



HOUSE OF COMMONS  
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CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Tuesday, June 7, 2016**

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**Speaker: The Honourable Geoff Regan**

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# HOUSE OF COMMONS

Tuesday, June 7, 2016

The House met at 10 a.m.

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*Prayer*

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## ROUTINE PROCEEDINGS

• (1005)

[*Translation*]

### COMMISSIONER OF OFFICIAL LANGUAGES

**The Speaker:** I have the honour to lay upon the table, pursuant to section 67(1) of the Official Languages Act, a special report by the Commissioner of Official Languages entitled “Air Canada: On the road to increased compliance through an effective enforcement regime”.

Pursuant to Standing Order 108(3)(f), this report is deemed to have been permanently referred to the Standing Committee on Official Languages.

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[*English*]

### COMMISSIONER OF LOBBYING

**The Speaker:** I have the honour to lay upon the table the annual reports on the Access to Information Act and the Privacy Act of the Commissioner of Lobbying for the year 2015-16.

Pursuant to Standing Order 108(3)(h), these reports are deemed permanently referred to the Standing Committee on Access to Information, Privacy and Ethics.

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### GOVERNMENT RESPONSE TO PETITIONS

**Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 19 petitions.

## COMMITTEES OF THE HOUSE

### AGRICULTURE AND AGRI-FOOD

**Mrs. Alaina Lockhart (Fundy Royal, Lib.)** moved that the third report of the Standing Committee on Agriculture and Agri-Food, presented to the House on Tuesday, May 17, be concurred in.

She said: Mr. Speaker, it is a true privilege today to rise and speak about the Canadian dairy industry as the member for Fundy Royal, the dairy centre of the Maritimes. The farmers in my riding contribute to approximately half of the province of New Brunswick's milk production. I am also particularly proud to rise today as the granddaughter of a dairy farmer, Reg Tabor, who probably never imagined that I would be here in this House delivering my maiden speech in support of Canadian dairy farmers.

I am standing here today to raise an important issue in this House on behalf of the Standing Committee on Agriculture and Agri-Food. As stated in the tabled report, the government strongly supports supply management, dairy producers, and the Canadian dairy industry. Likewise as stated in the report, we recognize the magnitude of the issue of diafiltered milk to the Canadian dairy industry, and recognize the industry is calling for a resolution of the problem. Our government is actively engaged on the issue.

On May 2, 2016, our government announced its intention to initiate discussions within 30 days to help the dairy industry adjust to CETA. The government has delivered on that commitment, and continues its important and productive conversations with the industry. While meeting with stakeholders, the Minister of Agriculture and Agri-Food and the parliamentary secretary discussed CETA, the issue of diafiltered milk, and sustainable solutions to modernize Canada's dairy industry.

The government is moving forward on all points in this report. I would like to point out that the government understands very well the challenges that milk producers face on a daily basis. In fact, the Minister of Agriculture and Agri-Food and the parliamentary secretary were both dairy producers. The minister's farm is in Prince Edward Island while the parliamentary secretary's farm is now in its fourth generation in Quebec.

*Routine Proceedings*

The supply-managed Canadian dairy sector is one of the largest agriculture and food sectors in the country and is essential to a strong and prosperous Canadian economy. It supports over 12,000 farms and farm families and 200,000 Canadian jobs; and contributes nearly \$20 billion to the Canadian economy. On this side of the House, support for Canadian supply management is clear. Our system is a model of stability around the world. It provides a fair price for farmers; stability for processors; and safe, high-quality products for consumers at affordable prices. Supply management preserves and sustains Canadian farmers, farm families, and rural communities across this country, including in my riding of Fundy Royal.

Recently, I have found it shameful that the Conservative leadership contestant is advocating for an end to this crucial Canadian system. That member has said that Conservative values are not in line with supply management. The Liberal Party is the party that fought for and implemented supply management. We will continue to protect and defend it for all of those who would like to see it destroyed. I would like to assure this House that Liberal values are in line with supply management and will continue to be.

The position of the member for Beauce is frankly disturbing, especially given the large number of dairy farms and farm families in his region. I can only imagine the type of feedback the hon. member will receive from the hard-working farmers and their families in his riding who depend on supply management for their future. Perhaps even more disturbing is that the Conservative deputy critic for agriculture, the member for Lévis—Lotbinière, is the co-chair for the leadership campaign calling for the end of supply management. Not only that, but the former Conservative finance minister, Joe Oliver, has also recently spoken out against supply management. That is the Conservative record and the Conservative position. However, I want to be clear that on this side of the House we support supply management and dairy farmers. Our government is committed to supporting a bright future for Canada's dynamic dairy industry.

This year, the government announced an additional federal investment of \$1.75 million in the dairy research cluster. This investment will support the work of scientists at Agriculture and Agri-Food Canada in two key areas: number one, increasing the energy content of Canadian forage crops to help increase milk production; and, number two, understanding the role played by dairy-fat products, including their positive impact on type 2 diabetes.

● (1010)

The total federal investment in the dairy cluster is \$13.75 million. Our message has been clear from the beginning: the Government of Canada strongly supports Canada's supply management industries.

I want to speak about an experience I had yesterday. I was able to visit the Bühlmann dairy farm in the riding of my colleague, the member for Glengarry—Prescott—Russell. What I witnessed there was a family working together, embracing technology, and planning for the future because of the stability offered to them by the supply management program.

The work they are doing not only provides Canadians with world-class milk but their farm is an economic provider in the community of St. Isidore, Ontario. This farm is not unique, it is not one of a kind. In fact, innovation of our dairy farmers can be seen from coast to coast, from Scott and Sabrina Robinson's farm in Wards Creek,

New Brunswick, to the Haambuckers' farm in Enderby, British Columbia.

As the executive director of Dairy Farmers of Canada said yesterday, "It is important for elected officials to meet a dairy farm family and see first-hand the dedication and care that goes into operating a modern dairy farm." This might be good advice for the hon. member across the way.

Innovation is critical to the success of Canada's dairy industry. Farmers are making great strides in productivity and sustainability. Canadian dairy farmers can now produce the same quantity of milk as they did 20 years ago, with close to half the number of cows and producing 20% less greenhouse gases. Canadian dairy farmers are among the global leaders of their industry when it comes to the environment. Our dairy farmers have a smaller footprint of carbon, water, and land than almost all leading dairy farmers around the world. Our farmers are taking action on the environment, but they need the resources to do so.

Earlier this year, the Minister of Agriculture and Agri-Food and the Parliamentary Secretary to the Minister of Agriculture and Agri-Food were at McGill University to announce federal funding and an investment of \$27 million over five years to help producers find ways to reduce greenhouse gases on their farms. This investment is part of the Government of Canada's efforts to support a competitive, viable, innovative, and sustainable agriculture sector, and that includes the dairy sector.

To further help farmers implement green measures on the farm, budget 2016 is investing \$1.9 million in green jobs for young people. Not only will this get farmers the help that they need, but it will also inspire our young people to consider a future in agriculture.

Dairy Farmers of Canada is also showing strong leadership on the environment. DFC has launched a sustainability initiative called "proAction". This program highlights farmers' commitment to high standards of care on their farms, from milk quality to food safety, animal care, traceability, biosecurity, and the environment. Dairy farmers clearly demonstrate responsible stewardship of their animals and the environment, sustainably producing high-quality, safe, and nutritious food for consumers.

As I said, our government is fully engaged with the industry over the concerns with respect to the use of diafiltered milk in the making of cheese. Our government is working hard on this issue, in line with this report from the Standing Committee on Agriculture and Agri-Food. Consultations with producers and processors from all across Canada have been very co-operative and productive, and discussions are continuing on this important issue.

The minister and government officials are in regular contact with dairy stakeholders in order to find long-term, sustainable solutions to the very serious issue. Our government also understands the importance of transition support to the dairy sector resulting from the increased access to cheese under the Canada-European Union Comprehensive Economic and Trade Agreement, CETA.

In anticipation of Canadian ratification of CETA, we will move forward with a plan to help the industry adjust to market access concessions. Several meetings have been held with the dairy industry to obtain its views on the program and investment options for producers and processors.

Engaging with the dairy sector is crucial to developing the best options possible to help sector transition in the face of both challenges and opportunities. The result will inform our government's important work toward long-term, sustainable solutions for the Canadian dairy industry.

●(1015)

There are challenges that we need to address, and I appreciate the opportunity to do that here in this chamber. However, it is important to remember that the challenges also come with opportunities. The Canadian dairy industry is doing great work in growing markets through branding, collaborating with industry, and harnessing innovation.

The Canadian dairy industry is second to none. Further development of unique Canadian dairy products that meet changing consumer preferences will help sustain and strengthen demand amongst Canadian consumers. A report from Farm Credit Canada, released in April, notes that Canadian dairy consumption is projected to continue to increase by 6.8% over the coming decade. This is largely due to positive consumption trends of butter, yogourt, and specialty cheeses.

We will continue to work with the industry to help dairy farmers take full advantage of new marketing opportunities here in Canada and throughout the world.

In order to capture the tremendous opportunities that lie ahead, the government has begun to discuss with industry, the provinces, and territories a new multi-year agricultural policy framework for Canada. Innovation will be a central part of that discussion as a key to helping producers and processors keep pace with changing consumer preferences and tastes.

We are reaching out to producers and all stakeholders to develop a framework that is built for the future. The Department of Agriculture and Agri-Food has launched a website designed to seek feedback from stakeholders to help shape the development of the next agricultural policy framework. This first phase of online consultation will provide stakeholders and Canadians with the opportunity to share their views on Growing Forward 2, the current agricultural policy framework, as well as to offer input on what they would like to see included in the agricultural policy framework of the future.

Additional consultation activities will be ongoing in the coming months to gather feedback and will help form the next framework. In July, the Minister of Agriculture and Agri-Food will begin meeting with provincial and territorial colleagues to begin discussions on the direction of the new framework for agriculture. As well, our

### *Routine Proceedings*

Standing Committee on Agriculture and Agri-Food will also be examining the agricultural policy framework, and I do look forward to getting started on that important study very soon.

These open and transparent consultations with Canadians will help shape the direction of future policy and programs to meet this objective. The goal is to help the agriculture and agrifood sector be more innovative, safer, and stronger.

Within the dairy industry itself, a constructive dialogue is under way between farmers and processors on ways to make the industry more competitive and innovative. There is no doubt that collaboration with the industry is the best way to address broader challenges facing the dairy sector.

To close, meeting challenges and capturing opportunities will take a lot of hard work and collaboration. Our government will continue to partner with the Canadian dairy farmers and food processors to grow a great future for the Canadian dairy industry.

We will continue to protect, preserve, and defend Canada's supply management system. That is why I am pleased to say that the government concurs with this, the third report of the Standing Committee on Agriculture and Agri-Food.

There is an old saying that I would like to remind the House, as well as all Canadians, about, "If you have eaten today, thank a farmer."

●(1020)

**Ms. Marilyn Gladu (Sarnia—Lambton, CPC):** Madam Speaker, I just wanted to comment on what the member had to say in her speech.

I would quote from our Conservative Party policy document. On page 45, paragraph 117 on supply management says, "A Conservative Government will support supply management and its goal to deliver a high quality product to consumers for a fair price with a reasonable return to the producer."

I would like to correct the member's view of what our party believes. We certainly support supply management.

I heard a lot of talk coming from the other side, but there have been questions from this side of the House, coming continually, asking what immediate action the government will take to stop the unfair practices and products that are coming in and unfairly competing with ours.

**Mrs. Alaina Lockhart:** Madam Speaker, I appreciate the hon. member's interest in the dairy industry.

It is interesting that you point to your policy statement, that of the Conservative Party, on supply management and the support of dairy farmers. Certainly, you must be as surprised as we are to hear several members—

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** I just want to remind the member that she is to address her comments to the Chair and not to individual members.

**Mrs. Alaina Lockhart:** Excuse me, Madam Speaker.

*Routine Proceedings*

I find it interesting that the member opposite brings forward this point as there are several members of her party who have spoken out clearly against supply management. I want to reaffirm that this side of the House does not waver on our support for supply management. It is part of our Liberal values and we will continue to support supply management, and dairy farmers and their families.

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Madam Speaker, I listened with fascination to my colleague, trying to see if they were actually doing anything to support supply management. As for the Liberal Party's record, I will give the member five words: Martha Hall Findlay, John Manley. They ran to take down supply management. It comes from the member's own party. Far be it for me to defend the Conservatives on anything and they will back me up on that, but let us talk about a clear record.

When the region I represent, which is dairy, is looking at the undermining of supply management through the trade agreements that have been signed in terms of cheese standards, in terms of milk substitutes coming in, we see that the government is telling us that it supports it but we have not seen any action.

Rather than tell us all to thank a farmer today, the farmers are saying, "Do your job". I want to see what commitments the Liberals are going to make to stand up and stop the practice of undermining supply management through these trade deals that are being negotiated. That is the question before us today, not pablum.

**Mrs. Alaina Lockhart:** Madam Speaker, thank you to the member across the way for your interest in the dairy farm industry. I think it is interesting that you point to a couple of members who have spoken out—

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** I want to remind the member again that she is to address the questions to the Chair and not to individual members. Thank you very much.

**Mrs. Alaina Lockhart:** I am sorry, Madam Speaker.

I find it interesting the member opposite has referred to members who are no longer here in the House because I think that speaks very clearly to what farmers think when politicians do not support supply management. That is why we are so focused on making sure that we do deliver a message that is supportive to them.

In respect to what we are doing to support dairy farmers and to address this issue, as I mentioned in my speech, we have taken the opportunity over the last 30 days to meet with several stakeholders. I have had the opportunity to speak with farmers and they have told me that they found these meetings to be very productive and focused on long-term solutions in how we move the dairy industry forward.

• (1025)

**Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Madam Speaker, I appreciate the many fine words from my colleague. What farmers want to hear is that commitment to supply management. I believe the member was right on when she emphasized just how important supply management is for this government.

We have seen, whether it is the Parliamentary Secretary to the Minister of Agriculture and Agri-Food or the Minister of Agriculture and Agri-Food, emphasize time and time again that this government

supports supply management. The Liberals are the same political party that instituted supply management.

At a time in which people have concerns, I believe and would ask my colleague to affirm that what dairy farmers want to hear is that commitment to supply management. That is something that has been unequivocal from the Prime Minister and from the government. They should rest assured knowing and feel confident that this government will do what is necessary in order to protect a vital industry for all Canadians.

I would ask my colleague to provide some further comment in terms of the importance of confirmation.

**Mrs. Alaina Lockhart:** Madam Speaker, I think the hon. member makes some very good points. Supply management is the key to the success of the dairy industry in Canada and we have been very careful as a government to consult with dairy farmers as we look forward to the opportunities of the future.

Certainly we have some challenges now and we are looking at long-term solutions for those, but we also need to be focused on the opportunities that are afforded to farmers through trade deals such as CETA. I have heard from farmers that they are very happy about the conversations that they have had and how this government is prepared to invest in the industry so that they are prepared for those trade deals.

**Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Madam Speaker, I think the record will show that over 10 years in government, the Conservatives not only defended supply management but defended it in the midst of a variety of very important trade deals in which many people thought it would not be possible. People thought we would lose supply management in the trade deal with Europe and TPP, yet we got through those very important negotiations and we preserved the supply management system.

I want to ask the member specifically about the record of Martha Hall Findlay, who is the former international trade critic for the Liberals. While we were negotiating important trade deals preserving supply management, the Liberals had a critic responsible for international trade who came out later as being opposed to supply management. How does the member square that with these high-minded words about the Liberals' commitment to supply management, when the person they put in charge of international trade clearly did not have a commitment to supply management?

**Mrs. Alaina Lockhart:** Madam Speaker, I would reiterate that this is a former member who no longer represents the Liberal Party and the views we have going into these trade negotiations and ratifications.

*Routine Proceedings*

Our Prime Minister and the Minister of Agriculture and Agri-Food have been very clear when talking to farmers and among ourselves. I want to mention as well that this discussion has been very meaningful in the way that it has involved members who are not only representing areas of dairy but also the consumers, those who consume milk, because it has raised awareness about the importance of the dairy industry and has provided many people with the opportunity to discuss this important topic.

**Ms. Ruth Ellen Brosseau (Berthier—Maskinongé, NDP):** Madam Speaker, I would like to thank the hon. colleague for her speech today in the House. It has been a pleasure working with her on the agriculture committee.

As we know, thousands of farm families came to Ottawa last week. They took the time out of their days. These are people who work 365 days a year and support rural economies. They took the time to come to Ottawa with their tractors and cows 30 days after the consultations with the government. These farmers are losing thousands of dollars. They are fed up with the government. They are at the end of their ropes. This is the glass overflowing. They have no hope. They are coming to us saying, "I have to sell my farm. I'm giving up hope. I don't know what to do."

The government has been consulting. It has been listening but there has been no action. The farmers are fed up. We all know what the answer is. The long-term solution is for the government to stand up, apply the rules in place, and ensure that we are defending Canadian farmers instead of getting on our knees for the Americans. We have to ensure that we are applying the rules as they are. Will the government finally do that and stop these consultations?

• (1030)

**Mrs. Alaina Lockhart:** Madam Speaker, I thank the member opposite for the discussions we have had in the agriculture committee in support of dairy farmers. We have many similarities when it comes to wanting to support dairy farmers.

I too was able to speak with farmers on the Hill last week. I found it to be a very productive conversation. Their presence here has elevated this issue. It has allowed many members of the House to partake in the discussion. We definitely understand the importance of their issue. I very much think that the conversations we have had over the last 30 days will contribute to a long-term solution for the dairy industry.

[*Translation*]

**Mr. Jacques Gourde (Lévis—Lotbinière, CPC):** Madam Speaker, nearly two months have passed since April 20, and here we are once again debating the subject of diafiltered milk. Why? Because this government does not take action. The facts have not changed. They are the same. The government has neither taken our recommendations into consideration nor changed its position.

To help the Minister of Agriculture get a clue about the situation and to remind him that his inaction is costing our cheese producers hundreds of millions of dollars right now, I would like to lay things out clearly.

Supply management is like a three-legged stool. Each leg, or pillar, is equally important. The first is farm gate prices, which ensure that the price dairy producers get for their milk takes into

account production costs, including capital and labour costs, and overall Canadian economic conditions.

It is important to note that the retail price is not set by the Canadian Dairy Commission, the provincial milk marketing boards, or the producers. The price paid by the consumer at the grocery store and in a restaurant has always been set by the retailers or restaurant owners. That is the first pillar, and it is currently being undermined by diafiltered milk. Indeed, farmers are facing a drop in milk prices specifically because diafiltered milk is being allowed into the country. The first pillar is therefore under attack.

The second pillar is production discipline, which ensures that the supply of Canadian milk corresponds to the demand from consumers. Each dairy producer in Canada holds a quota, that is, a market share establishing the quantity of milk that it can produce, depending on the demand from consumers. The quantity that the quota allows to be produced is adjusted upward or downward according to demand.

That is the second pillar of supply management, and it is also being undermined by diafiltered milk, because Canadian dairy farmers have seen a drop in their production capacity, given that diafiltered milk is replacing Canadian milk. This means that two of the three pillars are being threatened by diafiltered milk.

The third pillar is import control. For supply-managed sectors, imports are controlled by means of tariff rate quotas.

Tariff rate quotas allow a predetermined quantity of dairy products to be imported at preferential tariffs, generally duty-free, while maintaining control over the quantity imported.

The third pillar is also very threatened by the import of diafiltered milk to Canada because diafiltered milk bends the rules related to American milk's access to the Canadian market.

The three pillars of supply management are being threatened by diafiltered milk. I hope that the government fully realizes that.

When the three pillars of supply management play their allotted roles, they enable the dairy industry to weather all economic storms, attain a high degree of self-sufficiency, and ensure its sustainability.

Conversely, if one of the three pillars becomes unstable, as all three currently are, it can jeopardize the whole system.

This brings me to the reason why we are here today, namely milk proteins. It used to be that Canadian milk was a primary source and basic component in the making of dairy products. Even though certain makers of cheeses and yogurts still use 100% milk, for which I congratulate them, a growing number of them are adding ingredients such as milk protein isolates, milk protein concentrates, and diafiltered milk to replace milk.

These ingredients may be produced in Canada or imported. When they are imported, they are not classed under chapter 4 of the customs tariff schedule, which includes milk products. Instead they are classed under chapter 35, which includes ingredients such as milk protein substances.

*Routine Proceedings*

Originally, these milk protein substances were imported in dry form. Over the last five or six years, however, we have seen a change in the import model. The quantities of milk proteins imported in liquid form under the same tariff line have increased significantly.

●(1035)

Once they have entered the country, these milk protein substances are used as ingredients in making cheese and yogurt.

However, the situation becomes complex when the same product is treated differently by two government agencies. When one agency considers a product to be an ingredient and the other treats it as milk, then we have a serious problem.

Under the Canadian cheese composition standards, a minimum percentage of the protein used to make cheese must be sourced from milk. The percentage required varies from one type of cheese to another. For example, at least 80% of the casein contained in cheddar must derive from milk, and a maximum of 17% of the total protein content can derive from ingredients, including milk protein substances.

The Canadian Food Inspection Agency is responsible for applying the cheese compositional standards. That means that it has to verify that the milk-to-ingredients ratio defined in those standards is adhered to for every cheese. Since milk protein substances are ingredients that are sometimes less expensive, some processors use them to make up their required minimum quantity of milk in cheese making, instead of using them for their permitted percentage of added ingredients. This situation is also inconsistent with the classification of these ingredients at the border, where they are not treated under the chapter on milk and dairy products and enter the country duty-free.

One of the most serious issues today is the growth in the uncontrolled importing of milk protein isolates. Imported in ever-larger quantities, they are competing with the skim milk solids and milk proteins produced here in Canada, thereby altering the competitive context and undermining the revenue of dairy producers.

The importing of milk protein isolates has been growing exponentially since 2012. Canada adopted tariff rate quotas on milk protein concentrates around the mid-1990s. About 10 years ago, a few companies began to import milk protein concentrates, isolates, to obtain larger protein concentrations.

Milk protein concentrates are a skim milk product from which lactose and permeate, which is mostly water, have been removed to varying degrees. These highly concentrated proteins are imported into Canada duty-free, which allows companies to get around the tariff rate quotas. The Dairy Farmers of Canada tried to resolve this situation by bringing the matter before the Canadian International Trade Tribunal. The concentration of protein in normal farm gate skim milk is about 35% in dry matter. Any product whose protein concentration is above that percentage is considered a concentrate.

The Canadian International Trade Tribunal determined that a product with a concentration of over 85% is an isolate, not a concentrate, even if it is used for the same purposes. This product was designed for the sole purpose of circumventing the tariff rate quota on milk protein concentrates. This decision defies common sense and is not in line with government policy.

In any case, the Government of Canada attempted to rectify the situation. Around 2008, the government set a new tariff rate quota and tariffs for milk protein isolates. The only problem is that these tariffs do not apply to NAFTA countries, namely the United States and Mexico. Consequently, the border with the United States remains open. Milk protein isolates cross the border as ingredients but can be used in Canada as milk. This conundrum leaves an ambiguous situation.

The Conservative government took significant action in 2007-08 by establishing cheese production standards to limit the quantity of ingredients that could be used. However, recent imports of diafiltered milk from the United States are once again threatening supply management. This product was designed solely for the purpose of circumventing border controls and Canadian cheese standards.

●(1040)

These proteins replace skim milk in cheese and yogurt production. In fact, there is no technical limit to the use of these proteins in production. This scheme is unacceptable.

At the border, this product is considered an ingredient by the Canada Border Services Agency, which allows it to enter tariff-free. However, for yogurt and cheese production, it is considered milk by the Canadian Food Inspection Agency. This means that its use is not limited by cheese and yogurt production standards. The federal Liberal government therefore has an important role to play.

Diafiltered milk needs to be considered an ingredient under the compositional standards for cheese and yogurt. This will ensure that the standards and the spirit behind them are honoured. Also, the verification rules for these standards need to be strengthened to ensure compliance.

We all have to work together to come up with a solution to the problem of diafiltered milk. We are all aware of that. I believe that many members of Parliament are keenly affected by and aware of this serious problem. We ran into the problem of solid proteins and then pizza kits, which the previous Conservative government was able to fully resolve.

The dairy industry says it has no choice but to use diafiltered milk in the composition of its dairy products. As I said earlier, diafiltered milk was created to circumvent border rules and manufacturing rules.

I was able to confirm, when one of my questions was answered in the Standing Committee on Agriculture and Agri-Food, that no one in the United States was making cheese using liquid protein concentrates, whose protein content is 85%. Processors do not do that. That does not exist in the United States.



*Routine Proceedings*

In Canada, processors use that product now for competitive reasons, that is, for the sole purpose of reducing their production costs. However, that makes no sense, because those savings cannot benefit Canadian dairy farmers. In the end, the processors do not benefit, either. It is profitable downstream from the processing stage.

Frankly, this situation must end, because the whole industry is doing it to the detriment of supply management. As long as the issue of imported diafiltered milk remains unresolved, we can be sure the processors will use every means possible to reduce their production costs. We want the rules of the game to be fair for everyone, and we urge the Liberal government to take action on this matter.

The processing industry in the United States produces cheese without using diafiltered milk. Hence, Americans are eating cheese made without diafiltered milk. Canadians should not be eating cheese made with American diafiltered milk. There is no justification for it, because there is no economic incentive to do so. There is no reason to act in this manner.

The only thing driving Canadian processors to import diafiltered milk is that that ingredient is cheaper, because it is not subject to tariffs and can be used in production with no restrictions. That is the only reason.

With regard to imports coming into Canada, what quantities do we need to meet market demand? We do not need any, because in Canada there is an abundance of skim milk that can be used to produce those ingredients.

If the government decided to control the use of those ingredients, we would produce them in Canada at a competitive price, and we would use them here. We have no need of those imports, since we have an abundant quantity of skim milk at our disposal.

Whether it is imported or produced in Canada, the product used by many processors is composed of milk protein substances containing at least 85% milk protein. That is consistent with the definition of ultra-diafiltered milk. According to the regulations, there are no restrictions on the use of ultra-diafiltered milk in ordinary cheese and other dairy products.

With no control of imports, it is impossible to manage supply so that it matches demand. Failure to control imports would inevitably lead to overproduction and instability in our supply management system.

• (1045)

Moreover, it is not enough to have the right regulations in place; the validation and audit process and the enforcement of those regulations are just as important.

At the moment, people who might want to circumvent the rules are fully aware that when it comes to dairy products, Canada is not enforcing the existing border controls consistently and uniformly.

It is therefore essential that laws be enforced and audits be performed properly to discourage those who might try to exploit those loopholes. People can be very creative when it comes to circumventing tariffs and quotas. The problem of pizza toppings is an excellent example.

The Canadian dairy system is unique and has proven its worth. It provides dairy farmers with enough income to cover their costs, and it provides processors with a stable environment. It helps maintain the social fabric and support the economic development of our communities, while providing consumers with high-quality products at a competitive price. To us, therefore, it seems clear, justified, and more important than ever that everyone involved must work to support supply management.

In recent trade agreements, the Conservative government succeeded in keeping high tariffs at the borders. That is a vital pillar in maintaining our supply management system. We hope that the Liberal government will not tear down what the previous Conservative government built up to protect the supply management system.

With regard to controlling the borders, at least four departments are concerned with the issue of effectiveness. The Department of Finance is concerned with the payment of tariffs, while the Department of Public Safety is responsible for border controls through the Canada Border Services Agency. There is also the Department of Agriculture and Agri-Food, because agricultural policy is involved, and the foreign affairs department, when we have trade agreements and we have made commitments to our partners. Our trading partners also have agricultural policies and specific requirements.

In conclusion, by doing whatever has to be done to solve the problem of diafiltered milk and other dairy substitutes crossing our Canadian borders, we will restore balance in our supply management system, thus benefiting the entire Canadian dairy industry. We will also restore harmony in the entire industry, from farmers to processors and distributors, so that products can be delivered to consumers.

For more than 45 years, we have managed to keep Canadians happy with high-quality dairy products at a fair price, in accordance with the wishes of this House. To succeed, the industry needs to be supported by a regulatory and policy climate that maintains supply management and the three pillars that are currently being threatened by diafiltered milk, including producers' revenue. At the same time, it must provide flexibility for primary and secondary processing and the value chain and support the development of new capacity through technology and cutting-edge manufacturing processes that also boost productivity.

In closing, I can assure my colleagues that we will do everything in our power to support the vitality of Canada's dairy industry for future generations.

• (1050)

[*English*]

**Mrs. Alaina Lockhart (Fundy Royal, Lib.):** Madam Speaker, I thank the member opposite for his insight into the diafiltered milk issue.

I need to seek clarification from the member opposite, because he has spoken quite strongly today about his support for supply management. I wonder if he would clarify how he can have this strong a position and also be co-chair with a member who is seeking the leadership of the Conservative Party.

*Routine Proceedings*

[*Translation*]

**Mr. Jacques Gourde:** Madam Speaker, my party and I have always supported supply management.

Our party is in the middle of a leadership race. I will let the potential candidates debate their election platforms. I would like to remind my colleague that when I was first elected in 2006, the first thing we did when we went to the WTO with our chief negotiator was change our negotiators' mandate. According to the mandate that Paul Martin's former Liberal government gave them, they were not to protect supply management. The first thing our government did in its first months in office was give our WTO negotiators a new mandate. I was there personally, and I would like to remind my colleague of those facts.

**Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP):** Madam Speaker, I listened with interest to my colleague's speech, but it left me rather perplexed.

I wonder how many personalities can coexist in an MP's head. For 20 minutes, the hon. member talked about the importance of defending and maintaining the supply management system. The NDP could not agree more on that. There is no greater defender of dairy farmers and the supply management system than the NDP.

However, while the member tells us that it is important to maintain and defend the supply management system, he is the one who is going to head the leadership campaign for the member for Beauce, who has already promised to abolish Canada's supply management system.

How do these two realities coexist in his brain?

**Mr. Jacques Gourde:** Madam Speaker, that policy decision will be made by the members of our party at our next convention in 2018.

Today, the Liberal Party recognizes the problem of diafiltered milk. When we recognize a problem and do nothing about it, we become part of the problem.

I urge the Liberal Party of Canada to do its homework as the government and resolve this problem as soon as possible. Last year, Canadian dairy farmers lost \$220 million. This year, the losses could go as high as \$300 million, and who knows what will happen next year. The time to act is now.

[*English*]

**Mr. Mel Arnold (North Okanagan—Shuswap, CPC):** Madam Speaker, I thank my colleague for his speech today and for the great explanation of the importance of supply management. It is a very important issue in my riding of North Okanagan—Shuswap. I truly support the dairy and poultry producers there and the economic input they have.

I would like to ask the member if he sees this issue popping up today as a deflection issue to take the focus away from what really concerns dairy producers across Canada, and has for a number of months, while the Liberal government dithers and does not deal with the issue of diafiltered milk entering Canada. Does he see this as a deflection issue?

[*Translation*]

**Mr. Jacques Gourde:** Madam Speaker, the Liberal Party is a master in the art of deflecting issues.

To me, diafiltered milk is like termites in a house. If you have termites in your house and do not do something to resolve the problem, sooner or later, it will fall apart.

As I stated very clearly in my speech, diafiltered milk is undermining the three pillars of supply management. First of all, its entry into Canada is no longer being controlled. Second, Canadian farmers have seen a drop in milk prices. Third, their production has also decreased because American diafiltered milk is replacing Canadian milk. Diafiltered milk imports are a direct attack on the three pillars of supply management.

The government acknowledges this problem in its motion, which is why we will be supporting it. However, if the government does not do something, it is part of the problem.

• (1055)

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Madam Speaker, I want to talk about another important issue related to milk from the United States, namely, the issue of genetically modified organisms.

[*English*]

Years ago, Canada took a stand against allowing bovine growth hormone to be registered in Canada. Therefore, our milk is safe from this contaminant. However, for U.S. milk, and the importation and efforts to get the thin end of the wedge in against our supply-managed system, any of the milk coming in from the U.S. contains bovine growth hormone, which is a health risk.

I want to know from the hon. member for Lévis—Lotbinière if they are also concerned about this aspect of allowing more U.S. milk into Canada.

[*Translation*]

**Mr. Jacques Gourde:** Madam Speaker, I thank my colleague for her question.

This question needs to be put to the government, since it cannot guarantee at this time that diafiltered milk is made from milk that meets Canadian standards. That is another problem.

I hope the government will verify all of this and limit diafiltered milk imports or ban them altogether.

[*English*]

**Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Madam Speaker, I appreciate the comments made by the member, but we have known this to be an issue now for the last number of years. We know the value of supply management. We have had members on this side of the House espouse just how important supply management is and how important the dairy industry is.

Why does the member believe that the former government was not able to deal with the issue in a more timely fashion? Does he have any thoughts on that issue?

*Routine Proceedings*

[*Translation*]

**Mr. Jacques Gourde:** Madam Speaker, about 10 years ago, a similar tactic was employed, but using milk protein concentrates. We solved that problem. We also had the problem of what was known as pizza kits, which involved a pizza crust covered with about 10 cm of cheese. We also solved that problem.

The industry is very creative and very innovative when it comes to coming up with new tactics, and the one currently being used is diafiltered milk. It started off very slowly, but it is growing exponentially. We therefore need to solve this here in the House and work together to help our Canadian dairy farmers.

[*English*]

**Mr. Don Davies (Vancouver Kingsway, NDP):** Madam Speaker, I will give the previous Conservative government a little bit of praise and a little bit of criticism, because on the one hand, in trade negotiations, it did, in large part, defend supply management. However, supply management is made up of three pillars: price controls, production controls, and import controls. In both CETA and the TPP, the former Conservative government gave concessions. It allowed more products to come into Canada from Europe, with tariff rate quota cheese, and in the TPP, I think up to 3% of all products in dairy can now come into Canada tariff free, which is by any honest, objective standard, a derogation from supply management, because it attacks the import control aspect of supply management.

I wonder if my hon. colleague can square that circle for me and explain to me how he can stand and say that the Conservatives support supply management, while at the same time they signed trade agreements that derogate from import controls that are so vital to making sure that supply management works in this country.

[*Translation*]

**Mr. Jacques Gourde:** Madam Speaker, the biggest victory for supply management in these international agreements was the recognition of Canada's supply management by the European Union and the members of the trans-Pacific partnership. A group of countries recognizes that Canada, as a sovereign country, is entitled to its own agricultural policies. Even though there have been some concessions in different categories, the other countries have accepted our supply management system.

**Ms. Ruth Ellen Brosseau (Berthier—Maskinongé, NDP):** Madam Speaker, it is my great pleasure to rise once again in the defence of our dairy producers.

It seems that government after government is taking pleasure in making their lives difficult.

• (1100)

[*English*]

I must admit that I am very frustrated by the fact that we are still talking about this issue. There has been consultation, and once again, no action on the part of the Liberal government.

Two years ago, I introduced a motion in this House that was unanimously adopted. Past Conservatives promised to compensate producers for the concessions they made in the agreement with the European Union. In this agreement, the Conservatives gave away 17,000 tonnes of new cheese import quotas to the Europeans. These

17,700 tonnes are on top of the 13,000 tonnes the Europeans can now sell to our supermarkets. This crack in our supply management system will cost our producers millions and millions of dollars.

A similar situation happened in October when the Conservatives negotiated the TPP in secret and gave away 3.25% of our dairy producers' market share. This is another attack and crack in the system, which hurts our producers. Being good players, they said that they were open to both agreements as long as other industries were not potentially profiting at their expense.

As the NDP and all parties voted in favour of the motion, the producers believe that they should be adequately compensated for their losses under CETA and TPP.

Negotiating and signing these trade agreements has created uncertainty for the industry, which continues to see negative impacts. What is more, while the Conservatives had announced compensation for those agreements, the current Liberal government has backtracked and has made more uncertainty for the industry.

The Minister of International Trade said that she did not feel bound by the plan the Conservatives announced and wanted to hold consultations.

[*Translation*]

After more than seven months in power, the Liberals still have announced nothing, apart from consultations. The minister prefers to announce that she is focusing on the coming into effect of the comprehensive economic and trade agreement, CETA, between Canada and the European Union in 2017, instead of reassuring producers with a compensation plan.

By and large, since coming to power, the Liberals have only compounded the uncertainty for the dairy industry. They are of course profuse in their use of the word of the year, "consultation". They say they are defending supply management, but when one looks at the tangible measures they have taken for the dairy industry, the real impression is that they want to put an end to supply management. They are only aggravating the situation with their inaction.

I will always be here to remind the government of the importance of the dairy industry and need for our supply management system to function smoothly. For two years, our supply management system and the producers who work under it have been threatened by another type of breach.

[*English*]

Supply management is supported by three pillars. The first pillar is production management or discipline, which means that the quantity produced is regulated by quota. Producers agree to produce what Canadians need, and if they overproduce, they are responsible for those costs. The second pillar is producer pricing, negotiated based on production costs. Last but not least, the final pillar is one entirely in the government's hands, which is control over imports.

Based on these three pillars, supply management is like a three-legged table or chair. If one leg is unstable, the entire system is unstable. That is exactly what is happening.

*Routine Proceedings*

[Translation]

For more than two years, the government has not been playing its role of import controller, and a milk product known as diafiltered milk has been pouring across our borders. This product was created for the sole purpose of circumventing the tariff rules, and in 2015 it was responsible for losses of over \$220 million for Canadian producers. From what the industry is saying, the losses in 2016 will be even more substantial.

In response to the industry's appeal during the election campaign, the NDP and the Liberal Party pledged to resolve the problem quickly, once they were in power. We all know the October results. I know that we are debating this issue in the House, but I would still like to offer a little history on it.

Since last December, I have been hounding the government to tell us when it will finally resolve the problem of diafiltered milk. The inaction of this new government has forced us to remind it of its commitment and the importance of acting on this matter for the vitality of our dairy industry and the proper operation of our supply management system.

At first, the Liberals said that they wanted to consult the industry and they were abreast of the file. In February, there was a little glimmer of hope for our producers when the minister told them there had never been any question of diafiltered milk being used as milk in the cheese compositional standards. In fact, it must be remembered that at present, in Canada, diafiltered milk has a dual identity, courtesy of the Conservatives, and now courtesy of the Liberal Party as well. This product crosses our borders as duty-free milk protein concentrate, making it advantageous for processors. Then it is considered as milk by the Canadian Food Inspection Agency, even though it is nothing like the milk we pour on our cereal.

As a result, processors have no specific limits in their use of diafiltered milk, in contrast with other milk protein concentrates. That explains the growth in imports over the last few years. Furthermore, remember that the Americans do not use diafiltered milk in their products. It was designed specifically and exclusively to get around the Canadian rules.

Let us now get back to where I was today on this issue.

• (1105)

[English]

In February the minister told us that diafiltered milk should not be used like milk and he was going to make sure that all processors were made aware of that.

At the standing committee on agriculture, we heard representatives from across the dairy industry who, for the most part, believe that diafiltered milk should be considered as a dairy protein concentrate rather than milk. After that the minister repeatedly stated in interviews that diafiltered milk should not be used as milk.

Based on those statements, the producers and I were at least a bit reassured that the government would understand that the ideal solution would be to consider diafiltered milk as DPC and to have the cheese compositional standards apply to all processors.

[Translation]

We naturally remained concerned about how quickly the government would move to finally apply this solution, which did not seem to be a step in the right direction. Unfortunately, a few weeks later, as we have come to expect from the Liberals since the start of their mandate, they changed position overnight. Another complete 180-degree turn from the Liberal Party of Canada. Now the Minister of Agriculture and Agri-Food and the government went back to square one by launching consultations again, as if they didn't know the solution. Indeed, I do not like the word "solution" because applying its own standards to everyone is not a solution. It is the least one can do; it is simple common sense.

In other words, having said that they were making sure the standards were clear for everyone and they would apply to everyone, the Liberals backtracked once again. They began giving us the same response again and again: they were protecting supply management, they were in discussions with the dairy industry, and they were aware of the problem they had inherited from the previous Conservative government.

