumstances and achieve one's dreams. Therefore, it is very important that in budget 2016 we are investing in young Canadians. We are investing in post-secondary education for all Canadians across this country. If one has the work ethic and the grades, financial assistance will be there to achieve one's educational dreams.

● (1715)

Mr. Tom Kmiec (Calgary Shepard, CPC): Mr. Speaker, I thank the member for Brampton East for his speech. We have taken a few flights together to Toronto.

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As the member mentioned, it has been a theme today of the student loan and grant provisions in the budget. However, I wonder if he can comment on the Federal Reserve Bank of New York report that was written not too long ago. July 2015 was the revised edition, and in March 2016, there was Staff Report No. 733, which studied the relationship between the federal U.S. student loan program and how it actually contributed to increasing tuition costs in the United States. The relationship it found was that the subsidized loan effect is most pronounced for the most expensive degrees offered by private institutions, two-year degrees, and vocational programs.

We are trying to help students by paying for their education, but this is the latest data coming out of the United States where they provide significant contributions through loan and grant programs. I have a U.S. master's degree, and I am familiar with how expensive it is to get a post-secondary education there.

However, for these types of programs, when we increase them, the correlation is that we increase the cost of the programs of post-secondary institutions. In this case, the Federal Reserve Bank of New York found that the relationship was mostly between expensive programs, vocational programs, and two-year programs.

Therefore, is the effect of this increase in the budget going to be that program costs in Canada might actually start going up in relation to how much they are being subsidized? I would like to hear the member's comments on this.

Mr. Raj Grewal: Mr. Speaker, the fact of the matter is that the U.S. and Canada are totally different when it comes to universities and post-secondary education. Here in Canada, the average tuition rate is a lot cheaper than it is in the U.S. In my humble opinion, the study is not relevant to what government is doing in 2016.

The government ran on a commitment to invest in Canadians, specifically to make sure that our young Canadians have every opportunity to succeed. I know that in this country if one gets an opportunity to go to some of the phenomenal post-secondary education institutions that we have across the country, that one can achieve one's dreams. One can become a doctor, lawyer, or engineer.

However, to ensure that path happens for our young Canadians, we have to ensure that the infrastructure is there. We have to make sure that they are not riddled with debt. No student in this country should be making the decision of whether they should go to school or into the workforce based on the cost of tuition. The government should be investing in young Canadians, and that is what we are doing in budget 2016.

Mr. Erin Weir (Regina—Lewvan, NDP): Mr. Speaker, it has been a pleasure working with the member for Brampton East on the government operations committee.

He spoke very eloquently about the need to invest in post-secondary education. The main way in which the federal government invests in post-secondary education is through the Canada social transfer.

I am struck by the fact that this budget provides no increase at all in the Canada social transfer relative to the last Conservative budget. We have had a number of good speeches today about post-secondary education, but when it comes to actually funding post-secondary

institutions, unfortunately, the current government is not doing anything more than the previous government did.

Could the member for Brampton East tell us when his government will be coming forward with an increase in the Canada social transfer?

Mr. Raj Grewal: Mr. Speaker, I would like to echo my hon. colleague's sentiments. It is an absolute honour and privilege to serve with him on the government operations committee.

I want to focus on the increases we are making to universities. We are directly investing through a post-secondary investment and research fund. The Minister of Innovation, Science and Economic Development is doing a phenomenal job, travelling the country, coast to coast to coast, speaking with the heads of universities to ensure they have access to this funding.

There are clear guidelines across the country to ensure that our post-secondary education institutions have the money to invest and to ensure that when young Canadians go to these institutions, they receive that high-quality education we are so used to in Canada. A lot of our hon. colleagues have had the opportunity and the benefit of getting good degrees and education from very good institutions.

It is our job and our requirement to ensure that future generations have the same opportunity we have had.

• (1720)

Ms. Tracey Ramsey (Essex, NDP): Mr. Speaker, I am pleased to rise to speak to the report stage of Bill C-15, an act to implement provisions of the Liberal government's first budget, which was tabled earlier this year, on March 22.

I would like to thank the NDP finance critic, the hon. member for Rimouski-Neigette—Témiscouata—Les Basques, for the incredible amount of work he has done on this and other files.

We have had a lot of debate in this place about the omnibus nature of Bill C-15. While the government claims that it is not an omnibus bill, New Democrats have pointed out many similarities between Bill C-15 and the omnibus budget bills we saw from previous Conservative governments. Bill C-15 is 179 pages long, amends over 30 different statutes, refers to nine different ministers, and impacts several others. It includes various retroactive changes in addition to a complex chapter on bank recapitalization. Clearly, the bill contains many more important elements that deserve proper study, which unfortunately it did not receive. Bill C-15 should have been split up so that changes to veterans benefits, employment insurance, and our banking system received proper study.

The NDP proposed amendments to fix and improve the bill at committee stage. We are also recommending changes at report stage, including a call for the government to fulfill its election commitment to small and medium-sized businesses. For many years, the NDP has called for a reduction in the small business tax rate from 11% to 9%. It is part of our vision for job creation. The Conservatives agreed with us in their last budget, and in the 2015 election all three parties, the NDP, Liberals, and Conservatives, pledged to reduce the tax rate to 9%. However, the Liberal budget misses the mark by only reducing the rate to 10.5%.

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In my riding of Essex, small businesses create good local jobs and play an integral role in our communities. The Liberals' broken campaign pledge will cost small-business owners money and hurt their bottom lines.

There are several positive measures in Bill C-15 that I support. It would restore the tax credit for labour-sponsored funds. It would add feminine hygiene products to the list of zero-rated products for taxation purposes, an initiative that my colleague, the member for London—Fanshawe, worked tirelessly to advance. The bill would also eliminate the income splitting scheme, raise GIS rates for seniors, and repeal the Conservatives' legislation to raise the age of retirement from 65 to 67. All of these issues are important to the people of Essex I represent.

I am pleased to see that the budget fulfills the commitment to reopen nine Veterans Affairs offices closed by the Conservatives, including the Veterans Affairs office in Windsor. Make no mistake, none of these Veterans Affairs offices should have been closed in the first place. When people in Windsor—Essex learned of the imminent closures, they came together and raised their voices in protest. Their determination and hard work has no doubt led to the government's promise to reopen our veterans office. I will follow this file closely to ensure that it offers quality service for our veterans, including improved financial aid and mental health services.

On employment insurance, the Liberal government said repeatedly that it would reverse the unfair changes made by the Conservatives. These promises have, unfortunately, been significantly downgraded. It did not establish an equitable and universal eligibility threshold to put EI back on track and will not reduce the waiting period to one week until 2017.

Several months ago, the NDP introduced a motion proposing changes to EI that would truly improve access and increase benefits for those who need them most. I am disappointed to see that the Liberals voted against our plan. Instead, we see changes that will not achieve the strong EI system our country and its workers deserve.

I have met with many in our region who are deeply concerned about the future of Canada's auto sector, particularly in relation to the disharmonization that would be created by the trans-Pacific partnership. From the parts sector to the assembly line, where I used to work, people in Essex are worried about their jobs and the competitiveness of our industry.

The region of Essex, which I am so proud to represent, lost nearly 12,000 auto manufacturing jobs between 2001 and 2013. It is a trend that started under the previous Liberal government and continued under the Conservatives. We must tackle these worrisome job losses head on. Instead, the new Liberal government has signed Canada on to what has been called the worst trade deal ever. It is a deal that puts thousands more auto jobs at risk.

The Prime Minister likes to proclaim on the world stage that Canada is back, but when it comes to manufacturing, this is unfortunately not the case. We desperately need an automotive and manufacturing strategy, now more than ever. If we do not create a strategy and aggressively seek new investment, we will continue to lose jobs to other jurisdictions.

● (1725)

I have heard an incredible level of support for the NDP's auto plan, which would make better use of the auto innovation fund and the supplier innovation program. Our plan would also make it easier for automakers to set up operations in Canada by creating iCanada, a one-stop shop with access to all three levels of government and dedicated staff who would be working to bring investment to Canada.

As an MP who represents rural communities across Essex, I welcome the government's commitment to improving access to broadband Internet, but this commitment alone falls far short of the support farmers have asked for. The budget makes no provision for promised compensation for farmers who will be hurt by trade deals like the TPP and CETA, even as the government continues to push to ratify these deals. These trade deals chip away at Canada's supply-managed industries at a time when we should be strengthening family farms and ensuring that they have the tools they need to remain viable.

The budget shortchanges promises for new funding for agricultural research and value-added production and also for the Canada Food Inspection Agency by more than \$130 million over two years.