After weeks and weeks of hearing this in the House, to ensure the well-being of the industry and to protect our family farms, my party and I decided to debate this issue of diafiltered milk another time, on an opposition day. The motion I tabled on that day asked the government to resolve the problem immediately by enforcing its cheese compositional standards, while recognizing that every day it did not do its job, producers were suffering substantial financial losses and many family farms were disappearing.

We know the rest of the story. The Liberals voted down our motion. They promised to consult the industry in the next 30 days to find a long-term solution. Yes, that is right: more consultations to buy more time. Now it was a matter of finding a long-term solution for the entire industry. These are fine words, but on paper and in real life, their search for a long-term solution is leading to the disappearance of many family farms and the loss of thousands of dollars for our Canadian dairy producers.

These producers are losing between \$15,000 and \$20,000 on average a year. That is shameful. Meanwhile, U.S. producers are getting rich at the expense of Canadian producers. It seems to me that U.S. producers are already well subsidized by their government and that they do not need additional help from the Canadian government.

The search for a long-term solution led more than 3,000 producers to protest on Parliament Hill last week. They wanted to remind the Liberal government that it has sole control of one of the pillars of supply management and that, at present, it is not doing a good job of controlling imports of diafiltered milk under the duties relief program.

Over the course of one year, dairy producers have been forced to protest on Parliament Hill twice because the Liberal government has not shown them any respect, as was the case with the previous Conservative government.

*Routine Proceedings*

• (1110)

[*English*]

During the House debate on our motion and on the Facebook pages of several Liberal MPs, some have said that the solution lies in investing in processing facilities. Others have even said that enforcing the current standards would simply be a Band-Aid solution. However, not one of them could explain what was preventing the government from enforcing the standards and then looking forward to another long-term solution.

The same applies to investing in processing facilities. This would not prevent or control the quantity of diafiltered milk coming into Canada. Nothing is preventing the government from considering diafiltered milk as DPC and enforcing cheese standards, while also investing in processing facilities. Nothing is stopping that. I know the Liberals have not always been unanimous on supply management, and there sure has been a lot of discontent and dissent, but I simply do not understand why it is taking the government so long to act and stand up for family farms, unless it just does not want to do it at all.

What I have to say is even more troubling. Why are the Liberals not being honest with Canadians and producers and telling them what is really going on? There is no difference between the Liberals and the Conservatives with respect to producers. They keep them in the dark and in limbo until the last minute. If the Liberals have a good reason for not addressing the problem of diafiltered milk, why will they not explain that to producers? Why will they not explain that to us in the House? Why are they not fully compensating producers for their losses? This would not be the first time the Liberal government has sacrificed the dairy industry for another sector, but at least our producers could get on with their lives and make do with this compensation.

[*Translation*]

Perhaps the government would come to its senses more quickly if it realized just how many farms have disappeared. To make sure that I have made myself understood I will repeat that the NDP continues to believe that the law is the law and that it applies to everyone.

The classification of diafiltered milk as a milk protein concentrate by the Canadian Food Inspection Agency and the application of cheese compositional standards to all processors is the solution that we would have implemented within 100 days, had we become the government.

I am really tired of watching as our producers close their doors. I am discouraged for dairy producers. I tell myself that perhaps the government would be open to compensating producers for its inaction because we should remember that, right now, the producers are paying the price for the Liberal Party's poor management and the government's irrational decisions.

If the government does not do something quickly, the future of many farms, our region's economies and, even worse, the supply management system will all be at risk.

Considering what is happening around the world, I am lucky that there is a supply management system in Canada. I sincerely hope

that the Liberals will keep their election promises, stop spouting empty rhetoric and will take action on behalf of Canadian producers.

[*English*]

**Mr. Adam Vaughan (Parliamentary Secretary to the Prime Minister (Intergovernmental Affairs), Lib.):** Madam Speaker, it seems sometimes that the only thing the opposition hates more than consultation is not being consulted.

The process to solve this problem requires a comprehensive sectoral approach. Yes, supply management must be and will be protected. That is the policy of our government. Yes, the situation is unsustainable as it currently is configured, and the damage that is being done to family farms is recognized. Be assured that every single member of our caucus who represents farms has been speaking up on the issue among all of us to ensure we are aware of the seriousness of the situation.

However, the dynamic that is critical to understand is what has to be balanced here. There are 22,000 people employed on dairy farms in our country, but there are also 22,000 people employed in the manufacturing of cheese and dairy products who also need to make sure their supply chain and their work is protected in a comprehensive settlement, so we do not lay off people in one sector as we try to resolve an issue in another sector.

It is a complex issue we are dealing with here, and the reason we are consulting is to make sure that we protect the whole industry when we move, not just part of the industry.

Would the member opposite like to comment on the fact that 22,000 people are employed in the dairy industry in our country and their jobs are just as important to protect as dairy farmers?

• (1115)

**Ms. Ruth Ellen Brosseau:** Madam Speaker, this is a problem that has been going on for over two years. It is a problem we inherited from the Conservatives.

At committee, we had people from industry, we had Dairy Farmers of Canada, and we had processors. They all came together and told us they were consulted under the old government 60, 70, or 80 times. Therefore, the officials and the minister were aware. They were working, hopefully, on solutions.

Fast forward, we had an election and seven months later the Liberals are in power and are going to be here for another four years. We know what the solution is. Whether dairy farmers, processors, or transformers, we all know the government has to apply the rules. The government has to recognize that diafiltered milk is causing a lot of losses for dairy farmers and is disrupting supply management.

The transformers know they are going to have to make that change. Once the government applies the rules that are already in place and actually stops it from coming in at our borders, they will have to stop using it. They will have to pay more and actually use Canadian products. That is it. That is the reality. There are not going to be any job losses.

The government has consulted enough. Everyone is on the same page. The government just has to act. That is all.

*Routine Proceedings*

[Translation]

**Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC):** Madam Speaker, I would like to ask my colleague for her opinion on the following issue.

During the election campaign and last week, when farmers came to demonstrate on Parliament Hill in order to have and preserve the right to produce, they told me very clearly that they did not want any compensation.

All they want is the right to produce. They do not want compensation. They do not want anything more from this government than they did from our government when we were in office. They want the right to produce, and that is why we protected supply management and our policies always sought to protect supply management.

Could my colleague give us her opinion on that?

The reality is that dairy farmers want to contribute to the Canadian economy, not by getting government contributions that take money out of taxpayers' pockets, but by simply producing and reaping the fruits of their labour.

**Ms. Ruth Ellen Brosseau:** Madam Speaker, I thank my colleague for his question.

The dairy industry and the supply-managed industry are suffering huge losses as a result of the Canada-European Union comprehensive economic and trade agreement and the trans-Pacific partnership.

The former government negotiated a \$4-billion compensation plan, which was also designed to fix the problem with diafiltered milk. However, a few months later, the Liberal government came to power and chose not to honour the compensation plan announced by the former Conservative government. The Liberal government says that it is consulting representatives of the supply-managed industry to find a long-term solution to the problem of diafiltered milk.

The industry and processors say that the simple solution is to enforce the compositional standards for cheese, put an end to tariff circumvention, and stop diafiltered milk from entering Canada. Canadian producers are suffering huge losses of \$15,000 to \$20,000 a year. Family farms are disappearing at lightning speed. Last year, more than 250 family farms shut down, and two-thirds of those were in Quebec.

The government must take action. If it genuinely wants to protect our supply management system, it must stand up for producers.

• (1120)

**Mr. Robert Aubin (Trois-Rivières, NDP):** Madam Speaker, I thank my colleague from Berthier—Maskinongé for her speech and congratulate her on the expertise she has developed on this matter.

During the election campaign, I visited some farms with my colleague and had the opportunity to meet with dairy producers. On visiting these farms, I came to understand how important the family farm model is to Quebec.

Today's debate is urgent. We already know that there is a problem with people passing their family farms on from one generation to the next.

If our farmers are losing revenue on top of that, will we see more family farms in Quebec being sold? This model is so important to us.

**Ms. Ruth Ellen Brosseau:** Madam Speaker, I thank my colleague from Trois-Rivières for his question.

We should certainly be proud of Canada's supply management system. When we look at farming and uncertainty in other countries, it scares us. That should make us feel even more like proclaiming loud and clear that it is important to defend our supply management system, not only in our trade agreements but especially at the border.

As a member representing a rural area with 37 municipalities and several hundred dairy farmers and poultry producers, I recognize the importance of our supply management system. It is important to take action.

The government has been holding consultations for 30 days, and it has been in power for seven months. Everyone agrees that the supply management system must be protected.

The solution is simple: the Liberal government must stand up to the Americans and stop the importation of diafiltered milk into Canada.

[English]

**Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Madam Speaker, the member indicated that she sat on the agriculture committee, and that she had followed this issue for the last couple of years.

I have a fairly straightforward question. Could the member indicate to the House if we have contractual agreements between companies that possibly have not expired, and to what degree does she, or her party, believe the Government is Canada is obligated to at least entertain and possibly respect those contracts? Does that play in role in the discussions we are having today?

**Ms. Ruth Ellen Brosseau:** Madam Speaker, I have been on the agriculture committee since 2012. I tabled a motion in 2013 in support of supply management, asking the government to compensate the industry because of losses under the Canada-European Union trade agreement.

We are talking about diafiltered milk. Everyone is aware that this problem has been going on for two to three years. Industry has been consulted. Transformers and processors have been consulted. Everybody is aware. We have regulations in place. When diafiltered milk comes into Canada, it is not considered milk, so is not taxed a certain way. If the government were to actually apply the rules in place and stop diafiltered milk from coming into Canada, we would not have these losses. Transformers would actually use Canadian products. It would support management, reassure our producers, and solve a lot of problems.

We are just asking the government to act. It has consulted enough. There has been a lot of talk and enough hot air. There were 3,000 people on the Hill. We need to government to finally do its job, that is all.

*Routine Proceedings*

[Translation]

**Mr. Jean-Claude Poissant (Parliamentary Secretary to the Minister of Agriculture and Agri-Food, Lib.):** Madam Speaker, I would like to note that I will share my time with the member for Shefford.

I would also like to thank the member for raising this important question on behalf of the Standing Committee on Agriculture and Agri-Food.

On this side of the House, our intentions towards the industry under the supply management system have always been clear. Supply management provides consumers with a safe, stable local market and allows the farming families that benefit from it to make a living from their calling with dignity.

Forty years ago, the Liberal Party fought to introduce this system, and we will keep fighting to preserve it against those who would dismantle it.

The government realizes that dairy farmers are suffering economic losses due to the use of diafiltered milk in cheese making. The industry's concerns are a priority for us, and we are paying special attention to the industry's call for a solution that will ensure the sustainability of the system.

We promised to listen to the needs of the various stakeholders in the industry, and that is exactly what we are doing. The Minister of Agriculture and Agri-Food and his team, along with the entire Liberal caucus, are in constant communication with the players in the industry.

While our colleagues in the Conservative Party are holding forums on abolishing supply management, our government is working to ensure that dairy farmers are in the best possible position and that the industry remains at the cutting edge of technology to stay competitive in a constantly changing global economy.

For that reason, last month, the minister and the parliamentary secretary met with dozens of important players in the industry, such as the Dairy Farmers of Canada, the Canadian Dairy Commission, the Union des producteurs agricoles du Québec, milk producer associations across Canada and dairy processor and farmer associations. Those discussions have been very productive and will help us develop a long-term sustainable strategy for the dairy industry.

While my colleagues focus on the contribution of Canadian dairy farmers, I would like to draw their attention to Canada's processing industry. A source of pride for Canadians, the food processing sector produces a variety of delicious foods of the highest quality. The sector stimulates our economy by employing nearly 300,000 Canadians across nearly 6,000 facilities in every part of Canada.

What is more, this sector is a significant contributor to Canadian GDP, with sales of over \$100 billion, including \$17 billion in dairy processing. A strong dairy processing sector is therefore essential and vital to the industry, and for that we need a sustainable, long-term strategy.

We promised to support the food sectors in a way that allows them to remain leaders in job creation and innovation in Canada.

As indicated in the minister's mandate letter, we will make every effort to ensure that the food processing industry remains focused on innovation and that it has all the tools it needs to compete. The minister also has a mandate to invest in an agri-food value-added investment fund in order to attract investment and create high-quality jobs in the food processing sector and keep processors on the cutting edge of technology. This will open the doors to new trade opportunities for the industry.

• (1125)

Thanks to our supply management system, our Canadian producers, and our food processing industry, when Canadian families go grocery shopping, they know that the delicious dairy products are made in Canada from milk from Canadian producers.

Over the years, the supply management system has served farmers, processors, and consumers brilliantly. It enables producers to remain competitive, while drawing a stable and fair income from their work. The supply management system has been providing Canadian consumers with superior-quality products at stable, predictable prices for over 40 years, thus avoiding all unexpected fluctuations.

We, on this side of the House, are dismayed that the Conservatives want to destroy this program, which has proven its value to Canadians for more than 40 years. We are also disappointed that our colleagues in the official opposition have failed to take a clear stand. One day they say they are defenders of supply management and, the next, they decide to campaign to abolish it.

The hon. member for Lévis—Lotbinière is a good example. When he won the election in his riding, he promised to protect supply management. Now, he has changed his plan and is co-chairing a campaign against it. Confusion or a false election promise? One has to wonder.

In reality, we are the only allies of Canadian producers, and we will fight to ensure that their concerns are heard and taken into consideration.

I am a fourth-generation milk producer myself. I have worked the earth, tended my cows, and cultivated my land all my life. When I say that this issue is close to my heart and that we will make every effort to find a sustainable, long-term solution, that is not the politician talking, but the farmer in me. I have no doubt that our common efforts and our investments in innovation will position the Canadian sector so that it can realize all of its potential, while helping our economy to reach new heights.

Today, I want to tell all of the stakeholders in Canada's dairy sector that they can count on our government to act in their best interest. We recognize how valuable their sector is to the Canadian economy and the well-being of Canadian families. We will be sure to make every effort to defend our supply management system.

*Routine Proceedings*

• (1130)

**Mr. Jacques Gourde (Lévis—Lotbinière, CPC):** Madam Speaker, I would advise my colleague, the Parliamentary Secretary to the Minister of Agriculture, to keep a close eye on his party and government. I noticed that in his speech, he defended processors, who are the cause of the diafiltered milk problem. Processors are the ones who are bending the rules. They went to the United States and purchased diafiltered milk to the detriment of Canadian dairy producers and the three pillars of supply management. This same parliamentary secretary, this same member, is rising in the House to say that he supports supply management. He has blinders on.

Right now, the processing industry is doing everything it can to destroy supply management by importing diafiltered milk. That undermines the three pillars of supply management, which are border control, production, and price controls.

I would like my colleague to acknowledge this situation and take a stand on what is really happening. If he wants to protect supply management, he needs to put an immediate stop to the importation of diafiltered milk.

**Mr. Jean-Claude Poissant:** Madam Speaker, I thank my colleague from Lévis—Lotbinière for his question. Obviously farmers and processors are very concerned about the entire food and dairy industry. That is why they are currently in negotiations. They negotiated and are still negotiating. As we said, our party implemented supply management and we are going to continue to support and look out for the best interests of everyone involved in that system in the long term.

**Ms. Ruth Ellen Brosseau (Berthier—Maskinongé, NDP):** Madam Speaker, I would like to thank the Parliamentary Secretary to the Minister of Agriculture and Agri-Food for his speech in the House today.

The government boasts that it introduced our supply management system. However, when we look at what is actually happening at the moment, our government appears to be in the process of destroying our supply management system by permitting the importation of diafiltered milk. The Liberal government should be ashamed. Farmers came here to the Hill to demonstrate. Three thousand farmers came here to say that they were fed up and had had enough of consultations. Everyone agrees on the solution.

The government needs to do its job, enforce its regulations, and put an end to the importation of diafiltered milk into Canada. That is all. It is simple. The government tells us it is a complex situation for which it is seeking a long-term solution. This has to end. The government must enforce the regulations under the existing laws. Then perhaps it can look for other solutions, but everyone knows what the solution is. The government must take action and stand up for Canadian farmers.

• (1135)

**Mr. Jean-Claude Poissant:** Madam Speaker, I thank my colleague for her question.

As a former farmer, I was very proud to see all the farmers who came here to the Hill last week to make it clear that they want us to keep protecting supply management and to talk about diafiltered milk. For that reason, we arranged consultations, which have just

concluded, and solutions will be considered to help this sector in the best way possible with the problem affecting farmers.

[*English*]

**Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Madam Speaker, the parliamentary secretary talked about himself being a dairy farmer, and how it has been on the farm for generations.

I had the opportunity to tour a dairy farm, and I would like the member to provide some comment on technology and advancements. I was quite impressed in terms of how important it is and with the quality of milk that is being produced here through technologies and different types of advancement, and how that will ultimately complement supply management into the future.

[*Translation*]

**Mr. Jean-Claude Poissant:** Madam Speaker, I thank my colleague for his question.

As I said, there is a dairy operation in my constituency. Innovation and technology are important to the quality of life of corporate farmers. At the same time, they provide farmers with the opportunity to spend quality time with their families. Because of those technologies, there is higher-quality milk on the market.

**Mr. Pierre Breton (Shefford, Lib.):** Madam Speaker, I should begin by telling you that I will share my speaking time with the member for La Prairie.

I am happy to be able to take part in this debate today, as the Canadian dairy industry plays a key role in our economy and in the food security of Canadian families. I would therefore like to thank the member for Fundy Royal for raising this important issue on behalf of the Standing Committee on Agriculture and Agri-Food.

The government concurs with the report of the Standing Committee on Agriculture and Agri-Food on the following points: we will protect supply management from those who wish to abolish it. We recognize the scope of the problem involving diafiltered milk, and we are listening to the industry in order to develop a sustainable, equitable, and long-term solution.

While we are working with the industry to protect our supply management system, which provides farmers with fair compensation for their work and Canadian families with high-quality, safe local food products, the Conservatives are holding forums on abolishing this system. It is unacceptable—

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** Order. The member for Lévis—Lotbinière on a point of order.

**Mr. Jacques Gourde:** Madam Speaker, my colleague indicated that he would be sharing his time, but since he is the second speaker, he cannot share his speaking time with another person. Would you please clarify the situation?



*Routine Proceedings*

• (1140)

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** The Parliamentary Secretary to the Minister of Agriculture and Agri-Food said that he would be sharing his speaking time with the member for Shefford. Therefore that member cannot share his speaking time. He will have 10 minutes to speak and five minutes for questions, but he cannot split 10 minutes into two five-minute periods because the 20-minute speech has already been split.

**Mr. Pierre Breton:** Madam Speaker, it will be a 10-minute speech. I will pick up where I left off.

How can the Conservatives claim to defend our Canadian producers while questioning an innovative system that guarantees them a fair income to feed and house their families while they do work they love?

Agricultural land accounts for 75% of my riding, and 15% of our jobs are directly or indirectly related to the agriculture and agri-food industry. My constituents realize that they cannot put a lot of faith in that kind of doublespeak.

The Government of Canada is determined to promote research and development so that our dairy industry can prosper in a constantly evolving global economy. The Government of Canada even invested \$19 million in the dairy research group. The group is responsible for 23 research projects and employs over 100 scientists from 15 institutions and eight government research centres in Canada, including the cutting-edge facility in the Sherbrooke area.

In its leadership role, the dairy industry focuses on a certain number of key fields, such as the nutritional profile of dairy products. These sizeable investments will also support the research being done by scientists at Agriculture and Agri-Food Canada in two key areas: improving the quality of forage crops in Canada, which will help increase our milk production capacity, and understanding the role played by dairy-fat products, including their positive impact on people with type 2 diabetes.

We support this report. We are quite aware that diafiltered milk is not the only concern here: we also have to ensure that our supply management system functions effectively and over the long term in a global economy that is constantly changing.

To fully understand the sector's concerns, we promised to consult with its various players, and that is exactly what we have done.

While others are working to abolish supply management, the system that allows farm families to earn a fair and dignified living from their calling, our government is making every possible effort to protect it.

In recent weeks, Agriculture and Agri-Food Canada officials, the minister, and his parliamentary secretary have held discussions with representatives from all dairy sectors, ranging from small farmers to the bigger producers, processors, and the provincial and national producers' associations.

These consultations have been very productive. They have enabled us to collect quality information that will help us build solid long-term bases for our dairy sector and for our supply management system.

Let us turn now to the future of agriculture in Canada, a promising future filled with opportunities for expansion, given the constantly growing global demand. More and more Canadian consumers are choosing Canadian dairy products because of their quality. To help our agricultural and agri-food industry seize these opportunities and build a solid, promising future, the federal, provincial, and territorial governments have committed to developing the next agricultural policy framework, which will guarantee better results for the sector.

This framework will be more focused on innovation and on strengthening the sector's competitiveness, while aiming to improve sustainability and opportunities for the various links in the agriculture and agri-food supply chain.

The next policy framework will also enable the sector to properly manage risks in a productive manner, in order to provide farms with more stability. We are currently meeting with industry representatives to discuss the challenges before us.

In closing, productive and effective consultations, huge investments in R and D in the dairy sector, and the development of the next agriculture policy framework, which will focus on innovation, marketing, and risk management, are all measures our government is taking to protect Canadian agriculture.

• (1145)

I am confident that all the effort and energy that our government is putting into this in the interest of Canadian farmers will result in a strategy that will ensure the long-term sustainability of our supply management system.

Supply management helps provide farmers with a fair and stable income in return for their dedication, while allowing them to remain competitive. This system also helps ensure that Canadians receive the best-quality products, produced by farmers in our own communities, processed in our communities, and at stable, predictable prices.

We on this side of the House will denounce anyone who would abolish such a system. Unlike the Conservatives, who say that the fundamentals of supply management fly in the face of their fundamental values, to the Liberal Party, those values are in our DNA. We fought to introduce supply management 40 years ago, and today we will do everything we can to protect it.

As the government, we want to ensure that our farmers are in the best possible position and that our food processing sector is on the leading edge of technology, and we will defend supply management against anyone who wants to eliminate it.

[*English*]

**Mr. Ziad Aboultaif (Edmonton Manning, CPC):** Madam Speaker, the Liberals have supply management support in their DNA. What are you actually and practically doing to serve and help the farmers who protested last week on the Hill. They are waiting for the government to do something about it?

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** I want to remind the member as well to address his questions through the Chair and not to individual members.

*Routine Proceedings*

[Translation]

**Mr. Pierre Breton:** Madam Speaker, I am very proud to be able to answer my colleague's question.

As I mentioned earlier, agricultural land accounts for 75% of my riding, and I am proud to see that farmers are taking charge of their affairs. They came here to mark World Milk Day and to tell us that supply management is important to them.

I met with them and I agree with them.

[English]

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Madam Speaker, the region of Timmins—James Bay has a large dairy sector. One of the fundamentals of the dairy sector is that it does not have the boom and bust that has affected grain prices and the cattle industry. It is because it is a principle in how production is carried out.

Canada has basically the only system in the world that is not subsidized. We are going up against international competitors that pump billions of dollars into their export-driven milk industries, subsidized by taxpayers. Our system is not subsidized.

When the government is signing negotiations, signing away pieces of the market here and pieces of the market there, the overall stability of the sector becomes destabilized. We have been hearing this message from family farms across our region.

The government is talking about a consultation process and it is talking about that because it does not want to deal with the fact that it is going to have to start compensating and subsidizing dairy farmers for the trade deals it is signing.

We are either going to support supply management with clear principles or we are just going to hear more government hot air.

All morning long I have heard the Liberals tell us how much they love farmers and how important farming is to them. However, I have not heard a single commitment about dealing with the issue of the undermining of our markets. The flooding of foreign ingredients into our markets is undermining the ability of the supply management sector to stay afloat without subsidies.

Could the member tell me if the government is planning subsidies? Will it work with the sector to stop undermining a system that works?

[Translation]

**Mr. Pierre Breton:** Madam Speaker, I would like to thank my hon. colleague for his question. We talked about this earlier.

Last week I met with tens and even hundreds of dairy farmers in my riding and also on the Hill. They never talk about compensation. The farmers I met do not want monetary compensation. Let us be clear. They want the supply management system to be protected. They are proud of their system. They are proud of what the Liberal party established 40 years ago and how it protected supply management, how we are talking to them and how we consult them. They are also proud that we have entered into discussions to find fair and reliable long-term solutions.

● (1150)

[English]

**Mr. Adam Vaughan (Parliamentary Secretary to the Prime Minister (Intergovernmental Affairs), Lib.):** Again, Madam Speaker, it seems the only thing the opposition seems to hate more than consultation is not being consulted. We are damned if we do and damned if we do not. The consultations, which have been wrapped up now, as we move toward the action that the opposition has asked us to take, are critically important.

My question is about the trade deal we have signed. I have not seen a trade deal signed and delivered to the House of Commons. I know not of what they speak. I know there are consultations about a proposed trade deal that has implications for the sector, but it has not been signed. In fact, we are now in consultation with the sectors, including the dairy sector, because all we have signed is the agreement on the wording that is to be discussed as part of a ratification process.

Would the member agree with me that no trade deal has been signed, despite what the opposition insists on today?

[Translation]

**Mr. Pierre Breton:** Madam Speaker, our new approach is to ensure that we liaise and hold discussions with the industry. In my opinion, the industry is very proud to be involved in the various discussions.

Obviously, the trans-Pacific partnership will be discussed in the coming weeks and months in order to ensure that everyone is comfortable with the situation.

**Mr. Luc Berthold (Mégantic—L'Érable, CPC):** Madam Speaker, I am pleased, yet rather surprised, to have to once again rise in the House to talk about the diafiltered milk issue. Everyone has been aware of this problem for months now. The problem is growing because nothing is being done. The problem is getting bigger and it is blowing up in our faces, here in the House of Commons, since 3,000 dairy producers came all the way to Parliament Hill to protest and express their frustration.

Dairy producers were not just here to mark World Milk Day. I heard a government member say that a few moments ago and it made me smile. Does the government really think that dairy producers took a day of their time in the middle of forage crop season to come say hello to their MPs in Ottawa, tell them that it is World Milk Day, and celebrate with them? Let us be serious here. Dairy producers did not come to Parliament Hill to celebrate World Milk Day. They came to protest against the importation of diafiltered milk. It is important to point that out.

I heard the previous speaker talk about a new government approach. The government is now taking the time to listen and talk.

*Routine Proceedings*

This is not a new approach. Listening and talking is what the government has been doing for seven months. There is never any action or anything tangible. This is not a new problem. There was an election on October 19, and we had a change in government. It just so happens that during the election campaign, dairy farmers decided to meet with every candidate. What was on their minds? They asked us to resolve the problem of diafiltered milk. This was an existing problem and all the parties said they would take care of it, that they would resolve this problem once they were in government. We said the same thing. When we were in the previous government, we started working on resolving this problem. The Liberals came to power having made this big promise to our dairy farmers that they would resolve the problem. Seven months later, the Liberals are saying that they are going to consult, they are going to discuss, and they are going to negotiate.

Will the problem be resolved with the motion before us? It says that the problem is recognized. It is rather surprising that it took the government seven months to start recognizing that there is a problem. The motion says, "That the House recognizes that the government strongly supports supply management".

The government needs a motion telling it that it recognizes a problem. I have never seen that before. I never would have thought that the government would need the House to tell it that it recognizes a problem. Unbelievable.

There is more. The motion calls on the government to recognize "the magnitude of the economic losses to Canadian dairy producers". Producers lost \$220 million in 2015. It is done. It is over. There were complaints; there were losses.

The motion also urges the government to "recognize that the industry call for the problem to be resolved rapidly". It seems to me that we have been hearing this for seven months.

Then, the motion urges the government "to meet with dairy producers and Canadian dairy industry, within the next 18 days". First, there was a 30-day deadline, more than 30 days ago. Now, the motion calls for another 18 days, which will take us right into the summer, when producers will no longer be mobilized and will no longer be able to come and meet their members of Parliament in the House, because we will all be back in our ridings. This is a way of watering down the problem and spreading it out across Canada. This is yet another deadline with no action.

Further on, the motion urges the government "to propose a sustainable solution toward modernizing the dairy industry". That is all we want. The government was not ready. It got elected on false promises. I am not just talking about diafiltered milk, but most of the files that the current government has brought here to the House.

• (1155)

This government said it had a plan, but we are realizing that it was not a plan to govern, but to prepare for its governance. That plan was to consult people to determine how it should govern. If that had been presented to the voters, I am not sure the result would have been the same. However, that is how the Liberals chose to present themselves to the voters and, of course, to get themselves elected under false pretences. The diafiltered milk case is rather telling in this regard.

The farmers who came to the Hill last week were from every part of Canada and Quebec. The farmer who made the biggest impact on me was in the aisle opposite the front door of the House of Commons. I was talking to the farmers and, at one point, I saw about eight pairs of boots on the ground. I went up to the farmers and asked them why they had put their boots on the ground. They replied that it was to make the government realize that it needed to walk the talk. They said that, since the government was all talk and no walk, they were going to provide some boots. In other words, they said the government was not keeping its promises.

I hope that government members will use those boots so that we can finally find a solution and implement the solution that has already been proposed many times by the dairy farmers. By the way, I salute those who gave up a day's work on the farm to be here and give that message to the government.

When I walked around among the farmers, they said they did not understand why the government still had not taken action. However, the solution is quite simple: treat diafiltered milk as a dairy ingredient, period. The farmers are telling us that if that were done, they would no longer have a problem. So why are we not doing it? It seems simple, but you have to understand that it is complicated.

Since we started asking this government questions about agriculture, and particularly about diafiltered milk, we have not seen much action. The Minister of Agriculture himself is mostly absent from the debate on diafiltered milk. His parliamentary secretary has answered most of the questions, probably because the minister is not very familiar with the diafiltered milk issue.

In fact, the Minister does not seem very interested in agriculture. In another bill that we are studying here in the House, Bill C-15 on the budget, there is nothing about agriculture. There is no mention of agriculture in the last budget, which we are being asked to pass and for which the government was forced to use a time allocation motion to prevent us from talking too much about it and from pointing out the budget's flaws.

When we ask the government why agriculture does not come up in Bill C-15, we hear that it invested to improve Internet access. That does not really feed Canadians. Yes, we need it in our regions, and it is an extremely important issue for all of our rural communities, but why does the government talk about the Internet when we are talking about agriculture? The government seems to have a profound lack of knowledge about agriculture.

I did a little research in Hansard online. I discovered that the Minister of Agriculture deigned to reply at least five times to opposition members' questions about the diafiltered milk problem. Here is a sample of the minister's answers:

In May 2016, he said, "...I appreciate [his] concern. We recognize the importance".

On May 11, 2016, he said, "We recognize that this is an important issue for dairy farmers, and we are working to reach a long-term solution".

*Routine Proceedings*

On May 3, 2016, he said, “Mr. Speaker, I can assure my hon. colleague that this government supports supply management, and we are fully aware of the industry’s concerns about the use of diafiltered milk”.

•(1200)

On March 11, 2016, he said, “Mr. Speaker, I appreciate my hon. colleague’s question... I can assure him that I have met with many sectors in the agriculture industry, including the dairy farmers”.

Another contradiction: the Liberals were aware of the issue, yet they are asking us for 18 more days to resolve it. Today’s motion requests 18 more days to meet with people again. What does the minister not understand? Why does he need more meetings? Is the solution not simple? We have put it to the House and to the committee a number of times.

In March 2016, the minister answered a question as follows:

Just to make sure the record is straight, I am not negotiating with anybody. It’s the industry and the manufacturers that are in discussions, but I am not negotiating with anybody. My job is to make sure that both sides understand the regulations.

We understand why the Liberals are not doing anything; it is because they do not want to. They are trying to teach us something. They are trying to explain why they do not have a solution and explain the regulations. The cat is out of the bag. They are not interested in negotiating or coming up with a solution. They want to make sure that farmers become fed up, and they are waiting for the parliamentary session to end so that they can avoid taking a position and have a nice, quiet summer. They will not get the chance, because we will not let them get away with it. They can count on all the opposition parties to ensure that that does not happen.

The parliamentary secretary is the one who has answered most of our questions on diafiltered milk. In fact, he has answered our questions 16 times, so here is the score: parliamentary secretary, 16, and Minister of Agriculture and Agri-Food, 5. We see the importance the government places on the diafiltered milk issue.

What did the parliamentary secretary say on June 2, 2016? He said, “With respect to our commitment, we are still listening to the people in the industry...we are aware of the industry’s concerns about the use of diafiltered milk in cheese production.”

The message was more or less the same as the minister’s message.

On May 19, he said, “We are in regular contact with industry stakeholders, and we are listening to what they have to say about compensation. We are aware that compensation is important to the supply-managed sector.”

There is something I do not understand about that statement, but let us move on.

The parliamentary secretary answered 16 questions about diafiltered milk, while the minister answered five questions. We get the picture quickly of what this means. The best was when the parliamentary secretary said that he wanted to “act quickly”.

On May 9, he said, “I remind members that last Tuesday we committed to consulting with [the entire] dairy industry in the next 30 days”.

That was in early May and the deadline has now expired.

On April 21, he said, “We need to take action quickly. That is what we want to do, but first we need to take the time to come up with a lasting agreement...I understand the time crunch, but we are holding discussions.”

Blah blah blah: I just summed up in a few syllables what the Liberal government has to say about diafiltered milk.

I sincerely think that the government needs to take action. It needs to grab a pair of the boots that were left on Parliament Hill last week, put them on, and get to work. The government has to walk the talk. It needs to understand that this is urgent.

I could have shared the concerns of all the dairy farmers in my riding, and those from all the ridings in Quebec and Canada who talked about their major financial problems. The equivalent of their annual income is on the line.

•(1205)

These are not rich people, contrary to what many are implying. That money goes toward their wages. The dairy producers are often the only economic engines in our towns. While they struggle to make ends meet, the government spews its empty rhetoric.

It is important to remember that, basically, what we want is not complicated. We want the government to acknowledge that, in producing cheese, there is good cow’s milk and there are dairy ingredients. The dairy ingredients have all sorts of names: concentrates, powders, isolates, diafiltered milk. That is clear. These are all ingredients produced from milk. It is not that these products are bad, but consumers have the right to know what is in the products they consume.

Unfortunately, this changes in the case of diafiltered milk, because at the border diafiltered milk is considered an ingredient. When it arrives at the plant, however, it is considered milk.

In front of the crowd of producers last week, the president of the Fédération des producteurs de lait du Québec, Mr. Letendre, challenged all those in attendance and all parliamentarians to sample a glass of diafiltered milk to see if it was really milk. He said he was sure that after trying it, no one would doubt that diafiltered milk is not milk. Milk is milk, and diafiltered milk is dairy ingredients. That is the way it is.

Once again, I will make myself the producers’ spokesman and invite the government members to sample a glass of diafiltered milk and take up the challenge launched by Quebec’s milk producers. They will tell us if diafiltered milk is milk. I advise putting it in the refrigerator for a few minutes before trying it. That might improve the taste a bit, but it will still be diafiltered milk all the same.

When we buy cheese and the label says that it is made of milk ingredients, we know exactly what we are getting. When we buy cheese that was made with diafiltered milk, the label merely indicates that the product is made of milk. The label does not indicate that the cheese was made with American proteins created to dispose of any surplus of American milk, which contains growth hormones that we do not want here in Canada. That is the reality and that is what Canadian consumers have the right to know. If we deal with this small problem, then we are resolving a big problem for consumers and a very big problem for dairy producers in Quebec and Canada. That is what the government needs to understand.

Many cheese factories in Quebec are currently having trouble competing and that is because of the unfair competition created by those who use diafiltered milk. There is a small cheese factory called La Bourgade in Thetford Mines in my riding. It uses only milk, which supports our dairy producers. The company is really proud of its cheese, but it costs \$1 more at the store than the cheese made by producers who use diafiltered milk. One dollar does not seem like much, but it is a lot at a time when everyone is doing everything they can to keep money in their pockets.

In conclusion, enough with the Liberals' empty rhetoric. Let us take action now, not in 18 days. We are pleased that the government is being told by the House to recognize the problem. We did not think that the government needed a motion in the House to recognize a problem like this one. We will obviously support this motion, but I do not think that the producers, who are back home working hard on milking their 30 or 50 cows, understand the nuances of the motion before us.

Why did the government need a motion to recognize an existing problem? That is the real question. The government is not listening and is looking only to get an extension to find and implement a solution. I am reaching out. I am asking the government to act now and not to wait 18 days. Everyone, all the parties in the House, and especially all Canadian dairy producers will be pleased with the solution and the government's response.

•(1210)

**Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, I would like to thank my colleague for his speech.

In it, he talked about empty rhetoric. I have been observing politics for 10 years, and I have been listening to empty rhetoric since 2010, when 4,800 tonnes of milk protein entered the country. All we heard from the government at that time was empty rhetoric.

In 2011, 2012, 2013, and 2014, the previous government spouted empty rhetoric and now, in seven months, we are being asked to solve the problem. When a house is damaged, it takes time to repair it, and that is exactly what we are doing.

It also takes champions in the House, and the members opposite are supporting a champion who is against supply management, namely, the member from Beauce. He said earlier that the opposition party would support this motion. However, some members of his own party do not support supply management.

I, too, was outside last week, and I spoke with dairy producers from Beauce who were not happy with their MP.

### *Routine Proceedings*

How can my colleague defend supply management if the members of his own party cannot even agree on this issue?

**Mr. Luc Berthold:** Mr. Speaker, I like this question because I see that my colleague had no problem using lots of empty rhetoric. His question was full of it. The Liberals have a habit of doing that.

As for the position of my colleague who is running for the party leadership, unlike the Liberal Party, we do not muzzle anyone. People have a right to their opinion. Our position is clear: we support supply management, period. We will not twist anyone's words. We will not claim that the comments made by one of our colleagues apply to everyone, as the member opposite has been trying to do all week. It is unbelievable.

Dairy farmers do not accept that. Those I have met with are all well aware of the Conservative Party's position on supply management. They will clearly say that they agree with us when we say that we defend it. We have defended supply management in the past, and we will continue defending it.

We on this side of the House do not muzzle our members so that everyone says the same thing. People have the right to speak up and express their opinions. We have the right to disagree, darn it. We have the right to disagree with people who express their opinions. Yes, we do have that right.

Yes, we support supply management, and no, we will not engage in petty politics as the government is doing. It has no answer to give other than to try putting the ball in our court, because it does not know what else to do.

•(1215)

[*English*]

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, for the folks back home who want to know what is happening today, this is an attempt by the Liberal Party to rewrite what has really happened. What the Liberals are trying to say is they meant to say they actually support dairy farmers. It is because the dairy farmers came, asking for action, and the Liberals turned their backs on them. There was a debate in the House about supporting the dairy farmers, and the Liberals turned their backs on them. Now they have heard from their constituents and have realized they have alienated the dairy sector, because at a time when they should have been standing up for them, they voted against them.

For folks back home, what is happening is this is a fiction we are debating, the importance of the Liberals to consult. The Liberals consult on everything. When we look up "consulting" in the Liberal playbook it means keep talking and do nothing. That is something people really need to understand. Every time they hear a Liberal say "consult" it means keep talking and do nothing.

That is not good enough for dairy farmers. That is not good enough for the farm families who came to Parliament Hill asking for action.

*Routine Proceedings*

Therefore, I would like to ask my hon. colleague what he thinks about this spectacle that we are dealing with here, of debating something that was already debated, and the Liberals voted against a clear form of action. Now they are debating something to continue to debate, to show they are actually willing to debate. It is a complete waste of time and energy for the farm families of our country.

[*Translation*]

**Mr. Luc Berthold:** Mr. Speaker, I really appreciate the question because it sums up the situation quite nicely.

The government talks so much that farmers had to bring boots to the Hill to encourage it to walk that talk and move things forward. That was a powerful and impressive image.

In terms of debates and whether or not to support the motion, it is like milk that is not milk, because the government has finally realized that diafiltered milk is not milk.

Now the Liberals face those representatives when they go back to their ridings. In the course of a week, they get such an earful from dairy farmers that they realize they have no choice but to reconsider. Now they are recognizing that there is in fact a problem.

However, the government was unable to get there on its own: it took a motion in the House for the government to recognize the problem. I think the real problem is with the Liberal government, not somewhere else.

**Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC):** Mr. Speaker, the farmers in our region know that during the election campaign we promised to resolve the issue of diafiltered milk in the first days and weeks following our election, if we were elected. My colleague from Mégantic—L'Érable, I myself, and many of my colleagues in the Quebec caucus all agree. We will do what it takes to stand up for supply management.

People came to the Hill on behalf of the entire industry to urge the government to take action now that it has been in power for seven months. The Liberals also promised to resolve the issue of diafiltered milk. However, they have yet to do anything about it other than listen and talk without really saying anything at all. As my colleague just said, that is all we have been hearing in the House for weeks.

I would like my colleague to share what he heard on the Hill. The farmers are saying that they just want to earn a living from what they do. Is that what my colleague heard?

**Mr. Luc Berthold:** Mr. Speaker, I commend my colleague on his work. He is a strong supporter of dairy farmers. He also came with us to meet the farmers in front of the House of Commons, to talk to them and understand their message.

These people did not take a day off right in the middle of forage crop season, sacrifice some of their work, and hire people to fill in for them, which cost a lot of money, just to tell us that milk is wonderful and white. They came to tell us that there was a problem with something that is not milk at all. The diafiltered milk problem can cost them up to \$10,000 a month.

They are simply asking us to let them do their work, contribute to their local economy, and earn a living for their family. That is all they want.

● (1220)

[*English*]

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

Mr. Speaker, I find it somewhat amazing that we have members of the Conservative caucus coming forward trying to portray that they are defenders of supply management. For years I sat on the opposition benches and the Conservative government was absolutely silent on this issue. When we take a look at what the Conservatives are saying today, we have to wonder where they were when they were in government.

There is a process we are going through. The Conservative members are attempting to make a mockery of the Liberal motion that we are debating here today. We have a government that is trying to express its concern with respect to a very important and vital industry to our country and the Conservatives are choosing to make a mockery of it as opposed to recognizing the value of the motion itself. We understand and appreciate the seriousness of this issue and we are working to resolve it.

The member made reference to the fact that we have had 20 answers. Most of the answers came from the parliamentary secretary. My question to the member is this. Given the concern the Conservatives have, why does he believe the NDP are asking more questions than the Conservatives and yet they are double in terms of numbers?

[*Translation*]

**Mr. Luc Berthold:** Mr. Speaker, there are many parts to that question.

First, the member criticized the previous government for being silent on this issue. It is true that we were silent, but we took action. Which is better, being silent and protecting supply management in our international agreements, or talking all the time and doing nothing? Frankly, I think we have the right approach. I prefer to talk less and take action. That is what has to be done.

Second, I just cannot believe it. I love my colleague when he asks questions, because they always have a different angle, and this one is particularly good. My colleague says that the government is trying to express its concern about supply management. However, I thought it was the farmers' role to express their concerns and the government's to respond to them.

We are doing more than talking; we are taking action.

**Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, I would like to share my speaking time with my colleague from Mirabel.

[*English*]

I thank the members for raising this important issue on behalf of the Standing Committee on Agriculture and Agri-Food.

We fully support the committee's report, and as a member, as part of the government's strong support of Canada's supply management system.

While I will be speaking specifically to Canada's supply-managed dairy sector, please understand that the Government of Canada fully supports Canada's entire supply management system. Supply management plays a tremendous role in Canadian agriculture and our government is proud to have such a strong and vibrant dairy sector in this country. Canada's supply management system is a model of stability, providing high-quality products at a reasonable and stable price, without any taxpayer or government subsidies.

Unfortunately, recently, we have seen members on the opposite side of the House speak against supply management. The member for Beauce, for instance, has called this model of stability a "cartel", which is fundamentally unfair for farmers.

[*Translation*]

He also said that supply management impedes innovation. Either he does not take the time to visit dairy farms in Beauce or he is completely unaware of the facts. For us, in Glengarry—Prescott—Russell, a region that has more than 300 dairy farmers, innovation is very prominent.

Yesterday, together with a few other members, I visited the Sonibrand farm. The farm's primary goal is to produce high-quality milk. To do so, the owners have invested hundreds of thousands of dollars in a robot that milks the cows in a manner that is more efficient and healthier for the animals.

[*English*]

Because of this investment, animal care has gone down 30%. Each day, they save three hours of chores related to milking and all cows are free-roaming in this barn. Because they are saving three hours a day, this saved time is spent on improving animal welfare. In fact, this farmer designed hay with less potassium, which is meant to improve hoof care or foot care for cows.

[*Translation*]

The member for Beauce believes that supply management impedes innovation, which is completely false. I respect his position. It is nice to have principles, but those principles also have to be backed up by true statements.

• (1225)

[*English*]

I am proud to stand here and say that every member of this caucus supports supply management and that our Liberal values align with supply management.

My colleagues can rest assured that the Minister of Agriculture and Agri-Food is deeply committed to supply management and is working with the dairy sector to ensure we find a long-term, sustainable solution that works for the whole Canadian dairy sector. Having been a dairy farmer himself, the minister appreciates how important supply management is to the sector and to Canada's economy.

In early May, our government announced our intention to initiate discussions within 30 days to help the dairy industry adjust to CETA, as well as work together on the issue of diafiltered milk.

We have delivered on that commitment, and we continue to talk to the industry. The minister and parliamentary secretary have held

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many co-operative, productive, and important discussions with Canadian dairy producers and processors from across the country over the past week.

[*Translation*]

I am constantly communicating with our dairy farmers, so that I can defend their interests. I know that the minister and his parliamentary secretary are as well.

I will provide an example. Yesterday, I talked to a dairy farmer. I later ran into the minister. The minister immediately telephoned the farmer to speak to him directly. Our minister is available to the dairy farmers.

[*English*]

The Parliamentary Secretary to the Minister of Agriculture and Agri-Food and the Parliamentary Secretary to the Minister of International Trade had a very productive meeting with the organizers of last week's rally in support of supply management. Together, our government will work with our stakeholders to ensure the best possible outcomes are reached and opportunities for the future are achieved. The dairy industry provides over 200,000 jobs for Canadians, supports 12,000 family farms, and contributes nearly \$20 billion to our GDP. If we were to listen to Conservative values, we would lose a large portion of that contribution to our economy and our rural communities across the country. Canadians rely on dairy farmers to deliver the high-quality dairy products they feed their families.

The industry is doing great work in growing markets through branding, collaborating with industry, and harnessing innovation.

I would like to speak to the importance of innovation once again to this sector, to place the trade issue we are considering today in a broader context.

Innovation technologies and practices are opening new horizons in the dairy sector. The government is proud to support this innovative industry. Total federal investments in the dairy research clusters have reached \$13.75 million over five years.

Our budget also announced significant measures to support Canadian agriculture, including supply managed sectors. Investments of \$30 million over the next six years will support genomics research. Over \$40 million will support the modernization of a number of research centres across Canada.

Budget 2016 highlights a new innovation agenda that supports Canada's innovators, including those in the dairy sector, so that they achieve success. Our government is committed to ensuring that this innovative trend continues and that Canada's dairy industry remains vibrant.

We realize the importance of further investments in the dairy sector to help it reach its full potential. Recent discussions have helped shape the collaborative approach our government is taking to work towards an appropriate mitigation package as part of the comprehensive economic trade agreement.

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Canada committed to ratifying the Canada-European comprehensive economic and trade agreement. CETA will open markets for key Canadian agricultural exports, such as beef, pork, grain, and oil seeds, fruits and vegetables, and processed food. We will absolutely continue to advance all Canadian agricultural interests as we consider trade matters, and that includes the supply management sectors.

The Government of Canada wants to ensure that we find long-term, sustainable solutions that work for the whole Canadian dairy sector. That is why we are meeting with industry stakeholders and obtaining their views. There are tremendous opportunities for domestic growth in markets for fine cheese, yoghurt, and butter, for example, due to increasing consumer demand.

There are also technological advances to improve efficiency and to develop innovative new products. Taking advantage of these opportunities may require improvement in the competitive position of the dairy value chain. It will be a collaborative process, with government and industry working together to help dairy farmers capture these opportunities.

I must reiterate that the Government of Canada fully understands the importance of transition support for the dairy sector. In anticipation of Canadian ratification of CETA, we will move forward with a plan to help the industry adjust to market access commitments.

• (1230)

[*Translation*]

I will say it once more. We will move forward with a plan to help the industry adjust to Canadian market access in anticipation of the Canada-Europe free trade agreement.

The Government of Canada is working with the dairy industry on the diafiltered milk issue. There have been a number of productive meetings with dairy producers and processors in order to find long-term solutions that will help not just today's dairy producers, but also their children and grandchildren.

Therefore, I am proud to say that we concur with the report of the Standing Committee on Agriculture and Agri-Food.

During the election, I was on the Hill with the dairy producers from my region, and I was on the Hill with them last week. I will always be there with them, and I will always defend their interests.

[*English*]

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, once again I am listening with fascination to this concurrence debate the Liberals are bringing forward.

If people back home were listening, they would be thinking that this is an emergency debate to respond to the fact that a couple of Conservative members are running for leadership on the question of supply management.

We did not end up having any emergency debate when Martha Hall Findlay, the trade critic for the Liberal Party, campaigned extensively to destroy supply management. John Manley, a long-time Liberal, has been outspoken on supply management.

In fact, we had a debate here just recently in the House. It was on a very clear question of whether we were going to support the dairy industry in dealing with diafiltered milk, and the Liberals voted against it.

What we are seeing here is an attempt to sort of change the clock and create the impression that the Liberals actually support the dairy industry. What we have heard from them this morning is how much they love cows, how much they love their neighbourhoods, and how much they love all the people who put food on our tables, but we are not hearing a single thing from them about committing to standing up for the dairy industry as it is being undermined by the international trade agreements the Liberals are signing.

I come from farm country, and we have large dairy and cattle interests. If I went to a farmers meeting and told them how much I loved them, and expected them to love me back, they would put the run on me. They would ask what I was doing for the industry, because they are the backbone of the region.

We see the Liberals standing up promoting their love for farming, without doing anything to respond to the issue of the undermining of supply management, and trying to change the channel on the fact that they voted against supporting farmers. Why are they wasting our time in the House with this useless debate?

**Mr. Francis Drouin:** Mr. Speaker, while I do not think this debate is useless, I think dairy farmers need to hear from our members across Canada.

On the NDP position with regard to fixing diafiltered milk, do they realize that what they are proposing would be only 10% to 20% of the solution? I could go back home to Timmins—James Bay, for instance, and tell my farmers that what we are proposing is only going to be 10% to 20% of the solution. It was not that long ago that if I went back home and had 20% on a test, my mother would not be happy with me.

**Ms. Cheryl Hardcastle (Windsor—Tecumseh, NDP):** Mr. Speaker, it is alarming to hear the issue of diafiltered milk being dismissed. In the big picture, we have a huge issue with the definition of this product. As another colleague has suggested, try and drink it. It is not milk. I do not care what percentage of a solution it is in the rhetoric of inaction right now. I would like to hear the member tell me the definition of diafiltered milk, because I do not believe that the government knows the crux of this very simple issue that could be fixed right now. Liberals turned their face on it when our hon. member brought a very simple solution forward. They should recognize their conflict in the definition.

What is the definition of diafiltered milk?

**Mr. Francis Drouin:** Mr. Speaker, this issue is not new. MPCs have been coming into the country since 2010, and even previous to that, but they have exponentially grown over the past three years. Again, the solution they are proposing will not fix the issue.

I am not practising the politics of false hope. When I go back to my riding, we talk about modernizing the industry, from producer to processor all the way to consumers. We have to work with the entire dairy industry sector to ensure that we have a sustainable, long-term solution. Fixing the issue at the border will not solve the issue, and that is the truth they have to tell their members.



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• (1235)

[*Translation*]

**Mr. Simon Marciel (Mirabel, BQ):** Mr. Speaker, to start off, I will take it upon myself to remind some of my colleagues what supply management is and what benefits it has.

The dairy sector, as well as the poultry and egg sectors, operate under this system. Supply management is based on a number of basic principles that prevent overproduction and shortages thanks to a production quota system designed to fully supply the domestic market without creating surpluses.

This system allows producers to cover all production costs and earn a decent income. With supply management, governments do not have to subsidize the industry. That is not the case for the U.S. My colleague from Beauce will like that. I understand that he supports cutting the size of government. However, I think that he is having difficulty understanding what is at stake because he wants to abolish the current system. I would advise him to go back to doing what he does best, which is election campaign jingles.

On May 16, the Standing Committee on Agriculture and Agri-Food adopted a motion urging the government to do four things: recognize the problem and recognize that the industry is calling for the problem to be resolved, meet with stakeholders in the dairy industry, propose a sustainable solution, and present a plan to the committee.

The government has been telling us for a year that it has a plan. I hope it will tell us what that plan is, because we cannot wait to hear it.

The Liberal members on the committee felt the need to adopt the motion, to encourage the government to recognize that there is a problem. That is a start. Since they have a habit of saying nothing, this meaningless position is already an improvement. At this rate, they may get the job done in 40 or 50 years.

Incidentally, 40 or 50 years is about how much time has passed since the Liberal government expropriated 97,000 acres of agricultural land in my riding for an airport that is now being demolished. Parliamentarians who live in Quebec see this historical fiasco every time they take highway 50 to get here, to Parliament.

The diafiltered milk problem could have been a major issue for the thousands of families that were kicked off their land, but since the government stole this land from them nearly 50 years ago, the only issue for these families is the return of the expropriated land.

Let us come back to the committee. The report is really weak, toothless, and ineffective. Rather than calling on the government to recognize the problem and continue to discuss it, the committee should have called on the government to enforce its own regulations. That is what likely would have happened if the Bloc Québécois had been a part of the committee, because we are not in the habit of kowtowing to the government like the Liberal members from Quebec sitting on the other side of the House. All they do is repeat the government's talking points.

It is important to remember that an MP from a pan-Canadian party is not very reliable when it comes time to stand up on a major issue for Quebec. The energy east pipeline and the oil sands make for a

good example, but that is not what we are talking about here, even though that remains a major issue.

What we are talking about here is supply management. Most of Canada's agricultural production occurs in the western part of the country on farms that produce one crop for export. That is the opposite of what we do in Quebec with our food sovereignty model. The federal government wants to open the borders to make western Canadians happy. It opens them a little from time to time: 5% under the WTO, 7% under CETA, and another 4% to come under the TPP.

Every time negotiations are held, western exporters gain foreign market shares and Quebec loses domestic market shares.

Pan-Canadian MPs are torn between supporting western Canada and supporting Quebec, and they go through the motions of signing this type of agreement even if they are not truly convinced that it is a good idea.

That is why we have such a weak report before us today. I do not see any other reason for such a weak report when the regions came to Parliament Hill last week to express their outrage and were ignored by the government and by a minister and his parliamentary secretary who have clearly chosen to forget where they came from in order to further their careers.

Earlier, the parliamentary secretary gave a lovely speech. I liked the way he spoke about himself in the third person when he talked about meetings with dairy industry representatives.

• (1240)

There are three theories here. One, the parliamentary secretary has become really full of himself. Two, he is not the parliamentary secretary and did not attend these meetings. Three, he is only reading the lines his party gives him. I will not ask him to choose among these three options, but none of them is very positive.

I would have liked to see the Liberals march with us in the rain last Thursday, with my colleague from Joliette and my many colleagues who were there on the Hill. I would have liked to see them trade in their dress shoes for work boots and stand up for their people, like I do every day when I come to Parliament. I would have liked that, but that is not what happened, because they were too busy taking limo rides.

Power corrupts, and since the Liberal Party did not change its corporate culture during its 10 years in opposition purgatory, the minister and the parliamentary secretary have let power go to their heads.

The Bloc will support today's motion because one cannot be against the right thing. However the motion remains totally trivial and void of value because the government has not the courage to enforce its own regulations and follows the whims of the American market, which decides what it does. At this time, the government is thus nothing but the puppet of the American government.

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The Liberals have no interest in defending the agricultural industry as a whole. All they do is neglect the families that feed us and bring them to bankruptcy. That way they will not have to buy back the quotas before abolishing supply management. This is in fact what will come of their economic liberalism. With this sort of Liberal colonialist policy, Canada simply proves once again, as it did in numerous files, that Quebec and its agriculture would be much better served if Quebec controlled its own laws, taxes, and treaties itself. Canada is simply proving, once again, that Quebec would be better off free and independent.

[English]

**Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, there is a couple of things I could take issue with in terms of the member's concern over the province of Quebec. I can assure the member that Quebec members of Parliament within the Liberal caucus are very strong advocates, not only for the province of Quebec but for Canada also. We see that as a positive thing, given the important role and recognition that Canada gets as a nation.

Having said that, I am wondering if the member would acknowledge that there are significant dairy industries in the provinces of Quebec, Manitoba, and other regions of the country, and that the issue we have before us today is not something that was created overnight. The creation of a false expectation or a false hope that this issue can be resolved overnight does not do just service to the many dairy farmers who are looking for answers. The government is looking for those answers and is doing the necessary consultation and the prep work in order to get this issue dealt with in an appropriate way.

Does the member feel that the Conservative government was successful in any fashion in dealing with this particular issue?

[Translation]

**Mr. Simon Marcil:** Mr. Speaker, I would first like to say to my hon. colleague that if he finds my comments disturbing, that is perfect. That is why we are here.

Could the Conservative government have done something before? I think so, but in my view the Conservative government and the Liberal government are Tweedledum and Tweedledee: they never solve problems when the problems are Quebec's.

Incidentally, I could have acted as the government habitually does and not even answered his question. However, being a parliamentarian and a member who is not second-rate, contrary to what has been said by a colleague of the hon. member, I will respond.

Yes, the Conservatives created the same problems as the Liberals. The Liberals have not resolved the problem and the Conservatives did not resolve the problem. That is how it is.

• (1245)

**Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP):** Mr. Speaker, I would like to thank my hon. colleague from Mirabel for his interventions. This is a subject on which we share not only the same concerns, but the same urgent need for action, something to which the Liberal government is deaf. It is washing its hands of it, as the Conservatives did before.

Last year, 250 family farms disappeared in Quebec alone. Instead of being there to defend the dairy producers of Quebec, and indeed everywhere, the Liberals are not making sure that their own regulations are enforced, regulations that would see diafiltered milk, an American powdered milk, treated as an ingredient when it arrives at border services and customs. We do not know why they are permitting this trickery. For the moment they are doing nothing, apart from saying that they are looking for a long-term solution.

According to my hon. colleague from Mirabel, how many family farms will have to go bankrupt before the Liberals find their famous long-term solution?

**Mr. Simon Marcil:** Mr. Speaker, I thank my colleague for his question. I am glad to know that, like me, he is concerned about such an important issue that must be resolved as quickly as possible, namely, Quebec independence. However, my understanding is that this is more about the fact that the problem of diafiltered milk needs to be resolved.

I wonder how many farms will have to disappear. Probably as soon as the Liberal members start losing the farms in their ridings, they will finally start doing something. In any case, the Liberal members from Quebec never say anything, so the chances of this being resolved are pretty slim.

**Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC):** Mr. Speaker, I would like to share with the House something that happened to me last week, if I may.

Last weekend, I was in my riding after having issued a press release the week before stating that I support supply management. I had supported it in the past and I promised to continue supporting it in the election campaign.

I wanted to issue the press release in order to clearly make the distinction between that and a visit to my colleague's riding, Beauce, for the kick-off to his campaign for the leadership of the Conservative Party. I attended the event as the Quebec caucus chair.

If five candidates from Quebec ran for the party leadership, which I would love to see, by the way, I would attend all five events, regardless of the policies the candidates proposed, as the candidate from Beauce did on supply management. Indeed, I would be there regardless, because I think it is important to support our colleagues who want to run in a contest to represent Quebec in Canada.

That being said, I was at an event this PAST weekend where I happened to meet quite a few farmers who were also there for Relay for Life. Those farmers are part of our everyday lives in the regions. They are part of our regional realities because they participate in everything. They sponsor events and are very involved in our communities. We started talking about this and that, and naturally, we ended up talking about diafiltered milk, an issue that is having a serious negative impact on those farmers, especially dairy farmers, most of whom are in Quebec.

We promised to address the diafiltered milk issue if we were elected, but unfortunately, that did not happen. The Liberals are the ones in power now, and they made that same promise to address the issue quickly.

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Seven months have passed, and it has been 30 days or more since they got the consultations they were after. They consulted a whole lot of industry stakeholders. Now, according to the resolution they themselves put forward, they want another 18 days.

It is truly incredible to see what this motion says. The government is saying it has a problem in its own motion. This motion was not drafted by the Conservative Party, the NDP, the Bloc Québécois, or the Green Party. It is a motion in which the Liberals are telling themselves that things are not going well in agriculture. We do not need for a motion to see that there is a problem. I honestly do not know where we are going with this, but it does not look good.

Life is tough for these farmers these days because they are losing income. They invested in equipment and in their farm to increase productivity. They did not anticipate having to compensate for a loss because of something else, a problem that the government is not fixing. They made those investments to increase their farms' productivity, to have a bit of extra money in their pockets and to be able to reinvest.

Farmers know they have to constantly reinvest. It is impossible not to invest. A farmer who does not invest in his facilities or his productivity is bound to fail and possibly lose his farm.

When farmers invest \$100,000, \$200,000, \$300,000, and even more in their own farm to ensure that they increase productivity, they are not trying to make up for their losses.

At present, diafiltered milk is costing them tens of thousands of dollars. As recently as April 13, the president of the Union des producteurs agricoles said that farms are losing between \$15,000 and \$18,000 a year. That is a lot of money for a dairy farm with 40 or 50 cows. That is a lot of money for these producers, who have to invest in relatively short periods of time.

As a business person, I know that the reality is that any investments should be amortized over the shortest possible period because technologies change very quickly.

• (1250)

That now also holds true for agriculture. When farmers invest in milking machines, the amortization period must be as short as possible because the machines will inevitably become outdated, just like the methods they replaced. Technology is constantly changing and therefore being replaced.

I spoke to a woman who said she was tired of fighting. Dairy producers have been fighting for decades against all sorts of things like the climate, changes, the increase in farm productivity needed to ensure their financial viability, and environmental constraints that are imposed on them.

They have to constantly invest in their own farms. When a problem arises, such as that of diafiltered milk, which has become a huge problem in recent months, the financial losses are discouraging for producers.

I sincerely believe that the human aspect, which we have not discussed today, is important. In the past five years, in Quebec and Canadian rural areas, there has been an unprecedented number of

suicides in farming communities. This is the result of the pressure on the agricultural sector in general.

Producers are being asked to produce more and more and to find more environmentally friendly ways of doing so. They are being stretched to the limit. They are under unbelievable amounts of pressure. Many producers who would like to hand down their farm ultimately decide to shut it down or sell it.

Just last week, a woman was telling me that the president of Les Producteurs de lait in the Bas-Saint-Laurent region said that there had never before been as many active farm sales in Quebec as there have been in the past two years. That is because producers are exhausted.

They are not able to cope with governments that do not keep promises, especially the current government, which promised during the election campaign to fix the problem quickly but is still conducting consultations seven months later.

As my colleague said earlier, there is a lot of blah blah blah, but there is also a lot of meh. Nothing happens. The government does not understand farmers. Unlike what the Liberals have been saying since this morning, they are way out in left field. They could fix this problem very quickly and they committed to doing just that. I do not think that seven months is very quickly. This problem could be fixed in two days. I do not know why they will not do it, but it should have been done a long time ago.

Agri-food research is being done in La Pocatière, in my riding, and there needs to be a kind of balance. Farms do not increase productivity simply by purchasing equipment. Research and development in processing and in the dairy industry are important as well. Everything is important.

The Liberal Party seems to be defending only the processing industry, but this industry needs the milk in order to process it. If there is no milk to be processed, where will it get the milk from? We want Canadian products and we want people to buy local.

People in Kamouraska have been talking to me about this for 20 years. I was mayor of La Pocatière from 2005 to 2009 and an RCM of Kamouraska councillor. People talked to us about processing and buying local. If people want to do that and make it possible for farmers to process food locally, they have to be able to make a living at it. Right now, they are definitely having a hard time making a living at it.

• (1255)

Farmers are having a hard time coping with and justifying this reality. Once again, these people are having a hard time getting through this. The government's delays are costing them \$10,000, \$12,000 or \$20,000 per year, and at the end of the month, those losses make it hard for them to balance their budgets. The added pressure makes them want to quit farming. The government has to give farmers every possible advantage, and some impossible ones too, especially dairy farmers who are going through tough times because of diafiltered milk.

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The government must understand that it needs to fix this before the summer. Today is June 7, and I think it is important to deal with this before the summer so that farmers can go work in their fields with a load off their minds. Right now, all farmers are having a terrible time getting by. The government has the answers and needs to act. As my colleague said earlier, the government has to walk the talk.

[English]

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, I appreciate the comments from the member across the way in regard to what is a very important industry. We have spent a number of hours talking about the importance of our dairy industry in virtually all regions of the country but specifically for me, in my home province of Manitoba, where I had the privilege of visiting a dairy farm to get a better understanding of how the technology has really changed.

Listening to the parliamentary secretary or the minister responsible for agriculture, I find there is no doubt about the substantial and unqualified support of the Liberal government for supply management. It is just a question of timing in getting this issue resolved.

Could the member tell me if the Conservative Party would be prepared to say that it is 100% behind the concept of supply management?

[Translation]

**Mr. Bernard Généreux:** Mr. Speaker, to ask that question is to answer it.

That has been part of our policy for quite some time, and we have no intention of removing our support for supply management. Honestly, my colleague opposite knows the answer, and I do not know why he is asking me that question when he already knows the answer. It is in their platform, and it is in our platform. There is no way we would turn our backs on supply management.

If leadership candidates have their own ideas on this, they have every right to defend those ideas. In fact, all the parties have an incredible opportunity to say that supply management matters. I do not understand why we should be afraid of saying such a thing. That leadership candidate is speaking on his own behalf, because he is running for the party leadership.

• (1300)

[English]

**Mr. Ziad Aboultaif (Edmonton Manning, CPC):** Mr. Speaker, the government is dragging its feet with respect to the consultation process. There is no respect for timelines, too much lip service, and more talk than walk.

Does the hon. member believe that the process is taking too long and that the government is dragging its feet and is not about to make any decisions soon?

[Translation]

**Mr. Bernard Généreux:** Mr. Speaker, I thank my colleague for his question.

He is quite right. Clearly, the Liberals do not understand the situation. Just last week, 3,000 farmers made their way here to Ottawa on their tractors, some from as far away as the Gaspé. I am

not sure whether my colleagues know how long it took them, but it was more than just hours; it took them days to get here. As my colleague said earlier, they paid out of their own pockets to come and demonstrate here.

All 3,000 people who were here last week were mostly farmers. It took them days to get here, in order to show the government that the issue of diafiltered milk is important and that it needs to be resolved quickly. This is like the third overtime period in a hockey game. This issue should have been resolved a long time ago. The government promised to do so during the election campaign. It seems simple to me: when you promise to do something, you do it.

We were known for keeping our promises. Unfortunately, the same cannot be said of the current government.

**Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP):** Mr. Speaker, I thank my colleague for his speech and for his candour and passion.

I think it is a shame that the previous Conservative government dragged its feet on this issue.

Why does the member think that the new Liberal government is unable to solve a simple problem by recognizing the fact that diafiltered milk is an ingredient and that it should be stopped at the border? This would help our dairy farmers, including those in Quebec, who need it, who are desperate, and who are being ignored by the Liberal government.

**Mr. Bernard Généreux:** Mr. Speaker, the answer to the hon. member's question is quite simple: there is no driver in the tractor. It is not complicated. We have a government with no leadership. This is a government that was elected seven months ago and promised in its electoral platform, in black and white, that it would resolve the problem of diafiltered milk. I am not making this up. They are the ones who boasted about this for 75 days, not just 30 days, saying that they would fix the problem. They said that in every riding in Quebec. Today, seven months later, the problem is still not fixed. We need to have a driver in that tractor and fast.

**Mr. Luc Berthold (Mégantic—L'Érable, CPC):** Mr. Speaker, no matter where I am sitting, I will always rise to defend dairy producers. That is what we should take away today.

I truly enjoyed the speech by my colleague, who said that it is important to the people in his riding to see concrete measures and not just feel that they have been listened to, because the government only wants to listen.

Does my colleague sense that farmers believe a solution is urgently needed?

Can my colleague tell us whether the people he spoke to are pleased with the Liberal government's response in the past seven months, or, once again, that the government is not walking the talk?

• (1305)

**Mr. Bernard Généreux:** Mr. Speaker, if Quebec's dairy producers were pleased with the current government, they would not have descended on Ottawa and, in some cases, they would not have travelled 25, 30, or 40 hours to get here.

*Government Orders*

That must be obvious. If I were a dairy producer, I would not drive my tractor from Gaspé to Ottawa to listen to empty rhetoric, which is what they heard. That is unfortunate. The producers I met on the weekend told me that they were very polite. That is a very important point that I did not raise in my speech. Dairy producers are very polite and respectful. They are respectful as long as they are respected.

When the day comes that they no longer feel that the government respects them, things will be different. Quite frankly, things are heating up. It is time for the government to take action and it is urgent because dairy producers and other producers under the supply management system are more than fed up.

I believe that the government has the answers to these questions. It is up to the government to respond and to take action. Once again, the government must show leadership, there must be a driver in the tractor. Unfortunately, this does not seem to be the case.

**The Assistant Deputy Speaker (Mr. Anthony Rota):** It is my duty to interrupt the proceedings and put forthwith the question necessary to dispose of the motion now before the House.

[*English*]

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Assistant Deputy Speaker (Mr. Anthony Rota):** All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

**The Assistant Deputy Speaker (Mr. Anthony Rota):** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Assistant Deputy Speaker (Mr. Anthony Rota):** In my opinion the yeas have it.

*And five or more members having risen:*

**Hon. Andrew Leslie:** Mr. Speaker, I ask that the vote be deferred to today at the end of the time provided for oral questions.

**The Assistant Deputy Speaker (Mr. Anthony Rota):** Order, please. The House will now resume the remaining business under routine proceedings. We are under the rubric of motions.

Presenting petitions, the hon. member for Saanich—Gulf Islands.

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**PETITIONS****SHARK FINNING**

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Mr. Speaker, it is an honour to rise today and present two petitions signed by residents of every single part of my riding of Saanich—Gulf Islands, from the Saanich Peninsula, Saltspring Island, Pender Island, Galiano Island, and Mayne Island. They are calling upon this House

to take action to prevent the trade in shark fins in Canada. We know that this practice is contributing to the extinction of species around the world.

Although private member's Bill C-246 would accomplish this, the petitioners are specifically asking that the House take action.

## SECURITY CERTIFICATES

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Mr. Speaker, my second petition is also from residents of Saanich—Gulf Islands who are very concerned about aspects of human rights and that the use of security certificates as part of the public security regime in Canada is inherently open to abuse and violates an individual's right to a fair trial. The petitioners ask this House to remove the use of security certificates.

## PHYSICIAN-ASSISTED DYING

**Mr. Mark Warawa (Langley—Aldergrove, CPC):** Mr. Speaker, I am honoured to present a petition that overwhelmingly presents the position of Canadians across the country, from coast to coast to coast, on the issue of the protection of conscience rights for physicians. It highlights that the Charter of Rights and Freedoms protects the freedoms of conscience and religion. The petitioners are calling upon Parliament to enshrine in the Criminal Code protection of conscience rights for physicians and health care institutions, to protect them from coercion and intimidation to provide or refer for physician-assisted suicide or euthanasia.

\* \* \*

● (1310)

**QUESTIONS ON THE ORDER PAPER**

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

**The Assistant Deputy Speaker (Mr. Anthony Rota):** Is that agreed?

**Some hon. members:** Agreed.

**GOVERNMENT ORDERS**

[*English*]

**BUDGET IMPLEMENTATION ACT, 2016, NO. 1**

The House resumed from June 6 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.

*Government Orders*

**Mr. Scott Simms (Coast of Bays—Central—Notre Dame, Lib.):** Mr. Speaker, I appreciate this time on the budget implementation bill. I always call budget implementation the time when the tires hit the road, when we hit the pavement and decide what it we will implement over the next little while. In some cases our budget implementation bill will undo some of the things we did not agree with in the last administration and it will put forward what we put into our election platform. These are details by which we debate.

I would like to highlight a number of things. A lot of this has to do with my riding and by extension my province of Newfoundland and Labrador. I want to focus on two themes from the budget. A lot of it has to do with the individuals who I feel need a hand-up from the government, who need some help from the government to get by, through no fault of their own. It is one of the reasons why I ran for politics. It is one of the main reasons it has sustained me for the past 12 years. It gets me up in the morning and gets me to work every day. I feel that all 338 of us make a difference in our own sort of way, not just for our ridings but also in general, to further the dialogue of our country and enact elements of that dialogue into legislation.

The two themes I want to talk about are smart investments and a sense of fairness.

Smart investments come from the conversations we have had with people over the past couple of years. I remember when we were the smaller party in the House. There was a lot of discussion. There were good ideas from all parties at that time and there were great debates. I do not want to dwell on what happened in the last session too much, but I will dwell upon some of the things we looked at to create fairness within the taxation system. That is what we are talking about here.

As for fairness for the middle class, I know in many cases a lot of the tax credits we talked about earlier may seem like a wonderful thing by the day's end, things like the credits that the former government put in place. Some of them were for good reasons. They were good for fitness, for books and for many other things. However, we looked at all the credits and decided we needed to invest in the middle class. All of these could be encapsulated into fairness so we could invest in our middle class and so people could provide for their families. In turn, we could help create employment as a result of that.

Let me go back to my origin, to Newfoundland and Labrador. One of the best things we can invest in are the skills for people. Back in the early 1990s, when the cod moratorium was in place, one of the biggest lay-offs in the history of Newfoundland and Labrador occurred. Thousands upon thousands of communities were affected by the shutdown of the major fishery. The government of the day, under former prime minister Jean Chrétien, decided it would invest in people by allowing them to re-educate themselves, retool themselves for something down the road. It took a while to do that, but it got done in several ways.

First and foremost, we talk about seafood as being a great export. We talk about our minerals and mines as a great export. However, one of our greatest exports that we have right now in our neck of the woods is skilled trades. My constituents travel the world: Norway, North Africa, eastern Russia, the Middle East; and even in our country into Alberta, Saskatchewan, and British Columbia. Many of

our people travel away for a period of time, return, and live in my province, in my riding and throughout Newfoundland and Labrador. Yet they find themselves going around the world making a living. The investments we made many years ago allowed that to happen. We were able to build the capacity by which we could educate people and by the same token we could create a post-secondary institution that was nimble and therefore able to adapt to the skills market it required. To dovetail that, we have cut taxes for the middle class. As a result of that, we also believe in the investment in the people and the structures by which they live.

● (1315)

One of the best things I found about this budget was that it would benefit the smallest of communities. There are about 140 communities in my riding and each of these communities is now able to invest in infrastructure in a way they could never before. How they do that is by allowing the flexibility within the system so they can invest with other levels of government, with provincial governments and the federal government.

We now can make substantial investments in community infrastructure regarding recreation, heritage, tourism, culture. Beyond the industries I mentioned earlier, we also have a burgeoning tourism market throughout Newfoundland and Labrador. Many have seen the commercials. They are enticing a lot of people to my area, but if there is nothing there for them, then it becomes very difficult to provide services and to create long-term employment as a result.

I also want to talk about some of the specifics when it comes to seasonal work, which is a big element for central Newfoundland in particular. Division 12 of part 4 of the bill would increase, until July 8, 2017, the maximum number of weeks for which benefits may be paid to certain claimants in certain regions, and my region is one of those. It certainly would benefit in a great way.

It would eliminate the category of claimants who are new entrants and re-entrants, so it would not perplex people who are new entrants into the EI system to acquire the hours to get into the system for the first time. Before, it was rather unfair. Double the amount of hours were required for people getting into the system for the first time. Therefore, we are scaling it back to what everyone else has to do.

It would reduce to one week the length of the waiting period during which claimants would not be entitled to benefits. It is not just about the one week; it is also about processing. In some cases, some people who apply for employment insurance have to wait not one to three weeks, but six weeks to receive that first cheque. That is two or three weeks beyond the late mortgage payment or the late payment for utilities. That certainly becomes onerous. Therefore, we are going to do that, plus we are going to enhance the system by which processing takes place in the public service.

*Government Orders*

Budget 2016 certainly takes an essential step to grow the middle class. It puts people first and delivers the help Canadians need now, not in a decade from now. In the last session of Parliament, the emphasis was on the investment that was on the back end, as some people like to call it, meaning the latter part of the span got most of that money. We felt that investment had to be done now in many cases, certainly for Newfoundland and Labrador. In my particular situation, that had to be done soon.

One of the examples I can use is that soon there will be harder regulations regarding waste water, for environmental reasons and for all the right reasons. In 2020, we are looking at some very onerous regulations for the smallest of communities, not just the largest cities. As a result, we have to help bring these communities up to a standard by which they can satisfy those regulations. That is very important to us and to Newfoundland and Labrador.

I want to turn to the main text of the budget for a moment, because there are several areas I would like to touch upon. I mentioned small town recreation. Page 102 talks about investing in cultural and recreational infrastructure. Some of the best investments we have made are in things like playgrounds and ball fields. Recreational areas create jobs, yes, but more important, they allow communities to invest in themselves, and we want to be a part of that.

Our 150-year celebration is just around the corner and the local and regional economic development agency, more commonly known as ACOA, or Atlantic Canada Opportunities Agency, provides an essential service for the smallest of communities. It tells communities that the Government of Canada believes in them and will be there. That is why I love this budget. I will vote for it, and I hope all members do.

Rural broadband is absolutely an essential service. When I first arrived in the House, Internet capability was something for those who could afford it. Now it has become absolutely essential. Building a road to reach a community now is as essential as the reach of broadband Internet as well.

• (1320)

I believe in tourism and investments in it.

Finally, I want to talk about the *Manolis L*, and the \$6 million to come up with an assessment. It is a sunken ship off the coast of my riding. It had to be addressed, and was addressed in this budget.

**Mr. Mel Arnold (North Okanagan—Shuswap, CPC):** Mr. Speaker, the member talked about what the Liberals would implement with this budget. What are they implementing with the huge deficit they have budgeted for, with no plans to balance the budget? These are serious things to implement upon the Canadian public.

What is more concerning to me is on page 235 of this year's budget. It is the GST revenue projections. If we take note of these numbers, the GST revenue is projected to rise by 21% over the next five years. The government is certainly not predicting, nor are any of the economic indicators suggesting, that our economic growth is going to grow by anywhere near 21%.

I am concerned the government is planning to implement a GST increase. Is that the case?

**Mr. Scott Simms:** Mr. Speaker, I appreciate the member's enthusiasm. During the campaign, there was never a commitment to talk about the GST or to increase it. I do not think—

**Mr. Mel Arnold:** I'm not talking about the campaign.

**Mr. Scott Simms:** I am sorry if my answer is interrupting his heckling, Mr. Speaker, but I will try to keep going.

These are projections based on the economic growth. I mentioned the investment in our communities, and how that would benefit us. I certainly believe the projections are there. Our debt-to-GDP ratio allows us to eliminate this deficit a few years from now.

I would like to remind the member that this is nothing new. The idea of injecting money, investing in the economy, and investing for the sake of a stimulus measure is not new. Being in a deficit situation for a period of time was also talked about by the former finance minister, Hon. Jim Flaherty, God rest his soul. He said the same thing.

When the other side says that this is a rather wasteful way of spending, that is not what they used to say, as we get into a hashtag disingenuous conversation.

[*Translation*]

**Mr. Robert Aubin (Trois-Rivières, NDP):** Mr. Speaker, when I go door to door in Trois-Rivières, there is one question I am dying to ask every person I see. I want to know whether they are satisfied with the tax cuts. Most times, people ask me what tax cut I am talking about.

There is a big difference between the definition of middle class that I had in my mind and what we see in the budget.

The median salary in Quebec is around \$31,500 a year. As we all know, everyone who earns \$45,000 and under will not receive a tax cut.