I must also reiterate my call on the government to finally implement a PACA-like payment protection system for fresh fruit and vegetable growers. Producers have called for this for years, but their pleas fell on deaf ears under the Conservatives. They were so hopeful that things would finally change and were disappointed to see no commitment to PACA in the Liberal budget. The absence of a PACA-like system hurts farmers' ability to export and exposes them to unnecessary costs and great financial risk.

I introduced a motion calling for action and a resolution by the end of the year, which received support from the Windsor-Essex Regional Chamber of Commerce, the Ontario Greenhouse Vegetable Growers, and the Canadian Produce Marketing Association. My friends on the agricultural committee have also been studying the issue, and witness after witness has called for a PACA-like system. This should not be a political issue. Farmers just want to see the solution they are asking for implemented. I am determined to work with my colleagues to move this file forward for farmers so they can get the protection they deserve.

My riding of Essex is home to a short line rail service called the Essex Terminal Railway. This 54 kilometres of rail service runs from the east side of Windsor through La Salle and ends in Amherstburg. It is integral to the economic strength of our region and provides jobs and economic competitiveness while reducing congestion and pollution on our roads.

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The short line rail industry has made several requests of budget 2016, including a seven-year capital funding program to help the industry improve existing infrastructure, expand its network, and meet new federal regulations. While they will be disappointed that the Liberal budget neglected their requests, I look forward to working with our local partners in support of the Essex Terminal Railway.

On a similar note, our Windsor-Essex region is excited about the prospect of high-speed rail. Rail investments such as this would usher in a new era of economic opportunity for our region. I urge Canada, the only OECD country without high-speed rail, to move forward and seize the potential of rail investments to stimulate economic growth in all of our communities.

As the member of Parliament for Essex, I am committed to working closely with municipalities in my riding to seek funding opportunities for improving and restoring historical and federally owned buildings. This will help our region protect and celebrate our heritage while creating new opportunities to attract tourism.

Speaking of tourism, I am also committed to being a strong partner for vintners in my region. Essex County is home to nearly 20 wineries, producing award-winning wines and attracting tourists from afar. The Canadian wine industry contributes nearly \$7 billion to the Canadian economy and is working hard to increase international exports as well as their domestic market share. I have met with wine producers in Essex County, and I support their call for greater federal government support for the industry's continued development.

I have spent a lot of time looking at this budget and what it means to the people I represent.

I would like to end on a positive note. I am thrilled that the government has increased funding for the Canada summer jobs program. This will mean that more students in Essex will get valuable, paid work experience to help them build the skills they need to succeed in today's job market. It also supports local businesses and organizations with talented young people who are eager to learn and contribute. I look forward to working with the government on this file and will work hard to help the people of Essex access available funding from all government grants and funding streams.

I am honoured to serve as the representative for Essex and to stand up for their priorities each and every day.

• (1730)

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, I suspect that there are many New Democratic members of Parliament who are a little nervous about how to vote on what is one of the most progressive budgets we have seen in the last decade, and even longer than that. We can talk about the money that would be provided through the child benefit program, the increases that some of the poorest seniors in the country would get through the GIS, and the solid commitment to infrastructure dollars and building projects. I appreciate that New Democrats wanted to balance the budget, but when I listen to their speeches, they talk about wanting to spend more money.

How does the member feel about voting against one of the most progressive budgets we have seen in the last decade-plus?

Ms. Tracey Ramsey: Madam Speaker, I can assure my colleague across the aisle that I am not nervous at all about the way I will vote on this particular bill and that I have studied the budget extensively. While there are things that will help people in my region, there are gaping holes for others. Those who make under \$45,000 in my community, in the small towns I represent with many minimum-wage workers, will not receive any type of tax benefit or help.

He talks about the money that will go to families. Of course, this is a benefit for families, but it does not address a huge issue in my riding, which is child care and the lack of affordable, safe child care spaces. He also mentioned seniors. Seniors are largely left out of this budget. Let us talk about health care, the gaping hole that exists for palliative care, the \$3 billion that was promised to communities that simply does not exist. This is the reason I am looking critically at this bill.

Again, I promise my colleague across the aisle that I will stand with full confidence in my vote.

[*Translation*]

Mr. Pierre Nantel (Longueuil—Saint-Hubert, NDP): Madam Speaker, my hearty congratulations to my colleague from Essex for her speech, which reflected the reality of the people she represents. She says that she is proud to represent her constituents, and I think that they can be very proud of their MP, who is so in tune with their reality. The member said that this budget does not meet all the needs of the people in her riding.

After making an election promise to reduce the small business tax rate, the Liberals decided to make them wait even though they are our most important job creators. I am guessing that was a real blow to the agricultural sector and entrepreneurs.

Would my colleague care to comment on that?

[*English*]

Ms. Tracey Ramsey: Madam Speaker, I thank my colleague for his kind words about my representation for my riding. I am very proud and I take it very seriously when I am looking at an issue such as this omnibus budget and breaking it down into ways that are relatable.

Small businesses in the community have been seriously let down. I represent five small municipalities. Small and medium-sized businesses are the backbone of Essex. There is absolutely nothing for these folks in the budget. The decrease promised by the Liberal government that did not show up in this budget is a huge letdown for small businesses. I do not know where their future lies without those extra funds, particularly in Ontario, with a Liberal government that is, unfortunately, raising hydro prices that are unaffordable for businesses in my riding.

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Ms. Elizabeth May (Saanich—Gulf Islands, GP): Madam Speaker, I was really pleased to hear my colleague talk about short-haul railways. The role played by independently own railways across Canada is significant. We do not talk about them very much.

In the brief time remaining, I want to ask the member if she would agree with me that we should do more to help them own their own tracks, get goods from place to place, and reduce truck traffic on our highways.

Ms. Tracey Ramsey: Madam Speaker, short-haul railways are integral to my riding. In particular, there are some that require attention. If we could do some improvements to two particular crossings that have small bridges, it would grow the economies of the small communities they serve. Of course, there is the environmental impact, which is incredibly important to all of us down in the sun parlour of Canada.

• (1735)

Mr. Tom Kmiec (Calgary Shepard, CPC): Madam Speaker, I am glad to be joining the debate at this hour.

As I have done before, I want to share a Yiddish proverb, “One builds the house and the other lives in it”. I think it really applies to this budget. Today I want to talk about the fiscal house the government is building through its budget.

If we look at the “Fiscal Monitor” for March 2016, we see that the Liberals had a budgetary deficit of \$9.4 billion of their own creation. They spent the money. They did not control the cost and it is really one that they own.

The March 2015 “Fiscal Monitor”, the house that was built by the previous government, had a budgetary deficit for March 2015 of \$3 billion, and that house was built on sturdy foundations, based on the idea that this is not the money of the government and this is not the money of the House. It belongs to taxpayers and we are here as stewards on their behalf.

We see also in the March 2016 “Fiscal Monitor” that personal income taxes and corporate taxes were both down, \$1.1 billion on the personal side, \$2.1 billion on the corporate side, and \$0.2 billion on non-resident income tax. Revenue was way down but spending was way up. Direct program expenses were up \$1.5 billion.

If we look at the comments made by the former parliamentary budget officer, he said, “The (Conservative) government handed over a set of books that were, for all intents and purposes, in balance”. Furthermore, he went on:

Policy related changes include the Liberals booking \$3.7 billion in future veterans benefits in the 2015-16 fiscal year, while tax changes, an Alberta stabilization fund, Syrian refugee costs and the cancellation of federal sick leave savings totalled \$2 billion....

And their spending and tax measures are going to add to that deficit.

This is truly a budget that builds a fiscal house based on structural deficit, so there is no foundation. There is just an ample, large volumes of spending. Most of the spending is really being thrown away. It is done without any real, focused purpose. It is not really being done for the benefit of the middle class. In fact, one commentator said that this budget is “a giant meat grinder of taxpayers’ money”.

While for many of us it is kind of shocking to see how the concept of stewarding both the economy and taxpayer dollars has been thrown out the window with the budget. I also think about the obvious effects of just how little effort the government puts into cost control or this concept of stewarding taxpayer dollars.

When the government took power in early November 2015, it also began owning all of these spending decisions. As I mentioned, there is quite a few of them that the Liberals have made since then, and they have chosen to go down this path of deficit spending. During the campaign we heard that they would have small, reasonably sized \$10-billion deficits. To me that seems completely unreasonable. That deficit has grown through \$29.4 billion, \$29.5 billion, \$29.6 billion, to almost \$30 billion.