Is my colleague truly proud of a budget in which the middle class, or those striving to join it, do not have access to the tax cuts? Is he proud of a measure that is supposed to be revenue neutral but that will actually cost hundreds of millions of dollars?

[*English*]

**Mr. Scott Simms:** Mr. Speaker, I have been in the House 12 years. I do not often get to hear the NDP members advocate for tax cuts, but nevertheless I will address it.

We are looking at the tax cut for the middle class, but we are also investing, the child tax benefit being a big factor of that. That is what a lot of people have asked for, and that is what we are delivering.

*Government Orders*

I know both parties are on us about this idea of spending. We call it investment for all the right reasons. If members have been here as I long as I have, they would realize that these investments are crucial for all communities, including Trois-Rivières and the other communities he has mentioned.

I would suggest the member hang on and look at how these investments will benefit his riding, and maybe he will take credit for it. They are solid investments in the middle class, such as the child tax benefit for those raising families. This is what it is about. The tax cut is there to help them. Compared to what has been done, it is a substantial tax cut.

● (1325)

**Mr. Wayne Stetski (Kootenay—Columbia, NDP):** Mr. Speaker, I rise today to share my thoughts on Bill C-15, an act to implement certain provisions of the budget tabled in Parliament on March 22, 2016 and other measures.

I was the regional manager for the ministry of environment back in my riding of Kootenay—Columbia. In total, I spent 32½ years with provincial governments in British Columbia and Manitoba, working with provincial budgets. I was also mayor of the City of Cranbrook for three years and responsible for municipal government budgets.

As anyone who has worked for government at the federal, provincial, or municipal level will know, governments always have money. This will not be news to anyone who pays taxes, which pretty much includes all of us except, perhaps, for the very wealthy putting money away into tax havens.

Since governments always have money, it always comes down to priorities and how government chooses to spend our money. While this budget does some things right it, unfortunately, falls short in a number of very important areas. Let us start with the good news: what this budget does right.

The bill contains some positive measures that were led and/or supported by the NDP, as follows: restoring the tax credit for labour-sponsored funds, adding feminine hygiene products to the list of zero-rated products for taxation purposes, raising the guaranteed income supplement for single seniors, and repealing the legislation to raise the age of retirement from 65 to 67 years of age.

I have also heard from my constituents that they were pleased to see the increase in Canada student grant amounts by 50%, to a maximum of \$3,000 per year for low-income families and ensuring that no student will have to repay their Canada student loan until they are earning at least \$25,000 a year.

At the same time, they are not happy with Liberal cuts that eliminated the education tax credit and the textbook tax credit. For students, with one hand, the Liberals give and, with the other hand, they take away.

This is also true for the Liberals' Canada child benefit. While families will benefit with an increase in child benefit, the government is eliminating two very important tax credits, the children's fitness tax benefit and the children's arts tax credits. Both of these were important for helping to build physically healthy kids and to encourage our young artists. They will be sadly missed.

While the tourism industry will benefit with the provision of \$50 million over two years, dedicated to Destination Canada for marketing initiatives, the rest of small businesses have been betrayed by the Liberal government. During the 2015 election, I participated in 12 community debates throughout Kootenay—Columbia. At every debate, the Liberals said, as did I, representing the NDP, that if we were elected, we would decrease small businesses taxes from 10.5% to 9%. This was not a “We will consider”, or “We will consult with Canadians” election promise. This was black and white. My Liberal colleague promised that if they were elected, they would reduce business taxes to 9%.

What happened to the Liberal mantra, “That's what we told Canadians we'd do and that is what we will do” on this one?

As I said, there were some good things in the budget, but I have to say that after 10 years of Conservative cutbacks that hurt so many aspects of our lives in Canada, it is not hard for any government that followed to look at least sort of good to Canadians. This is especially true if we do not mind spending an additional \$30 billion a year over and above the revenue that we are taking in; \$30 billion a year in added debt that will fall to our children and grandchildren to pay back. This is a concern I hear over and over again from my constituents.

I even heard it from school kids at the Kootenay Christian Academy in Cranbrook and the Crawford Bay School in Crawford Bay. They both asked the same question, “How will we ever pay back almost \$700 billion in debt?”

I have to say I did not have a good answer for them, other than to say, “Perhaps we should be learning from countries like Norway, where its federal government petroleum fund has \$500 billion in surplus money, and is expected to grow to \$1 trillion by 2020.” Being half Norwegian, I have to say that is a rainy day fund and a budget process to aspire to and be proud of.

What do my constituents say they find most disappointing about the Liberal government? How much time do I have left? Possibly not enough time, but let me get started.

● (1330)

We are feeling left out in Kootenay—Columbia when it comes to employment insurance. The Liberal government's regionally based enhancements to employment insurance do nothing for my constituents, even though a number of them worked in the oil and gas industry in Fort McMurray. This discriminatory approach to EI must end and be replaced by a universal 360-hour eligibility threshold, and extended benefits should apply to all Canadians.



Too many seniors in my riding live in poverty. Seniors should not have to choose between food and prescription drugs. The government needs to keep its promise to immediately enhance the CPP and the QPP. Our seniors helped to build this great country of ours, and they deserve to be treated better.

On taxation, my constituents believe in tax fairness, which means that the Liberal tax cuts should have included Canadians who make from \$20,000 to \$45,000. It also means that the richest people in Canada should pay their fair share, which means closing tax loopholes, including offshore tax havens, and punishing tax cheats even if they are wealthy tax cheats.

Infrastructure funding is a major concern. Municipalities in rural areas of Canada expect to get their fair share of infrastructure dollars. As a former mayor of Cranbrook, a city with just under 20,000 residents, keeping up with replacing 50-year-old sewer and water pipes, and fixing failing roads was a constant challenge.

Many Canadians do not realize that for every dollar collected in taxes, 50¢ goes to the federal government, 42¢ to provincial governments, and 8¢ goes to municipalities. Meanwhile, municipalities are responsible for almost 70% of all infrastructure in Canada. While it is heartening to see additional money for infrastructure in this 2016-17 budget, we have yet to see when or how that money will be rolled out.

I can tell members that in 2014, the former Conservative government announced, with great fanfare, its build Canada fund. The reality is that virtually no money made it to municipalities in my region of British Columbia that year. My Conservative member of Parliament at the time put the blame on the B.C. Liberal government for dragging its feet on getting the program under way.

The approach to funding in infrastructure at that time was a one-third, one-third, one-third split, with each level of government having to come up with its share. I can tell members that it is extremely difficult for small rural communities to come up with their one-third. One cannot even get into the game without having the one-third, and having shelf-ready plans in place. Many small municipalities have a very difficult time having staff or contract money to even create shelf-ready plans.

Therefore, while it is good to see more money for infrastructure in the budget, in order for it to be effective, the government needs to ensure a number of things.

First, that there is money and a process in place to help small rural communities develop shelf-ready plans.

Second, the one-third, one-third, one-third funding formula needs to change. Based on the taxes collected, it would be more appropriate if the formula for infrastructure funding would be 10% municipalities, 40% provincial governments, and 50% federal government, and as much of the infrastructure as possible should go directly from the federal government to municipalities with an appropriate funding formula.

Third, the funding should be multi-year, with a minimum of four years to reflect the four-year term of a ruling party. This would give municipalities the opportunity to plan ahead.

### *Government Orders*

High-speed Internet, sometimes called dark fibre, needs to be considered basic municipal infrastructure in the future, along with roads, sewer, water, and storm drains, and it should be eligible for annual infrastructure funding. My major dream is that aging infrastructure funding should come out of politics and just be a line item every year in the Infrastructure and Communities ministry's budget.

In conclusion, I would like to be able to support this 179-page omnibus-like bill, but it falls short of what my constituents in Kootenay—Columbia expected from the Liberal government, and I am unable to support it at report stage.

• (1335)

**Mr. Mark Gerretsen (Kingston and the Islands, Lib.):** Mr. Speaker, I thank my colleague for his comments on this particular budget and the debate we are having today.

I heard with great interest the discussion he mentioned about being with children and talking about the debt, and them questioning how we get out of so much debt. I hope he also took the opportunity to explain to them what taking on this debt could do for our country in terms of our ability to invest in infrastructure and get the economy moving again and getting things properly working.

He was very critical of the debt we are taking on, but at the same time, also made comments about the fact that we were not able to balance the budget. I am wondering if he could provide some input. Given the fact that the NDP had made a commitment to balancing the budget, how would he have worked with his party? What would he specifically have cut in order to balance the budget, while at the same time providing these tax breaks that he spoke about for small businesses? Can he give us some insight as to how he would cut the taxes for small businesses and balance the budget? What specifically would he have cut or promoted to cut to add up to the \$30 billion?

**Mr. Wayne Stetski:** Mr. Speaker, our approach to the budget was to increase corporate taxes, to increase the amount of revenue coming in. That, of course, is another aspect that is missing from the budget and from our approach to Canada.

Increasing corporate taxes would bring in additional revenue. There was a bit of an expectation that corporations would do the right thing and reinvest the money that they saved on taxes in Canada. That has not happened and it was one of the things we really wanted to see happen.

**Mr. John Barlow (Foothills, CPC):** Mr. Speaker, I found it interesting that my colleague was comparing Canada and Norway, and the rainy day fund that Norway has.

I would just like to point out, Norway does not have equalization payments to the provinces. Being from Alberta, I know exactly the impact that has had on our province; \$10 billion has left our province.

*Government Orders*

Is the hon. member saying we should eliminate equalization payments to the provinces? I am sure people in Alberta would have no problem with that.

**Mr. Wayne Stetski:** Mr. Speaker, equalization payments, of course, are part of Canada and have been for a long time. I am not suggesting that we get rid of equalization payments. I am suggesting that perhaps we take a different approach to how we deal with oil and gas revenues, similar to how they do it in Norway.

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Mr. Speaker, let me add to that point. Where did Norway get the brilliant idea of setting aside royalties that were priced appropriately to the value of the resource, for the benefit of their public? They got it from Peter Lougheed, the former premier of Alberta whose brilliant idea was trashed by his successor, Ralph Klein.

It is not the money that would be in Alberta and Alberta would be awash in cash if only it was not for equalization payments. Alberta would have a heritage fund with money for its citizens if not for the policies of Ralph Klein, and equalization payments have nothing to do with it.

**Mr. Wayne Stetski:** Mr. Speaker, I absolutely agree with the hon. member.

**Mr. Blaine Calkins (Red Deer—Lacombe, CPC):** Mr. Speaker, stupid is as stupid does. The reality is, the leader of the Green Party and the member who just spoke clearly do not understand how equalization works.

If the member who just spoke says that we need to rethink equalization the way Norway does, that is nationalization of the energy that Norway has, and that is the difference.

Is the new position of the NDP nationalizing our natural resources like oil and gas?

• (1340)

**Mr. Wayne Stetski:** Mr. Speaker, what I was agreeing with was that Alberta used to have a good, solid approach to having a heritage fund and having money in the bank, and that got squandered by governments that followed Mr. Lougheed. That is the point.

[*Translation*]

**Mr. Paul Lefebvre (Sudbury, Lib.):** Mr. Speaker, I have many reasons to be proud of budget 2016.

First, I am proud of the process that led to this budget. Budget 2016 is the result of an extensive, inclusive consultation during which we heard from a wide range of Canadians in big and small communities across the country, and Sudbury was no exception.

[*English*]

In fact, Sudbury was one of the very first ridings to hold a pre-budget consultation. During our pre-budget town hall, we heard from individual business leaders; representatives of sectors as varied as mining, health care, and arts and culture; and concerned individual citizens. Each of them provided thoughtful, progressive, and insightful advice.

I would like to thank them all for their important contributions to the budget. These stakeholders, and thousands more like them across Canada, are at the heart of the budget. Budget 2016 puts people first.

[*Translation*]

I am originally from northern Ontario, and I can say unequivocally that budget 2016 is good for the people of the north. I grew up in a small community where the pulp and paper mill is still the biggest employer and a pillar of the local economy.

[*English*]

Today, I am proud to represent a northern city known the world over for its exceptional mining sector. Anyone who has worked in a mill or a mine knows the meaning and the value of a hard day's work.

They also know, and so does the government, that when local industries suffer, workers, their families, and entire communities suffer as well.

Over the past few years, too many hard-working Canadians have faced tough times. Northerners know that when times are hard, families and communities must stand together and help each other to overcome adversity.

When a business that has fed a family for generations disappears, when the mill, the mine, or the factory closes its doors, when people lose their jobs and have to swallow their pride and ask for help, the last thing they need is to get tangled in a web of bureaucracy that prevents them from getting the help that is essential for their families.

The budget eases that burden by improving employment insurance and extending benefits in a dozen regions that have been particularly hard hit, including my riding of Sudbury. It is an important measure that will help Canadians when they need it most.

I am delighted that the budget commits \$150 million in new funding through regional economic development agencies, such as FedNor for northern Ontario, to renovate, expand, and improve existing community and cultural infrastructure.

Sudbury is home to 15 housing co-ops, and access to affordable housing is an ever-growing challenge in our community, as it is throughout the country. Budget 2016 includes \$1.5 billion to improve access to safe, adequate, and affordable housing, including shelters for victims of violence. It also includes support for the construction of up to 4,000 new affordable housing rental units.

Throughout the country, close to 700,000 seniors' households face a housing availability challenge, and affordable options for seniors are extremely limited. That is why I am proud that budget 2016 commits more than \$200 million to boost funds for the construction, repair, and adaptation of affordable housing for seniors. Our government will give Canadian seniors greater access to safe and affordable housing and a better quality of life.

I am also proud to see that budget 2016 makes significant investments to improve the quality of life of indigenous communities, including \$1.2 billion for housing, early learning and child care, health, and cultural and recreational infrastructure on reserve. These are significant, meaningful investments and mark an important step toward improving the lives of those who have, all too often, been overlooked by previous governments.

*Government Orders*

We need to make sure that the economy works for everyone and to make sure that our tax system is fair for all Canadians. That is why, as one of its first actions, our government introduced a middle-class tax cut and raised taxes on the wealthiest 1% of Canadians. These changes give middle-class Canadians more money on their paycheques and increase the fairness of our tax system.

I am proud that budget 2016 will take action to prevent tax evasion at home and abroad. In particular, though they have been largely ignored over the past 10 years, this budget commits to tackling tax havens head on. As part of a coordinated multilateral effort, our government is acting to address international tax planning arrangements undertaken by multinational enterprises to inappropriately minimize their taxes. These efforts will also increase transparency through the automatic exchange of financial account information between various international tax authorities.

In order to crack down on tax evasion and tax avoidance, budget 2016 increases the Canada Revenue Agency's funding by \$444 million and provides \$351.6 million for the CRA to improve its ability to collect outstanding tax debts.

As a tax lawyer, I am well positioned to attest to the fact that these measures improve the fairness and integrity of our tax system and contribute to fiscal sustainability over the long term.

• (1345)

[*Translation*]

A few weeks ago, I joined the right hon. Prime Minister and my hon. colleague, the member for Nickel Belt, to announce a \$27-million investment for the Maley Drive extension, a new road in Sudbury.

This kind of infrastructure investment, which responds to a priority identified by the municipality and involves support from all three levels of government, will create good jobs, make it easier for people and goods to get around, and contribute to economic growth for years.

I am very proud that our government is prioritizing investments like this one. I am also proud that one of the first of these infrastructure investments is for Sudbury.

[*English*]

It is a well-known fact that mining has been at the heart of Sudbury's economy for almost 130 years. Sudbury continues to be one of the largest integrated mining complexes in the world. However, Sudbury's economy is not just about pulling resources from the ground. It is one of the world's leading clusters of mining research and innovation.

Local businesses continue to find new ways to increase their global competitive edge while becoming safer, more cost-effective, and more environmentally sound. That is why I am particularly pleased that budget 2016 sets out a new vision for Canada to stand as a global leader in innovation. Expanding Canada's network of innovative, globally connected firms will drive clean economic growth and will help grow our middle class for years to come.

Sudburians know that investing in research and development is also imperative for sustaining long-term innovation, renewal, and

growth. Budget 2016 will strengthen Canada's research excellence by investing in infrastructure and post-secondary institutions and by funding innovative research.

Sudbury is also an important cultural hub, and given the tremendous range of artists and arts and cultural organizations that contribute to the local economy and raise the quality of life in Sudbury and across Canada, I am truly proud to say that the budget is great for arts and culture.

[*Translation*]

Over the next five years, our government will invest over \$1.9 billion to support this country's great cultural institutions, including the Canada Council for the Arts, Telefilm Canada, and the National Film Board of Canada.

These investments will have a positive impact on hundreds of communities across the country and will enable Canadian artists to continue making their mark as leading lights on the international scene.

I am also delighted that our government is investing an additional \$675 million in CBC/Radio-Canada. This investment will ensure that both of our official languages are heard on public airwaves from coast to coast. The arts and culture community has been waiting for these investments for a decade. These investments will create jobs, strengthen the economy, and enable Canadian culture to shine here at home and around the world.

We have every reason to be proud of our Canadian creators, and these investments make it clear that we support the good work they are doing.

[*English*]

Budget 2016 is good for families, good for hard-working Canadians, good for businesses, good for innovators, and good for our cultural sector.

The budget is good for Sudbury and good for the north, and it will be good for Canada.

[*Translation*]

We are investing today to ensure a better, more prosperous future for our children.

[*English*]

This will be our legacy. It marks the way to a brighter and more hopeful future for all Canadians.

**Mr. Alistair MacGregor (Cowichan—Malahat—Langford, NDP):** Mr. Speaker, I want to ask my Liberal colleague across the way a question specifically about veterans.

As he may know, Bill C-12 was on the Order Paper. It dealt with increasing compensation to veterans. That is something the NDP supports. The budget implementation bill would swallow Bill C-12 and incorporate it among the many different acts that would be changed by this giant omnibus legislation.

*Government Orders*

In light of the recent horrible news coverage the Liberals have been getting with respect to veterans, veterans groups have been tossing out words like “disgrace” and “shameful betrayal”. In light of those facts, why did the Liberal government not leave Bill C-12 alone so it could at least have gone to the Standing Committee on Veterans Affairs for further study? The committee would have heard from expert witnesses, and we could have debated things like increasing mental health support services and increasing support for veterans' spouses? Why was Bill C-12 swallowed up by this omnibus bill?

Why are veterans not getting the proper care and treatment they need?

• (1350)

**Mr. Paul Lefebvre:** Mr. Speaker, my grandfather was a veteran of World War II. One of the reasons I sought office was the treatment of veterans over the last few years.

It was clear in our election platform that we wanted to help veterans by refinancing and bringing back the Veterans Affairs offices across Canada. Reinvesting in veterans was a key section of our platform. That is something our Minister of Veterans Affairs is working hard toward, and I am proud to support him in that endeavour.

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, I would like to comment on what is one of the greatest initiatives in the budget, and that is the Canada child benefit program. My colleague is aware of the fact that we will be lifting literally thousands of children out of poverty in every region of our country. Years from now, we will reflect back on this budget, and that will be one of the issues that will really stand out, at least for me, and I am sure many people.

From the member's perspective, what does he believe is the most significant aspect of the budget for his constituents and himself personally?

**Mr. Paul Lefebvre:** Mr. Speaker, there is so much in the budget we could talk about that would help my region in northern Ontario. The Canada child tax benefit is a very important one, as well as the significant investments in infrastructure. There is a huge infrastructure deficit in northern Ontario from years of cutting back by the previous government.

The budget goes such a long way. We are already starting to see the fruits of the budget in investments. Those are long term. They will be creating jobs and helping out the middle class, as well, in northern Ontario.

Social housing is also a big investment we would be making through our infrastructure projects. That would have a great effect in my community.

**Mr. Mel Arnold (North Okanagan—Shuswap, CPC):** Mr. Speaker, it was interesting to hear the previous question about the Canada child benefit program. We could better refer to the budget as the Canada child deficit program, with the continuing long-term deficits being brought in.

I asked a question earlier today regarding the GST increases that are projected to be 21% over the next five years. That is far more than any increase in the economy is predicted to be. Where is the

21% increase in GST revenues coming from? Is it coming from a tax increase?

**Mr. Paul Lefebvre:** Mr. Speaker, it is very simple. The budget has no increases in the GST. It is as simple as that.

We are investing in the middle class and investing in infrastructure. After conversations with Canadians for the past little while as to what mattered to them, that is what the budget is about. That is why I am proud to support the budget.

**The Assistant Deputy Speaker (Mr. Anthony Rota):** Resuming debate, the hon. member for Saanich—Gulf Islands. I just want to point out to the hon. member that we have about seven minutes, so when 2 o'clock strikes, she will have three minutes to continue when the debate continues.

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Mr. Speaker, it is an honour to rise at report stage to speak to Bill C-15. In the seven minutes I have, I will try to be very economical and focus on a few points that have been mentioned by other members.

I have a very strong view about the improper use of omnibus budget bills, and I want to reflect briefly on the history of omnibus budget bills.

The mandate letter to the hon. government House leader makes it clear that he is directed to “end the improper use of omnibus bills”. Therefore, having fought very hard in the spring of 2012 against Bill C-38, the omnibus budget bill, I want to canvass this because I think it is important for me to say out loud that this is not an improper use of an omnibus bill but it comes dangerously close.

Omnibus budget bills between 1993 and the 2000 were generally around 12 pages long. The biggest omnibus bill that I had seen was in the spring of 2005 under the previous Liberal government of Paul Martin, which topped 120 pages. People actually protested that the Martin government's 2005 budget bill, at 120 pages, was too long, including the leader of the official opposition at that time, who went on to become prime minister and became the champ of all inappropriate and improper uses of budget bills.

This budget bill, at 179 pages, is clearly the longest omnibus budget bill from a Liberal government. However, it is a piker compared to the abuse of democracy that we saw under the previous Conservative regime.

In the year 2010, we saw an omnibus budget bill that was 883 pages long. In the spring of 2012, we saw the first part of an omnibus budget bill that was 440 pages long, with a second part in the fall, which was another 400 pages long.

What makes an omnibus bill appropriate or inappropriate? If in one piece of legislation we are working toward a single purpose and all pieces of the legislation stem from that single purpose, it is an omnibus bill all right, but it is not improper. What happened in the spring of 2012 is that Bill C-38 destroyed our Environmental Assessment Act, which was not mentioned in the budget, destroyed the Fisheries Act, repealed the National Round Table on the Environment and the Economy, repealed the Kyoto Protocol Implementation Act, and changed the National Energy Board Act. No fewer than 70 laws were changed at that time.

Therefore, let us not muddy the waters. The warning to my friends in the Liberal government is that they should not tread too far. This one should have split out the commercialization of the Wheat Board. We needed to study that separately. However, overall, this one is not an improper use of omnibus bills; rather, it just flirts with the word “improper”.

What is good and what is not good about this? Obviously, there is much in this budget to like. I was disappointed because I thought there would be more to like, and there are two specific elements I must mention, before we move to Standing Order 31s, that are really unfortunate and, in fact, egregious.

In terms of the good things, there are changes to the employment insurance program that I welcome. However, as many groups have said, including those who testified before the finance committee, we need to go further and fix EI to get it back to the systems we had before the changes of the Conservative regime. Therefore, while it is certainly better to have the changes we just made, I tried in committee to make amendments to deal with the long-tenured worker, the idea that one has to work for seven years to qualify for those pieces. We have not yet seen the reversal of the changes to seasonal workers. We need to see that.

In the case of the child benefit program, I agree with the Canadian Teachers' Federation, which described it as a good first step to alleviate childhood poverty. However, I found this evidence from the Canadian Teachers' Federation really telling, and we should all take it on board as parliamentarians. It stated:

Each day in our classrooms, Canadian teachers engage with children and youth who are hungry, tired, and struggling due to poverty.

I talk to teachers all the time. We need to do much more for our children. This is just a very small first step.

With respect to veterans, I would say that the Liberals kept their promise to open the veterans offices across Canada that were wrongfully closed. They have done some things that will change the permanent impairment allowance and the grade determination. This is an improvement. However, we still need much more to be done for our veterans, just as we do for pensioners.

• (1355)

The National Pensioners Federation made the same point. The increase in GIS for pensioners is very welcome, but it is \$2.60 a day. The maximum improvement for poor seniors in this budget is \$2.60 a day. That is not enough.

There is more that I liked in the budget, such as cultural industries and better deals for students, although the money needs to be improved. However, there are two pieces that are completely

### Statements by Members

egregious. One is found on page 221, where the fossil fuel subsidy to liquefied natural gas is left in place until 2024. This is a violation of the Liberal election promise to end subsidies to fossil fuels.

Also, at pages 166 and 167, we see a commitment to keep environment assessment in place under the Bill C-38 version, which as I just mentioned, destroyed our environmental assessment regime. Specific reference to continue to fund CEAA under the Canadian Environmental Assessment Act, 2012, is offensive to all of us who understand environmental law.

• (1400)

**The Assistant Deputy Speaker (Mr. Anthony Rota):** The hon. member will have four minutes remaining when debate resumes.

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## STATEMENTS BY MEMBERS

[English]

### NATURAL RESOURCES

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Mr. Speaker, I rise for a brief 60-second tribute to the people of British Columbia who stand united against the Kinder Morgan trans mountain expansion.

Earlier today, Mayor Gregor Robertson was here, speaking in this place, along with Chief Maureen Thomas of the Tsleil-Waututh Nation, Chief Ian Campbell, and Councillor Grant-John of the Musqueam and Squamish First Nations.

I raise my hands to them. I am honoured to represent the Coast Salish peoples of Saanich—Gulf Islands and say *huy tseep q'u* for their being clear.

We need to understand in this place that this debate over pipelines must not pit Alberta against B.C., or Quebec against Alberta.

We need to recognize in this place that the export of raw bitumen to other countries is not in our national interest, and our national interest lies in processing material here and saying no to pipelines.

\* \* \*

### STREETSVILLE FOUNDERS' BREAD AND HONEY FESTIVAL

**Mr. Gagan Sikand (Mississauga—Streetsville, Lib.):** Mr. Speaker, this past weekend I had the pleasure of participating in the annual bread and honey festival in Streetsville.

*Statements by Members*

Since its inception in 1973, the bread and honey festival has celebrated commerce in the local community, originated in part by the flour mills. Having so many bee yards existing at the time, it was only natural to add honey. Even today, everyone enjoys bread that is specially baked by the local milling companies and generously coated with local honey.

The weekend long festival is filled with events and activities for all ages, kicked off by a parade through the main strip of the village. I have attended this event for 31 years, this being my first as the member of Parliament.

It was especially nice to see kids enjoying the festival, as I did growing up. I would like to thank the organizers and volunteers for making this year's bread and honey festival possible and for keeping the local tradition alive.

\* \* \*

**FORT NELSON VOLUNTEER**

**Mr. Bob Zimmer (Prince George—Peace River—Northern Rockies, CPC):** Mr. Speaker, I rise today to acknowledge one of my constituents, Joan Kinzett, who has worked tirelessly to improve the lives of seniors in Fort Nelson, British Columbia.

Joan Kinzett has worked for the Northern Rockies Seniors Society for more than seven years. Over those seven years, she has been instrumental in the fundraising efforts for a supported housing facility in Fort Nelson, as well as the seniors transportation program. Thanks to her hard work and dedication and after years of fundraising, seniors in Northern Rockies will soon have access to supportive housing.

My staff and I always enjoy our conversations with Joan. She not only offers words of encouragement and support for the work we do here in Ottawa, but also has a genuine interest in our lives outside of this place.

I ask all the members to join me in recognizing Joan for her dedication to Fort Nelson's seniors and to our Canadian community as a whole.

\* \* \*

[Translation]

**BRAIN TUMOUR WALK**

**Mr. Angelo Iacono (Alfred-Pellan, Lib.):** Mr. Speaker, tomorrow, June 8, is World Brain Tumour Day. There are more than 120 types of brain tumours. They are all unique and require individualized treatment, making research complex and critical.

For more than 15 years, my mother, Providenza, battled a brain tumour with courage and dignity. She left this world in 2011, but her memory and courage continue to move me.

[English]

I was a natural caregiver for my mom during the last six years of her life, and I understand the effects of the neurological damages brain tumours have on the patients and their families.

[Translation]

That is why, on June 12, I will be taking part in the Brain Tumour Walk in Montreal to raise awareness and raise money for research to put an end to brain tumours.

I invite all my colleagues and everyone watching us to take part in a walk in their community.

\* \* \*

[English]

**DEMOCRATIC REFORM**

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Mr. Speaker, from coast to coast, Canadians are encouraged that the government will finally be supporting the NDP's plan to make our electoral system a fair, inclusive process and a process based on cross-party collaboration.

Just in the past few days, we have received thousands of emails, letters, tweets, and posts. Helen from Pouch Cove, Newfoundland, wrote saying:

This is exactly what Canadians have been hoping for from the Parliament we elected last October...

Jay from Chilliwack said parties will:

...have to collaborate to pick Canada's new voting system, and we will move forward with more trust in the consultation process.

● (1405)

[Translation]

It is not a victory for the political parties. It is a victory for the Canadians who elected us to the House to represent them.

[English]

We are still a very long way from having a fair electoral system where every vote counts and every vote is equal, yet today we will take an important first step.

This afternoon, the House will vote to set this historic process in motion, and we will continually work to earn the trust and take guidance from Canadians as we move ahead.

\* \* \*

**UNICEF**

**Ms. Pam Goldsmith-Jones (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.):** Mr. Speaker, I rise in the House today to recognize Canada's generous donors to UNICEF, and the work of UNICEF through its 128 Makani youth centres in Jordan. Jordan's schools cannot accommodate everyone by a long shot. UNICEF Jordan works in partnership with government and civil society to reach the most marginalized and vulnerable children, providing education and psychosocial support services.

I talked to many of these children when I visited a Makani centre in Amman. The children love their teachers. They long to go to regular school. They play soccer. They dream of going to university. They feel safe and secure at the Makani centre.

This year the World Refugee Day campaign is focused on displaced persons. Ban Ki-moon has said, “Refugees are people like anyone else, like you and me. They led ordinary lives before becoming displaced, and their biggest dream is to be able to live normally again.”

Together with all members, I would like to thank Canada's partners in addressing the global refugee crisis.

\* \* \*

#### CENTRAL OKANAGAN—SIMILKAMEEN—NICOLA

**Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC):** Mr. Speaker, a few weeks ago, I was proud to announce the official opening of my new constituency office in Summerland, British Columbia. One thing unique about my new office is that I am sharing it with the B.C. Liberal MLA who also represents Summerland at the B.C. Legislative Assembly.

As many members of Parliament will know, often citizens come into our offices only to discover they are seeking assistance on provincial issues. Providing more services in the same location can better serve our constituents, and sharing some office expenses can create more efficiencies. At the end of the day, we must always be mindful that there is only one taxpayer.

So far, I am pleased to report to the House that the joint office is working well to provide increased services at a lower cost to citizens in my riding. I would also like to thank B.C. MLA Dan Ashton for supporting this initiative.

\* \* \*

[Translation]

#### CANADIAN ENVIRONMENT WEEK

**Mr. Paul Lefebvre (Sudbury, Lib.):** Mr. Speaker, this is Canadian Environment Week. Our government knows that it is essential to protect our environment while ensuring economic growth. I am proud to say that, for 30 years, the riding of Sudbury has been leading by example and proving that it is possible.

[English]

Back in 1972, our sulphur-damaged landscape was chosen as a training ground for the crew of Apollo 17 as it prepared to go to the moon. Since then, we have planted more than nine million trees. The lunar landscape is now a huge green forest.

[Translation]

Thanks to countless members of the community who planted millions of trees, our lunar landscape is becoming a huge green forest.

[English]

It only stands to reason that Citizens' Climate Lobby, a grassroots organization that empowers Canadians to build a more livable planet, has chosen to establish its national office in our community. Tonight, I will hold a reception with the Citizens' Climate Lobby to support this organization in its efforts to dialogue with all parliamentarians. I am proud of the organization's work. I am proud of all Sudburians who strive, through community involvement or in

#### Statements by Members

their own private way, to protect our environment, not just during this week but all through the year.

[Translation]

I wish everyone a happy environment week.

\* \* \*

[English]

#### NO. 2 CONSTRUCTION BATTALION

**Mr. Darrell Samson (Sackville—Preston—Chezzetcook, Lib.):** Mr. Speaker, I am pleased to rise today in the House to mark the 100th anniversary of the No. 2 Construction Battalion, which was formed in 1916 during the First World War and was almost completely composed of black Nova Scotians.

At the time, there was no national policy on the enrolment of African Canadians in our Armed Forces. These decisions were left to individual commanding officers, meaning they were mostly excluded from service. When they were allowed to serve, they had to sleep in their own camps and be segregated from recreation, medical services, and even detention. However, even in the face of this prejudice, 300 brave individuals made up this battalion, which was based in Pictou, Nova Scotia, and more than 1,500 African Canadians fought abroad.

\* \* \*

#### CANADIAN MEN'S VOLLEYBALL TEAM

**Mr. Kevin Waugh (Saskatoon—Grasswood, CPC):** Mr. Speaker, after a 24-year absence from the Olympic Games, the Canadian men's volleyball team has qualified for Rio. At the final qualifying tournament in Japan, Canada beat China three games to two. In fact, the men won the fifth set 15 to 9. It should be noted that the Canadian team rallied, from down three games to one, to win the last two games.

The Canadian team is led by Gavin Schmitt from Saskatoon. He scored 23 points in the come-from-behind win over China. Schmitt is a remarkable athlete. He is six foot 10. However, what makes this story even more remarkable is that Schmitt suffered a stress fracture in January and had to go through surgery. After a quick recovery, five months later he is on the court to lead Team Canada in the qualifying tournament.

The volleyball team will head to Saskatoon later this month, but today it is a celebration for head coach Glenn Hoag and the rest of the men's Olympic-bound volleyball team.

\* \* \*

● (1410)

#### STEEL INDUSTRY

**Mr. Terry Sheehan (Sault Ste. Marie, Lib.):** Mr. Speaker, today I am honoured to extend a very warm welcome to the members of the Canadian Steel Producers Association as they partake in day two of “steel days” on Parliament Hill.

*Statements by Members*

Its member companies include Sault Ste. Marie's Essar Steel and Tenaris Algoma Tubes. Together with their partners in this association, they annually produce approximately 13 million tonnes of primary steel as well as one million tonnes of steel pipe and products in other Canadian facilities.

This important industry is very dear to the Canadian economy, as it produces \$14 billion. Also, the Canadian Steel Producers Association does other important work, such as employing 22,000 middle-class people across the nation. It indirectly employs and creates 100,000 middle-class jobs as well.

I am glad to have this opportunity to welcome this very important association to Parliament today.

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**ARMED FORCES DAY**

**Ms. Leona Alleslev (Aurora—Oak Ridges—Richmond Hill, Lib.):** Mr. Speaker, today I rise in the House to recognize Armed Forces Day and the anniversary of D-Day, as a member of Parliament and a former air force officer.

Our country is proud of our military roots and the contributions we have made, not only to the liberation of Europe on the beaches of Normandy and Juno on June 6, 1944, but to peace and security around the world since then.

Today, I would like to offer our thanks to our military personnel for their service to Canada. Liberty and freedom are tenuous and often come at a high price. Whether at home or abroad, our Armed Forces stand ready to serve and to pay that price.

To recognize Armed Forces Day, let us honour the contributions of our Armed Forces members and thank them for their service.

\* \* \*

**RAMADAN**

**Mr. Bob Saroya (Markham—Unionville, CPC):** Mr. Speaker, *as-salaam alaykum. Ramadan Mubarak.*

Ramadan is the ninth month on the Islamic calendar. Muslims across the world approach this holiday with much devotion and sincerity.

It is a time for thoughtfulness, spiritual reflection, and acts of kindness. Those who are physically able will fast from dusk to dawn as one of the five pillars of Islam, while devoting themselves to worship and prayer to Allah.

Let this be a time for all Canadians, regardless of their cultural or religious backgrounds, to join with those celebrating Ramadan by remembering the less fortunate and celebrating acts of kindness and charity.

To everyone in Canada and around the world observing the holy month of Ramadan, I wish you all *Ramadan Mubarak*.

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**NWT ASSOCIATION OF COMMUNITIES**

**Mr. Michael McLeod (Northwest Territories, Lib.):** Mr. Speaker, in 1966, municipal leaders from Yellowknife, Fort Smith,

Hay River, and Inuvik met to discuss the formation of an association to promote the exchange of information and provide a united front for the realization of their mutual goals. Since then, the goal of the NWT Association of Communities has remained the same, which is working together to achieve all that our communities want to be.

For the past 50 years, municipal leaders across the NWT have come together on numerous occasions to promote a strong voice for local governments. In 2016, as it celebrates its 50th anniversary, the NWT Association of Communities can proudly boast a membership of 33 or 100% of the communities in the Northwest Territories.

I have had the pleasure of working with the association from many different sides, as a mayor, as an MLA, and now as a member of Parliament.

I congratulate its members on the work they do for their constituents and on celebrating their 50th anniversary.

\* \* \*

● (1415)

**PETER WOHLWEND**

**Mr. Don Davies (Vancouver Kingsway, NDP):** Mr. Speaker, I rise to commemorate the passing of an exceptional Canadian and leader in Vancouver Kingsway, Peter Wohlwend.

It is impossible to overstate the legacy Peter has left for us all. He was instrumental in connecting people, beautifying our city, making our streets safe, and inspiring compassion for everyone in our community.

Peter helped form the Dickens Community Crime Watch, now the Dickens Community Group, a diverse array of volunteers who work together to make their neighbourhood a better place to live and raise families. He pioneered the Dickens listserv, a service that informs folks about local events and issues, and helped found the Kensington-Cedar Cottage Neighbour newspaper.

Along with his partner Midori, he was a leader in planting on public spaces and brought the Vancouver blooming boulevards program to life. Peter helped establish the Windsor Street bicycle route, Windsor art way, and transformed McAuley Park. Throughout all, he committed countless acts of kindness and generosity.

I thank Peter for being a visionary and for sharing his love of community, and I extend sincere condolences to Midori and family. He will be missed but never forgotten.

\* \* \*

**TAXATION**

**Mr. Phil McColeman (Brantford—Brant, CPC):** Mr. Speaker, today is tax freedom day, when families start working for themselves, not the government.

We, as Conservatives, believe in empowering Canadians by putting more money back into their pockets to invest in what matters most to them. That is why we cut taxes over 180 times to their lowest level in half a century, and put over \$6,000 back into the pockets of the average Canadian family. That is real support for the middle class.



Yes, tax freedom day falls slightly earlier than in 2015, but I know the Liberals would not claim credit for a Conservative tax cut in a leap year. In 2005, under the old tax-and-spend Liberals, tax freedom day was not until June 26. Under our new tax-and-spend Liberals, we are headed right back in that direction. Their plan saddles Canadians with \$120 billion in new debt. That is why Canadians know they will be doing a lot less working for themselves and lot more working to foot the bill for the Liberal—

**The Speaker:** Order, please.

The hon. member for Etobicoke—Lakeshore.

\* \* \*

#### CANADA-UKRAINE PARLIAMENTARY PROGRAM

**Mr. James Maloney (Etobicoke—Lakeshore, Lib.):** Mr. Speaker, I am proud to stand today to speak about an amazing internship program that finished last week.

Since it was established in 1991, the Canada-Ukraine parliamentary program has seen students from across Ukraine have the opportunity to intern in parliamentary offices and experience first-hand the work we do here in the House of Commons.

This year, 31 university students travelled from Ukraine to Canada and joined offices on both sides of the House, where they were exposed to our parliamentary procedures and the democratic system used in Canada. Though coming from diverse educational backgrounds, these students have now returned to Ukraine where they will share the knowledge and experience they have gained during their stay.

With more than 1.3 million Canadians tracing roots to Ukraine, it is easy to understand why programs such as CUPP are important in further strengthening the relationship between our two countries. I know, in my own office, we were fortunate to be exposed to many new and interesting aspects of Ukrainian culture.

I would like to thank, personally, all of the offices that were involved in this great program.

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## ORAL QUESTIONS

[English]

### DEMOCRATIC REFORM

**Hon. Rona Ambrose (Leader of the Opposition, CPC):** Mr. Speaker, yesterday, the Prime Minister said the issue of electoral reform is too complicated for Canadians to vote on. However, he has it completely backwards. Canadians are smart. They are smart enough to understand what their vote means and they are smart enough to say yes or no.

Therefore, will the Prime Minister finally get rid of his “Liberals know best” attitude, put his trust in Canadians, and commit to a referendum?

**Right Hon. Justin Trudeau (Prime Minister, Lib.):** Mr. Speaker, on the contrary, trusting Canadians means trusting them with open consultations, not a closed question. It means engaging with Canadians on the kinds of values that underpin our electoral

### Oral Questions

system, talking about complex nuanced issues with Canadians so they can better inform the decisions we take here in the House.

On our side of the House, it is all about listening to and respecting Canadians, which cannot be said for when the previous government made changes to our electoral system.

\* \* \*

[Translation]

### NATIONAL DEFENCE

**Hon. Rona Ambrose (Leader of the Opposition, CPC):** Mr. Speaker, the Prime Minister does not understand our military personnel and the dangerous world in which they operate. He naively pulled our fighter jets out of the fight against ISIS. Then the Liberals cut billions of dollars from national defence spending. Now the Prime Minister wants to choose what kind of fighter jets we should get.

Why should Canadians believe that he will pick the best fighter jets for our military personnel when he does not even understand the value they bring to combat?

• (1420)

**Right Hon. Justin Trudeau (Prime Minister, Lib.):** Mr. Speaker, what Canadians do know is that, for 10 years, the Conservatives completely missed the mark when it came to providing Canadians and our armed forces with the equipment they needed. The Conservatives threw their lot in with a plane that does not work and is a long way from ever working.

In the meantime, our armed forces are unable to keep Canada's promises to NATO and NORAD. We inherited this problem and we will solve it.

[English]

**Hon. Rona Ambrose (Leader of the Opposition, CPC):** Mr. Speaker, the Prime Minister does not understand our military and the dangerous world it operates in. He naively pulled our jets out of the fight against ISIS, then the Liberals cut billions from defence spending. Now the Prime Minister is choosing what kind of fighter plane our pilots will fly.

How can Canadians have any faith that he will pick the best plane for our men and women in uniform when he does not even understand the value they bring to a fight?

**Right Hon. Justin Trudeau (Prime Minister, Lib.):** Mr. Speaker, I find that a bit rich from the Conservatives who, when in government, completely botched their procurement process. They were unable to deliver the kinds of planes and equipment that the Canadian Forces needed and instead continued to play politics when what Canadians needed was the right equipment at the right price. They left us a mess that we are going to fix, because that is why Canadians elected us.

\* \* \*

[Translation]

### SOFTWOOD LUMBER

**Hon. Denis Lebel (Lac-Saint-Jean, CPC):** Mr. Speaker, now the softwood lumber industry is paying the price of the Liberals' inaction.

*Oral Questions*

We know that the former Liberal government and the United States ended up in a dispute that resulted in countervailing duties of 37%. Our government was able to bring those duties down to 10% on average, thanks to an agreement we reached in 2006.

Can the Prime Minister commit to securing an agreement that will be good for Canada's forestry industry, an agreement he will soon be signing with the United States?

**Right Hon. Justin Trudeau (Prime Minister, Lib.):** Mr. Speaker, again, the Conservative government did nothing about the softwood lumber issue for years. We had to start by re-establishing good relationships with the U.S. government. Since forming the government, we have worked hard to deal with this matter. We continue to work hard on this because the previous government did not want to talk about softwood lumber. The only thing it wanted to talk to the Americans about was the pipeline. That was rather frustrating for the Americans and for Canadians.

**Hon. Denis Lebel (Lac-Saint-Jean, CPC):** Mr. Speaker, I invite the Prime Minister to hit the history books and read about what happened with softwood lumber in the past.

The Liberals completely abandoned the regions, including my own region, on the softwood lumber file before 2006. We had an agreement that ended in October 2015. The former minister was already working on moving this issue forward. That is the truth. Yesterday, the Government of Quebec asked the federal government to consider the changes to the system that issues timber supply and forest management agreements in Quebec.

Will the Prime Minister commit to signing an agreement that will make Quebec happy and that will take into account the new reality in Quebec and the rest of Canada?

**Right Hon. Justin Trudeau (Prime Minister, Lib.):** Mr. Speaker, Canadians know very well that the former Conservative government completely bungled our relationship with the United States. They did not agree on anything.

As we all know, our relationship with the United States is the Canadian government's most important international relationship, which is why we immediately started working on restoring a positive relationship with the United States, so that we can work on files that have a real impact on people's lives, such as softwood lumber, jobs, and innovation.

That is what we are working on for Canadians.

\* \* \*

**PHYSICIAN-ASSISTED DYING**

**Hon. Thomas Mulcair (Outremont, NDP):** Mr. Speaker, yesterday, one of the most respected constitutional experts in the country stated that the bill on medical assistance in dying is unconstitutional.

He added his voice to those of the Barreau du Québec, the Alberta Court of Appeal, and the Ontario Superior Court of Justice. A lot of people are saying the same thing.

Why does the Prime Minister want to force people who are suffering to take their cases to court? Why does he persist when he knows he is wrong?

• (1425)

**Right Hon. Justin Trudeau (Prime Minister, Lib.):** Mr. Speaker, Canadians expect the government to defend the rights and freedoms of Canadians but also to protect the most vulnerable.

Medical assistance in dying represents an important step in the evolution of our society, and it is important that it be done right. For that reason we tried to find the right balance and to introduce conditions and a responsible bill that will defend the interests and the choices of Canadians while protecting the most vulnerable. That is what we did.

**Hon. Thomas Mulcair (Outremont, NDP):** Mr. Speaker, the Prime Minister raised a red herring there. Actually, it is entirely possible to protect vulnerable people and guarantee Canadians' rights.

The Supreme Court recognized a charter right: medical assistance in dying. The Prime Minister's law removes that right. It is as simple as that. For 10 years, the Conservative government trampled on human rights. Canadians expected better from the Liberals.

How can the Prime Minister justify the fact that his government is behaving exactly like the Conservatives?

**Right Hon. Justin Trudeau (Prime Minister, Lib.):** Mr. Speaker, on the contrary, whereas the Conservative government refused to do anything about this important issue despite the Supreme Court's ruling, we got to work immediately.

We consulted Canadians and listened to their concerns. We sought to strike a balance between defending rights and freedoms and protecting the most vulnerable. That is exactly what we did with this bill. We recognize that this is an important stage in our society's development and that we have to travel this road responsibly. That is exactly what we are doing, and we are proud to have done it for Canada today.

**Hon. Thomas Mulcair (Outremont, NDP):** Mr. Speaker, the Liberals did not take action immediately. They waited until April to introduce their bill.

[English]

Bill C-14 is unconstitutional. It would be challenged for years in the courts. The Carter family has said it feels betrayed by the government and by the Prime Minister. Here in the House, the Prime Minister refused to accept amendments that would fix the bill and make it charter compliant.

I have a simple question. Is the Prime Minister going to accept those exact changes if they now come from the unelected Senate?

**Right Hon. Justin Trudeau (Prime Minister, Lib.):** Mr. Speaker, as we do in every situation, we listen to suggestions and amendments from all parliamentarians, including from the Senate. We accepted a number of amendments at committee from opposition parties and we continue to look forward to a fulsome debate in an informed way on this extremely important issue.

Canadians expected us to balance the rights of Canadians with the defence of the most vulnerable. That is exactly what we are doing. We look forward to seeing what suggestions the more independent and less partisan Senate has to make on this important piece of legislation.

*Oral Questions*

**Hon. Thomas Mulcair (Outremont, NDP):** Mr. Speaker, the Prime Minister has just revealed that he is playing political games with a bill that is about reducing suffering. That is shameful.

The Prime Minister talks of a middle ground, but since when do we compromise on human rights, human rights that have been guaranteed by the Supreme Court when applying the Canadian Charter of Rights and Freedoms? For a party that loves to wrap itself in that charter, why is the Prime Minister pushing a bill which he knows goes against the charter?

**Right Hon. Justin Trudeau (Prime Minister, Lib.):** Mr. Speaker, I will let Canadians decide who is playing politics on this particular issue.

We are focused on putting forward a significant change in Canadian society that both defends Canadians' rights and freedoms while protecting the most vulnerable.

This is a big step in the course of our society, and this is one that we have made, listening to Canadians, listening to opposition parties, in the full understanding that this step will be followed by others in the coming years.

This step was an important one to get right. That is exactly what Canadians expected of us and we delivered.

**The Speaker:** I would ask the member for Timmins—James Bay to try to restrain himself.

The hon. member for Selkirk—Interlake—Eastman.

\* \* \*

**NATIONAL DEFENCE**

**Mr. James Bezan (Selkirk—Interlake—Eastman, CPC):** Mr. Speaker, the Liberals have broken their promise for a fair and transparent competition to replace our CF-18s and are sole-sourcing the Boeing Super Hornet instead.

Maybe we should not be surprised. Boeing officials have met 10 times since February with senior political staff, including Public Works, National Defence, Industry, and the PMO. Half of those meetings included the senior policy adviser of the Minister of National Defence.

Why have the Liberals rigged the process to replace our fighter jets and allowed Boeing to jump the queue?

• (1430)

**Hon. Harjit S. Sajjan (Minister of National Defence, Lib.):** As I stated before, Mr. Speaker, our government is committed to replacing our CF-18s because it is long overdue. They should have been replaced a long time ago.

In terms of meeting officials from various companies, the hon. member should also know that on our trip to Singapore the CEO of Lockheed was actually with us at that conference. I met with her and sat with her at that table as well.

**Mr. James Bezan (Selkirk—Interlake—Eastman, CPC):** Mr. Speaker, the Liberals have invented an imaginary capability gap.

In 2014, Conservatives invested \$400 million to upgrade our CF-18s.

Lieutenant-General Michael Hood, Commander of the Royal Canadian Air Force, has said that the CF-18s' useful life has been extended to 2025 and they can do the job.

Meanwhile, the Liberals have fabricated a false narrative to sole source the Super Hornet.

Canadians deserve the truth. So, who is telling the truth? The Royal Canadian Air Force or the Liberals?

**Hon. Harjit S. Sajjan (Minister of National Defence, Lib.):** Mr. Speaker, we should have replaced those fighters long before, so we did not even have to spend hundreds of millions of dollars on extending the program. It has been close to 30 years that we have been flying these airplanes.

Our men and women deserve the right equipment, and our government will deliver on that.

[*Translation*]

**Mr. Pierre Paul-Hus (Charlesbourg—Haute-Saint-Charles, CPC):** Mr. Speaker, the only gap here is on the government benches. The government seems to be suffering from an imaginary problem. Among their many gaps, the Liberals have a capability gap.

On April 14, General Hood, Commander of the Royal Canadian Air Force, said that the CF-18s' useful life had been extended to 2025.

Can the minister confirm that this is a ploy to allow the Liberals to keep an election promise?

[*English*]

**Hon. Harjit S. Sajjan (Minister of National Defence, Lib.):** Yes, Mr. Speaker, the CF-18 will be extended to 2025. We do need replacements. They should have been replaced a long time ago. We have to start the process soon because our fighters have been flying for some time. They should have been replaced.

More capability gaps have been created, just like in the shipbuilding program.

[*Translation*]

**Mr. Pierre Paul-Hus (Charlesbourg—Haute-Saint-Charles, CPC):** Mr. Speaker, the capability gap was created in collaboration with lobbyists.

Since February, Boeing had 10 meetings with senior political staff. More than half of those meetings were with the senior policy adviser to the Minister of National Defence and the Prime Minister. That many meetings with the same group smells fishy to me.

The government claimed to want to be open and transparent, but did it rig the process to replace our CF-18s to help Boeing jump the queue?

[*English*]

**Hon. Harjit S. Sajjan (Minister of National Defence, Lib.):** Mr. Speaker, our government is committed to replacing the CF-18s. As I stated, they should have been replaced a long time ago. Maybe the hon. member should have been asking the questions when they were in government.

*Oral Questions*

The capability gap took place in front of us, and in 2025, the CF-18s will not be able to fly, and it is important that we move very quickly in filling this capability gap.

\* \* \*

**ETHICS**

**Mr. Mark Strahl (Chilliwack—Hope, CPC):** Mr. Speaker, by appointing the Liberal House leader as the Minister of Fisheries, Oceans and the Canadian Coast Guard, the Prime Minister has placed his part-time minister into a precarious position.

The minister is in a conflict of interest whenever he is dealing with the Irving family. They have numerous fisheries interests in Atlantic Canada, and Irving Shipyards is a key supplier to the Canadian Coast Guard.

Why did the Prime Minister put his part-time Minister of Fisheries, Oceans and the Canadian Coast Guard into a full-time conflict of interest?

**Hon. Dominic LeBlanc (Leader of the Government in the House of Commons and Minister of Fisheries, Oceans and the Canadian Coast Guard, Lib.):** Mr. Speaker, Canadians expect governments and ministers to act at the highest ethical standards. That is exactly what every minister of this government has done. Within hours of the Prime Minister asking me to assume these responsibilities, I proactively reached out to the Ethics Commissioner. I asked for her advice as to what measures could be put in place to ensure that there was no conflict of interest. Nor would there be an appearance of a conflict of interest. I will be following her advice at every moment, as I always have.

**Mr. Mark Strahl (Chilliwack—Hope, CPC):** Mr. Speaker, the part-time Minister of Fisheries has an admitted conflict of interest whenever it comes to the Irving family in New Brunswick. The Irvings have interests in fisheries habitat work, are involved in the Atlantic Salmon Federation, and the minister's advisory panel on Atlantic salmon. Irving Shipyards is also an important Coast Guard supplier.

When will the Prime Minister replace this part-time Minister of Fisheries with someone who can actually work on all of the files?

**Hon. Dominic LeBlanc (Leader of the Government in the House of Commons and Minister of Fisheries, Oceans and the Canadian Coast Guard, Lib.):** Mr. Speaker, as I said, I wish the member opposite would in fact ask questions in the fisheries portfolio that speak to the important economic interests that this department represents from coast to coast in Canada, instead of fabricating and inventing conflicts of interest where none exist.

\* \* \*

● (1435)

[*Translation*]

**NATIONAL DEFENCE**

**Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP):** Mr. Speaker, is it just me or does this whole fighter jet story feel like *Groundhog Day*?

After slamming the Conservatives for buying the F-35s without a call for tenders, the Liberals are gearing up to do the same thing. To

replace our aging CF-18s, they are going to buy Super Hornets and, surprise, surprise, without going to tender.

Why are the Liberals acting so much like the Conservatives?

Why are the Liberals making the same mistakes as the previous government?

Is there anyone at the controls?

[*English*]

**Hon. Harjit S. Sajjan (Minister of National Defence, Lib.):** Mr. Speaker, as I stated earlier, we are committed to replacing our CF-18s and we will do our due diligence to do so. There is a capability gap that was created by the previous government and we will ensure that we will fill this gap.

**Mr. Randall Garrison (Esquimalt—Saanich—Sooke, NDP):** Mr. Speaker, everyone agrees we need to replace the CF-18s. However, sole sourced procurement is costly, bad for accountability and often ends up taking even longer to deliver the equipment we need.

In opposition, the Liberals complained about the Conservatives when they sole sourced procurement for the F-35s. Instead, they promised Canadians an open, transparent competition to replace the CF-18s.

Why are the Liberals now doing an about-face, breaking their promise, and behaving just as badly as the Conservatives on procuring fighter jets?

**Hon. Harjit S. Sajjan (Minister of National Defence, Lib.):** Mr. Speaker, as I also stated in the past, even though we are launching a defence review, replacing our fighters and the national shipbuilding strategy are going to be going on a separate path, and that is what we have been doing. We are working very hard on that. We are doing all the thorough analysis. When all that work is done, we will be making the announcement for that.

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**DEMOCRATIC REFORM**

**Mr. Scott Reid (Lanark—Frontenac—Kingston, CPC):** Mr. Speaker, since taking office, the Prime Minister has repeatedly contradicted his minister's hints that a referendum might be okay.

Yesterday his objection was, "This process is more complex than the "yes or no" of a referendum." I promised myself that I would not raise quantum computing or one-armed planks in question period, but facts are facts, and in this universe the decision whether or not to endorse a new voting system that his government will propose really is a binary decision, yes or no.

Based on this new information, will the Prime Minister now agree to hold a referendum?

*Oral Questions*

**Hon. Maryam Monsef (Minister of Democratic Institutions, Lib.):** Mr. Speaker, today is a great day. I am looking forward to the vote following question period where we all put our confidence in a parliamentary committee made up of all parties whose responsibility it is to reach out to all our constituents and bring their voices and their values into the conversation about electoral reform. I look forward to this co-operative and collaborative style of governance for many years to come.

**Mr. Scott Reid (Lanark—Frontenac—Kingston, CPC):** Mr. Speaker, the Prime Minister's latest excuse to deny Canadians the final say in a new voting system from just earlier in this question period is, "we need open consultations, not a closed question".

This, of course, completely contradicts the minister who yesterday said that consultations were only step one of a three-stage process. Therefore, at some point, when stages one and two are done, a closed question will be appropriate, something like this, "Should election 2019 take place under the voting system proposed by the government, yes or no?" Is that not a reasonable question?

**Hon. Maryam Monsef (Minister of Democratic Institutions, Lib.):** Mr. Speaker, as always, we remain open and receptive to respectful and reasonable arguments. Today, we take step one of a long journey for which we are all responsible to ensure that as we move forward toward modernizing our electoral system and our democratic institutions, the voices of our constituents are included in our decision-making process. Let us focus on step one, one step at a time.

[*Translation*]

**Mr. Alain Rayes (Richmond—Arthabaska, CPC):** Mr. Speaker, in 2012, the Minister of Foreign Affairs and father of the clarity bill felt that it would be necessary to hold a referendum before any changes could be made to the voting system. He said, "Precedent makes holding a referendum necessary in Canada: changing the voting system would require popular support."

Three-quarters of the population share that opinion.

Can the Minister of Democratic Institutions tell us what she told the minister behind closed doors to make him go back on his own words?

[*English*]

**Hon. Maryam Monsef (Minister of Democratic Institutions, Lib.):** Mr. Speaker, the process of electoral reform requires the attention and the care of all members of the House.

Today we will be voting on establishing an all-party committee whose responsibility it will be to reach out to our constituents, particularly those who have not been included in this conversation in the past, to ensure that the process and the outcome make sense for all of us.

Let us focus on the work of the committee. There is a lot riding on this. We are all counting on it to do this work. I am looking forward to the vote today.

•(1440)

**Mr. Blake Richards (Banff—Airdrie, CPC):** Mr. Speaker, it seems like the Minister of Democratic Institutions cannot even keep her talking points straight for a single answer. She has told the House

that she wants to hear from Canadians, while in the same answer has stated that politicians should make the decision.

Which is it? Politicians making the decision, or will the minister actually drop the talking points and leave this decision directly in the hands of Canadians through a referendum?

**Hon. Maryam Monsef (Minister of Democratic Institutions, Lib.):** Mr. Speaker, I have no notes at my disposal.

Let us review what we are here to do. Canadians have elected us to come to this place and to represent them with dignity and with full co-operation. That is what we are doing today. A committee will come together, made up of all parliamentarians, to reach out to Canadians and to hear from them first on what values and what aspirations they have for their electoral system. Let us recognize our responsibility to do this work right.

Once again, I am really looking forward to the vote.

\* \* \*

[*Translation*]

**CANADA REVENUE AGENCY**

**Mr. Pierre-Luc Dusseault (Sherbrooke, NDP):** Mr. Speaker, while most Canadians are law-abiding citizens, we learned today of another service that KPMG provides to its wealthy clients. This time, it is recommending its tax avoidance scheme not only to avoid taxes, but also to allow its clients to avoid paying divorce settlements and alimony. It is shameful.

How can the Liberals continue to protect KPMG? When is the minister going to do whatever it takes to bring to justice not only KPMG's millionaire clients, but also the firm itself and its unscrupulous accountants, for developing this tax avoidance scheme on the Isle of Man?

**Hon. Diane Lebouthillier (Minister of National Revenue, Lib.):** Mr. Speaker, middle-class Canadians pay their share of taxes, but some wealthy individuals are avoiding paying their fair share. That is unacceptable and it must change.

CRA is investigating the taxpayers identified in the KPMG schemes, and the massive investment in our latest budget will help stop the organizations that create and promote such schemes for the rich.

This matter is before the courts, so I would caution the member. I want to reassure all Canadians that no one can shirk their obligations.

[*English*]

**Mr. David Christopherson (Hamilton Centre, NDP):** Mr. Speaker, another day, another scandal involving KPMG. It appears it was not enough for KPMG to just advise clients on how to evade paying taxes, now it has been caught devising schemes so clients could dodge their support, divorce, or alimony obligations.

Just how many more scandals do we need before the government finally launches a full investigation into the actions of KPMG?

*Oral Questions*

[Translation]

**Hon. Diane Lebouthillier (Minister of National Revenue, Lib.):** Mr. Speaker, I would remind my colleague opposite that the KPMG schemes were denounced by the Canada Revenue Agency.

Our government is committed to fighting tax evasion and aggressive tax avoidance. We are keeping this promise through our historic \$444-million investment.

We are committed to developing a fairer tax system for Canadians. That is what we promised we would do, and that is what we are doing.

\* \* \*

[English]

**CANADIAN COAST GUARD**

**Hon. Mark Eyking (Sydney—Victoria, Lib.):** Mr. Speaker, the men and women of the Canadian Coast Guard work hard to protect Canadians and the bodies of water from coast to coast to coast.

I recently had the pleasure of taking part in an announcement in Sydney with regard to the Coast Guard college. Could the Minister of Fisheries, Oceans and the Canadian Coast Guard update us on what is being done to ensure that the college in Westmount has the resources and facilities it needs to continue producing qualified personnel?

**Hon. Dominic LeBlanc (Leader of the Government in the House of Commons and Minister of Fisheries, Oceans and the Canadian Coast Guard, Lib.):** Mr. Speaker, I want to thank my outstanding colleague from Sydney—Victoria for his strong support of the Canadian Coast Guard.

The Canadian Coast Guard in Sydney has been a world leader in the field of maritime studies for over 50 years. The member, on our behalf, announced \$32 million on the weekend for a cleaner, greener college. These investments will reduce the facility's energy consumption and greenhouse gas emissions by over 20%.

The college is a top-notch facility, an example to other countries, and we are very proud of the work being done there.

\* \* \*

**NATURAL RESOURCES**

**Mrs. Shannon Stubbs (Lakeland, CPC):** Mr. Speaker, Canada has world-class assessment consultation and standards for energy projects.

Unfortunately, the Liberals and some anti-energy mayors do not seem to have figured that out yet. The Liberals create more complications and uncertainty by adding an extra layer at the end of the independent science-based review process.

Canadians need pipelines. These unnecessary delays do not help. Will the Liberals stop interfering and leave evidence-based decision-making to the experts?

• (1445)

**Hon. Jim Carr (Minister of Natural Resources, Lib.):** Mr. Speaker, I had the pleasure this morning to meet with a mayor of a major Canadian city, Vancouver. I have also heard from the mayors

of other Canadian cities who hold a different view on pipelines and major energy projects.

The sensible thing to do is to establish an independent panel of experts from western Canada to talk to mayors and others who have an opinion, after which the government will decide what it believes to be in the national interest.

**Mrs. Shannon Stubbs (Lakeland, CPC):** Mr. Speaker, the Liberals are making upstream emissions a condition of pipeline approval. No other major infrastructure is held to the same bar, certainly not big city rail, and foreign oil imports are not either.

Provinces already regulate upstream emissions. Canada produces the most socially and environmentally responsible oil and gas in the world. When will the Liberals stop blocking Canadian energy?

**Hon. Catherine McKenna (Minister of Environment and Climate Change, Lib.):** Mr. Speaker, unlike the previous government, we believe the environment and the economy go together.

I was very proud to stand with the Minister of Natural Resources when we announced interim principles that would rebuild the trust necessary so we could get resources to market in a sustainable way, in the 21st century. That also includes taking into account greenhouse gas emissions, because we need to do our part to tackle climate change. That is the right thing to do. That is the thing to do for our children. Also, it makes economic sense.

**Mr. Brad Trost (Saskatoon—University, CPC):** Mr. Speaker, steelworkers are excited for the job security that comes with over 1,100 kilometres of high-grade steel for the northern gateway pipeline. Thank goodness for energy east, its 4,600 kilometres of steel pipe and the 14,000 construction jobs that come with it.

However, wait, the Liberals voted against energy east, and the Prime Minister killed northern gateway.

Why are the Liberals saying no to building new pipelines and tens of thousands of high-paying jobs?

**Hon. Jim Carr (Minister of Natural Resources, Lib.):** Mr. Speaker, the hon. member's colleague stood in his place in the House and wanted the government to approve a pipeline project that had not yet been installed with a regulator. He believed that the responsible thing for a government to do was to assess a project before a single Canadian had the opportunity to express a point of view.

We think a better idea is to have a transparent process, with predictable timelines and ways in which Canadians can let government know what they think is in the national interest, after which the government will decide.

**Mr. Brad Trost (Saskatoon—University, CPC):** Mr. Speaker, Canada's steel industry provides 22,000 direct jobs, with an average salary of \$75,000 per year. Another 100,000 indirect jobs are associated with the industry.

According to Canadian Steel Producers Association, the value chain stretches all the way back to eastern Canada, to where iron ore is mined in Quebec and Labrador before being poured into primary steel forms in Ontario.

Why are the Liberals killing jobs in our steel mills, mines, and factories across Canada that benefit from new pipelines?

**Hon. Jim Carr (Minister of Natural Resources, Lib.):** Mr. Speaker, we understand that 20% of the gross domestic product of Canada is in the natural resources sector. We understand that prosperity for western Canadians and, indeed, right across the country depends on responsible and sustainable natural resource development.

The government understands that we have to protect the environment and create jobs for a prosperous future for Canada. That is what we intend to do.

\* \* \*

[Translation]

#### IMMIGRATION, REFUGEES AND CITIZENSHIP

**Ms. Hélène Laverdière (Laurier—Sainte-Marie, NDP):** Mr. Speaker, as World Refugee Day approaches, the refugee crisis in Europe is only getting worse.

We all remember the young Alan Kurdi, whose photo was published around the world, but this kind of tragedy is taking place every day. Since the beginning of the year, almost 2,500 men, women, and children have died in the same way. The entire international community is being asked to do more.

What further contributions will Canada make?

• (1450)

**Hon. John McCallum (Minister of Immigration, Refugees and Citizenship, Lib.):** Mr. Speaker, I am proud of what our government has done for refugees.

We have accepted four times as many refugees as the previous government. We have accepted more than 25,000 Syrian refugees. We will be accepting a total of 44 refugees. A total of 99% have already found permanent housing, and they have made a lot of progress in terms of language and employment. I am proud of what we have accomplished.

[English]

**Ms. Jenny Kwan (Vancouver East, NDP):** Mr. Speaker, by the minister's own admission, language is key to Syrian refugees' success. Amer Alhendawi has been here for almost a year, and he is still waiting for an ESL class. Thousands of refugees across the country have the same problem. Vancouver Community College has over 800 people on its wait list. It was forced to cancel classes because of an 8.5% funding cut by the federal government.

How can the minister expect refugees to join the workforce if they cannot even access language training?

**Hon. John McCallum (Minister of Immigration, Refugees and Citizenship, Lib.):** Mr. Speaker, we have said, and I will say again, that language training is key to success. We have committed \$600 million to resettlement in 2016-17 and an additional \$37 million for Syrian refugees. There has been no cut. There is a three-year rolling

average, where provinces that receive more, get more, and provinces that receive less, get less. That is fair. In addition, there are millions more dollars to accommodate language training for Syrian refugees.

**Hon. Michelle Rempel (Calgary Nose Hill, CPC):** Mr. Speaker, if there has been no cut to the Vancouver Community College, why has it been forced to cancel language training services for over 220 immigrants and refugees? That is shameful.

Yesterday, when the minister stood here and glibly claimed that he had a plan to address language training, was he looking at these cuts, or was he just planning his next photo op?

**Hon. John McCallum (Minister of Immigration, Refugees and Citizenship, Lib.):** Mr. Speaker, if the government wanted to send somebody somewhere for a photo op, I suspect there are people in this aisle it would probably send before it sent me.

**Some hon. members:** Oh, oh!

**Hon. Michelle Rempel (Calgary Nose Hill, CPC):** Mr. Speaker, while the people across the aisle laugh at something like this, we have refugees in front of committee who are saying that they are isolated.

Mr. Speaker, you are laughing right now, too. This is not a laughing matter.

The fact that the government has not provided language training for refugees is shameful. When is it going to help the Calgary Board of Education? When is it going to help some of these agencies that cannot provide these services? It has spent over \$1 billion, and it has not gotten the job done.

**The Speaker:** The hon. member for Calgary Nose Hill knows that members on all sides were laughing at the minister's self-deprecating joke.

The hon. Minister of Immigration has the floor.

**Hon. John McCallum (Minister of Immigration, Refugees and Citizenship, Lib.):** Mr. Speaker, we will put to one side the reason people were laughing. I think it was perhaps because they thought I was funny.

However, in answer to the member's question, we do not consider anything to do with our resources for refugees to be amusing. I mentioned just a minute ago that we have committed \$600 million to settlement for refugees in 2016-17 and an additional \$37 million for Syrian refugees. The language training is important, and we have committed the funding for that language training to occur.

**Mr. Alexander Nuttall (Barrie—Springwater—Oro-Medonte, CPC):** Mr. Speaker, having grown up in government housing as part of an immigrant family, I know how generous Canadians can be.

In my riding, St. Andrew's Presbyterian Church has raised thousands of dollars to sponsor Syrian refugees. They rented an apartment and arranged a phone plan, day care spaces, and groceries for a year, but because of Liberal mismanagement, this family has not been processed. They have had to release the apartment, and thousands of dollars have been wasted.

Will the minister apologize to refugees across this country or just use them shamelessly for more photo ops?

*Oral Questions*

●(1455)

**Hon. John McCallum (Minister of Immigration, Refugees and Citizenship, Lib.):** Mr. Speaker, I have already commented on photo ops, but the general point is that because of the overwhelming generosity of Canadians, I am probably the only immigration minister in the world whose main challenge it is to bring refugees into this country quickly enough to satisfy the immense demand by Canadians to support them. So this is a very good thing. It reflects the generosity of our country.

However, at the same time, I have committed to bring in all of those Syrian refugees whose applications were submitted before March 31 of this year, and we have committed additional—

**The Speaker:** Order, please.

The hon. member for Madawaska—Restigouche.

[*Translation*]

**Mr. René Arseneault (Madawaska—Restigouche, Lib.):** Mr. Speaker, francophone communities across the country have always contributed to Canada's culture and history.

However, the francophone immigration program established in 2012, known as the francophone significant benefit program, was abandoned after only two years. Francophone immigration is important in many regions, such as Madawaska and Restigouche.

Could the Minister of Immigration, Refugees and Citizenship explain what measures are being taken to encourage francophone immigration to Canada?

**Hon. John McCallum (Minister of Immigration, Refugees and Citizenship, Lib.):** Mr. Speaker, I would like to thank my colleague for her good question.

Supporting francophone immigration is a priority for our government and for me, and I am proud to say that we are launching an improved version of this program. The new program will make it easier to hire francophone workers and will support the vitality of francophone minority communities.

\* \* \*

[*English*]

**INDIGENOUS AFFAIRS**

**Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC):** Mr. Speaker, yesterday the Minister of Indigenous and Northern Affairs said she knew exactly how first nations feel about transparency. Yet a member of Odanak First Nation said that without the transparency act, “It's not difficult for First Nations to get information on how their money is spent, it's impossible....”

Beverly Brown of Squamish First Nation said the government would be “negligent if they didn't enforce the act”.

Would the minister tell these individuals why they do not deserve easily available information, like all other Canadians?

**Hon. Carolyn Bennett (Minister of Indigenous and Northern Affairs, Lib.):** Mr. Speaker, everyone, including first nations governments, wants increased transparency and accountability. We will achieve that in partnership with the first nations' leadership and organizations. We know that top-down solutions do not work.

In the meantime, the member knows that first nation governments will continue their long-standing reporting of audited statements to our department, including chiefs' and councillors' salaries, and any first nation member can get that information from our department.

\* \* \*

[*Translation*]

**OFFICIAL LANGUAGES**

**Mr. François Choquette (Drummond, NDP):** Mr. Speaker, today the Commissioner of Official Languages tabled a scathing report on Air Canada.

Air Canada is a real delinquent when it comes to official languages and has been for 45 years. After hundreds of complaints, audits, and court challenges, the Commissioner came to the conclusion that nothing is working. If we want things to change, we need new legislative measures.

Will the Liberals commit today to taking action to resolve this problem once and for all?

**Hon. Mélanie Joly (Minister of Canadian Heritage, Lib.):** Mr. Speaker, of course, the application of the Official Languages Act is a priority for our government.

It goes without saying that Air Canada absolutely must comply with its obligations under the Official Languages Act. It is unacceptable that these problems that have been going on for years have still not been dealt with and are compromising the service to which Canadians are entitled.

I will have the opportunity to work on this issue with my colleague, the Minister of Transport, and we will consider all of the recommendations in this report.

\* \* \*

[*English*]

**INFRASTRUCTURE**

**Ms. Julie Dzerowicz (Davenport, Lib.):** Mr. Speaker, in my riding of Davenport, the residents are always seeking alternative ways to get around that are affordable, that avoid congested streets, and that minimize their environmental footprint.

More bike paths would move residents across our riding and connect them to public transit and the downtown core. Bike paths are cheaper infrastructure investments relative to other modes of transport.

Would the Minister of Infrastructure and Communities inform the House about the government's initiatives with respect to cycling and public transportation investments for the people in Davenport?

**Hon. Amarjeet Sohi (Minister of Infrastructure and Communities, Lib.):** Mr. Speaker, I would like to recognize the hon. member for Davenport for her enthusiasm on this topic.



Our government is investing \$60 billion over the next 10 years in public transit and green and social infrastructure. The city of Toronto will receive \$840 million in phase one, which can include active transportation, as we currently develop our second term, phase two, long-term plan.

Bike paths can also be funded through existing programs, such as the gas tax fund.

\* \* \*

• (1500)

#### MINISTERIAL EXPENSES

**Mr. Blaine Calkins (Red Deer—Lacombe, CPC):** Mr. Speaker, countless Liberals have defended the million dollars the infrastructure minister spent on sky palace 2.0. The average Canadian household only spends a couple of thousand dollars on furniture. The Liberals are so out of touch with everyday Canadians that the minister spent half a million dollars on furniture alone for one office.

When will the Liberals realize that the money they are blowing is taxpayer money and not their own personal entitlement funds?

**Hon. Amarjeet Sohi (Minister of Infrastructure and Communities, Lib.):** Mr. Speaker, before November 4, 2015, Infrastructure Canada did not have a dedicated, stand-alone minister's office. We did not have a stand-alone DM's office, and we did not have a space for our staff members.

The expenditures the member is referring to were to provide office space for the minister and the deputy minister and a space for all of our staff members, as well as to consolidate them on one floor. The department followed all the Treasury Board procurement guidelines. All contracts over \$10,000 have been proactively disclosed.

\* \* \*

[Translation]

#### TEMPORARY FOREIGN WORKERS

**Mr. Luc Thériault (Montcalm, BQ):** Mr. Speaker, more than 200 Quebec farmers are still waiting for foreign workers to arrive in order to harvest their crops. At present, 1,000 workers are required. In my riding alone, Les Frères Riopel family farm has lost almost \$5,000 in crops to date, and it is not the only one. Even though the applications were submitted in November, the visas will not be ready before mid-June. The only reason for that is incompetence.

Has the Minister of Agriculture and Agri-Food heard of the verb “to act”? Will he stop working in isolation and do what has to be done so that the workers can be in the fields by the end of—

**The Speaker:** The hon. Minister of Immigration, Refugees and Citizenship.

**Hon. John McCallum (Minister of Immigration, Refugees and Citizenship, Lib.):** Mr. Speaker, I am aware that there is a problem with foreign agricultural workers. The officials in my department are working very hard. They told me today that these workers will arrive on June 25 or earlier. I believe they will be here in time to do the work.

#### Oral Questions

#### OFFICIAL LANGUAGES

**Mr. Mario Beaulieu (La Pointe-de-l'Île, BQ):** Mr. Speaker, the Commissioner of Official Languages said that taxpayer-funded Air Canada is violating its legal obligation to provide services in French. This is no surprise, because for 45 years, Air Canada has been at the top of Canadian institutions that have no regard for francophones. This is yet another example of Canada's failed official languages policy.

Will the Minister of Canadian Heritage force Air Canada to obey the law, or will she do the same thing as her colleague from the Department of Transport and let the company thumb its nose at Quebecers, just like it thumbed its nose at Aveos workers?

**Hon. Mélanie Joly (Minister of Canadian Heritage, Lib.):** Mr. Speaker, I assure my colleague that our two official languages are very important to this government. Enforcing the Official Languages Act is, of course, a priority for this government.

Under the circumstances, it goes without saying that Air Canada must obey the law. The status quo is unacceptable. That is why I will work with my colleague, the Minister of Transport, on this issue, to ensure that the recommendations of the Commissioner of Official Languages will be examined. This work will, I hope, be done in collaboration with the Standing Committee on Official Languages.

\* \* \*

[English]

#### PRESENCE IN THE GALLERY

**The Speaker:** I would like to draw to the attention of hon. members the presence in the gallery of His Excellency Josef Saller, President of the Federal Council of the Republic of Austria.

**Some hon. members:** Hear, hear!

**Hon. Dominic LeBlanc:** Mr. Speaker, perhaps you could explain to the House what would be the appropriate rules in terms of recognizing people in the gallery. For example, let us say that Gerald Regan, the former premier of Nova Scotia, were in the gallery today. Would it be appropriate for the Chair to recognize a former premier in the gallery?

• (1505)

**The Speaker:** It is a little late now, is it not? I suggest the hon. member check with the clerk or with my office about the guidelines for such things in future.

[Translation]

The hon. member for Richmond—Arthabaska on a point of order.

**Mr. Alain Rayes:** Mr. Speaker, I have here a very interesting, thorough, and relevant document in both official languages. I ask for the consent of the House to table this document from my colleague, the Minister of Foreign Affairs and father of the Clarity Act, regarding the importance of holding a referendum on any changes a government makes to the voting system.

**The Speaker:** Does the hon. member have the unanimous consent of the House?

*Government Orders*

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Speaker:** There is no unanimous consent.

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## GOVERNMENT ORDERS

[*Translation*]

### BUSINESS OF SUPPLY

OPPOSITION MOTION—SPECIAL COMMITTEE ON ELECTORAL REFORM

The House resumed from June 2 consideration of the motion, and of the amendment.

**The Speaker:** Pursuant to order made Thursday, June 2, 2016, the House will now proceed to the taking of the deferred recorded division on the amendment to the opposition motion relating to the business of supply.

● (1510)

[*English*]

The question is on the amendment.