We see that all of those promises the Liberals made during the campaign are not really worth the paper they were written on. They own this spending that they have done since they took power in November and it is truly theirs. The Liberal deficit has been reaching new heights since March 2016, and as in the budget, there is no end goal. There is no end to the spending. They will just continue to spend to new heights. They have no plans to return to a balanced budget.

When we look at the budget a little more closely, we also see that the revenue numbers are hard to believe. The Liberals believe that between this fiscal year and the next they will have an extra \$10 billion just in personal income taxes. It makes one wonder how and from where will they get this money. They say they are getting it from Canadian taxpayers, but I just do not see the potential for an increase that is so high.

The borrowed money of today is really the taxes of tomorrow. If we binge borrow today, as the Liberals are doing, eventually we will have to pay it back. Binge borrowing today by the Liberals will require them, and they are already doing so, to squeeze the private sector in terms of the borrowing opportunities. The private sector has to go out and find dollars from regular Canadians, from businesses or from banks to borrow as well, so public sector borrowing squeezes private sector borrowing and costs go up.

The federal government is displaying and creating this type of environment where it will be more difficult in the long term for the private sector to borrow at reasonable rates. There is also an open question as to whether any of these budget numbers make any sense. A sizeable contingency fund was created. They have tagged the price of oil at \$25, and at times they have really rosy revenue growth, which, as I said, especially on the personal income tax side, is just completely unreasonable and very hard to believe.

One other oddity I have mentioned in the House before and I have asked questions about to other members, today especially, is on the child benefit numbers. They actually start going down, starting in fiscal year 2018-19.

Government Orders

●(1740)

The result is a \$1-billion gap between their numbers in 2018-19 and the numbers in 2020-21. The only reason to explain this gap is because either they believe that Canadians will be making vast sums of new revenue somehow, families will be making vast sums more and therefore they will be eligible for a smaller child benefit only, or they have no intention of indexing it to inflation and over time, the child benefit will simply decrease in its real value. That is the only way this works and the budget document is simply unhelpful in pointing out how this will be done.

On the very next page we have an explanation for every single other line item. They have no explanation for this decrease on the child benefit side. On infrastructure, again Liberals are off to a bizarre start with the Minister of Infrastructure and Communities wasting \$800,000 on a new deputy minister's office. Is there truly no space available in Ottawa to fit a deputy minister's office? Is there truly no space available to start an infrastructure program but by building the Taj Mahal, by building, as a colleague of mine from Edmonton West called it, sky palace 2.0 for Albertans who are quite aware what sky palace 1.0 was, a huge waste of dollars.

On the infrastructure record, the Liberal record between 1994 and 2006, was \$351 million allocated to Alberta. A pittance, peanuts. The Conservative record in comparison between 2006-15 was \$3.4 billion of infrastructure spending, real money allocated to real projects, projects one can see in my community like the Stoney Trail bypass of the city of Calgary built with federal and provincial monies including the City of Calgary.

If we want a record of fairness and standing up for Albertans, the budget does not have that. The budget does not help Albertans continue to build in the fastest growing cities in Canada.

There is a measly \$4 billion in the current budget to be spent on actual infrastructure. Another \$25 billion is being spent and over 80% is being spent on a wish list of program spending, so there is very little infrastructure spending in the budget. The Liberals have plans to spend more, but in the budget they have tabled with this budget implementation act that would actually change the laws to make it work, they have almost nothing available for actual infrastructure.

If we look at small businesses and how they are hard done by the budget, they are losing out on a 1.5% tax cut they were supposed to get. That was another broken promise by the Liberals. I talked of a meat grinder for taxpayer dollars, but I am sure the Liberals have also a very well used industrial shredder for all those Liberal promises they are no longer willing or able to keep.

The PBO estimated that a reduction to 9% would reduce the federal revenues of \$2.15 billion over the next four years and this is net. Put another way, this was \$2.15 billion that small business owners would get to keep in their pockets so they could reinvest it into their business.

We talked about innovation. There is no greater innovator than small business owners trying to grow their business. They do not need the government to tell them how to do it, they can do it themselves.

When we look at the PBO's report even further, we also see the real GDP impacts. Employment numbers will go down by \$1.24 billion. Again, it is a huge loss not to reduce the small business tax. I know when I worked for the Calgary Chamber of Commerce, we moved a motion at the provincial level to simply reduce the small business tax by 1% to match it with Saskatchewan. This was hugely popular in the chamber movement in Alberta.

I know the record that the previous Conservative government left to the current government: the number one most reputable and admired in the world, the Reputation Institute; the number one government net debt, GDP, G7, OECD, AAA credit rating; best country for business in the G20, according to *Forbes*; number one best G7 job growth since 2008 according to the OECD. All of this is at risk with this budget.

The list is no doubt a flurry of wasting tens of billions of taxpayers' dollars. To return to the concept that I started with, the Yiddish proverb, the house that we are building in the budget has no foundation. It is built on bingeing of debt, debt as far as the eye can see, structural deficits that it will take a generation to fix, and successive governments will struggle with it because they have to, there is nothing here. There is no plan.

We are talking about future generations and many of us have talked about the graduating students. There is nothing in it except debt and higher taxes in the future. I will oppose the budget and invite other members to do the same.

●(1745)

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, I often ask Conservative members this question. I know it can be difficult to vote when there is something in the budget that I believe many Conservatives are glad to see, and that is the whole issue of the tax break. In excess of nine million Canadians, Canada's middle class, will receive a substantial tax break, adding literally hundreds of millions of dollars to people's disposable income.

We are talking about individuals like teachers, manufacturing workers, and bus drivers, so many individuals in every region of the country. This bill would deliver a tax break for those Canadians. Not to mention the Canada child benefit program, where we will see millions of dollars being delivered into the homes and literally lifting hundreds of thousands of children out of poverty.

How does the member feel about those two specific issues? Does he feel this is something he would support?

Mr. Tom Kmiec: Madam Speaker, I have no problem voting against this budget. I have absolutely no problem voting against the Liberals on most of the things they put forward as part of their government agenda.

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The simple reason is this, especially on the child benefit issue. The member must know that in the Liberals' budget, they cut \$1 billion out of the child benefit program in the term of their government. It actually starts going down in total numbers. They are not being straight with Canadians about how they are going to run the program.

The next part is on the income tax issue. I have a constituent named, Cole. Cole works in a casino. He gets a smaller tax break than I do, because of the Liberal supposed middle-income tax cut. That is not a tax cut for middle-income Canadians. Cole is a middle-income Canadian. He deserves a tax cut, which he is not getting with this budget.

Mr. Gord Johns (Courtenay—Alberni, NDP): Madam Speaker, I want to thank the member for talking about tax breaks for the middle-class and for small business, and failed Liberal promises.

On the question he was just asked about middle-class tax breaks, when we looked at the middle-class tax break offered by the government, two-thirds of Canadians did not qualify for those tax breaks.

He talked about one of his constituents. We did the math. Anyone who earns \$23 an hour or less gets nothing in the middle-class tax break that the Liberals have proposed. The people who benefit the most earn between \$50 and \$100 an hour.

I want to ask my colleague how he feels about this. In talking to my constituents, those who earn between \$50 and \$100 an hour, even they think it is unfair that someone earning \$23 an hour or less gets nothing in the so-called middle-class tax break and that small business people, who are the economic generators, the job creators in our society, get nothing with respect to the tax break promised to them.

Maybe the member could talk a little about these false promises.

Mr. Tom Kmiec: Madam Speaker, the member and I share an interest in Kurdish issues, and both of us participate in a parliamentary group on it.

The member is exactly right. This budget offers very little for the supposed middle class on which it is themed. That is the very front page of it.

Going back to my constituent, Cole, a pit boss at the Deerfoot Inn & Casino, and the card dealers who work there, they are the ones deserving of a tax cut as are small business owners. Neither of them are getting it.

I, who am a higher income earners, and members of Parliament in the House, who are also higher income earners, are getting the full benefit of this supposed middle-income tax cut because of the way the tax system works.

The Liberals are actually hurting Canadians who need it the most by raising the debt up to new heights. Taxes in the future will have to be raised to pay for the spending they are engineering today.

Hon. Alice Wong (Richmond Centre, CPC): Madam Speaker, today I rise to speak to the amendment put forward to strike clause 34 from Bill C-15, the budget implementation act.

Clause 34, as it stands, will amend the Income Tax Act in a manner that would increase the small business income tax rate to 10.5% instead of continuing its scheduled decrease to 9%. Right this minute, the Income Tax Act, as currently written, will continue to lower the small business tax rate down to 9%. The removal of clause 34 from Bill C-15 will be an important gesture to demonstrate the commitment that the government made to small businesses during election time. During the 2015 campaign, all parties promised to reduce the small business tax rate and continue the outlined reductions put forward by our previous Conservative government.

We understand that small businesses are the backbone of our communities and are essential for job creation and a robust economy. As a result, the government should be encouraging small business owners and ensure that they have access to low tax rates. However, the Liberals seem to think differently. This is exactly why clause 34 is so concerning. This clause seeks to break one of the key promises previously made by the current Liberal government. I strongly believe that this reduction is crucial to motivating small businesses to grow and prosper.

As the former coordinator of the small business programs at both the Vancouver Community College and Kwantlen Polytechnic University, I have trained many business owners in leadership and business development. There are many challenges that small business owners face, whether it is working long hours, sacrificing time spent with family and loved ones, or the personal expense. However, when it is time to mature as a business, and at the point of decision to expand or not, the ability to reinvest is key and perhaps the greatest challenge. The question is to expand or not to expand.

This is exactly true for female entrepreneurs. I have had the opportunity to witness the growth and prevalence of female-run businesses, through the British Columbia Women's Enterprise Centre. Tax burdens, whether personal or business, have always been a great challenge to creating access to the money they require in their own pockets to reinvest. Additionally, my involvement as one of the founders of the Ethno Business Council in B.C. and my personal business experiences both demonstrate that tax burdens weigh particularly heavily on immigrant entrepreneurs.

While I was completing my doctoral dissertation at the University of British Columbia, I focused my research on studying the business cycle of immigrant entrepreneurs. What I found then, and what I continue to witness, is that immigrant business owners require as much encouragement and assistance as possible, not as a handout, but real encouragement in low-tax policies and business development opportunities.

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Over the past several months, I have continued to meet with business leaders in my own riding and from across the country. One concern continues to ring out most clear. Lower tax rates, whether federal, provincial, or municipal, are crucial to small business development. It is not for the government to choose winners and losers. However, that is exactly what we have seen. The current Liberal government has chosen small businesses as the losers.

On several occasions, the Minister of Small Business and Tourism has stood in this House and promised to reduce the tax rate for small businesses. She promised that she was working with the Minister of Finance and other colleagues to ensure that the voice of small business owners were heard. Unfortunately, that was all for nothing.

● (1750)

Instead, the Liberals have deliberately and blatantly left small business out of the budget and show no indication of following through on their promise. Small businesses across the country feel slighted and have witnessed first-hand the broken promises of the Liberal government. However, by accepting this motion, the Liberal government would be able to demonstrate to small businesses that it recognizes their worth and seeks to support and encourage growth for lower tax rates.

As research and data emerge regarding the government's decision to eliminate the tax rate reductions, we are gaining a clear picture of just how much this will cost our small business owners. According to the Canadian Federation of Independent Business, the CFIB, this decision will cost small and medium-sized firms over \$900 million, compared to the government letting the scheduled small business tax reductions stand. That is a cost of nearly \$1 billion that the Liberal government is placing on our hard-working middle class. Instead of alleviating the burden on our middle class, the Liberals are actually adding to their burden.

There is no doubt that small businesses stimulate our economy and encourage growth. The president of CFIB, Dan Kelly, stated that "The simple truth is Canada's small business owners are overwhelmingly middle class. They are your mechanic, accountant, hair dresser, and landscaper, just trying to earn a living doing something they love."

The Liberals are looking for a way to pay their debt by placing it on the backs of our small businesses. Our middle class is not responsible for the Liberals' reckless spending. This I have mentioned before. When small businesses are paying more in taxes, it means they have less money in their pocket to reinvest in their businesses. Whether these investments materialize as hiring new employees, seeking out new business opportunities, or expanding their market, each is important, and this budget will inhibit any type of growth.

I am proud to support this motion to amend Bill C-15, and I strongly encourage all members of the House to do the same. We need to invest in our small and medium businesses and provide them with tools and funding to help them succeed, not just in the start-up phase, but throughout their entire business cycle. Small business owners are counting on us. We need to demonstrate that we value their hard work.

● (1755)

Mr. Adam Vaughan (Spadina—Fort York, Lib.): Madam Speaker, I have been listening to the hon. member opposite talk about the need for tax cuts. Putting aside the fact that taxes did not go up for small businesses, future reductions have been deferred, and taxes did go down this year.

I have been reading through all of the private members' bills that the Conservative Party has introduced in the House this term. It is quite fascinating to note that we do not find tax cuts amongst them. We found things like an act to amend the Criminal Code. We found an act to establish a national appreciation day, a much higher priority than tax cuts in terms of the private members across the way. We found an act to amend the firearms legislation and an act to amend corrections and conditional release. We did not find tax cuts as being a popular component of their private members' bills.

I am curious as to why the member herself has not brought forth a private member's bill, if the issue is that important to her.

Hon. Alice Wong: Madam Speaker, our Conservative government lowered personal taxes 120 times. We do not need a measure in the bill just to reinstate our commitment to cutting small business taxes. It was in our campaign promises, as it was part of every party's commitment.

Once in power, why did the Liberal government forget about its commitments and not fulfill its promise to lower small business taxes? The Liberal government should be facing that challenge. The Liberal government should be helping our small business owners.

Mr. John Brassard (Barrie—Innisfil, CPC): Madam Speaker, it is incredulous to me, to anyone who sits in the House on this side, that the hon. member would actually bring that up when he knows full well that it was the Liberal Party that promised to bring the small business tax rate down, and yet it is not included in the budget. However, I digress. I am not actually here to speak to that, but it is worth noting.

I would like to ask my hon. colleague about small business. In the committee of the whole last week, the Minister of Finance was asked a very pointed question as to whether in fact he had consulted with Dan Kelly of the CFIB during budget deliberations. Like an artist in Cirque du Soleil, he contorted his body in every angle without answering the question. Therefore, I would like to ask my hon. colleague a question. How important would it have been for a finance minister to meet with the president of the CFIB during budget deliberations?

● (1800)

Hon. Alice Wong: Madam Speaker, during many of my visits and discussions with the president of the CFIB, the first concern he raised was they were not even able to secure a meeting with the finance minister. How can the government really set up a policy when the most important economic element in our whole community in Canada that creates over 95% of jobs is not even heard?

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In my experience, in meeting many of the business owners, and as a former business owner myself, this is exactly who we should be listening to, small business owners and small business organizations that represent them. I mentioned the B.C. Women's Enterprise Centre, the Ethno Business Council of B.C., and all those business associations I have been consulting. We should be listening to them. This is their major concern.

Mr. Jamie Schmale (Haliburton—Kawartha Lakes—Brock, CPC): Madam Speaker, first, I would like to mention that small businesses in my area are concerned. They are trying to invest, to hire, and to develop.

I would like to ask about the overall government plan on spending. If spending for the sake of spending were true, Ontario would be the economic engine of Canada. Of course that is not true. Perhaps she could speak to that.

Hon. Alice Wong: Madam Speaker, the government has said it is going to spend on infrastructure and innovation. What they are spending on is the program, and the program administration. There is no actual job creation. There is no direct benefit to any of our businesses, especially now that it is actually increasing taxes to our small businesses.

Again, to grow or not to grow, to expand or not expand, that is the question. I do not think the Liberals have a good answer to it.

Mr. Gord Johns (Courtenay—Alberni, NDP): Madam Speaker, it is a huge honour to rise to speak on Bill C-15. As a spokesperson for the NDP on small business, I am going to focus on the small business tax cuts that are not in this bill, that are going to be deleted, and the false promise by the Liberals.

As a former small business owner, as a former executive director of a chamber of commerce, and as a member of Parliament who represents a riding that has six chambers of commerce, I understand small business and know how important small business is to our communities and we support it. Small business people are the builders of our communities. They are the volunteers who sit on our boards, donate to charities and local organizations, and sit on councils in local governments. These are the people who coach our children and are innovators. They build the culture of our communities and are the backbone of our local economies.

In 2008, I was a small business owner. I remember when the largest recession hit since the 1930s. Sales plummeted and people had hard decisions to make in order to keep their businesses alive. Some businesses did not make it. It was a tough reality, and that it is the way it goes sometimes. However, what was really hard to justify were the massive bailouts for Canada's largest corporations and nothing for small business. Many small business owners saw this as completely unfair.

In the last election, small businesses felt like they were going to get a break and have a little more fairness. All three parties, including the Green Party, promised to lower taxes on small business to 9%. I have the page from the Liberal platform in my hand, in black and white, which says, "reduce the small business tax rate to 9 per cent".