● (1515)

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

(*Division No. 79*)

### YEAS

#### Members

Aldag	Alghabra
Alleslev	Amos
Anandasangaree	Angus
Arseneault	Arya
Ashton	Aubin
Ayoub	Badawey
Bagnell	Barsalou-Duval
Baylis	Beaulieu
Beech	Bennett
Benson	Bibeau
Bittle	Blaikie
Blair	Blaney (North Island—Powell River)
Boissonnault	Bossio
Boudrias	Boulerice
Boutin-Sweet	Bratina
Breton	Brison
Brosseau	Caesar-Chavannes
Cannings	Caron
Carr	Casey (Cumberland—Colchester)
Casey (Charlottetown)	Chagger
Champagne	Chan
Chen	Choquette
Christopherson	Cormier
Cullen	Cuzner
Dabrusin	Damoff
Davies	DeCoursey
Dhaliwal	Dhillon
Di Iorio	Dion
Donnelly	Drouin
Dubé	Dubourg
Duclos	Duguid
Duncan (Etobicoke North)	Duncan (Edmonton Strathcona)
Dusseau	Duvall
Dzerowicz	Easter
Ehsassi	El-Khoury
Ellis	Erskine-Smith
Eyking	Eyolfson
Fergus	Fillmore
Finnigan	Fisher

Fonseca	Footo
Fortin	Fragiskatos
Fraser (West Nova)	Fraser (Central Nova)
Freeland	Fry
Fuhr	Gameau
Garrison	Gerretsen
Gill	Goldsmith-Jones
Goodale	Gould
Graham	Grewal
Hajdu	Hardcastle
Hardie	Harvey
Hehr	Holland
Housefather	Hughes
Hussen	Hutchings
Iacono	Johns
Jolibois	Joly
Jones	Jordan
Jowhari	Julian
Kang	Khalid
Kwan	Lametti
Lamoureux	Lapointe
Lauzon (Argenteuil—La Petite-Nation)	Laverdière
LeBlanc	Lebouthillier
Lefebvre	Lemieux
Leslie	Levitt
Lightbound	Lockhart
Long	Longfield
Ludwig	MacAulay (Cardigan)
MacGregor	MacKinnon (Gatineau)
Malcolmson	Maloney
Marcil	Masse (Windsor West)
Massé (Avignon—La Mitis—Matane—Matapédia)	
Mathysen	
May (Cambridge)	May (Saanich—Gulf Islands)
McCallum	McCrimmon
McDonald	McGuinty
McKay	McKenna
McKinnon (Coquitlam—Port Coquitlam)	McLeod (Northwest Territories)
Mendès	Miller (Ville-Marie—Le Sud-Ouest—Île-des-Érables)
Soeurs	
Monsef	Moore
Morneau	Morrissey
Mulcair	Murray
Nantel	Nassif
Nault	O'Connell
Oliphant	Oliver
O'Regan	Ouellette
Paradis	Pauzé
Peschisolido	Peterson
Petitpas Taylor	Philpott
Picard	Plamondon
Poissant	Quach
Qualtrough	Ramsey
Rankin	Ratansi
Rioux	Robillard
Rodriguez	Romanado
Rota	Rudd
Ruimy	Rusnak
Saganash	Sahota
Saini	Sajjan
Samson	Sangha
Sarai	Scarpaleggia
Schiefke	Schulte
Serré	Shanahan
Sheehan	Sidhu (Mission—Matsqui—Fraser Canyon)
Sidhu (Brampton South)	Sikand
Simms	Sohi
Sorbara	Spengemann
Ste-Marie	Stetski
Stewart	Tabbara
Tan	Tassi
Thériault	Trudeau
Trudel	Vandal
Vandenbeld	Vaughan
Virani	Weir
Whalen	Wilkinson
Wilson-Raybould	Wrzesnewskyj
Young	Zahid — 230

### NAYS

#### Members

Albas

*Government Orders*

Albrecht  
Ambrose  
Arnold  
Berthold  
Blaney (Bellechasse—Les Etchemins—Lévis)  
Boucher  
Brown  
Carrie  
Clarke  
Cooper  
Diotte  
Dreeshen  
Falk  
Généreux  
Gladu  
Gourde  
Harper  
Jeneroux  
Kenney  
Kitchen  
Lake  
Lebel  
Liepert  
Lukiwski  
Maguire  
McColeman  
Miller (Bruce—Grey—Owen Sound)  
Nicholson  
Obhrai  
Poilievre  
Reid  
Richards  
Saroya  
Schmale  
Shipley  
Sorenson  
Strahl  
Sweet  
Van Kesteren  
Vecchio  
Wagantall  
Warkentin  
Waugh  
Wong  
Zimmer— 91

Allison  
Anderson  
Barlow  
Bezan  
Block  
Brassard  
Calkins  
Chong  
Clement  
Deltell  
Doherty  
Egliniski  
Fast  
Genuis  
Godin  
Harder  
Hoback  
Kelly  
Kent  
Kmiec  
Lauzon (Stormont—Dundas—South Glengarry)  
Leitch  
Lobb  
MacKenzie  
McCauley (Edmonton West)  
McLeod (Kamloops—Thompson—Cariboo)  
Nater  
Nuttall  
Paul-Hus  
Raves  
Rempel  
Ritz  
Scheer  
Shields  
Sopuck  
Stanton  
Stubbs  
Trost  
Van Loan  
Viersen  
Warawa  
Watts  
Webber  
Yurdiga

Cannings  
Carr  
Casey (Charlottetown)  
Chan  
Choquette  
Cormier  
Cuzner  
Damoff  
DeCoursey  
Dhillon  
Dion  
Drouin  
Dubourg  
Duguid  
Duncan (Edmonton Strathcona)  
Duvall  
Easter  
El-Khoury  
Erskine-Smith  
Eyolfson  
Fillmore  
Fisher  
Foote  
Fragiskatos  
Fraser (Central Nova)  
Fry  
Garneau  
Gerretsen  
Goldsmith-Jones  
Gould  
Grewal  
Hardcastle  
Harvey  
Holland  
Hughes  
Hutchings  
Johns  
Joly  
Jordan  
Julian  
Khalid  
Lametti  
Lapointe  
Laverdière  
Lebouthillier  
Lemieux  
Levitt  
Lockhart  
Longfield  
MacAulay (Cardigan)  
MacKinnon (Gatineau)  
Maloney  
Masse (Windsor West)  
Mathysen  
May (Saanich—Gulf Islands)  
McCrimmon  
McGuinty  
McKenna  
McLeod (Northwest Territories)  
Miller (Ville-Marie—Le Sud-Ouest—Île-des-Sœurs)  
Monsef  
Moore  
Morrissey  
Murray  
Nassif  
O'Connell  
Oliver  
Ouellette  
Pauzé  
Peterson  
Philpott  
Plamondon  
Quach  
Ramsey  
Ratansi  
Robillard  
Romanado  
Rudd  
Rusnak  
Sahota  
Sajjan  
Sangha  
Scarpaleggia  
Schulte

Caron  
Casey (Cumberland—Colchester)  
Champagne  
Chen  
Christopherson  
Cullen  
Dabrusin  
Davies  
Dhaliwal  
Di Iorio  
Donnelly  
Dubé  
Duclos  
Duncan (Etobicoke North)  
Dusseault  
Dzerowicz  
Ehsassi  
Ellis  
Eyking  
Fergus  
Finnigan  
Fonseca  
Fortin  
Fraser (West Nova)  
Freeland  
Fuhr  
Garrison  
Gill  
Goodale  
Graham  
Hajdu  
Hardie  
Hehr  
Housefather  
Hussen  
Iacono  
Jolibois  
Jones  
Jowhari  
Kang  
Kwan  
Lamoureux  
Lauzon (Argenteuil—La Petite-Nation)  
LeBlanc  
Lefebvre  
Leslie  
Lightbound  
Long  
Ludwig  
MacGregor  
Malcolmson  
Marcil  
Massé (Avignon—La Mitis—Matane—Matapédia)  
May (Cambridge)  
McCallum  
McDonald  
McKay  
McKinnon (Coquitlam—Port Coquitlam)  
Mendès  
Mills  
Mormeau  
Mulcair  
Nantel  
Nault  
Oliphant  
O'Regan  
Paradis  
Peschisolido  
Petitpas Taylor  
Picard  
Poissant  
Qualtrough  
Rankin  
Rioux  
Rodriguez  
Rota  
Ruimy  
Saganash  
Saini  
Samson  
Sarai  
Schieffe  
Serré

## PAIRED

Nil

**The Speaker:** I declare the amendment carried.

The next question is on the main motion, as amended.

• (1525)

[*Translation*]

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

*(Division No. 80)*

## YEAS

## Members

Aldag  
Alleslev  
Anandasangaree  
Arseneault  
Ashton  
Ayoub  
Bagnell  
Baylis  
Beech  
Benson  
Bittle  
Blair  
Boissonnault  
Boudrias  
Boutin-Sweet  
Breton  
Brosseau

Alghabra  
Amos  
Angus  
Arya  
Aubin  
Badawey  
Barsalou-Duval  
Beaulieu  
Bennett  
Bibeau  
Blaikie  
Blaney (North Island—Powell River)  
Bossio  
Boulerice  
Bratina  
Brisson  
Caesar-Chavannes

*Routine Proceedings*

Shanahan	Sheehan
Sidhu (Mission—Matsqui—Fraser Canyon)	Sidhu (Brampton South)
Sikand	Simms
Sohi	Sorbara
Spengemann	Ste-Marie
Stetski	Stewart
Tabbara	Tan
Tassi	Thériault
Trudeau	Trudel
Vandal	Vandenbeld
Vaughan	Virani
Weir	Whalen
Wilkinson	Wilson-Raybould
Wrzesnewskyj	Young
Zahid— 229	

## NAYS

## Members

Aboultaif	Albas
Albrecht	Allison
Ambrose	Anderson
Arnold	Barlow
Berthold	Bezan
Blaney (Bellechasse—Les Etchemins—Lévis)	Block
Boucher	Brassard
Brown	Calkins
Carrie	Chong
Clarke	Clement
Cooper	Deltell
Diotte	Doherty
Dreeshen	Egliniski
Falk	Fast
Généreux	Genuis
Gladu	Godin
Gourde	Harder
Harper	Hoback
Jeneroux	Kelly
Kenney	Kent
Kitchen	Kmiec
Lake	Lauzon (Stormont—Dundas—South Glengarry)
Lebel	Leitch
Liepert	Lobb
Lukiwski	MacKenzie
Maguire	McCauley (Edmonton West)
McColeman	McLeod (Kamloops—Thompson—Cariboo)
Miller (Bruce—Grey—Owen Sound)	Nater
Nicholson	Nuttall
Obhrai	Paul-Hus
Poillievre	Rayes
Reid	Rempel
Richards	Ritz
Saroya	Scheer
Schmale	Shields
Shiple	Sopuck
Sorenson	Stanton
Strahl	Stubbs
Sweet	Trost
Van Kesteren	Van Loan
Vecchio	Viersen
Wagantall	Warawa
Warkentin	Watts
Waugh	Webber
Wong	Yurdiga
Zimmer— 91	

## PAIRED

Nil

**The Speaker:** I declare the motion, as amended, carried.

## ROUTINE PROCEEDINGS

[English]

## COMMITTEES OF THE HOUSE

## AGRICULTURE AND AGRI-FOOD

The House resumed consideration of the motion.

**The Speaker:** The House will now proceed to the taking of the deferred recorded division on the motion to concur in the third report of the Standing Committee on Agriculture and Agri-Food.

The question is on the motion.

● (1535)

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

*(Division No. 81)*

## YEAS

## Members

Aboultaif	Albas
Albrecht	Aldag
Alghabra	Alleslev
Allison	Ambrose
Amos	Anandasangaree
Angus	Arnold
Arseneault	Arya
Ashton	Aubin
Ayoub	Badawey
Bagnell	Barlow
Barsalou-Duval	Baylis
Beaulieu	Beech
Bennett	Benson
Berthold	Bezan
Bibeau	Bittle
Blaikie	Blair
Blaney (North Island—Powell River)	Blaney (Bellechasse—Les Etchemins—Lévis)
Block	Boissonnault
Bossio	Boucher
Boudrias	Boulerice
Boutin-Sweet	Brassard
Bratina	Breton
Brisson	Brosseau
Brown	Caesar-Chavannes
Calkins	Cannings
Caron	Carr
Carrie	Casey (Cumberland—Colchester)
Casey (Charlottetown)	Champagne
Chan	Chen
Chong	Choquette
Christopherson	Clarke
Clement	Cooper
Cormier	Cullen
Cuzner	Dabrusin
Damoff	Davies
DeCoursey	Deltell
Dhaliwal	Dhillon
Di Iorio	Dion
Diotte	Doherty
Donnelly	Dreeshen
Drouin	Dubé
Dubourg	Duclos
Duguid	Duncan (Etobicoke North)
Duncan (Edmonton Strathcona)	Dusseault
Duvall	Dzerowicz
Easter	Ehsassi
El-Khoury	Ellis
Eyking	Eyolfson
Falk	Fast
Fergus	Fillmore
Finnigan	Fisher
Fonseca	Foote
Fortin	Fragiskatos
Fraser (West Nova)	Fraser (Central Nova)

Freeland  
 Fuhr  
 Garrison  
 Genuis  
 Gill  
 Godin  
 Goodale  
 Gourde  
 Grewal  
 Hardcastle  
 Hardie  
 Harvey  
 Hoback  
 Housefather  
 Hussen  
 Iacono  
 Johns  
 Joly  
 Jordan  
 Julian  
 Kelly  
 Kent  
 Kitchen  
 Kwan  
 Lametti  
 Lapointe  
 Lauzon (Argenteuil—La Petite-Nation)  
 Lebel  
 Lebouthillier  
 Leitch  
 Leslie  
 Liepert  
 Lobb  
 Long  
 Ludwig  
 MacAulay (Cardigan)  
 MacKenzie  
 Maguire  
 Maloney  
 Masse (Windsor West)  
 Mathysen  
 May (Saanich—Gulf Islands)  
 McCauley (Edmonton West)  
 McCrimmon  
 McGuinty  
 McKenna  
 McLeod (Kamloops—Thompson—Cariboo)  
 Mendès  
 Miller (Ville-Marie—Le Sud-Ouest—Île-des-Soeurs)  
 Monsef  
 Moore  
 Mulcair  
 Nantel  
 Nater  
 Nicholson  
 Obhrai  
 Oliphant  
 O'Regan  
 Paradis  
 Pauzé  
 Peterson  
 Philpott  
 Plamondon  
 Poissant  
 Qualtrough  
 Rankin  
 Rayes  
 Rempel  
 Rioux  
 Robillard  
 Romanado  
 Rudd  
 Rusnak  
 Sahota  
 Sajjan  
 Sangha  
 Saroya  
 Scheer  
 Schmale  
 Serré  
 Sheehan  
 Shipley  
 Sidhu (Brampton South)  
 Simms

Fry  
 Gameau  
 Génèreux  
 Gerretsen  
 Gladu  
 Goldsmith-Jones  
 Gould  
 Graham  
 Hajdu  
 Harder  
 Harper  
 Hehr  
 Holland  
 Hughes  
 Hutchings  
 Jeneroux  
 Jolibois  
 Jones  
 Jowhari  
 Kang  
 Kenney  
 Khalid  
 Kmiec  
 Lake  
 Lamoureux  
 Lauzon (Stormont—Dundas—South Glengarry)  
 Laverdière  
 LeBlanc  
 Lefebvre  
 Lemieux  
 Levitt  
 Lightbound  
 Lockhart  
 Longfield  
 Lukiwski  
 MacGregor  
 MacKinnon (Gatineau)  
 Malcolmson  
 Marcil  
 Massé (Avignon—La Mitis—Matane—Matapédia)  
 May (Cambridge)  
 McCallum  
 McColeman  
 McDonald  
 McKay  
 McKinnon (Coquitlam—Port Coquitlam)  
 McLeod (Northwest Territories)  
 Miller (Bruce—Grey—Owen Sound)  
 Morrissey  
 Murray  
 Nassif  
 Nault  
 Nuttall  
 O'Connell  
 Oliver  
 Ouellette  
 Paul-Hus  
 Pescholido  
 Petitpas Taylor  
 Picard  
 Poilievre  
 Quach  
 Ramsey  
 Ratansi  
 Reid  
 Richards  
 Ritz  
 Rodriguez  
 Rota  
 Ruimy  
 Saganash  
 Saini  
 Samson  
 Sarai  
 Scarpaleggia  
 Schiefke  
 Schulte  
 Shanahan  
 Shields  
 Sidhu (Mission—Matsqui—Fraser Canyon)  
 Sikand  
 Sohi

### Government Orders

Sopuck  
 Sorenson  
 Stanton  
 Stetski  
 Strahl  
 Sweet  
 Tan  
 Thériault  
 Trudel  
 Van Loan  
 Vandenbeld  
 Vecchio  
 Virani  
 Warawa  
 Watts  
 Webber  
 Whalen  
 Wilson-Raybould  
 Young  
 Zahid

Sorbara  
 Spengemann  
 Ste-Marie  
 Stewart  
 Stubbs  
 Tabbara  
 Tassi  
 Trudeau  
 Van Kesteren  
 Vandal  
 Vaughan  
 Viersen  
 Wagantall  
 Warkentin  
 Waugh  
 Weir  
 Wilkinson  
 Wong  
 Yurdiga  
 Zimmer — 314

NAYS

Nil

PAIRED

Nil

**The Speaker:** I declare the motion carried.

I wish to inform the House that because of deferred recorded divisions, government orders will be extended by 30 minutes.

## GOVERNMENT ORDERS

● (1540)

[English]

### 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 amendments from the committee, and of the motions in Group No. 1.

**The Speaker:** The hon. member for Saanich—Gulf Islands has four minutes left in her speech.

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Mr. Speaker, resuming more or less where I left off, I am speaking to Bill C-15 at report stage.

I had earlier canvassed a couple of key points. One is that this is not an improper use of an omnibus bill, but it certainly is an omnibus bill. It does stay and pertain to one central theme, which is implementing budget 2016. I do remain concerned, however, that we should have spent more time on it.

I mentioned one item in particular where I think the current Liberal government may be flirting with the accusation of it being improper. We did spend some time on this one item in finance committee, but not enough, and that is clause 38, which adds section 135.2 in relation to tax-deferred treatment for transactions under the continuation of the Canadian Wheat Board.

It would have been good to have had this in a separate piece of legislation. The chair of our finance committee pursued the matter of what happened to the assets of the Canadian Wheat Board with some departmental officials. There were billions of dollars there. Where did that money go? How do we find out where it it went?

*Government Orders*

We know that, in respect of the tax consequences of the trust created in connection with the continuation of the Canadian Wheat Board, the debt of the Wheat Board acquired by the trust is not included in the trust income, but we do not know what happened to the assets of the Canadian Wheat Board, which is a rather substantial question, and whether they were transferred to prairie farmers, as was expected. It appears that they were not.

That is an item that would have been better handled had this part of the budget bill been separated out so it could be properly studied.

There are other aspects that I did not have enough time to address before we stopped for members' statements and question period. I want to revisit one of them in particular that I described as egregious moments ago. Let me explain why.

That is found in the budget, and also, of course, the funds are provided in Bill C-15. On the face of it, if we did not know this issue well, we would think that it was great that the government is providing funding for the improved process under the National Energy Board for looking at environmental assessments.

I found it egregious, and I will read from the budget, at page 166. It says:

Budget 2016 proposes to provide \$14.2 million over four years...to the Canadian Environmental Assessment Agency to support the Agency in fulfilling its responsibilities under the Canadian Environmental Assessment Act, 2012.

Further up on the same page, there is a similar suggestion that money will be provided:

...\$16.5 million over three years...to [support] the National Energy Board...to implement the interim approach.

That was announced earlier this year by the Minister of Environment and Climate Change and the Minister of Natural Resources.

What must not be lost in this discussion of environmental assessment is that the current state of Canadian environmental assessment law is unacceptable, full stop. It is a failure. It is a process that does not work. It does not examine all parts of the environment, nor does it allow the right agency to do the reviews.

Having the National Energy Board do environmental assessments at all is a departure from Canadian environmental law, it is a departure from the National Energy Board's area of expertise, and it is completely unworkable.

We need to go back and revisit the changes that were made in Bill C-38 and repair the Environmental Assessment Act for good, not based on interim measures being spread out for a further three to four years with funding to operate under interim measures to fix a broken process.

It would be far better for all concerned, including industry stakeholders. I was speaking the other day with the Mining Association of Canada leadership. They said they had never wanted the changes that happened in Bill C-38. They do not find the process better.

We need to fix the process, not fund a kind of Rube Goldberg device to try to make something unfixable slightly better.

Those are main concerns with the budget. I find that, although I like this budget a lot more than anything I have read in the last 10 years, I cannot vote for it, because of the continuation of fossil fuel subsidies and the continuation of funding a broken EA process.

• (1545)

**Mr. David de Burgh Graham (Laurentides—Labelle, Lib.):** Mr. Speaker, I just want to congratulate my friend from Saanich—Gulf Islands for an honest and passionate speech, as she always gives.

I wonder if she could talk a little about what changes she would want to see in order to support it. I am curious about her opinions.

**Ms. Elizabeth May:** Mr. Speaker, I feel as though this budget suffered from the fact that, when input went into Finance Canada to draft this, ministers were just beginning to establish their staff, just getting briefed up.

I am hoping that this is like a budget with training wheels, and the Minister of Finance will get it better next year.

This does not meet the expectations of proper funding for infrastructure. For instance, having announced \$100 million for infrastructure in the first 10 years, only 10% of that funding is in the first five years.

We are talking about the need for economic stimulus. The Liberal government got elected on a pledge to use deficit spending to stimulate our economy and specifically to help infrastructure. It does not adequately help infrastructure. It is too little.

Let us hope that 2017 really addresses the infrastructure crisis and removes fossil fuel subsidies and commits to a revised environmental assessment act, one similar to what we had up until Bill C-38 in the spring of 2012.

[Translation]

**Mr. Pierre Nantel (Longueuil—Saint-Hubert, NDP):** Mr. Speaker, I thank my colleague from Saanich—Gulf Islands for her speech.

We nod our heads whenever someone talks about environmental issues. She is right about how so many issues have been put off. I am sure she is very aware of the burden of being so few in number and, as a result, seeing governments ignore so many of the measures they could include in an omnibus bill.

Would my colleague like to comment on the fact that the Liberal Party was elected for its bold promises? I like her image of training wheels that a young cyclist uses when learning to ride a bike and the fact that this does not meet people's expectations, including those of the party's own backbenchers, the MPs who are not in cabinet.

That is what is kind of sad about an omnibus bill, is it not? The fact that it silences everyone, not just opposition members, but also anyone whose opinion differs from that of cabinet ministers.

*Government Orders*

**Ms. Elizabeth May:** Mr. Speaker, I thank my colleague from Longueuil—Saint-Hubert for his question.

I think that this budget implementation bill really is an omnibus bill. However, it is not at all like the omnibus budget bills introduced by the previous government. At least this bill does not contain changes to laws that have nothing to do with the budget, as was the case with omnibus Bill C-38 in the spring of 2012. It was really terrible and gutted certain laws meant to protect the environment.

I think the bill before us would be better if the government would examine certain projects, particularly the one that pertains to the Canadian Wheat Board. I would agree that it is an omnibus bill, but it is not all that terrible.

**Mr. Dan Vandal (Saint Boniface—Saint Vital, Lib.):** Mr. Speaker, it is always an honour to rise on behalf of my constituents in Saint-Boniface—Saint-Vital to speak to these important issues in the House.

[*English*]

It is a great honour to rise today on behalf of the citizens of Saint Boniface—Saint Vital who, on October 19, voted for change, change in leadership, in direction, and in priorities for our country. I am very happy to say that budget 2016 delivers on those promises of change.

As a former city councillor for many years, I am proud to say that this budget delivers on our commitment to rebuild our communities, both rural and urban, as well as rebuilding our cities.

Just this last weekend I had the pleasure to attend the Federation of Canadian Municipalities annual general meeting in Winnipeg, Canada. There, cities and municipalities from coast to coast met in Winnipeg and they collectively sent the message that they had been sending for the last 20 years to little avail. That message is that cities are in desperate need of the most basic of infrastructure. Whether it is regional roads, residential streets, back lanes, sidewalks, bridges, community centres, libraries, pools, day cares, and more, all need the help and the investment of the federal government.

Let me give members a little real-time example. The City of Winnipeg currently spends \$1 billion a year on infrastructure, above ground infrastructure only, and the heavy construction industry of Manitoba commissioned a study about six years ago that said that the City of Winnipeg should actually be spending an extra \$300 million per year on above ground infrastructure, just to maintain the current infrastructure at its current level. That bears repeating. This would not actually improve our infrastructure; it would only maintain it to the level that it is currently at today. I daresay that cities cannot do this alone, and the time has never been better for federal investment into our infrastructure.

This weekend, I spoke to a councillor from the great ward of St. Boniface, Mathieu Allard. I also spoke with a councillor from Transcona, Mr. Russ Wyatt, who spoke about the absolute need of the federal government to partner with municipalities to construct transportation infrastructure on the east side of the city of Winnipeg, which is one of the fastest-growing segments of the entire city. Whether it is Woodvale-Lagimodiere, whether it is Marion Street, whether it is Archibald Street, the city is crying out for partnerships

from the federal government to get the traffic moving on the east side of the city.

Those very same councillors spoke of the need for the federal government to also partner with Transcona on the Transcona outdoor pool project, as well as the Taché Boulevard walkway project in St. Boniface.

● (1550)

[*Translation*]

The councillor for St. Boniface spoke to me about the importance of the Tache Boulevard walkway project in front of the St. Boniface Cathedral. It is a wonderful project, one that is extremely important to the people of St. Boniface. It is supported not only by the City of St. Boniface, but also by the Winnipeg Foundation. The only thing missing is infrastructure funding from the federal government.

[*English*]

Both of these are very worthy projects that will be eligible under our green and our social infrastructure programs, which will be rolled out in the future.

I also spoke with a councillor from Point Douglas, Mike Pagtakhan, who emphasized the necessity for a new Arlington Street Bridge, which connects central Winnipeg to the north end of Winnipeg. I spoke to the councillor from Elmwood, Jason Schreyer, who advocated strongly for a new Louise Bridge, a piece of infrastructure that should have been renewed long ago but fell by the wayside because of a lack of funding by all levels of government.

I spoke to the councillor from Old Kildonan, Devi Sharma, who advocated on the merits of completing the ring road project called Chief Peguis Trail, which would link Main Street to the CentrePort project, an initiative not only important to alleviate traffic congestion in Winnipeg but also to enhance economic development opportunities at CentrePort Canada, Winnipeg's very own inland port located near the airport.

Winnipeg needs to catch up on its rapid transit obligations. The future of cities is closely connected to managing traffic, getting rid of gridlock, and getting traffic moving again, and nothing does that better than getting people out of their cars and getting them to use rapid transit. Winnipeg has ambitious plans for rapid transit and what it needs is a federal government that is equally interested.

I am equally proud that our first slice of infrastructure spending will be on what is arguably the most important of all, our underground infrastructure: water systems and wastewater treatment systems.

People have to understand that for many years federal and provincial governments have been extremely reluctant to invest in our underground systems for a simple and cynical reason, because we do not often get to cut ribbons when pipe is placed underground. It is not a play structure that would be immediately utilized by hundreds of children in any park or schoolyard. It is not a bridge that would benefit thousands of citizens as they commute back and forth. Nonetheless it is probably the most important of all because nothing is more important than clean water and a clean environment.

*Government Orders*

That is why I am proud that budget 2016 makes green infrastructure its first priority. It is filling a void that previous federal and provincial governments have created, because make no mistake about it, cities cannot do it by themselves and budget 2016 recognizes this.

We will also be giving families more money to help with the high cost of raising their children. We will be introducing a more generous, simplified, and tax-free Canada child benefit to give families more money to raise their children. Our Canada child benefit is geared to income. Those who need the help the most will receive the help, single- and low-income families. Our plan will raise 300,000 children out of poverty. This is an important measure that will give children a better opportunity at a brighter future. Families in Manitoba alone will receive \$490 million more next year than the previous year. That is incredibly significant.

Another part of our plan is to raise the guaranteed income supplement for low-income seniors by 10%. This would give one million of our most vulnerable seniors, often women, almost \$1,000 more per year.

•(1555)

[Translation]

The budget includes a \$675-million investment in CBC/Radio-Canada, a national institution that is crucial to official language minority communities. In Saint Boniface, Radio-Canada Manitoba, which broadcasts on radio and television, is an important member of the Franco-Manitoban community that supports and promotes our culture.

The federal budget recognizes the contribution of cultural industries to the Canadian economy by committing \$1.9 billion to arts and culture over five years. These investments will support major national institutions, protect both official languages, and support industries that showcase Canadian culture, including the Canada Council for the Arts, Telefilm Canada, and the National Film Board of Canada.

[English]

Recently a round table was held at the Barbara Mitchell Family Resource Centre. The Parliamentary Secretary to the Minister of Finance and I met with community organizations to discuss poverty and housing issues. Stakeholders discussed the urgent need for affordable housing and that such housing needs to be part of a larger community plan in mixed neighbourhoods, creating an ecosystem of community housing that supports people through training programs and other services.

Budget 2016 proposes to double the current federal funding under the investment in affordable housing initiative, create an affordable rental housing initiative fund to test innovative business approaches, such as housing models with a mix of rental and home ownership, and invest in renovations to existing social housing.

Budget 2016 will lift 300,000 children out of poverty. It will offer nine million Canadians a middle-income tax cut, which I really have not spoken of today. It will improve the living conditions of one million seniors through a 10% increase in the guaranteed income supplement. There is \$8.4 billion of new funding for indigenous infrastructure and education, \$2 billion for arts and culture over five

years, and Canada's largest-ever infrastructure program is being introduced in this budget. I am very proud to support this budget.

**Mr. Daniel Blaikie (Elmwood—Transcona, NDP):** Mr. Speaker, I was pleased to hear the hon. member for Saint Boniface—Saint Vital underline the need to replace the Louise Bridge in his speech. It is indeed a project long overdue.

One of the connected projects and an important infrastructure need that is adjacent to where the new Louise Bridge would go is the Columbus housing co-op. The riverbank around the co-op has been eroding and is now actually quite close to the housing complex and risks the housing on that land. It is City of Winnipeg land.

I am wondering if the member and his government would agree with me that federal infrastructure money should be able to be applied to riverbank reinforcement projects, especially when doing so could help save housing in Winnipeg.

•(1600)

**Mr. Dan Vandal:** Mr. Speaker, I did have the opportunity to also speak to the hon. member for Elmwood—Transcona about the Louise Bridge earlier in the year and I know he is a big proponent for that, as is the councillor for Elmwood, I believe.

Having been a councillor for many years, I understand the problem is that there are simply too many priorities and not enough funding resources at the city to take care of all the priorities. That is why it is so very important for the federal government to make good on its infrastructure commitments. We have introduced the largest infrastructure program ever, \$120 billion over the course of 10 years.

Certainly I know a huge liability in the city of Winnipeg is riverbank protection and I believe that we would be willing to sit down and discuss those options with our provincial government, as well as our municipal government, to see what is achievable and what can be done.

[Translation]

**Mr. David de Burgh Graham (Laurentides—Labelle, Lib.):** Mr. Speaker, I would like to congratulate the member from Saint-Boniface—Saint-Vital on his speech.

I would like him to know that one of his predecessors, Ronald J. Duhamel, profoundly influenced my political career at a very early age.

Could my colleague elaborate a little on the impact of the measures on infrastructure and youth in his riding? How will they help his community?

**Mr. Dan Vandal:** As I have mentioned before, Mr. Speaker, Saint Boniface and the whole of Winnipeg have serious infrastructure problems.

As a former city councillor for several years, I know that several projects are in greater need of assistance than money. The government of Canada must work hand in hand with the City of Winnipeg and provincial authorities on all sorts of projects, from roads to alleys, and bridges to bicycle paths. That is how we will create jobs.



*Government Orders*

I want to make sure that, as we create jobs to restore our infrastructure, we hire young people from the community so they may gain experience and put food on the table.

**Mr. Pierre-Luc Dusseault (Sherbrooke, NDP):** Mr. Speaker, I thank my colleague for his speech. I also want to ask him about the definition of middle class, which the government has yet to clarify.

The government refuses to say what it considers to be the middle class, for the purposes of the so-called tax cut for the middle class. Some of my colleagues already mentioned that someone would have to earn \$23 an hour and work full time in order to be eligible for a tax cut under the Liberals' tax plan. Could the member at least tell us what he considers to be the middle class? If someone earns \$21 an hour and works full time, would they be in the middle class?

**Mr. Dan Vandal:** Mr. Speaker, what is very clear is that, if a Canadian earns between \$44,000 and \$90,000 a year, he or she will receive a property-tax cut. That is very clear and this measure will apply to more than nine million Canadians in our great country. This will be a real benefit to nine million Canadians.

**Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC):** Mr. Speaker, I am very pleased to be here with all members of Parliament.

[*English*]

It is an honour for me to rise on behalf of the citizens of Central Okanagan—Similkameen—Nicola.

Today I will focus on Bill C-15.

• (1605)

[*Translation*]

The title of the bill is an act to implement certain provisions of the budget tabled in Parliament on March 22, 2016 and other measures.

[*English*]

There are a number of items in the bill. Again, previous members have pointed out that the budget implementation act, like most budget implementation acts, tries to amend multiple different bills, and there are 35 different pieces of legislation in the bill.

I would first like to thank the government for hosting a technical briefing that went through each section. I also want to thank the government for ensuring it was not in a small hot room, as it has been in previous years. Those technical briefings are very important when we talk about larger pieces of legislation.

I will be critiquing the legislation and speaking directly to items that are in it. Hopefully, on the particular argument I will be making today, the government will have the ears to listen and consider some of the things this member of Parliament has to say on behalf of his constituents.

I would first like to start with the bail-in legislation.

[*Translation*]

Division 5 of part 4 amends the Canada Deposit Insurance Corporation Act to, among other things, broaden the corporation's powers to temporarily control or own a domestic systemically important bank and to convert certain shares and liabilities of such a bank into common shares.

It also amends the Bank Act to allow the designation of domestic systemically important banks by the Superintendent of Financial Institutions and to require such banks to maintain a minimum capacity to absorb losses.

[*English*]

Specifically on the bail-in legislation, the idea arose in Pittsburgh as part of the G7 discussions on how best for us to tackle the issue of failing banks. In 2007-08, Canada was very fortunate that all of our banks were sufficiently stable. Our country should be very proud of that. However, we have heard that things can always be made better, and I am a big believer in that. The prime minister of the day had suggested that we look at bail-in legislation.

One of the things I have been fortunate to learn in the finance committee, through the officials who were there and through the technical briefing the government gave, is there are some unintended consequences. Although it has been thought of, and this was confirmed by government officials, it has not been thought of in the legislation. New instruments will be sold in secondary markets. What that means is some people will hold short or long positions on the viability of our banks. The question is whether they are bailed-in or not.

This happens all the time. These kinds of instruments are traded by very sophisticated people, and that is par for the course. However, on the same token, more and more Canadians are heavily invested, whether through mutual funds or pension funds, because the stock market offers a better rate of return oftentimes, given our considerably low interest rates. Obviously, the more money there is in the stock market, whether through mutual funds, RRSPs, tax-free savings accounts, etc., the more risk there can be.

The government has time and again, and quite rightly, said that depositors should not worry if there is an issue with a bail-in, and I would like to reaffirm that. However, because more and more people are going to be trading these new instruments, shorting and taking long positions, and because more people, and particularly pension funds, are investing in them, it is important for the Office of the Superintendent of Financial Institutions to start publicly tabling the stress tests. The reason for that is simple. We understand there will be these actions in the secondary market. We understand that people and pension funds, which are a larger part of that capital asset allocation, should be able to have that information. It should be transparent. I believe if the government looks at it, it would find that would work.

I would also like to speak about section 9.

[*Translation*]

Division 9 of part 4 amends the Old Age Security Act to increase the single rate of the guaranteed income supplement for the lowest-income pensioners by up to \$947 annually and to repeal section 2.2 of that act, which increases the age of eligibility to receive a benefit.

*Government Orders*

●(1610)

*[English]*

The reason I would like to talk about those two things is, as a Conservative, I believe there is a direction the government is going in. I also like to say from time to time that good politics is a destination, but good policy often, though, is a direction. While the government campaigned on a promise to restore old age security eligibility from 67 to 65, it was good politics and, therefore, a destination. I do not believe it is good policy for our country.

The reason I say this is that in the last Parliament, there was much ado about a parliamentary budget office report, when the parliamentary budget officer said that with the changes the previous government had made to the health accord, instead of continuing on a 6% escalator until forever, it was affordable for not bumping old age security up to 67. The Liberal government has reversed that, so in 2023 or 2029, when it was originally to take place, that will not happen. People will continue to be eligible at age 65. Contrary to what other countries, such as Japan and the United States, are doing, eventually we are going to have to tackle our demographics.

Previous prime ministers, such as Mulroney, Chrétien, and Martin, all put forward ideas on how to address the coming demographics, particularly vis-à-vis old age security. The previous government took action in a way that allowed people to change their behaviours over a period of time. That will be reversed in this budget implementation act, and that is the wrong place to go. We want people thinking about saving. No one likes the idea of having to work longer, but we are living longer, so there should be some adjustment.

On the topic of the guaranteed income supplement, I am not a big fan of deficits. In fact, will be voting against budgets like this, but I will give some credit. Helping those who are most in need, particularly widowed female seniors, will be a big help. It may undercut the finance minister's discussion on enhancing the CPP, because people in that area, the academic reports had shown, were the most at risk. That undercuts the need to make further reforms, at least on that premise.

Lastly, in the budget document there was some talk about credit unions, particularly when it came to international FATCA rules. FATCA was a big issue in the last Parliament. However, more or less, Canadian institutions, all shapes and sizes, have been able to follow up with it. Now the government is talking with other governments about offshore tax evasion, bringing international FATCA regulations, a different regime, to Canada, whether a small institution has sufficient foreign nationals investing their money and a large percentage is not.

I am afraid we will end up with an administratively burdensome system, one that does not actually reflect the needs. There is a very small credit union in Summerland. It has a very small staff and is compliant in all things, but a proper risk assessment should be taken when we talk about these international FATCA rules.

I hope the government reflects upon some of my criticisms and, hopefully, in future legislation, some of my concerns will be dealt with. With regard to things like old age security, we all want a great system, where people can retire with dignity, but we have to ensure it is sustainable for the long term.

*[Translation]*

**Mr. David de Burgh Graham (Laurentides—Labelle, Lib.):** Mr. Speaker, I would like to congratulate my colleague from Central Okanagan—Similkameen—Nicola on his speech and on his efforts to speak French. I commend him for that.

My colleague spoke of the political implications of increasing the retirement age from 65 to 67 and of bringing it back to 65. Yesterday, one of his colleagues told me that, if we keep the age of retirement at 67, the provinces will take care of our seniors from the time they are 65 until they turn 67. If you ask me, this is just another way to download costs onto the provinces. I believe it is very important to keep the retirement age at 65, protect our seniors, and prevent them from slipping into poverty.

●(1615)

*[English]*

**Mr. Dan Albas:** Mr. Speaker, we cannot run away from our demographics. I appreciate the seriousness of the question. This is actually unfolding the way a debate should; we are talking about important issues.

When it comes to our demographics, we are living longer and living healthier. We should celebrate that fact. However, we should also be making sure that our government institutions are moving in lockstep with that. Many advanced countries, such as Japan and the United States, have already tackled this issue. In some cases, they have actually pegged it so that when the average lifespan increases, so does the retirement age. If the current government does not like the form of the change that was proposed by the previous government, I hope the member opposite will say that he believes that we also need to tackle these demographics, especially given low growth and low interest rates. We have to be able to show that we can move with the times and make sure that all seniors, whether current seniors or seniors 50 years or 100 years from now, can retire with dignity.

*[Translation]*

**Mr. Pierre Nantel (Longueuil—Saint-Hubert, NDP):** I thank my colleague for his speech, Mr. Speaker.

Despite having closely followed the debates in the House these last two days, I have not heard a single, clear answer as to why the Liberals broke their campaign promise to lower taxes for small and medium-sized businesses.

Has my colleague heard a satisfactory answer or does he believe the government simply backed out hoping no one would notice?

*Government Orders*

[English]

**Mr. Dan Albas:** Mr. Speaker, the government has clearly made it a non-priority. That speaks volumes. It does not matter what other members have to say about it. The government's non-action speaks louder. I would simply suggest that the government does not feel that the lowering of that tax rate from 11% to 8% that was promised by all parties needs to be honoured. I am not sure if it feels that this constituency is doing well enough or if it does not believe that it should follow up on its promises, but governing involves making decisions, and the Liberals have made theirs.