Mr. John Brassard: It's not worth the paper it's written on.

Mr. Gord Johns: That is right, Madam Speaker.

How did this promise come about? In February 2015, the NDP promised that it would reduce small business taxes from 11% to 9% to give job creators a needed break. The Conservatives played politics at first by voting down the measure, but then, to their credit, inserted the small business tax reduction into budget 2015. During the election campaign, all parties, even the Green Party, supported keeping these tax cuts that would have gone to 9% by 2019.

Political parties cannot agree on the time of day, so this was significant. This was huge. Small business owners felt they could be assured that after years of breaks for big corporations, they would finally get a little help, but then the government tabled its budget. This budget bill would delete all future reductions to the small business tax rate, with no plan to bring them back at a later date. They were just deleted.

It is a fact that this bill would delete all future reductions, but not once have the Liberals acknowledged it. Instead, they say, "Who knows what will happen in future budgets". That is not a commitment. That is not a responsible way for government to speak to small business people, the people who are the foundation of our local economies. The Liberals made a promise and they broke it. Instead of owning it, they are hiding behind political spin. They will say that they have made all kinds of other promises, on top of other promises, like personal income tax cuts and child care money that will help.

Let us look at the so-called tax cut for the middle class that does nothing for those earning \$45,000 a year or less, but really benefits the people earning around \$200,000. If Liberals think that most small business owners do not benefit from income taxes, then they truly do not understand the business world. Small business people count on every dollar they earn to keep their businesses going, to pay their employees, to pay their rents, and to contribute to the local economy. The child tax benefit measure will not cover the cost of child care, so it is not enough.

It was a promise. The Liberals knocked on doors, visited small businesses, held round tables, all while making their promise crystal clear. There is a word I am not allowed to say in this place, but Canadians know what it means when a promise is made on something with no intention of doing it. It starts with the letter "I". It was a slap in the face to small business.

Some have asked if small business really need this break, and the answer is yes. Small businesses create 78% of all new jobs in the country. They are the backbone of the economy. Fifty per cent of small businesses earn less than \$40,000 a year. Seventy per cent of small businesses earn less than \$60,000 a year. I have this information from the Canadian Federation of Independent Business.

Government Orders

● (1805)

If the government was truly interested in growing the economy and creating jobs, it would do everything it could to support small business. It is important that we keep money in our local communities and plug economic leakages. When we look at buying local and spending money in our local community, we can see the multiplier effect. When we spend money at a local business or small business in our community, 46% of that money stays in our community, versus 14% spent at a multinational. Therefore, it is very important that we invest in small businesses and make sure that we keep that money.

As we know, the parliamentary budget officer did a report that said that \$2.2 billion is going to be lost to small business by getting rid of the small business cut. When we add the multiplier effect, it is a lot of money to the local economy. If we want to grow our economy, and we want to do it in a way that supports community economic development, we need to invest in small business.

I have spoken directly with small business owners across Canada. Many were counting on this. Small business owners in my community, who have a whale-watching company, told me that they were planning on using the tax cut to help purchase another boat and add to their fleet, but now they are not sure that they are going to be able to afford it. They looked at it over four years.

At the end of the day, this is about priorities and fairness. Consecutive Liberal and Conservative governments have slashed taxes for Canada's largest and most profitable corporations from 28% to 15%. We know that a lot of that money ends up being dead money. It ends up in the hands of shareholders and leaves our communities.

We need to invest in small business. If the Liberals truly wanted to, there is nothing stopping them from honouring their promise.

Some might ask how we can afford to invest in small business, the \$2.2 billion to do this right. I will give an example, and it is about choices.

Budgets are about choices. Elections are about choices. The current government has a choice. There is \$800 million annually being lost through shareholder stock options. CEOs are getting a tax break when they are not paying their fair share. If we close that loophole, it would more than cover the small business tax break.

The Liberal government is making a choice to give CEOs a huge tax break instead of giving it to small business people in our communities. This is very important, because when they say that we cannot afford it, we can. We know we can. It is about choices. To go back to people in our communities and tell them that we are going to choose CEOs who are not paying their fair share over small businesses is a slap in the face.

I really hope that Liberals and members of the House will vote against the bill. Vote for the people at the doors they knocked on. Vote for the people in their communities instead of voting for Canada's CEOs, those who earn the most, and make sure that they pay their fair share. The myth that CEOs will suddenly pull out and that investment will pull out if we close these tax loopholes is wrong. It is not true. Fundamentally, it is not right.

We need the government to do the right thing and make sure that those who can afford it pay their fair share, that those who need a break get a break, and that small business counts and is a priority. We need to build trust with small business people instead of continually breaking trust.

I hope government members and all members of the House will vote against the bill, vote for the small business people in their communities, vote for what is right, and vote for the promises they made.

● (1810)

[*Translation*]

Mr. Fayçal El-Khoury (Laval—Les Îles, Lib.): Madam Speaker, I thank my colleague for his speech.

I have to say that this government presented the best budget to support families and the middle class. As we all know, a middle-class family with more money in its pockets spends more, and that helps to boost the economy and support small and medium-sized businesses.

I would like my colleague to explain that.

[*English*]

Mr. Gord Johns: Madam Speaker, I do not share the same perspective about the budget. In fact, I do not see the Liberals tackling inequality or helping those who are not in the middle class join the middle class.

Again, on the middle-class tax break I talked about earlier, those who earn \$23 an hour or less do not get the tax benefit. How are those people supposed to join the middle class?

When we talk about small business, the economic generators, the job creators in our communities that create 80% of jobs, they are not getting a tax break that was promised to them. The child tax benefit the Liberals are offering is not enough to cover child care.

In fact, the people who would benefit the most from the middle-class tax break earn between \$100,000 and \$200,000 a year. If we ask them, even they will tell us that it is unfair that someone who earns \$23 an hour or less gets nothing.

To the member, I completely disagree. I think the Liberals failed to do what they promised: tackle inequality and help those who are not in the middle class join the middle class. Two-thirds of Canadians are not getting the benefit they were promised.

Mrs. Cathay Wagantall (Yorkton—Melville, CPC): Madam Speaker, earlier on in a debate on this same topic, I believe it was the member for Winnipeg North who expressed to me that the small business owners in his riding were very happy with this budget. They were happy because there were so many dollars being put back into the pockets of everyday Canadians in the middle class that suddenly small businesses were going to have all of this additional cash coming in their doors. I wonder if the member might have a perspective on how that would somehow balance out with small businesses actually receiving what was promised to them in the budget initially.

Government Orders

•(1815)

Mr. Gord Johns: Madam Speaker, that is a great question. I was actually just in the member's riding at FCM. I was in north Winnipeg, and I talked to a couple of people. I gave them the breakdown for the middle-class tax break that was promised. They earn less than \$23 an hour, their children are over 18, and they feel that they have been forgotten, been left behind and been lied to.

I agree that the best thing the Liberals could have done is to make sure that everyone counts in their so-called tax break for the middle class. They could have done their research to find out where median incomes lie in Canada, and in places like Winnipeg and especially north Winnipeg. We know it is certainly less than \$31,000.

Also, who drives the economy? It is small business people. That promise was made to small business people. In Winnipeg north, in the member's riding, and in all of our ridings, it is small business people who are driving our economy. They are the people who are building our economy.

[*Translation*]

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Madam Speaker, I thank my colleague for his speech and for the attention he gave to small and medium-sized businesses.

On that note, I was wondering what he thinks about the attitude that this government and the Prime Minister himself have shown toward small and medium-sized businesses. The Liberals broke their promise to lower the tax rate for SMEs.

During the election campaign, the Prime Minister was probably thinking about his own numbered companies when he said that Canada's entrepreneurs were using their small businesses to try to avoid paying taxes.

Can my colleague comment on the attitude of the government, and more specifically of the Prime Minister, toward SMEs, as well as their perception of these small businesses? The Prime Minister seems to believe that everyone uses these companies the way he does.

[*English*]

Mr. Gord Johns: Madam Speaker, I want to thank my colleague for his strong values and for standing up for the people in his community. He is absolutely right. We hear rhetoric from the members from the government side, saying things like small business people are bad fiscal money managers, or they are tax cheats. About 80% of small business people earn less than \$80,000 a year. Actually, 70% of them earn less than \$60,000 a year. Therefore, this rhetoric is unacceptable. These people are the foundation of our community. These are the people who we should be celebrating and helping to lift up.

Mrs. Cathay Wagantall (Yorkton—Melville, CPC): Madam Speaker, I am pleased to stand today in regards to Bill C-15, the 2016 proposed Liberal budget. I am beginning, actually, by expressing my disappointment and confusion as to why Bill C-12, an act to amend the Canadian Forces Members and Veterans Re-establishment and Compensation Act was initially tabled in this House to deal separately with budget items that specifically apply to veterans, only later to be pulled from debate and buried in Bill C-15. Veterans were so pleased to learn about Bill C-12, encouraged to see

that the government appeared to be committed to responding in a timely and inclusive way to improvements in their financial needs.

With the current attention in the media and within the veterans' community to the unfairness of the decrease from the lower corporal rate to the highest private rate as the base salary benchmark for the earnings loss benefit, perhaps the intent was to have less focus on the inappropriateness of this change that cast such a dark shadow over what was to be a victory for better care for our veterans, an increase of the earnings loss benefit from 75% to 90% of military pay prior to release.

The Liberals claimed that they are now increasing the earnings loss benefit; however, lowering the minimum benefit threshold to a senior private salary instead of a basic corporal salary will result in a significant reduction in the benefits received by the most vulnerable injured veterans. The increase in this benefit for permanently disabled veterans will be minimal for those who make the least, but as much as a 20% hike for the higher ranks.

The proposed increase to the earnings loss benefit will still be applied unequally to the detriment of those seriously injured former members of our Canadian Armed Forces who were at the low end of the pay scale or who were discharged decades ago, before military salaries climbed. This is discriminatory toward veterans who are unable to work because of their disabilities and who had to leave the forces at a young age before they had the opportunity to earn an ongoing living wage. It keeps them at a low income level until they reach the age of 65.

At the same time, those who were able to stay in the forces longer will receive more under the benefit, with bigger increases, a higher percentage increase than those who receive less.

Some disabled veterans have been making more than 75% of their pre-release salary through the earnings loss benefit because those salaries were so low that the previous Conservative government acknowledged the veterans were not getting enough to meet their basic needs.

In 2011, our Conservative government saw how inappropriate this was and adjusted the benefit so that no one would receive less than \$40,000 annually, which was then, at that time, 75% of the salary of a basic corporal.

With the new Liberal minimum base, the end result is that those whose benefits rose under the Conservatives will now get only small increases when changes take place in October. They include those who were injured in places such as Bosnia, Somalia, Rwanda, and Yugoslavia, and those who were discharged before the government approved significant military raises in the late 1990s and over the past decade.

Government Orders

Meanwhile, those former members of the Armed Forces who were discharged at salaries higher than \$49,449 that is currently paid to a senior private, such as majors, colonels, generals, and even high-ranking non-commissioned officers, will not be affected by a rank change and could see their benefits rise by tens of thousands of dollars.

This leads me to wonder how many high-ranked members of the Armed Forces have been discharged due to injury or disability in comparison to our lower-ranked soldiers who, I would think, are far more likely to be the ones in larger numbers facing the potential of high-risk situations where they could be injured severely, either physically or mentally, to require them to willingly, or unwillingly, be discharged from service.

Of the millions allocated by the government to earnings loss benefits in this budget, how many of those dollars will actually be spent on these most vulnerable injured soldiers who are unable to provide for themselves and their families because their injuries took away their commitment to serving in the military, fighting for and protecting the freedoms and lifestyles of all other Canadians?

• (1820)

Will there be unspent funds in this portion of the budget because of fewer claims by those in the higher income bracket who do not leave prematurely due to injury? If so, why were these funds not implemented into other election promises made, such as the promised \$100 million for more family caregiver benefits, or the post-secondary education benefit for all veterans, or the \$20 million for two centres of excellence, or opening operational stress injury clinics where none exist for veterans needing mental health services?

The details of the budget in relation to veterans were only added to the Veterans Affairs website on May 9, after it was brought to the attention of the House that none of the details were available online for veterans and their families. Now that it is there, I would like to quote the following from the website: "In the interest of fairness, the increase is based on a Senior Private's salary. To do otherwise would mean that some Veterans receiving the benefit could be making more than their comrades on active duty."

I cannot help wondering why, then, the approach was not used for a formula that provided a ceiling for those who could have ended up making more than their comrades on active duty under the existing basic corporal salary, rather than penalizing those on the low end of the benefit scale where the increase to 90% of the new senior private's salary will be as low as \$100 a month. On the website, the government shared a slightly better bottom line example, stating, "a Veteran who was a corporal in 1996 could receive up to \$2,000 more each year because of this proposed enhancement [or a total of \$166.67 a month]."

The veterans who needed the increase the most feel betrayed by this unfair approach to the earnings loss benefit in the budget. The retroactive increases in the lump sum disability award does improve on the original award set out by the last Liberal government. I believe the amount of \$3.7 billion under financial support for veterans on page 193 of the budget, table 5.2, reflects the retroactive payments that need to go out to cover some 70,000 veterans who have been eligible since 2006 and were promised this retroactive payment.

That being said, it is important to note that with this \$3.7 billion payout, that leaves \$400 million per year budgeted for the disability award, and changes to the earnings loss benefit for each of the next four years, with a total commitment of \$5.6 billion over these next six years.

We are all very aware that the budget is being presented as a deficit investment, which is an oxymoron and already a broken promise at best. This greatly concerns our veterans and Canadians who see a formidable future of debt repayment for their children and grandchildren.

Budget 2016 only partially addresses four of the 15 directives in the Minister of Veterans Affairs' mandate letter, and the earnings loss benefit falls short of what was expected for our most vulnerable wounded. Still to come are lifelong pensions, promised; guaranteed four years of post-secondary education, promised; two new centres of excellence, promised; improved education, counselling, and training for families, promised; increased survivor pensions, medical benefits for spouses married after the age of 60, and development of mental health and suicide prevention strategies. There are many, many promises.

Did the Liberal Party members who made these promises actually study and forecast the implications of their promises? Did they make them with true intent to keep them if elected, or were they made without adequate consultation?

In closing, I have deep concerns that the promises that were translated into new measures in the budget, coupled with the increased deficit spending over the remaining mandate of the Liberal government, will not be sustainable on a long-term basis.

• (1825)

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, in a number of the member's comments, she is looking for issues that affect people. If we look at Veterans Affairs, I could talk about the nine offices we have committed to reopening. The budget allows for that to take place. There is substantial support going to the veterans.

Would the member provide a comment on what I think is a very progressive aspect of the budget dealing with some of Canada's very poorest seniors in all regions of our country? The budget puts into place a substantial increase. It could be as high as \$900 for a single senior who is finding it very difficult because of a limited income.

I am wondering if the member would provide some comment in regard to how important a guaranteed income supplement is and recognize that the money flowing to that program is a positive step forward in helping a good number of Canada's poorest seniors.

Adjournment Proceedings

Mrs. Cathay Wagantall: Madam Speaker, I certainly would have liked some answers to some of my questions followed by a question in regard to our veterans, as that is the area about which I am especially concerned. Being on the committee and being deputy critic for Veterans Affairs, I know these issues are very serious and a deep concern to them.

I represent one of the ridings in the country with the largest percentage of older people, and I communicate with them a great deal. They are concerned about a number of things. One of them is about the highest end of a possible increase in the GIS. Many of these people are facing situations where the amount they are being provided is minimal, not unlike our lowest and most vulnerable veterans. They receive the bottom end of potential support that really will not make much of a difference to them in the long term.

[Translation]

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Madam Speaker, I would like to ask my colleague a question about the definition of middle class used by the government.

In many communities, at least in my community of Sherbrooke, the definition of middle class is not necessarily the same one that could be attributed to the government, which is cutting taxes. In fact, those earning more than \$160,000 a year receive the largest tax cuts.

My colleague from Courtenay—Alberni just said that he calculated that a full-time employee would have to earn \$23 an hour to benefit from the government's so-called middle-class tax cut.

Accordingly, could my colleague comment on these facts and figures concerning the middle class, which seem rather high for the Liberal government?

• (1830)

[English]

Mrs. Cathay Wagantall: Madam Speaker, this is of deep concern to me as well. Prior to being here, I was a small business owner. I still am, but I am not involved in the business. Watching our employees and the amount of money they are earning, they are certainly not what the current government deems the middle class. The vast majority of people in Canada who should be receiving support from the government, who truly do need it, do not fall into the categories that the Liberals have presented to us today. What this would do is again reward in circumstances where the need is not as great as those who truly do need that support in a truer representation of the middle class.