[Translation]

**Mr. Pierre-Luc Dusseault (Sherbrooke, NDP):** Mr. Speaker, I would like get back to old age security, to which the member devoted much of his speech.

I have not heard my colleague mention a single study showing that the Canada pension plan would be in trouble if we did not raise the age of eligibility for OAS. By contrast, several studies have shown that keeping the retirement age at 65 would not jeopardize the CPP.

I would like my colleague to identify at least one study showing that the government had an obligation to raise the age of eligibility to old age security in order for the system to be sustainable.

[English]

**Mr. Dan Albas:** Mr. Speaker, I was not sure if the member was speaking specifically to the Canada pension plan or old age security. What I will say, and what I did mention in my speech, is that the parliamentary budget officer put out a statement saying that the changes to the health accord allow for the age of retirement to stay at 65 on a long-term basis. Stephen Gordon, who is a professor at Laval University, did a blog post on that particular subject and found that if the parliamentary budget officer's assumptions were off by 0.01%, so we are talking about less than 1%, then the whole rationale would be off.

Now the Liberals are speaking about a new health accord, which increases costs. They are talking about bringing old age security back to its original age. On top of that, we see things like wildfires in Alberta and flooding in Alberta, Manitoba, and Saskatchewan, and so forth. These unforeseen events have a real cost for the government. Obviously, the federal government is the only government agency that is able to span those losses and come to the table to help those provinces. It is a delicate balance when we are talking about these razor thin margins. I think the government is playing too loose a game.

• (1620)

[Translation]

**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 Desnethé—Missinippi—Churchill River, Health; the hon. member for Saanich—Gulf Islands, Railway Transportation; the hon. member for Vancouver East, Transport.

[English]

**Mrs. Deborah Schulte (King—Vaughan, Lib.):** Mr. Speaker, I am rising today to talk about the federal budget 2016.

This being my first speech in the House, I would like to begin by thanking the wonderful people of King—Vaughan for placing their trust in me. Serving as their representative is an honour, one I take very seriously. I also want to thank my supporters, who worked so hard through my nomination and the long election campaign. It was during this campaign that I came to fully appreciate the challenges and opportunities across my large and diverse new riding. Finally, I need to publicly thank my family members for their support, patience, and understanding. They have made this challenging transition to life in two locations manageable. As everyone ever elected to this House knows, the unsung heroes of parliamentary life are our families, who shoulder additional burdens maintaining a home and family while we immerse ourselves in becoming effective representatives.

From my seat in the far corner, in a spot where I look out upon everyone in this chamber, a new MP cannot help but quickly gain perspective, perspective on the formidable but resolvable challenges facing the country, perspective on the impressive talents and breadth of experience members from all parties bring to the national debate. Let us not forget that our time here is brief. Serious issues are confronting Canadians. Let us be bold enough, wise enough, and selfless enough to do what is right rather than what appears to be politically opportune.

With that perspective, I want to use my maiden speech to reflect upon the government's budget as it relates to my constituents, the diverse, compassionate, and hard-working people of King—Vaughan. Succinctly, this budget is about people. It is a transformative plan for investments in our families, communities, and Canada.

My riding is both urban and rural. In the south, there is a rapidly growing suburb transitioning to a more urban context. The northern portion has small towns in an agricultural setting. However, some of those small towns are now transitioning to a suburban context. It is a multi-ethnic mix, and overall, it has been a story of success, with native-born Canadians and immigrants together striving for and achieving prosperity and security and growing desirable communities.

Overshadowing the success stories, however, is a looming challenge. Housing affordability has become precarious, especially for young families and seniors. Without solid economic growth bringing high-quality jobs and good rates of return on investments, many will have trouble meeting the high cost of home ownership in my riding in the years to come.

*Government Orders*

During the campaign, when I knocked on doors, parents told me that they need more money in their pockets. Seniors told me that they could not keep up with the rising cost of living in their homes. They wanted to stay in their homes but were worried that the money was not going to last. Youth told me that rising university and college costs were making it difficult to invest in their futures, and the lack of good-paying jobs made it difficult to pay off their student debt. Everywhere in King and Vaughan, people were concerned about the congestion on the roads and the lack of accessible transit options.

However, I believe that the government's priorities will help address my constituents' concerns, both in the near and long term. This budget builds on our campaign promises. We promised to strengthen the middle class. When we have a strong middle class contributing to our economy and communities, everyone benefits. With our tax cut, we will put money back into the pockets of middle-class Canadians. It is well understood that the majority of those benefiting will spend it right back in their communities, supporting local businesses and their families, fuelling growth.

With the new Canada child benefit, nine out of ten families will get more help than they do under existing programs, and that benefit will be tax-free. This program is the most significant social policy innovation in a generation and will lift hundreds of thousands of kids out of poverty.

As important as those tax cuts and the new child benefit will be for my riding, ensuring future prosperity and quality of life will largely depend on wise public infrastructure investments in roads, transit, housing, water and waste water services, and communications. It is the smart thing to do, and it is a two-birds-with-one-stone initiative. Good middle-class jobs, necessary to support a family, will flow as major projects move forward. These improved services will further attract employers and more investment.

However, this is not just spending to create jobs. This spending is long overdue. Woefully inadequate infrastructure in my riding already hampers economic activity and decreases quality of life. Ask any of my constituents about traffic congestion and one will get an earful, and rightly so.

Before becoming a member of Parliament, I was a regional councillor in the City of Vaughan and York Region. I was well aware of how important it was for York Region to have strong representatives and a good partnerships with both provincial and federal governments to help invest in infrastructure solutions. We asked the federal government to be a true partner, invest a third, and lift restrictions that did not work in the best interests of municipalities.

• (1625)

I am delighted to see the government listening to the needs of municipalities and committing to invest as an equal partner and lift the P3 restriction. I am now privileged to be one of those strong voices in Ottawa, and I am pleased to see funding being committed for important transformative projects, not just in my riding but across the country.

Helping to protect the local environment first drew me to becoming involved in public affairs. I am honoured to be the chair of

the Standing Committee on Environment and Sustainable Development and have the opportunity to work with experienced and knowledgeable colleagues as we transition towards a more sustainable, clean, and green economy while protecting our environment and our health.

Those of us living in quickly growing suburban communities, areas that are facing pressure to expand and consume ever more farm land, areas where everyday life often seems centred around our automobiles, have a particular challenge in helping Canada get on with the transition to a more sustainable future. When we envision a sustainable future and plan for that future, and take concrete steps to make it happen, we reduce the economic burden our grandchildren will have to bear.

The good news is that people within my community will benefit at every turn from this transition. When we move to new, innovative forms of energy, high-skilled jobs will come. When we build efficient transportation mechanisms, we will get cars off the road and shorten commute times, benefiting everyone trying to get home to see their kids' soccer games or to just spend more quality time at home with family and friends.

When the government puts forward its new innovation agenda, which will outline a new vision for Canada's economy as a centre of global innovation, King—Vaughan will be ready to take advantage of these opportunities, and it has the workforce ready to play its part. All that makes sense in King—Vaughan, a region dedicated to providing good opportunities and a good quality of life for current and future generations.

Canada's future depends on ensuring that our children get the education and skills necessary for their success. However, post-secondary education is becoming increasingly expensive. The government recognizes that it must do its part to make post-secondary education more accessible. I am very proud of the program so far to help our youth, and I look forward to more in the future.

At the opposite end of the age spectrum, too many Canadians find it impossible to save enough before reaching retirement age. Too many of our seniors live in poverty, particularly our single seniors. The minister is committed to working with his provincial and territorial counterparts to enhance the Canada pension plan before the end of the year, which will go a long way to improving the future for seniors.

In this budget, the government is increasing the guaranteed income supplement for single seniors, and this will improve the financial security of about 900,000 of our most vulnerable single seniors in Canada. We will see investments in social infrastructure funding for seniors housing and affordable housing.

I want to touch on what the government has committed to for small business.

Budget 2016 supports Canada's innovators and entrepreneurs. It gives them the help they need to access expertise, identify new markets, and scale up for future growth.

Small businesses are the backbone of my riding. What I have heard from small business owners is that they need customers with money in their pockets. This is what will drive our economy. The middle-class tax cut and the Canada child benefit will do just that. It will ultimately put more money in the hands of small business.

If members spend any time at all in King—Vaughan, they will see that people from right across the world have settled there. It is a microcosm of Canada. My constituents come from just about every country and speak about 100 different languages. We obviously have many different backgrounds, but we share this in common: we came to Canada at some time in our family history for peace and opportunity.

The riding demonstrates what I think is one of the fundamental truths about our country: we are stronger because of our diversity. The diversity King—Vaughan offers Canada is also offered to the rest of the world. My constituents have the requisite contacts, language skills, business interests, religious associations, and most of all, desire to weigh in and contribute.

The government's action in seeking to address past wrongs and current shortcomings with our first nations communities, working in equal partnership with them, is perhaps the most crucial step in celebrating and maximizing the potential Canada's diversity brings in growing our economy.

Like all members of this House, I am extremely proud of my community. Some members will know of our attractions: Canada's Wonderland, the Canadian McMichael Art Collection, and the villages of Schomberg and Kleinburg. However, I am especially proud of our people. I am not sure if there is a more generous community in Canada. I cannot keep up with all the fundraising and volunteering efforts going on every week.

I will conclude by reiterating that I am proud of this budget and believe that it is an important step in putting Canada on a path to a bright and sustainable future. We have seized the opportunity to invest in our people, offered immediate help to those who need it most, and invested in future growth that will benefit all Canadians.

• (1630)

**Mr. Tom Kmiec (Calgary Shepard, CPC):** Mr. Speaker, this is a question I have asked before in the House to members of the government and members of the government caucus, as well.

In the budget implementation act and the budget document, in annex 1, on page 240, when we look at the child benefit program and the total amount the government will spend on this over the timeline presented in the budget, the numbers actually begin to go down after fiscal year 2017-18 and drop every single year until 2020-21. I would like to hear from the member an explanation for why that is.

Is it because the government intends not to adjust for inflation? Does it intend to lower the benefit, or does it simply believe that Canadian families will be making a higher income and therefore will not qualify for the child benefit program being proposed in the budget?

### *Government Orders*

I would like to hear the member's explanation for these numbers.

**Mrs. Deborah Schulte:** Mr. Speaker, as members know, we are trying to consolidate quite a few programs that have been available, and it is a very disparate, disjointed support network for families. We are trying to put them all in one, make it more simplified, and make it tax-free, because that is another challenge that I found, especially, when I was out campaigning. The previous government ended up providing the benefit and then taxing it back. Many families, when they were ready to do their taxes at the end of the year, were surprised to find they had to find money that they did not have.

We are trying to simplify it. I think part of the process is looking at how we will go forward and make sure that we simplify all the initiatives that are there to support families.

[*Translation*]

**Ms. Anne Minh-Thu Quach (Salaberry—Suroît, NDP):** Mr. Speaker, on employment insurance, I would like to know the member's thoughts on the fact that, due to an oversight on the part of the government, three additional regions were added to the list of 12 regions initially determined to be eligible to receive an extra five weeks of employment insurance benefits.

Quebec, however, seems to have been left out, even though it has many jobs in the agriculture and tourism industries, and some of its teachers and nurses have very precarious jobs.

In my riding of Salaberry—Suroît, many workers would certainly appreciate five extra weeks of benefits, as they have families to care for and are part of the middle class. They will not benefit from this EI program, which is totally unfair. We are left with a two-tier system based on the area where workers live.

[*English*]

**Mrs. Deborah Schulte:** Mr. Speaker, that is something I am sure many Canadians are asking themselves, so I am going to do my best to try to put in a frame.

Obviously, we have a challenge in our economy, at the moment, and certain areas are more challenged than others and have had precipitous drops in employment. The intent here is to support those areas that have had an unexpected high drop in the employment rate because it is obvious this is a support to get a person to their next job. If those jobs are not available in the area, it is going to take longer and it is obviously difficult for people to be able to bridge that gap to the next job.

We really identified areas based on the assessments done on the employment rates and the drop in employment rates. Where we saw a change, we have amended. I am sure that the government is going to continue looking at this across Canada and see where Canadians need the most help and try to be there for them.

*Government Orders*

**Mr. Michael Cooper (St. Albert—Edmonton, CPC):** Mr. Speaker, I am pleased to rise this afternoon to speak to Bill C-15, the budget implementation act.

During the election campaign the Prime Minister went all across Canada talking about change. Over the last seven months, as evidenced by budget 2016, Canadians have received change but unfortunately it is not the change that was promised and it certainly is not change for the better.

During the election the Liberals made a commitment to run a \$10-billion deficit, which they characterized as modest. They promised that by 2019-20, the budget would be returned to balance. Barely after the ballots were counted, the finance minister was trotted out and he admitted that they would not be able to bring in just a \$10-billion deficit, that it would be many billions of dollars more. Boy did it ever turn out to be billions and billions of dollars more, \$30 billion, more than three times what the Liberals committed to.

What about that commitment to balance the budget by 2019-20? Much like the Liberal promise to run a \$10-billion deficit in 2016-17, that promise was another Liberal promise made and another Liberal promise broken. Now the government admits that in 2019 instead of a balanced budget, it is going to deliver a \$17.9-billion deficit. No wonder, because over the next four years the Liberal government plans to borrow an unprecedented \$113 billion, that is \$113 billion that Canadians do not have.

Taking a step back one might ask why it is that the Liberals, during the election campaign, promised to take the \$1-billion surplus that they inherited from our Conservative government and turn that into a \$10-billion deficit. The answer is that the Liberals said there needed to be some short-term spending in some critical areas such as infrastructure.

What do the Liberals have to show for not a \$10-billion deficit but a \$30-billion deficit in infrastructure? Budget 2016 would provide no new funds for roads, bridges, railways, ports, and highways. Aside from some new funding for public transit, all of the new infrastructure spending in budget 2016 is dedicated to ill-defined green and social infrastructure.

More significantly, much of the \$30-billion deficit is not attributable to increased spending on public transit or even spending in green and social infrastructure. Rather, much of this \$30-billion deficit is attributable to a 7.6% increase in discretionary spending that would do absolutely nothing to create jobs and growth but would do plenty to saddle Canadians with more debt.

Much of the spending in budget 2016-17 is permanent and ongoing rather than temporary and cyclical. As a result, budget 2016 would set Canada on a path to long-term structural deficits.

•(1635)

While there was no plan in the budget to create jobs, growth, and prosperity, there is a plan in the budget to tax job creators, particularly small businesses that constitute the backbone of the Canadian economy. The government wants to eliminate and is going to eliminate a hiring tax credit and the student tax credit. What about the reduction of the small business tax rate to 9% that the previous Conservative government introduced and that the Liberals during the

election campaign said that they would implement? Another Liberal promise made and another Liberal promise broken, because now the government has announced that it is reversing the small business tax cut.

Then what about that middle-class tax cut that the Liberals touted with such enthusiasm during the election campaign, the revenue-neutral middle-class tax cut? Well it turns out the revenue neutral part of it is just another Liberal promise made and another Liberal promise broken. It turns out it is not revenue neutral at all. That is just the beginning because what we begin to find out is that the Liberal middle-class tax cut is actually a Liberal middle-class tax cut fraud. Why is that? Because average middle-class Canadians, if they are lucky, would receive \$1 a day under the Liberal middle-class tax cut. What do they lose as a result? The talk about eliminating the textbook tax credit, the sports tax credit, the arts tax credit, income-splitting for families, and on and on, is part of the Liberal middle-class tax cut shell game that is making more Canadians worse off than better off.

The Prime Minister talked about change, the government has brought about change, unfortunately, it is not change for the better. Regretfully, it is change for the worse and it is why budget 2016 and Bill C-15 must be defeated.

•(1640)

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

Mr. Speaker, the member spoke a great deal about the issue of deficit and his concerns regarding deficits. Many Canadians are concerned about how tax dollars are spent, justifiably so, but what I have a difficult time with and would ask the member to reflect on, is that the Conservatives are in no position whatsoever to give advice on deficits. They inherited a multi-billion dollar surplus. They converted it into a multi-billion dollar deficit and that was prior to the recession taking place. Then they left us with a deficit, contrary to what members might like to think. The reality is that they created a deficit, they ended in deficit, their total deficit of over \$150 billion of debt added by the Conservatives.

My question is very specific. Why does the Conservative Party believe that this government should take advice from a government that failed miserably in terms of the issue of debt?

**Mr. Michael Cooper:** Mr. Speaker, the Conservative Party has nothing to apologize for when it comes to fiscal responsibility. Indeed, when the Conservative Party formed government in 2006, it set out to pay back the largest amount of debt in Canadian history. It was the sum of \$38 billion in the repayment of the national debt.

*Government Orders*

There was, of course, the recession of 2008-09 and my hon. friend is correct, there were deficits run at that time, but they were short-term deficits based upon short-term stimulus spending that allowed the Canadian economy to recover at a faster rate with stronger growth than any country in the G7.

We then returned the budget not only to balance in 2015, but in fact there was a surplus. That is what has been confirmed by the PBO and it has also been confirmed by the Department of Finance. I do not know what the hon. member is talking about, but again, we certainly have nothing to apologize for on this side of the House when it comes to fiscal responsibility.

• (1645)

[*Translation*]

**Mr. Pierre-Luc Dusseault (Sherbrooke, NDP):** Mr. Speaker, I thank my colleague for his speech. I would like him to comment on one of the Liberals' broken promises, which the Canadian Federation of Independent Business called a betrayal.

The Liberals went back on their campaign promise. They said numerous times that they would reduce the tax rate for small and medium-sized businesses from 11% to 9%. However, once in power, they changed their tune and went back on the promise they had made to the Canadians who elected them.

Could the hon. member comment on this particular broken promise? There are many others, but, for now, I am asking him about this one specifically.

[*English*]

**Mr. Michael Cooper:** Mr. Speaker, yes indeed, the Liberals ran around Canada saying they were committed to a small business tax reduction and then quite simply broke their promise, just like so many other promises they have broken since the election. Every single day seems to bring about another new Liberal broken promise from the election.

This is going to cost small businesses. The finance department estimates it is going to cost small businesses some \$2.2 billion over the next four years. I should remind hon. members that small businesses constitute 40% of Canada's GDP and represent 98% of companies in Canada. Those are precisely the job creators that need support. Instead, at this time, the government is penalizing them with tax increases.

**Mr. Kevin Waugh (Saskatoon—Grasswood, CPC):** Mr. Speaker, today is June 7, a day to celebrate, according to the Fraser Institute. The Fraser Institute says today is tax freedom day, although those in Quebec will have to wait just a little longer, at least a week.

If it sounds as if we are paying a lot of taxes in this country, we do. We pay income tax, payroll tax, health tax, sales tax, property tax, fuel tax, vehicle tax, profit tax, import tax, along with various sin taxes. We will see next year if the Liberals have increased all our levels of tax.

Provinces like Ontario and Newfoundland, run by Liberal governments, are running massive deficits right now, so with the election of these Liberals to run our country, we are seeing that trend continue. It is called spend, spend, spend.

In reality, this budget is all about spending. After they broke their major election promises, including capping the deficit at \$10 billion, why should we trust the Liberals? The Liberal budget is a plan for reckless spending that offers higher taxes and billions of dollars in new debt, and yet we have no real plan in this country for jobs.

At the recent G7 meetings in Japan, the Prime Minister was determined to sell the merits of deficits to grow the economy. Fortunately, that was met with major resistance. Large-scale deficits and debts are weakening investor confidence. Other countries have chosen to cut their deficits. Many countries in the G7 have been rewarded for their efforts, but the Prime Minister sought to promote deficits backed by growth at the recent G7 meeting. Many around that table did not buy it.

Many saw first hand the positive effects of curbing the spending, in fact, reducing their deficit, as did the previous government here. There was no appetite around the world for adding the deficits, so why then is the Prime Minister promoting deficits to the G7? Stimulus requires international co-operation. Stimulus spending will have a marginal impact on the open Canadian economy when dealing with our trading partners. The result, though, will be bigger deficits and certainly more debt.

The point I am making is that it appears Canada is on an island all by itself when it comes to spending and adding more debt. The G7 meetings recently in Japan showed that this government has little or no respect among our trading partners.

The Liberals have also picked winners and losers with the EI program. Twelve regions qualified, including my city of Saskatoon, along with northern Saskatchewan, but south Saskatchewan, where the resource sector suffered tremendous pressure with job losses, was not included. Weeks later, because of our relentless pressure, the government then decided to include south Saskatchewan along with the Edmonton area for improved EI benefits.

I have said in this House before and I will say again that Canadians want to work. In Saskatchewan, where I come from, people are known for their work ethic. They want to wake up in the morning with a job and with a purpose. They want to provide a future for their families.

Unemployment rates in Saskatchewan and our neighbouring province, Alberta, have spiked since the Liberals have taken office. We should be reminded that Canadians need more job support, not simply longer periods of EI benefits. When will the government, for example, support the oil and gas sector? Pipelines are needed to move product safely, yet we constantly see delays, every day in this House. This is costing us jobs. Evraz in Regina, which manufactures pipelines, was forced to lay off workers in February. It laid off another 50 workers just last month.

*Government Orders*

Cameco, the largest uranium manufacturer in the world, suspended its Rabbit Lake mining, putting another 500 people out of work. This mine was an economic engine for northern Saskatchewan, employing many first nations people. These positions were very well paying jobs, creating wealth in our northern region of Saskatchewan.

● (1650)

However, the Liberals have taken their frustration out entirely on small businesses. It is unfortunate, really, that 700,000 middle-class small business owners who employ about 95% of working Canadians are the target of the government in the recent budget.

The Liberals have ended the hiring credit for small businesses. They have cancelled their planned youth employment hiring credit. The Liberals have broken their clear promise to small businesses in this country to proceed with just that small tax rate reduction to 9%. Plans for any small tax cuts, in fact, will now be deferred, maybe forever with the government.

According to the Canadian Federation of Independent Business, the decision will cost small firms over \$900 million per year to 2019. The finance department has estimated that this broken promise will actually cost the small business sector \$2.2 billion over the next four years. All signs point to trouble for Canadians.

The Minister of Finance is planning another hit to Canada's small businesses by increasing the CPP premiums. This would, in my estimation, send more people to the unemployment lines in this country.

An employer with, let us just say, one employee would see an increase in the CPP to \$880 a year. Imagine, let us say, if there were 15 employees. The employer would end up paying over \$13,000 per year. For small business, this is a direct payroll tax. The self-employed would be paying an additional \$1,700 a year. That would certainly be a big hit for those who have decided to be entrepreneurs and do business on their own.

This spells big trouble for our economy: higher labour costs with little or no productivity. This would lead to more job losses, possibly wage cuts, or even freezes, putting everyone at risk.

The Canadian Chamber of Commerce is also very concerned. It stated recently that the importance of businesses has really plummeted in this budget. As we all know, during the election, the Liberals said publicly that small businesses are just tax havens for the wealthy. Well, business owners are middle-class people. Far more make less than \$40,000 per year than what the Liberals think they make, \$200,000-plus a year.

By increasing taxes on job-creation, the Liberals are destroying success, and they are really not promoting entrepreneurship or even innovation in this country. As we all know, saddling businesses with higher taxes will not create jobs.

Previous tax breaks for middle-income families have been taken away, for the arts community and for fitness, which included sports, and even the most popular family income splitting, as well as the reduction of the TFSA limit, where hard-working Canadians actually had an opportunity to prepare for retirement.

In fact, when I was home this past weekend for a barbecue, many came up to me asking what they could do about unnecessary spending leading to a greater deficit, which this country will share. We should always try to run our country as we run our households: live within our means, especially when the circumstances do not justify the spending. We are really not in a recession, yet the government is determined to run up huge deficits.

The former Conservative government created jobs. During the worst economic downturn and this great recession, Canada, it should be noted, had the best job creation for economic growth among the G7 countries. We balanced the budget. In fact, we left the Liberals with a surplus of over \$3 billion at the end of 2015. We lowered taxes for Canadians, to their lowest point in 50 years. A typical family of four saved \$7,000 a year.

Finally, Canadians have just heard the buzzwords in this budget. Soon they will realize that it is not what it is cracked up to be.

● (1655)

**Mr. Fayçal El-Khoury (Laval—Les Îles, Lib.):** Mr. Speaker, I would like to remind the member, who was saying the government is spending and not creating jobs, that he must correct himself to say that the government is investing in order to create jobs.

If all of those huge investments in infrastructure, in green technology, in protecting the environment, in supporting middle-class families, in lifting hundreds of thousands of children out of poverty, and in social housing do not create jobs, could my colleague tell us what other elements or means would create jobs in Canada?

**Mr. Kevin Waugh:** Mr. Speaker, it is interesting that in the city of Saskatoon, there are two infrastructure projects that were promised by the Conservative government. They were shovel ready. There were overpasses at Boychuck and McOrmond. The money was sitting there. The infrastructure minister came to the city about two weeks ago and delivered the message. Why? Because it was the Conservative government that promised those two overpasses. There are no other plans in Saskatchewan with the Liberal government. That is the infrastructure in my city, a population of 250,000.

[Translation]

**Mr. Pierre-Luc Dusseault (Sherbrooke, NDP):** Mr. Speaker, could my colleague tell us about the Liberals' improvisation with regard to the selection of the 12 and now 15 regions that were chosen to receive enhancements to employment insurance?



*Government Orders*

He mentioned his province of Saskatchewan, and I was wondering if he could expand a bit. Were there specific factors or reasons why the government chose certain regions? On what facts was this decision based? Why were similar regions excluded from this regionally-based enhancement of the employment insurance system?

• (1700)

[*English*]

**Mr. Kevin Waugh:** Mr. Speaker, that is a very good question. That was asked at the original news conference at Saskatchewan Polytechnic, when the minister started to talk about the 12 regions. During the new conference, the minister did not know that region 42 existed, which is Saskatoon, and region 43, which is northern Saskatchewan. It was just simply picking winners and losers.

I had toured the province and knew that Estevan, Weyburn, and even Regina were in serious trouble because of the oil price and, then, of course, Edmonton, the hub of Alberta, along with Fort McMurray. A lot of people work in Fort McMurray but live in Edmonton. They were excluded from this. A lot of people who live in my city and work in Fort McMurray were also excluded. I do not know why.

Obviously the Liberals realized their mistake because they included south Saskatchewan and the Edmonton area after hours of debate in the House, led by my side of the House. It is too bad they selected winners and losers.

**Mr. Ziad Aboultaif (Edmonton Manning, CPC):** Mr. Speaker, I heard the Liberals say that they would not take any lessons from anyone. It is unwise not to take lessons, especially from such a fiscally responsible side of the House, like the Conservatives.

If a government wants to borrow money and has no plan to pay it back, what is that called economically and fiscally?

**Mr. Kevin Waugh:** Mr. Speaker, this will affect me. My first grandchild was born in August, during the campaign. Not only are my two kids going to have this debt heaped on them, but so is my new grandchild. I am appalled by what will happen with this Liberal budget. It will not saddle me as much, but it will my kids and now my grandchild. That is the story all Canadians will have to face four years from now.

**Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I rise on a point of order. There have been discussions among the parties and I think if you seek it, you would unanimous consent for the following motion. I move:

That, notwithstanding any Standing Order or usual practice of the House, the third reading of Bill C-15, An Act to implement certain provisions of the budget tabled in Parliament on March 22, 2016 and other measures, may be taken up in the same sitting during which the report stage of the said Bill is disposed of.

**The Assistant Deputy Speaker (Mr. Anthony Rota):** Does the hon. member have the unanimous consent of the House to move the motion?

**Some hon. members:** Agreed.

**The Assistant Deputy Speaker (Mr. Anthony Rota):** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

(Motion agreed to)

[*Translation*]

**The Assistant Deputy Speaker (Mr. Anthony Rota):** The hon. member for Abitibi—Témiscamingue.

**Ms. Christine Moore (Abitibi—Témiscamingue, NDP):** Mr. Speaker, I am going to talk about the budget implementation bill and, of course, a number of things that are particularly important for my riding, including the mineral exploration tax credit. I think it is worthwhile at this point for me to sketch a portrait of what Abitibi-Témiscamingue represents in terms of mineral exploration.

In my riding, one in six people is connected to the mining industry. That is 16% of jobs, both direct and indirect. In Abitibi-Témiscamingue, investments in mining exceeded \$1 billion in 2011, but dropped to about \$780 million in 2014 because of the economic downturn.

In addition, 370 businesses are active in the mining industry either as product manufacturers or mining companies. Clearly, this sector is huge in my riding. That is why I want to talk about the mineral exploration tax credit.

The budget implementation bill renews the mineral exploration tax credit, which helps junior mining companies using flow-through shares. Of course, we support the mineral exploration tax credit, but unfortunately, the Liberals missed this opportunity to make it permanent. I think it is very important to make this tax credit permanent in order to make life easier for mining companies.

The fact that the tax credit is not permanent and that no one knows whether it will come back has a serious impact when firms try to plan their exploration activities. They can try to hurry, but they do not know whether it will happen.

It is important to understand the mining cycle. When it comes to mining, if companies wait for metal prices to go up before they explore, by the time they go through all the steps to eventually get to a mine in production, metal prices will have dropped again. It would be much better to promote exploration when metal prices are low, so that when the price of gold, for instance, goes up, the mines are ready to go into production quickly, within two or three years. That is the logic that must be applied to the mining sector. That is why this tax credit must be permanent, if we want to promote the development of our mining sector in a much more intelligent manner.

When it comes to prospecting, that is, when a company thinks there is a deposit somewhere, it takes about five years to do the research, get some core samples, and analyze them. The delimitation also has to be completed, in order to find out exactly where the deposit is located.

*Government Orders*

Ideally, this five-year period would coincide with the down cycle in ore prices. That way, when the price starts rising again, the next phases can begin. It is currently a good time to undertake mining exploration. We cannot abandon our mining companies, especially those who are just starting up. They need help now. Unfortunately, when metal prices are low, it is harder to find investors to back up these companies. That is another argument in favour of supporting our mining startups in their exploration activities.

When we talk about the development phase, which encompasses pre-production preparations, the setting of every technical and economic parameter, and all feasibility studies and environmental assessments, we talk about a three- to eight-year period.

For installation and production, we are talking about a 10-year timeframe, give or take, during which the mine will actually be in production.

That is the mining cycle. Afterwards, of course, there is everything related to closure and rehabilitation, which can take a year or two. Environmental monitoring can last for several years, depending on the situation.

• (1705)

That was one of the especially important aspects of the mineral exploration tax credit. The other important aspect that was brought to my attention several times had to do with eligible expenses.

At the exploration phase, mining companies are increasingly responsible for consulting the public to notify them of their activities, and they are on board with that. Sometimes, they also conduct environmental assessments or studies on the fauna before even beginning with the exploration, to ensure, for example, that they are not disturbing the habitat of animals such as moose or other wild animals.

Before exploration even begins, there are expenses for consultations or environmental assessments. Unfortunately, since these are not expenses for extracting core samples, for instance, where the work is actually done on the ground, these expenses do not count as eligible exploration expenses.

It might be a good idea to include these expenses with those that are incurred for mining exploration because they go hand in hand with ensuring that the projects unfold seamlessly. The purpose of all these expenses is truly to ensure that the approach taken by the mining companies is much more respectful of the communities. I think that the Liberal government could also take a look at this as part of the budget.

I would also like to take the time to talk about other measures. For example, feminine hygiene products have been added to the list of tax-free products. I believe that it is a good measure that can be primarily attributed to the NDP, which proposed this measure in the previous parliament. It has now been implemented. We can be proud of what we accomplished.

I would like to remind the government that I introduced a bill to eliminate the tax on basic baby supplies. These products are zero-rated in most provinces that do not have a harmonized tax. In all provinces where the provincial tax is not harmonized, these products are considered zero-rated supplies.

I believe that we should consider taking action to ensure better coordination between the provinces and the federal government. We do not have to wait for my bill to reach second reading stage. I have many other interesting bills. Therefore, I would not be upset if the problem were to be solved before we reach my bill. The government is completely free to implement the measures contained in my bill before it is debated. I would be pleased if it wanted to do so.

I also think that it will make life easier for a lot of parents who buy basic baby products. The bill provides a list of products that are absolutely essential when caring for a baby. I also think that many parents would be grateful to the Liberal government for taking action on this.

Another important point is that the Liberals have gone back on their promise to lower the small businesses tax rate to 9%. Small and medium-sized businesses in my riding will be particularly disappointed, especially when you consider that they provide the vast majority of jobs there. They are the heart of our communities.

Some communities rely solely on a local SME, which enables people to earn a living. For example, in La Reine, where I am from, Les Aciers JP manufactures metal products. It hires welders and people who work on the cutting tables. Without this business, there would be nothing left in town, aside from a few service businesses.

When the government chooses not to support these businesses and lower their taxes, it is adopting measures that hurt rural ridings like mine. It is important to support these businesses. These are local jobs that help keep people from leaving many of these towns. I think that is particularly important.

• (1710)

Since I am out of time, I thank my colleagues for listening. I would be happy to take questions.

[English]

**Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I will pick up on the member's last comments in regard to the importance of small business being the backbone of Canada's potential job growth. I would just provide assurances to the member and others who might be listening that this government takes it very seriously. They talk about the middle-class tax break, where we would inject literally hundreds of millions of dollars into the pockets of Canada's middle class. They would see higher disposable income that would help small businesses in all regions. It would also directly support those franchise owners, the small companies that the member made reference to because they too would be getting a direct tax break.

Whether it is indirect or direct, this budget in several ways would support small businesses. Would the member at the very least acknowledge the fact that there are both direct and indirect advantages for small businesses in this budget?

*Government Orders*

[*Translation*]

**Ms. Christine Moore:** Mr. Speaker, the majority of my constituents do not make enough money to take advantage of the much talked about middle-class tax cut. They had hoped to be part of the middle class as defined by the Liberals, but it seems that they were wrong. There are many people in my riding who do not earn the \$45,000 a year it takes to get a single dollar back in tax relief.

Thank goodness that the cost of living remains low in many of the towns I represent. Houses can be bought much cheaper than in Toronto, for example. There are perfectly decent houses for less than \$100,000. Perhaps Toronto is a different world. That said, most of my constituents will not be benefiting from the middle-class tax cut because their low annual incomes do not meet the income eligibility threshold.

People are left feeling like we have failed them, which is a shame. If the tax cut had been applied to the lowest tax bracket, as the NDP suggested, the vast majority of people would have benefited. However, the Liberals held firm, and as a result, most of my constituents will not make enough money to receive a single dollar in tax relief.

• (1715)

**Mr. Pierre Nantel (Longueuil—Saint-Hubert, NDP):** Mr. Speaker, I thank my colleague for her articulate and well-researched speech about the realities of these people and the economic benefits. She made constructive arguments about supporting entrepreneurs, small and medium-sized businesses and people from her region.

I agree with my colleague on the disconnect between the great expectations created by that party during the campaign, when everyone agreed that small and medium-sized businesses needed a lower tax rate, and what actually followed.

Does the member not find even more disappointing that the great expectations of small and medium-sized businesses, Quebec and the aerospace sector were not met?

Does she not find deplorable that this election campaign turned out to be such a complete fraud? The Liberals made promises and announced a humongous deficit, and yet people will not even get what they were promised during the campaign.

**Ms. Christine Moore:** Mr. Speaker, I thank my esteemed colleague for the question.

That is a real problem. In 2015, I ran in my fourth campaign. I have been a candidate since 2006. People are sick of being lied to. They want the truth. They do not want any surprises.

Being honest with Canadians is how we score points. People have had enough of politicians promising them to fix everything and doing nothing once elected. They simply want the truth. Is that so hard?

When I worked as a nurse, it was the same thing. Patients do not want to be told that everything is fine, that they still have 10 years ahead of them. They want to be told the truth when things are not going well so they can plan for what comes next. They do not want reality to be sugar-coated; they want us to tell it like it is and stop springing surprises on them. That is how they can make informed choices.

When politicians promise one thing and do the opposite or fall short of expectations, people are disappointed. That is unfortunate, because it reflects badly on all of us.

[*English*]

**Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC):** Mr. Speaker, it is a pleasure today to stand in the House and speak to Bill C-15. The bill would implement a number of the measures that the government had previously announced in the budget that was tabled here in Parliament on March 22.

Today I would like to outline the various reasons why I am opposed to this legislation and also to the fiscal plan of the government more generally.

The main reasons why I am opposed to the budget include the following: a larger than promised deficit, not just larger but huge; removal of the universal child care benefit and other beneficial tax credits; gutting of the Canadian military; lack of support for small businesses; and the list goes on. What really irks me and most Canadians is that the Liberals brag about a middle-class tax break when we all know that in reality it is really a middle-class tax fraud.

I want to carry on with the topic of deficits. This was perhaps the most disheartening part of the budget. Many Canadians were disappointed that the Prime Minister broke his main election promise to Canadians to keep deficits at \$10 billion or less. Budget 2016 misses this target by a country mile. The budget projects deficits of \$29.4 billion in fiscal 2016-17; \$29 billion in 2017-18; \$22.8 billion in 2018-19; and further deficits past 2020. This is not what was promised to Canadians and is not a fiscally responsible plan. The Liberal government has the arrogance and audacity to plan for deficits far beyond even its elected mandate.

What is most concerning is there is not a clear plan or pathway to balance the books. When the global economic crisis hit in 2008, the former Conservative government and my good friend the late hon. Jim Flaherty recognized the need to run deficits to stimulate the economy and create jobs for Canadians. However, it was always made clear to all that there was a plan to return to balance. Budget 2016 provides no such plan and the economy is far better off today than it was in 2008.

The government seems content with running deficits simply for the sake of having a deficit. The most recent "Fiscal Monitor" was very telling of this. It showed us that from April 2015 to February 2016 the government was running a \$7.5-billion surplus. However, the government posted what has been called a blockbuster deficit of \$9.4 billion in the last month of the fiscal year and therefore we were left with a \$2-billion deficit for 2015. This is shameful, simply does not make any common sense, and certainly does not make any economic sense.

*Government Orders*

I have heard from a number of families in my riding who are concerned with the benefits that the budget would take away from hard-working families. Most notably, budget 2016 would remove the following tax credits: the children's fitness tax credit, the children's art tax credit, and tax credits for post-secondary education and textbooks. These measures were widely supported by families in my riding and across the country who enrolled their children in minor hockey, baseball, soccer, and lacrosse, and by those who enrolled their children in dance classes, piano lessons, and other arts and culture activities. Furthermore, the tax credits that supported those in post-secondary education were vital for helping families afford to send their children to school beyond high school. All gone. The floor swept clean of good programs just because they were initiated by the previous government.

While in government the Conservative Party reduced taxes to their lowest point in 50 years, which resulted in a typical family of four saving almost \$7,000. We brought in concrete measures that allowed families to keep more of their hard-earned money. Furthermore, these were fair measures that benefited all families, in particular, low- and middle-class families. Did I happen to mention that middle-class tax fraud?

• (1720)

In keeping with the topic of keeping taxes low, I was also disappointed to see two measures in budget 2016 that are bad news for small businesses in Canada. These are keeping the small business tax rate at 10.5% instead of lowering it to the scheduled 9%, and ending the hiring credit for small businesses. These were small potatoes for the government, but big items for small businesses. Small businesses, in my riding and in most ridings across the country, are the lifeblood of the Canadian economy and are especially important in rural communities. They are responsible for 82% of jobs in Canada. In my riding of Bruce—Grey—Owen Sound, the local economy depends on a healthy community of small businesses. I strongly support measures to ensure that small businesses keep more of the money they earn so they in turn can hire more staff and grow their business. That is how the economy works. Unfortunately, the budget removes two key measures that have supported and would have continued to support small businesses in Canada.

Furthermore, the budget is a slap in the face to the Canadian Armed Forces. We all remember too well the 1990s and what has been called the “decade of darkness” for our military under the Liberal government at the time. It appears as though while sunny ways are supposedly shining everywhere else, our military is once again being left in the dark. Budget 2016 removes \$3.7 billion out the budget of the Department of National Defence, which was earmarked for vitally important procurement projects. What this means is that under this government the military will not be able to upgrade important military equipment. It is my fear that we are in for another Liberal attack on our military. In fact, the military is under attack, and it is not by ISIS. It is by the government.