The Assistant Deputy Speaker (Mrs. Carol Hughes): The member will have one minute remaining the next time this debate is before the House.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[Translation]

CANADA REVENUE AGENCY

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Madam Speaker, I am very pleased to revisit a question that I asked the government, more specifically the Minister of National Revenue, about the KPMG affair some time ago. This matter is very much in the public eye. It concerns a deal between the Canada Revenue Agency and KPMG, or more specifically KPMG clients. Some of them have accepted the deal offered by the Canada Revenue Agency. By all accounts, these taxpayers broke the law, but they nevertheless were given a deal by the Canada Revenue Agency whereby they will have no penalties, pay almost no interest, and be spared legal proceedings.

This story was much talked about in my riding and made the people of Sherbrooke furious. We are talking about rich taxpayers, millionaires, who could afford to pay the KPMG accounting firm \$100,000 for its services, according to what we were told at the Standing Committee on Finance. KPMG set up a scheme that allowed them to keep assets on the Isle of Man, not declare income on these investments, and thereby avoid paying taxes. These are taxes that should have been paid in Canada. These taxpayers should have paid their fair share so that Canadians can get the services they expect from the government.

This story was much talked about. It even gave rise to a committee study, which picks up again tomorrow, in fact, with new witnesses who will speak to this secret agreement. When I say “secret”, that is important because the agreement is several pages in length, including a confidentiality clause. It says that the taxpayer who receives and signs this letter must not talk about it to anyone and it must remain confidential.

This gives an idea of the government's so-called openness and transparency. It makes secret deals with taxpayers, many of whom can afford to pay KPMG \$100,000 to have that accounting firm set up a tax scheme for them. This raises a lot of questions.

Today I would like to talk to the Parliamentary Secretary to the Minister of National Revenue about how that letter came to be. I want to know who wrote it. Who was behind the letter, who wrote it, who was involved in writing up this agreement?

Was the minister of the day directly involved? Did she approve it? Ms. Henderson testified before the committee. Which of her superiors approved the letter? She says that she does not remember signing it. She says that it is her signature, but she cannot tell us if she really was the one who signed it or even whether the letter exists.

I hope that my colleague, the Parliamentary Secretary to the Minister of National Revenue, can shed some light on the existence of the letter and tell us who was in charge of drafting the letter that was sent to KPMG, the letter that was then signed by rich millionaire taxpayers who are KPMG clients.

• (1835)

Mr. Emmanuel Dubourg (Parliamentary Secretary to the Minister of National Revenue, Lib.): Madam Speaker, I am very pleased to respond to the comments made by my hon. colleague.

Adjournment Proceedings

First of all, as the member mentioned, the minister and Canada Revenue Agency officials attended a number of parliamentary committee meetings. All the questions he just mentioned were part of those deliberations, and they were answered. I understand that my colleague may not be happy with the answers, but we answered those questions.

I would like to take this opportunity to inform the House that our government has begun addressing the issue of international tax evasion and aggressive tax avoidance. That is a commitment we made during the election campaign. We talked about it a lot during the campaign, and now we are working hard to keep our promises.

I would also like to remind my colleague, the member for Sherbrooke, that as a result of the request made by the Standing Committee on Finance on February 14, 2016, the Minister of National Revenue provided more details on the issue that he raised when she appeared before the committee on May 19, 2016.

On May 5, CRA officials also had the opportunity to provide more information about the efforts they are making to combat tax evasion and tax avoidance. We can proudly say once more that our government is open and transparent.

Without exception and without favour, all Canadians are subject to our tax laws. I assure the House that the Canada Revenue Agency is determined to fulfill its mission to have all Canadians pay their fair share.

Court documents made public prove that the Canada Revenue Agency's efforts exposed the offshore tax avoidance scheme set up by KPMG. The agency also identified a good number of participants and is actively working on this issue. This includes auditing and reassessing many taxpayers already identified by the Canada Revenue Agency. Thanks to the agency's continued efforts and our government's historic \$444-million investment, we will continue to combat tax evasion and aggressive tax avoidance.

This \$444 million, which our government announced on April 11, 2016, will enable us to increase the number of auditors. We also said that the Canada Revenue Agency has been collecting information on all fund transfers over \$10,000. The Canada Revenue Agency has access to these tools to combat international tax avoidance and tax evasion.

We are committed to this issue, as we said during the election campaign. When we tabled our budget, we allocated \$444 million to the Canada Revenue Agency so that it can intensify its efforts to make this type of scheme a thing of the past.

Mr. Pierre-Luc Dusseault: Madam Speaker, I will make my question as simple as possible, without a preamble, to ensure that my colleague does not get carried away with the broader issue of tax evasion.

Can my colleague explain to the House what action this government plans to take against KPMG? This company facilitated tax evasion and even came up with the scheme.

What action does the government plan to take against KPMG and those who facilitated this tax evasion?

Mr. Emmanuel Dubourg: Madam Speaker, we heard from KPMG partners or representatives. My colleague knows full well

that this case is currently before the courts and we therefore cannot talk about it at length.

My colleague also knows that section 241 of the Income Tax Act prevents us from talking about individual cases. However, measures are being taken, and my colleague has to trust the CRA officials. They are doing an excellent job of tracking down people who engage in tax avoidance or evasion.

• (1840)

[*English*]

NATIONAL DEFENCE

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Madam Speaker, I speak for the women and men who serve as members of the Canadian Special Operations Regiment from Garrison Petawawa, located in the heart of the beautiful Upper Ottawa Valley. Canadians can be proud of their efforts in the international war against terrorism.

All life is precious.

To the troops and their families who are watching these proceedings, they should have no doubt that, even if the government does not, I have their backs.

My question was to the Minister of National Defence over the controversial decision by the Liberal government to withdraw our CF-18 fighter jets from the bombing mission against ISIL. The minister referred to this decision as a difference of opinion. This is more than a difference of opinion.

This is not the first time a Liberal government has made a politically expedient decision on the backs of serving women and men in the Canadian Armed Forces. The decision by a Liberal government to cancel the Sea King helicopter replacement contract cost money and lives. In addition to being on the hook for over half a billion dollars in cancellation fees, Canada ended up purchasing an inferior commercialized version of the same helicopter with no industrial benefits to Canada. Those benefits would have come to Canada if the Liberal government had not interfered or cancelled the military procurement.

Now it appears history is about to repeat itself once again with the decision to purchase an obsolete fighter jet to replace the jets the government refuses to allow to protect our soldiers on the ground in the international war against terrorism.

Considering the procurement process to replace Canada's fighter jets was started by a previous Liberal government and that it has been substituted for a secretive process explains the recorded surge in lobbying activity in Ottawa. It also confirms that for the Liberal government, partisan politics trumps the lives of our soldiers.

Adjournment Proceedings

In the case of the helicopters, the decision by the Liberal government to send Canadian soldiers to Afghanistan lacking proper air support cost lives. Without strategic airlift provided by the medium lift helicopters that would have been purchased by a Conservative government, Canadian soldiers died on the bomb-laden roads of Afghanistan on a mission they never should have been sent on without the right equipment. If air support was necessary for the soldiers who were deployed by our Conservative government, then more air support, not less, would be required for more soldiers who are sent into combat.

The government has publicly stated that somehow the lack of air support is compensated by placing more soldiers on the ground, a position that strategically makes no sense. Worse, it appears that not only has the Liberal government pursued a policy of placing more soldiers at greater risk by not providing air support, it has decided to allow for the publishing of greater details about the mission itself. Those additional published details not only put our soldiers at risk overseas, they increased the risk to the families of serving soldiers here in Canada. Military families were horrified last week to read for the first time details in the press that would not have been disclosed by our Conservative government, nor should they be. We understood that the bad guys can read just as well as Canadians.

In Canada the threat is real.

We honour the recent memory of Canadian soldiers who were murdered here on Canadian soil, including within the sight of Parliament Hill, by individuals claiming to commit their acts of terror in the name of international terrorism.

Hon. John McKay (Parliamentary Secretary to the Minister of National Defence, Lib.): Madam Speaker, it is hard to keep track of all the non-sequiturs in the hon. member's speech, but let me just deal with a couple of them.

The first one in her original question was that ISIL had declared war on Canada. It really does not matter whether it is ISIS, Daesh, or whatever it wants to call itself, it cannot declare war. It does not matter what it says about Canada. In order to declare war it would have to have a state. Only states can declare war on each other. As the head of the Canadian Forces has said, we are in state of armed conflict with a non-state actor. In this business, words do matter. That was the first non-sequitur.

The second non-sequitur is that apparently the lives of the people who died in Afghanistan were worthless because we did not give CF air cover in Iraq, I am assuming. How those two are linked I do not really know.

We will recall that we are in a coalition. A coalition by definition is an alliance for combined action. Among the various coalition partners, they piece out the various tasks to be done. In this instance, we had an oversubscription to jets and fighter bombers. Apparently there were something in the order of 200 in theatre, of which Canada had 6. Of the 200, 150 of them were U.S. jets.

Therefore, we made the decision, after no less than 98 members had discussed it in the House of Commons, after an election, and endless amounts of conversation, that we would refocus the mission to one of training, advising, assisting, intelligence, and security stabilization. We have tripled the actual number of people who are in

theatre to 830. They are primarily involved in the training and assisting. They are being deployed as we speak. Brigadier-General David Anderson is in Baghdad providing invaluable assistance with the minister of the interior in order to keep not only the coalition partners, but also the Iraqi security forces and various militia at least going in the right direction. We provided something in the order of \$1.6 billion in security stabilization in Lebanon and Jordan.

All of these efforts on the part of the government, which is euphemistically called a whole-of-government approach, we hope will be a valuable contribution, will reduce the redundancy of six jets, and therefore focus our efforts on the ability to encourage the Iraqi security forces to actually end this conflict.

• (1845)

Mrs. Cheryl Gallant: Madam Speaker, mission redirect for air support on the ground can only be called in by Canadians if we have our own bombers in the air.

It is up to the government to explain to the military families that are listening to this debate why the Prime Minister took away our military's air cover from the front line in Iraq. While he is explaining that decision, he needs to explain why he reversed the policy of protecting the identities of our special forces by allowing details on their positions and weaponry to be published.

Why is the Prime Minister insisting on putting the lives of our soldiers at greater risk? What does the government think it possibly has to gain by sending photos to the media that identify the Canadian special forces? It is bad enough the selfie Prime Minister is making our troops in combat so much more vulnerable, but when he further allows the location of the families of our soldiers on the front line to be pinpointed, the spouses and children are put at risk also. Why is the Prime Minister being so reckless with the safety and well-being of our soldiers and that of our military families?

Hon. John McKay: Madam Speaker, unlike the previous government that seemed rather fond of the hero shots, using our military men and women as props for the background, we have not actually engaged in that previous practice. Any photos that have been taken of members of the Canadian Forces have been only with the explicit and direct permission of the Chief of the Defence Staff and have not been involved with any member of the Liberal government, including the Minister of Defence.

I do not know why the hon. member continues to spin such nonsense. We have refocused this mission. We want this fight to be won by local security forces, and we are doing our part, leveraging both our expertise and our strength.

Adjournment Proceedings

• (1850)

[Translation]

FOREIGN AFFAIRS

Ms. Hélène Laverdière (Laurier—Sainte-Marie, NDP): Madam Speaker, for weeks, months actually, the Minister of Foreign Affairs and the Prime Minister told us that the Saudi Arabia arms deal was a done deal that happened under the Conservatives. At some point in April, though, we learned that it was the minister himself who, that very month, had signed the export permits for these arms that are headed to Saudi Arabia.

[English]

Yes, indeed, it is the current Minister of Foreign Affairs who signed the export licence for the Saudi arms deal. The Liberals had said for a long time that the deal was a done deal. There is no explanation to that. It is either that the minister and the Prime Minister actually misled Canadians on such an important issue, or that they consider export licences to be a formality that are not really important. As soon as the sales deal is signed, who cares about the export licence?

They did an assessment, but they did a very weak assessment. They have to do an assessment of the potential to commit abuses against human rights before granting an export permit, but the assessment is so weak. It does not respect our rules, our regulations, or our international commitments at all.

Let me quote some experts from civil society about that assessment. They said:

The Minister of Foreign Affairs has stated that Canada “has no evidence” that Saudi Arabia has used Canadian-made goods against civilians. However, the threshold established by Canadian export controls to assess the possibility of misuse is neither “evidence” nor “certainty” but “reasonable risk.” Given what is known about Saudi Arabia’s abysmal—and worsening—human rights record, both within Saudi Arabia and in neighbouring Yemen, we consider this risk to be evident.

[Translation]

I completely agree with those experts. We saw what Saudi Arabia did in Yemen, and what it does to its own people using armoured vehicles similar to the ones that we are going to sell it. The Liberals seem to have signed those export permits with their eyes closed. The Prime Minister said that cancelling the sale would have tarnished Canada’s reputation. First, the sale would not have been cancelled. A sale is not complete until the permits are granted. Second, I think that our failure to abide by our own rules and keep our commitments is what is really tarnishing our reputation.

That raises other questions as well.

[English]

Why did the minister sign for 70% of the deal, which is supposed to go over 14 years? Is it because he is afraid that once Canada accedes to the ATT, as he has promised, Canada will not be able to play with the rules and lack transparency, as it has done in this case?

Ms. Pam Goldsmith-Jones (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.): Madam Speaker, I am pleased for the opportunity to be absolutely clear on this export deal.

This deal was signed by the previous government. It is a deal that this government, during the electoral campaign, committed to

upholding. It is a deal that, during the electoral campaign, both major opposition parties also committed to upholding.

This government is honouring the deal because it has a duty to protect the value of Canada’s reputation and signature as a global trading partner. This government is honouring this deal because it takes its duty to protect 3,000 jobs in London, Ontario, and across Canada seriously.

This government is honouring this deal because cancelled contracts result in financial penalties for Canadian taxpayers. This government is also honouring this deal, and this is something important to understand, because Saudi Arabia is a strategic partner in an increasingly volatile region and is an essential partner in preventing the chaos, lawlessness, atrocities, and terrorist attacks perpetrated by ISIL, al Qaeda, and other terrorist groups active in the region and beyond.

Having made the decision to not overturn the contract signed under the previous government, the Minister of Foreign Affairs then had the responsibility to determine whether it was appropriate to authorize export permits.

The minister made his decision because he was satisfied that the equipment will be used in a manner consistent with Saudi Arabia’s role as a strategic partner and took into account an assessment based on the fact that for 20 years, this equipment has been sold to Saudi Arabia and that all checks to date indicate that the equipment has not been used contrary to its intended purpose or to commit human rights violations.

However, as with all export permits, the Minister of Foreign Affairs retains the power to revoke the permits at any time should the government’s assessment change. The minister has committed to exercising this responsibility with the greatest rigour and transparency.

Do we agree with Saudi Arabia’s human rights record? Not in the least. That is why we are committed to continuing to make use of every opportunity to engage our Saudi counterparts to raise concerns and to work towards advancing human rights, as the Minister of Foreign Affairs did directly with his Saudi counterpart in December and again in Jeddah in May when he met with senior officials, including the president of the National Human Rights Commission in Saudi Arabia.

This approach to Saudi Arabia is also the same as that of our allies, which stands Canada in good stead.

This government has committed to developing measures to further enhance transparency in the export controls process, and this government is proud to be acceding to the arms trade treaty. This government is keeping its word by doing exactly what it, and both parties opposite, said it would do during the campaign by honouring the contract and by granting the export permits.

• (1855)

Ms. Hélène Laverdière: Madam Speaker, it is rather troubling, and not only a bit. It is quite troubling.

Adjournment Proceedings

The government says that it is committed to upholding the contract, but at the same time, it says that it would cancel it at any time. I am not sure I see the logic in that, unless of course nothing had happened up until now.

I am sorry, but we have evidence of violations of international law in Yemen. Yet the Minister of Foreign Affairs says it is good. I am talking about violations of international law by Saudi Arabia. The minister has said that it is good, because Saudi Arabia will be able to use those arms there. I fail to see the logic.

As for the—

[*Translation*]

The Assistant Deputy Speaker (Mrs. Carol Hughes): Order.

The hon. member for Laurier—Sainte-Marie's time is up.

The Parliamentary Secretary to the Minister of Foreign Affairs, on rebuttal.

[*English*]

Ms. Pam Goldsmith-Jones: Madam Speaker, the Government of Canada, as we said we would, is upholding an already signed commercial contract in the interest of Canada's international reputation, security, and economy.

We assessed the human right implications of this deal. We made the decision to honour the already signed contract. The Minister of Foreign Affairs granted the export permits based on an assessment that the export was consistent with Canadian foreign, defence, and security interests, including human rights.

The government is committed to restoring Canada's role as a constructive actor on the world stage and to continue to pursue global security and stability. One component of this will be Canada's accession to the arms trade treaty, which will take place at the earliest opportunity.

This is yet one more demonstration of our government's commitment to transparency, to rigorous export permits, and to vigilance with respect to human rights.

The Assistant Deputy Speaker (Mrs. Carol Hughes): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 7:00 p.m.)

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