Finally, I want to comment on Canada's recreational fishery and the importance that the industry has to the economy as a whole. Like my riding, I know, Mr. Speaker, your riding depends a lot on it. I have fished up there, and anyone who does recreational fishing, no

matter where it is, they leave money behind, which supports small business.

My riding is surrounded by the Great Lakes on three sides, and the recreational fishing industry is a vital source of economic activity for a number of communities. For example, every year, the Owen Sound Salmon Spectacular draws anglers from across the country and out of the country to the area, which is fantastic for local businesses.

It should be noted that every year, recreational fishing in Canada adds approximately \$8 billion in economic activity. Supporting this industry has always been a top priority for me, and I want to spend a few moments presenting an issue that I feel was overlooked in the creation of budget 2016.

The Great Lakes Fishery Commission plays a vital role in protecting our Great Lakes and the recreational fishery. The commission was established in 1955 by the Canada-U.S. Convention on Great Lakes Fisheries. The commission has a mandate to conduct research on the Great Lakes fishery and to protect the fishery from invasive species such as Asian carp and sea lamprey. However, while the United States has increased annual funding to the commission, budget 2016 contains no new funding. In fact, a number of the Great Lakes state governors have written to the Canadian ambassador, outlining their disappointment. I am with them on that. I am also disappointed that the budget did not address this problem.

In closing, Canadians expect more from their government than what they are getting with the budget. Canadians did not vote for spiralling deficits with no plan to return to balance. They did not vote for an assault on our military, and they did not vote for irresponsible economic policy. Lastly, they did not vote for a middle-class tax fraud.

• (1725)

**Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I disagree with the member. I believe the budget delivers what Canadians wanted. It delivers on a number of election platforms. Let me just cite a couple of examples of that.

The poorest seniors in Canada, single seniors in particular, would receive significant increases to their GIS. It is something the Conservative government failed to do. The budget would deliver the most generous Canada child benefit program that we have ever seen in the history of our country. It would lift hundreds of thousands of children out of poverty. Again, it is something the Conservative government failed to do. The budget would deliver a substantial tax break to over nine million middle-class Canadians. That is hundreds of millions of dollars going back into the pockets of Canadians. The budget would commit the hugest amount of dollars to expenditures on infrastructure, in every region of our country. This is a budget that Canadians wanted.

I will narrow my question down to one issue for the member. How do the Conservatives justify in their own minds voting against one of the most significant tax breaks that we have seen to Canada's middle class? How do they vote against that?

*Government Orders*

**Mr. Larry Miller:** Mr. Speaker, he left that pretty wide open. The bottom line is that I do not know where the hon. member gets his numbers from. This is a budget that absolutely does not help the middle class, and I am going to concentrate on that because that seems to be the big item the Liberals want to talk about, the middle class.

The middle class, in their terms and definition, are people who are make the same money as members of Parliament. Anybody making up to \$200,000 a year, in their wisdom, in their minds, is included in that.

How do I tell families where both spouses are working and making \$40,000 to \$50,000 a year that they are in the middle class, while a member of Parliament is included in the same category? I do not think many of them will buy it.

• (1730)

[*Translation*]

**Mr. Pierre-Luc Dusseault (Sherbrooke, NDP):** Mr. Speaker, I thank my colleague for his comments.

Considering some of my colleague's recent statements or publications, I was wondering if he could tell us what he thought about the assistance programs for Canada's least fortunate. I am thinking about income security programs such as old age security and employment insurance.

What does he think about the help the government can give to Canada's least fortunate and what was proposed in the budget?

[*English*]

**Mr. Larry Miller:** Mr. Speaker, the first program the member mentioned was welfare. Welfare is there, like a lot of government programs are, for those who have found themselves in tough circumstances in life. I fully support that.

Employment insurance is there for people who lose their jobs. It is not there for somebody to use as part of a plan. I fully support that.

As my hon. colleague will know, the previous Liberal government took I believe it was \$52 million or \$54 million out of the EI fund, which it had no right to do, and it put it in the general coffers.

Those programs are in place and I fully support them.

[*Translation*]

**Mr. Joël Godin (Portneuf—Jacques-Cartier, CPC):** Mr. Speaker, today I rise in the House to speak to Bill C-15, the implementation bill for the budget the Minister of Finance tabled on March 22.

I will be very clear from the outset that I am very worried. This government does not know what it is talking about and does not know what it is doing. It spends without thinking, it throws money around the country from coast to coast, it has no structure, and no guidelines. I must say that it is a bad manager.

Let us go back to October 19. Let us look at the many promises that were made and broken by our friends across the way who are now in government. First, they said that they would balance the budget at the end of their term in four years, which they criticized us for doing. I will talk about that broken promise later.

Their second broken promise was having a modest \$10 billion deficit. They told us that they now project an astronomical deficit of \$30 billion for the first year. They promised to lower business taxes from 11% to 9%. They did not do that. Again, they did not keep their promise. They asked Canadian voters to trust them to put postal workers back on their routes. Again, that is not true.

With regard to refugees, the Liberals created an emergency. The election took a turn and, unfortunately, the party that was in the lead got bumped to third place. The Liberals took the lead by promising to bring 25,000 refugees to Canada before December 31, 2015. Once again, they did not keep their promise.

They said that the middle-class tax cut would be revenue-neutral. They probably do not know how to count. It is going to cost a minimum of \$1.2 billion. They also said that they were going to paint the Quebec Bridge and that they were going to solve that problem in my region. They have two weeks left to do so, or 23 days to be exact, but I can already tell the House that they will not keep that promise either.

They said that they were going to do politics differently. It is funny but there have never been as many gag orders as there have been under this government. They are not capable of governing responsibly. Canadians families must not follow their example. I am a father and, if I managed my family's budget the way that the government is managing our economy, we would go bankrupt. Managers, parents, and adults need to do things carefully.

Yes, every so often, circumstances arise in which we need to borrow money to improve our country, but we need to do so in a careful and controlled manner. Every Canadian family knows that, sooner or later, they will have to pay back what they borrowed. The day of reckoning will come. It is the law. It is a fact of life. When we borrow money, we have to pay it back. Money does not grow on trees. We have to fulfill our obligations.

What the government announced in the most recent budget is a structural deficit created by the Liberals. We need a drastic remedy. With a little luck, in four years, Canadians will be able to elect a Conservative government. Our children and grandchildren are the ones who will pay the price.

There are members here who have children at home. If they do not set any limits, if they do not get organized, and if they always say yes, their family unit will crumble and they will go bankrupt. If you give a child a credit card with no limit, you will be in a mess in no time. That is what the Liberal Party is doing to our beautiful country.

This government must govern. It must make hard decisions, decisions that are not very popular, but that are nevertheless extremely important and responsible. For example, its decision to reduce the pension age to 65 years was easy and popular, but was it responsible? That is the question. I can only answer that it was not.

• (1735)

It is simple, really. Fewer people are contributing, and costs are higher. More people are taking money out of the fund, and fewer people are putting money in. Nobody needs to take a university course to understand that.

*Government Orders*

Are the Liberals aware that life expectancy is going up? People are in better health and have a wealth of experience. Why take them out of circulation?

Even an expert with a high-profile financial firm, when he was in private practice, commended the Conservative government for having the courage to make what was a difficult but necessary and responsible decision. What is that so-called expert doing now? He is the Government of Canada's Minister of Finance. Things are not going well. How are we supposed to trust this minister when he does an about-face now that he is responsible for the budget?

Imagine if I said that I was going to give back my universal child care benefits because my income is above average and, on becoming prime minister, I hired two nannies and kept my benefits. What is going on?

They cannot even admit to some of the facts that have been confirmed repeatedly by the parliamentary budget officer. We, the Conservatives, left a budget surplus, and that was after going through one of the biggest global financial crises. Our former leader, who was not a drama teacher, but rather an economist, successfully led Canada out of that situation and made it an economic leader and the first G7 country to get out of the red. As Canadians, we can be proud of that.

The Prime Minister said he was going to govern differently. He is not governing. He is surfing the waves and taking selfies. Rather, it is most likely his inner circle who are taking selfies. Instead of making decision, he is using words like “we are going to consult”, “we are going to analyze”, and “we are going to re-examine departmental reports”. Those are the kinds of things we hear all the time in question period. The Liberals do not even trust Canadian federal public servants. For instance, at Canada Economic Development, a survey was done to determine what to do with the subsidy programs and what sector to support. Let us be serious.

Where is the amazing plan they had announced during the election campaign?

I visited companies that told me they were discouraged by the red tape. On the tax side, business owners must have access to measures that will let them keep these companies in Canada and sell them to family members without losing their shirts. The current federal tax system makes this difficult. Why not look to Quebec for inspiration? It will help companies remain in Canada and let owners, such as a mother or father, to transfer their business to their family. Why not? Why do we not put in place measures to help make this happen? It is not complicated.

Let us move on to another matter and talk about Bombardier. The Liberals have not yet said whether they will support the company or how they would do it. They said that they would provide that information 10 days before the budget, and then in the budget. It is now June 7 and Bombardier's management does not even know what to expect.

It would have been easy and very simple to extend the runway at Billy Bishop airport. That is not complicated. It does not cost anything. However, the Liberals never choose the solutions that do not cost anything.

There is nothing in the budget for our regions. We have to invigorate our regions. The only measure is providing broadband Internet. Our regions deserve more than that. They have tremendous potential that must be developed with our local partners.

I will move on quickly and get to my conclusion. Do members know that the worst debt-to-GDP ratio in Canada's history, 72%, was recorded in 1996 when the Liberals were in power? Do members know that the best debt-to-GDP ratio was recorded in 2009, when the Conservative government and economist Stephen Harper were in power? How can we trust a drama teacher and his troupe? The current government has no vision. It consults, considers, looks at, studies, examines, observes, thinks about taking into consideration—

• (1740)

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** I remind the member that he cannot refer to a member of the House by their first or last name. I must also inform him that his time is up.

**Mr. David de Burgh Graham (Laurentides—Labelle, Lib.):** Madam Speaker, the only thing that is rich about the Conservatives' legacy is their own description of it.

Many of their statements are not exactly up to date. The Conservatives did not manage to balance the budget one single time in the 20th century. The last time they managed to balance it was in the 19th century.

They claim to be good economic managers, but with their magic economist, the former prime minister, I have a hard time believing that claim.

Can the member talk about the Conservatives' real history with balanced budgets?

**Mr. Joël Godin:** Madam Speaker, I thank my colleague for his pertinent question. This gives me the opportunity to tell the House that the Liberals, once again, are not able to acknowledge the truth.

We balanced the budget in 2014-15 and we left the house in order financially. I do not know what planet the Liberals are living on, but their claims are not true.

I should therefore ask you, Madam Speaker, what is the procedure for requesting that a member retract an erroneous statement?

**Mr. Pierre-Luc Dusseault (Sherbrooke, NDP):** Madam Speaker, I thank my colleague for his speech.

I would like to come back to an issue that he raised but did not elaborate on it as much as I would have liked. I mean old age security. He said it was irresponsible on the part of the government to bring the age of eligibility back down to 65, but he failed to cite any studies showing that the program was not viable if the eligibility age remained at 65.

Earlier I tried to get an answer from one of his colleagues, who referred me to a blog post to try to justify the fact that his government raised the eligibility age from 65 to 67. Maybe I will have better luck with this member.

Can he refer me to any studies proving that the program is unsustainable if the eligibility age is set at 65? I would like him to cite at least one study, rather than a blog post.

*Government Orders*

● (1745)

**Mr. Joël Godin:** Madam Speaker, I thank my esteemed colleague for the question.

On the official opposition side, our objective is to create wealth. We need to get the economy moving. We need to invest in the regions. We need to put Canadians to work, so that they have money in their pockets. If the funds are available, we are willing to use them to improve our social programs. However, we believe that you need to have the money in order to make investments.

The same thing is true for families. If no money is coming in, no one can invest; no one can spoil themselves, and no one can go on vacation, for example.

[English]

**Hon. Kevin Sorenson (Battle River—Crowfoot, CPC):** Madam Speaker, I want to thank my colleague who serves on the public accounts committee with me for his hard work there and the great speech he gave today.

There have been a number of questions referencing 2008. The member before him spoke about the hon. Jim Flaherty and how, in the first two years our government was in power, we paid down \$38 billion with surpluses. We balanced the budget, we had a surplus, and we paid down over \$38 billion in national debt.

In 2008, the largest recession since the Great Depression hit, yes, we did go into deficit spending with infrastructure funding and investing in things that would help create jobs. Canada was the last to enter the recession and the first to come out of it. This showed that it was good fiscal management.

We had balanced budget legislation, which said that if we were not in recession, if the economy was growing, we would have balanced budgets. The current government has thrown that out and has gone from \$10 billion to \$20 billion to \$30 billion in projected deficits—

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** I want to give the member a chance to respond.

The hon. member for Portneuf—Jacques-Cartier.

[Translation]

**Mr. Joël Godin:** Madam Speaker, indeed, we worked hard for the nine years that we were in power. What worries me, unfortunately for Canadians, is that the Liberals will destroy Canada in the next four years.

In Canada right now, the Liberals want to let young people use marijuana, let vulnerable people commit suicide, and send Canada into bankruptcy.

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** Order, please. I can see that people feel quite passionate about this debate. It is a shame we do not have more time, but other members want to ask questions and participate in the debate.

[English]

**BUSINESS OF THE HOUSE**

**Hon. Kevin Sorenson (Battle River—Crowfoot, CPC):** Madam Speaker, on a point of order. I think that if you seek it, you will find unanimous consent for the following motion. I move:

That notwithstanding Standing Order 93(1)(b): At the conclusion of the debate on Bill C-239, if a recorded division is requested, the division be deemed deferred to Wednesday, June 8 at the conclusion of the time provided for Oral Questions.

[Translation]

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** Does the hon. member have the unanimous consent of the House to move the motion?

**Some hon. members:** Agreed.

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

(Motion agreed to)

\* \* \*

[English]

**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.

**Mr. Ziad Aboultaif (Edmonton Manning, CPC):** Madam Speaker, there are so many reasons why this legislation is bad for Canadians that I hardly know where to begin. The excessive spending the Liberal budget sets out is not targeted and will end up hurting businesses, families and hard-working Canadians in the form of future tax increases.

The budget is about spending. It will stifle economic growth. The Liberals hope that by throwing out buzzwords like “infrastructure” and “innovation”, Canadians will not notice their true intentions.

When the Liberals took office, taxes were at their lowest point in 50 years, transfer payments had reached an all-time high, our economy was leading the G-7 in job creation and growth since the recession, and the budget was balanced. The Liberal budget is a plan for reckless spending that offers higher taxes, billions in new debt, and no real plan for jobs. It is a fundamental Conservative principle that Canadians should be able to keep their hard-earned money in their pockets.

Before the people of Edmonton Manning gave me their trust as their member of Parliament, I was a small business owner. I have owned and operated a number of businesses since coming to Canada in 1990. I know first-hand the importance of balancing the books. I understand the importance of meeting payroll and how much having a good, steady job meant to my employees. I worked hard to build my business, because I knew that in Canada success comes with hard work.

*Government Orders*

My experience is the same as that of thousands of Canadian businessmen. We work hard and have the satisfaction of creating something. We are not rich, but we earn a living, and through our businesses, we help others earn a living also. That may be why I was so disappointed to hear, during the last election campaign, that the Liberal leader thought small businesses were just a tax haven for the rich. I am not rich, but I have worked hard for what I have. I did not grow up with a trust fund.

Roughly two-thirds of small and medium-sized business owners fall directly into the middle class. Employers are about four times more likely to earn less than \$40,000 than more than \$250,000.

We know that small business creates jobs. According to Innovation, Science and Economic Development Canada, small businesses account for more than 98% of all firms in Canada and play a large role in net job creation. Small businesses created 77.7% of all private jobs from 2002 to 2012, a little more 100,000 jobs each year on average.

Given those statistics, it would seem only logical that governments would encourage small business owners to grow their business, that government would create a climate in which entrepreneurs would want to invest in expanding their companies, creating more jobs in the process. There is no logic in this bill.

We know the Liberals will have to raise taxes to pay for their out of control spending. It is unfortunate that 700,000 middle-class small business owners who employ 95% of working Canadians are the Minister of Finance's first target.

The Liberals ended the hiring credit for small businesses. The Liberals cancelled their planned youth employment hiring credit. The Liberals have broken their clear promise to small businesses to proceed with a small business tax rate reduction.

Our previous Conservative government encouraged job-creating small business by cutting the rate to 10.5% for 2016, with a planned further reduction to 9% to encourage growth and jobs. In 2015 the Liberal Party told Canadians that, if elected, they would also implement these planned cuts.

● (1750)

Apparently a year ago, they recognized the importance of small business. That does not seem to be the case anymore.

The Minister of Finance has said that the planned cuts would be deferred. He has not given a concrete date for implementation. Perhaps we can expect him to live up to his election promise when we see a herd of unicorns on the front lawn of Parliament Hill. What we do know is that the finance department has estimated that this broken promise would cost the small-business sector \$2.2 billion over four years. By increasing taxes on job-creating small businesses, the Liberals are discouraging success and entrepreneurship for the whole country. They are hurting the middle class.

Another one of the provisions of this bill that I find profoundly disturbing is the repeal of the Federal Balanced Budget Act. This is a subject I would hope would be of concern to all Canadians. Let me quote from the preamble of that act:

...a sound fiscal position is crucial to economic growth and job creation over the longer term;

...attaining and maintaining a sound fiscal position requires that the Government of Canada achieve annual balanced budgets and reduce debt, other than when a recession or extraordinary situation occurs;

...maintaining balanced budgets and reducing debt helps to keep taxes low, instill confidence in consumers and investors, strengthen Canada's ability to respond to longer-term economic and fiscal challenges and preserve the sustainability of public services;

...reducing the debt burden will help to ensure fairness for future generations by avoiding future tax increases or reductions in public services;...

The Federal Balanced Budget Act requires the Minister of Finance to be accountable to this House. If he wanted to run a deficit, he would need to appear before the appropriate committee, make a case for the deficit, and present a plan for a return to balanced budgets. I can understand why this is a concern for the current government. After six months in office, the Liberals have discovered that despite their leader's assurance, budgets do not balance themselves.

● (1755)

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** Is the House ready for the question?

**Some hon. members:** Agreed.

[Translation]

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** The question is on Motion No. 1. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** All those in favour of the motion will please say ye.

**Some hon. members:** Yea.

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** In my opinion the yeas have it.

*And five or more members having risen:*

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** The division on Motion No. 1 stands deferred.

[English]

The recorded division will also apply to Motions Nos. 2 and 3.

The next question is on Motion No. 4. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** All those in favour of the motion will please say ye.

**Some hon. members:** Yea.

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** All those opposed will please say nay.



*Private Members' Business*

**Some hon. members:** Nay.

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** In my opinion the yeas have it.

I declare the motion carried.  
(Motion No. 4 agreed to)

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** The question is on Motion No. 5. Is it the pleasure of the House to adopt motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** All those in favour of the motion please say yea.

**Some hon. members:** Yea.

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** All those opposed please say nay.

**Some hon. members:** Nay.

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** In my opinion the nays have it.

*And five or more members having risen:*

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** The recorded division on the motion stands deferred.

The recorded division also applies to Motions Nos. 6 to 8.

The question is on Motion No. 9. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** All those in favour of the motion please say yea.

**Some hon. members:** Yea.

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** All those opposed please say nay.

**Some hon. members:** Nay.

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** In my opinion the nays have it.

*And five or more members having risen:*

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** The recorded division on the motion stands deferred.

The House will now proceed to the taking of the deferred recorded divisions on the motion at report stage of Bill C-15.

Call in the members.

• (1800)

**Hon. Andrew Leslie:** Madam Speaker, I ask that the votes be deferred to Wednesday, June 8, at the conclusion of the time provided for oral questions.

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** The votes are deferred.

[*Translation*]

It being 6 p.m., the House will now proceed to the consideration of private members' business as listed on today's Order Paper.

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## PRIVATE MEMBERS' BUSINESS

[*Translation*]

### FAIRNESS IN CHARITABLE GIFTS ACT

The House resumed from April 11 consideration of the motion that Bill C-239, An Act to amend the Income Tax Act (charitable gifts), be read the second time and referred to a committee.

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** The hon. member for Rimouski-Neigette—Témiscouata—Les Basques has seven minutes remaining from the last debate.

**Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP):** Madam Speaker, I am very pleased to be able to rise again in the House to debate this bill. In fact, life sometimes hands us pleasant surprises. Between the time that I finished the first part of my speech on this bill, which as members know is on the taxation of charitable gifts, and the time I rose just now, something interesting happened; I am referring to the publication of the parliamentary budget officer's report on this bill. In fact, it is in line with the expectations I had for this bill.

Initially, the person who introduced the bill talked about the possibility that the tax expenditures associated with the bill could run into the hundreds of millions of dollars. The parliamentary budget officer was much more forceful in studying the scope of this bill. In fact, he said that by 2020, this bill could cost the Canadian government anywhere from \$1.7 billion to \$2 billion in lost additional revenue. This is not a detail; we are talking about a measure that fundamentally harms the country's finances.

We all know that the bill would modify the tax credit for people who make charitable gifts to make it similar to the tax credit for political donations. Instead of what is in place now, the exemption would be 75% for the first \$400, then 50% for amounts between \$500 and \$750, and 25% for any amount above \$750. The problem is that there is no cap mentioned in the bill. We know that political donations currently have a cap of \$1,500. That is problematic because the parliamentary budget officer assessed not only the costs of this measure for the public purse, but also who would benefit from it, namely who makes charitable donations and is eligible to this tax deduction. His conclusion is that a large proportion of these donations are made by the 10% of the population with the highest income. In fact, those who earn \$91,000 and over give six times more than average.

It is very important to make charitable donations and to support these organizations. During the previous Parliament, the NDP supported a number of these measures, including the first-time donor's super credit. However, at some point, we have to wonder how far we want to go with supporting these types of donations.

*Private Members' Business*

Since this is a private member's bill, we will have a free vote, but I think that the proposed tax credit disproportionately benefits people with high incomes who are in a much better position to donate.

The scope of this bill is different from the other measures we debated in the previous Parliament. I mentioned the first-time donor's super credit. The NDP supported other measures regarding tax benefits, for example, for donations of art, land, public assets, or shares. I think that going in this direction would be too much, not only because of the cost, but also because it would not necessarily generate donations, as much as it would support major donors who have the highest incomes.

We also have to wonder about something for which we have yet to get a proper answer. This tax credit is generally combined with a provincial tax credit. When you take the impact this measure will have at the federal level and add it to impact of the existing provincial tax credits, in some tax brackets, the tax credit would be higher than what would be paid in tax for this income. This would mean that someone could donate more and more to a charity in order to avoid paying taxes and to make a net gain.

This measure will support charities, but it will not be about a donor's commitment. The measure will be designed to allow people to pay less and get more.

• (1805)

Donations would no longer be made solely to satisfy charitable impulses, but for tax planning purposes. People would come out on top because the amount of the tax credit would be higher than that of the charitable donation.

That brings up some questions about how the Government of Canada wants to support various causes. If government revenues drop by between \$1.7 billion and \$2 billion, that is obviously going to affect public services eventually.

The fact that the government, guided by the public good, can make appropriate choices about how that money is allocated to public services makes that money much more important than a charitable donation to a particular organization selected by an individual. I am not saying that the causes themselves are not worthwhile. On the contrary, most of them are.

However, if we are talking about how to allocate up to \$2 billion, decisions will have to be made about which services to cut, and the outcome could be bad for the public good.

That is why I will be voting against Bill C-239 at second reading. It would cost the public purse an awful lot of money; there is no cap on donations; we already have measures in place, some of them thanks to the former government, to encourage people to donate to charity; and there will be unintended tax consequences when people no longer make donations to causes they care about with no expectation of personal gain and being doing so for tax planning purposes.

Those are all of the reasons why I will be voting against the bill. I invite the member to address some of these major concerns in his reply.

• (1810)

[English]

**Mr. John Nater (Perth—Wellington, CPC):** Madam Speaker, it is an honour to rise today and speak to Bill C-239, the fairness in charitable gifts act.

I want to give a special thanks to the member for Provencher for bringing forward this important piece of legislation. It is a good bill and it is an important bill for Canadian charities. I personally am exceptionally proud to be the seconder of this piece of legislation and will be voting in favour of this private member's bill.

To begin it is important to review what the bill would do. Donations that are made to a charitable cause would receive similar tax treatment as donations made to political parties.

I firmly believe that Canadians are generous people. They give freely and willingly of their hard-earned dollars to support charitable causes in which they believe. With these donations, charities and charitable causes do exceptionally good work locally in our communities, across the country, and globally.

From time to time here in the House during statements by members, we have the opportunity to highlight some of the great charitable work done by charities in our ridings. I was proud to highlight the work of Big Brothers Big Sisters of North Wellington a couple of months ago and the hard work that they do to serve young people in our communities.

As a member of Parliament for a great riding, I often receive invitations to a number of charitable events supporting a number of different research funding opportunities, whether it is for research into deadly diseases or opportunities to help combat and raise awareness of violence against women.

Just last month I was driving through the small town of Monkton, Ontario, in the north part of Perth County, and I came across a group of three young kids hosting a lemonade stand. They were raising funds for the Canadian Red Cross to help those who had been displaced by the wildfires in Fort McMurray. That is the type of charitable giving and charitable opportunity that I want to see expanded across our country.

In the same vein, I was pleased to learn that the grade 2 class of Ms. Inglis-Eickmeier at Central Perth Elementary School in my riding were raising funds for the Canadian Red Cross and for those who had been displaced by the wildfires. They hosted a bake sale, but just raising that money alone was not enough for them. They wanted to do more, so they took to social media. Using the hashtag #KidsHelpYMM, they issued a challenge to neighbouring schools across the region to do their part as well to help raise funds for this important cause.

In Stratford, the House of Blessing, which was founded by Florence and Norman Kehl more than 33 years ago, helps to provide food, shelter, and clothing to those in need. They founded it on the simple motto and simple purpose "to serve those who are hurting and in need".

*Private Members' Business*

We have so many great organizations and charitable causes in all of our ridings and it is incumbent upon us as parliamentarians to support them in any way we can. They struggle to raise funds, yet they persevere.

I have heard from a number of constituents across my riding in support of the bill. One constituent from Arthur in the Township of Wellington North wrote, "I kindly ask you to consider supporting this bill as it will be beneficial for many charities in Canada". Another constituent in St. Marys wrote, "I want to let you know that I am in favour of this bill. Charities rely on donors and I believe that this will encourage more people to donate". From Mount Forest a constituent wrote, "I urge you, as my member of Parliament, to help all charities with your support of this bill". The bill has support among the constituents of Perth—Wellington, and members will find that the bill has support across Canada.

Often when we ask people why they do not donate, the challenge is that they cannot afford it. The bill would encourage those people to donate for the first time and encourage those who already donate to donate more. It would increase the size of tax credits available and make it more affordable for those who want to donate more.

Canadians would be surprised when they learn that the tax treatment of charitable donations is so different from that of political donations. It does not reflect our values as Canadians. Canadians do not believe that funding political parties should be more important and more lucrative than funding charitable causes.

Bill C-239 is an important step forward in supporting the many great charitable causes in Canada and making the Income Tax Act more fair. By increasing the value of tax credits given to Canadians for charitable donations, the House would be doing tremendous good for our country.

● (1815)

Raising the value of tax credits for charitable donations would have several benefits. First, it would lower taxes for Canadians who choose to donate their hard-earned money to support charitable causes. I believe that every member of the House would agree that we as the Canadian Parliament should reward those who donate to charitable causes.

Second, it would increase the likelihood that Canadians would donate to charities. We have seen how this has worked in the past. In 2013, our former Conservative government introduced the first-time donors tax credit. In that year we saw an increase of almost 100,000 Canadians donating to registered charities for the first time in six years.

Third, increasing the size of tax credits for charitable donations would make it more affordable for Canadians who already donate. Here is a simple example. Donating \$200 to a charitable cause such as the Canadian Cancer Society or the Alzheimer Society would provide an average Canadian with a tax credit of about \$30. Under this new bill, that same donation would receive about \$150 tax credit. Donors could now donate that difference of \$120 to the same charitable cause or to other charitable causes as they might see fit. It would give more benefits to Canadians in their donations.

This leads me to my fourth point. The bill would increase donation revenues for charitable organizations and charitable causes

and enable them to further the good work they do in all of our communities.

Charitable organizations are an incredibly effective and efficient way to deliver help to those in need. In my own experience, I have often found that charities are more efficient in delivering services than is government.

Governments ought not always be the default source of services to Canadians. Governments should provide services when the private sector and non-profit sector have challenges in doing so. The recent example of the Fort McMurray wildfires shows the way in which we as a country and the government relied on charitable causes like the Red Cross to help deliver services to those in that region.

The bill would enable charities to provide more services to more Canadians and more people in need. The fairness in charitable gifts act is good for charities, it is good for donors, and it is good for government, and it will fix an unfair double standard in the Income Tax Act. My colleague from Provencher put it best: feeding a politician should not be more important than feeding a family.

I am extremely proud to support the bill.

**Mr. François-Philippe Champagne (Parliamentary Secretary to the Minister of Finance, Lib.):** Madam Speaker, first of all, let me thank my hon. colleague for his great work on this private member's bill. We have enormous respect for the work that has been done by every member when they present private member's bills, and the member knows because we did talk to each other about how much I respect his work and how much I value his contribution to public debate in Canada.

However, life is about choice, and I will outline why, as government, we will not be supporting the bill, and I will try to explain to the member in the most respectful way what the reasons are for that choice.

[*Translation*]

We recognize the spirit and good intentions of Bill C-239, which amends the Income Tax Act regarding charitable gifts. Of course our government applauds the important work done by Canadian charitable organizations, as well as the generosity that leads Canadians all across the country to donate to charities every year.

That said, the government cannot support this bill for a number of reasons. The parliamentary budget officer estimates that if Bill C-239 were to pass, it would cost the government about \$1.7 billion more in 2016, and \$1.9 billion more in 2020. He estimates that the total annual cost of the tax credit for charitable gifts would be as high as \$4.2 billion in 2016, which is an increase of nearly 68%.

*Private Members' Business*

In this debate, I think it is important to take into account the considerable cost of this proposal and the fact that tax incentives for charitable donations are already very generous in Canada. Canada boasts countless assets, and one of those assets is the generosity of its people. They are compassionate, tolerant and kind. They give countless hours of their time to just causes, such as welcoming refugees, serving meals to the poor, taking care of patients in hospitals who are far from their family, and taking care of the environment by cleaning up the shorelines of our lakes and rivers, for example.

Canadians' generosity is so huge that it accounts for 8.5% of GDP. That is more than Canada's auto sector or retail sector. These organizations have a role to play in Canadian society. They contribute to the quality of life in all our neighbourhoods, and they support communities. Basically, they are crucial to social cohesion. That is why the Canadian government supports them, in particular, when it comes to taxes.

First, registered charities are already exempt from paying income tax. Also, Canadian taxpayers and businesses that make donations to these charities are eligible for a tax break. Including all provincial tax deductions, every Canadian can get back, on average, 46% of every dollar donated above \$200. Moreover, charitable donations can represent up to 75% of an individual's net income and be deferred for five years.

Federal support for charities is really important. At about \$3 billion a year, it is among the highest in the world. Canadians are also very generous. In 2013, donations to charities and not-for-profit organizations totalled \$12.8 billion Canadian.

I want to point out that even without a tax credit, Canadians are very generous, as we all know. Statistics Canada proved it in its 2015 general social survey. Ninety-one per cent of the time, Canadians give out of compassion, and 88% of the time, they give because of personal belief. Only one-quarter of survey respondents said that they were motivated by the tax credit.

We can proudly say that Canadians are agents of change for their country. They are engaged in their communities, and they are politically engaged as well.

● (1820)

In 2003, changes were made to the political financing act to encourage Canadians to get involved in politics. It was decided that an annual limit should be set on personal contributions to a political party. Furthermore, the related tax credit must be claimed in the year in which the contribution is made. Unlike a charitable donation, the credit cannot be carried forward, and the maximum amount that may be claimed is much lower.

The charitable donation tax credit, with the limit of net income and the five-year carry-forward period, is much more generous for large donations. These are two very different types of donations, and there are two different deduction frameworks. The charitable donation tax credit and the political contribution tax credit have different objectives and are structured differently. The charitable donation tax credit is designed to encourage individuals to make larger donations to registered charities and other qualified donees.

This means that the higher the donation amount, the higher the tax credit. By comparison, the political contribution tax credit's goal is to encourage widespread public participation in the political process by giving generous tax assistance for small contributions to federal political parties and candidates. For that particular credit, as donation amounts rise, tax assistance goes down.

When developing tax measures, it is important not to compare apples and oranges. Studies have shown that if Canadians have to choose between making a charitable or a political donation, they prefer doing both. Canadians are politically engaged, and they expect the government to bring greater transparency, as promised. We committed to restore Canadians' confidence in the political system by proving to them that their vote counts and they play a part in shaping public policy.

The first step will be to engage in a nationwide discussion with Canadians on reforms to the electoral system. We will then establish a special all-party committee, which will make proposals for electoral reform. A good government is an open and transparent government. That is why budget 2016 includes \$10.7 million over the next four years to organize activities that will encourage Canadians to participate in the reform process. Changes to the electoral system will result from an open and transparent process, which is what we promised and Canadians are calling for.

To serve Canadians, who are so generous, it is important that the government carefully scrutinize its expenditures and eliminate ineffective programs that do not or no longer meet our objectives. In closing, I would like to remind the House about our government's efforts to directly support this country's middle class. We have cut taxes for nine million Canadians, and we have introduced the Canada child benefit, which will be fairer, more generous, and simpler than what the former government put in place. We have invested in innovation, infrastructure, indigenous peoples, and youth.

In closing, this bill would increase the costs associated with tax credits for charitable donations by about \$1 billion a year. This would diminish the government's ability to pay for important public programs that Canadians rely on. It would actually diminish our ability to invest in the country's future.

● (1825)

[English]

**Mr. Jim Eglinski (Yellowhead, CPC):** Madam Speaker, I am pleased to be here today to speak to Bill C-239, the fairness in charitable gifts act.

I would like to congratulate the member for Provencher on being chosen to be the first to introduce a private member's bill to the House.

I am very proud to be here today to represent my riding of Yellowhead, home of so many generous Canadians.

*Private Members' Business*

We have numerous charitable organizations: food banks, animal rescue centres, historical foundations, and art centres, just to name a few. These are located in every community in Canada. The bill before us is a great bill for all members of the House and their ridings. It would help every riding in this country.

The depth and scope of the non-profit and voluntary sector in Alberta has provided a wide variety of services to the communities. Non-profit and volunteer organizations touch virtually all aspects of our communities.

As was just mentioned, 8.5% of our gross domestic product is made by charitable organizations. There are more than 86,000 registered charities, 81,000 non-profit groups or corporations, and more than 750 community agencies. These all play very vital roles in our communities.

One of the most important things they do is to leverage volunteers from across Canada, millions of volunteers who put in countless hours helping our communities. There is no doubt of the generosity of the people in Alberta and the generosity of Canadians. It is so broad and wide.

I do not think anything could be clearer than what has transpired in Fort McMurray, Alberta, in the last month. Donations flooded into charities from across Canada. Hotels opened their doors, and people donated personal money, food, rations, and gas.

I would like to share a story.

Two days after the fire started, I was en route back to my riding of Yellowhead. I was stopped at the Toronto airport and having a meal. There was a lady sitting beside me and we started a conversation. I asked if she was coming or going, and she said that she was going. I asked her where she was coming from, and she said Fort McMurray. She was right in the heat of the fire, and was going home to Nova Scotia. She said that they ran from the camp, grabbed their vehicle with the fuel it had in it, and headed south. They ran out of fuel and were stranded, but lo and behold, a person came driving up in a pickup truck with jerry cans of fuel and gave them the fuel free. She said she taken aback by that.

I mention this story because of the generosity of Canadians. Canadians give. Maybe we can give back a little bit, and this is what the bill would do.

So far, as of yesterday when I checked on the computer, \$125 million has been raised by Canadians to give to non-profit groups and charities for the Fort McMurray fires. It is \$125 million that our government has to match, and it could be up to \$126 million today.

It is very interesting to note how Canadians pulled together in all parts of this country to support services in their communities. It is the generosity of donors that makes these agencies work, such as the Red Cross, animal shelters, senior centres, and community groups.

However, over the last 25 years we have seen donations drop, and not by a small amount. We have seen donations drop by approximately 33% in the last 25 years, and that is a lot of money. Charities are suffering, and they need that money to operate.

● (1830)

The fairness and charitable gifts act would help. What is alarming to me, and it was mentioned earlier, is that there was more money given in campaign donations than there was to charitable organizations. I find it alarming that people will not give more to charitable organizations that look after people, animals, and communities in need. That needs to change. We need to give more money to these organizations.

Bill C-239 is a great initiative to level the playing field. The primary motivation for donating is the compassion and personal belief of most people. I think people want to give. Some people find it harder than others. Those who are affluent can give more, but if people get a tax benefit from doing so, even those who are less able will probably contribute some money. Bill C-239 ensures that people who want to give larger amounts will be able to. It would be much fairer.

It has been mentioned that it is the current government's desire to strengthen the middle class, giving more help to those who need it and less to those who do not. This is exactly what Bill C-239 would do: give more money to those who need it and less to those who do not and allow those who have more money to give more than those who do not. If we had a fair tax exemption program, as this bill is asking for, people would give more generously.

I have heard it mentioned across the floor that this tax benefit would cost \$1.7 billion a year and would come from our national coffers. I am going to read a quote, which says, "increase the costs associated with tax credits for charitable donations by about [\$1.7] billion a year, which would diminish the government's ability to pay for important public programs that Canadians rely on".

Yes, it is a lot of money, and it may increase as time goes on, but we need to look at what the charitable groups and non-profit organizations in this great country of ours do for the communities they serve. If they did not exist and were not helping the needy, the hungry, and the homeless and offering different programs within their communities, the cost to government, whether it be municipal, federal, or provincial government, the \$1.7 billion, would be a bit like that.

The government says that it will have a serious economic impact. Madam Speaker, I say to you that it would be a lot more serious if people were to stop giving to the non-profit and charitable groups, so we should encourage Canadians, who are so generous. We know that. Canadians are probably the most generous people in the world. Let us give them the opportunity to give more freely and more comfortably and give them a bit of a tax benefit for doing so.

*Private Members' Business*

• (1835)

**Mr. Ted Falk (Provencher, CPC):** Madam Speaker, I want to thank all the members for their consideration of my private member's bill, Bill C-239, the fairness in charitable gifts act. I know I have support in all the parties. I do not know how much support, but I know that all the parties have members who have indicated that they will support the bill, and for that I thank them.

It is an honour for me to rise in the House today to talk about my bill. I wish I could spend a bit more time talking about some of the information that was given here this evening to clarify some of the statistics and numbers. However, I do not have that much time, so I will stick to the speech I have prepared, and hopefully we can move this bill on to committee for further study to evaluate its merits.

This is a fair bill, it is a bill that would benefit all Canadians, and it is a bill that would foster a culture of generosity from coast to coast. The aim of the bill is to strengthen charities and encourage Canadians to engage with and promote charities. This is a non-partisan bill. This is not a bill for rich people. It would hardly benefit rich people or those who are making big donations. It is a bill that, for the most part, would help the middle class. That is something the government has said it is all about, helping the middle class, and that is what this bill is about.

The impact charities make across Canada, in all of our communities, is evident. It was most recently demonstrated during the recent forest fires in Fort McMurray. The lives of tens of thousands of Canadians were turned upside down. Yet through all that devastation, the Canadian Red Cross, the Salvation Army, and many other charitable groups rose to the challenge and were there to help.

The help from charities will continue. Long after the government, long after the cameras, long after the media are gone, the charities will be there to continue that good work to help the residents of Fort McMurray recover from the trauma. They will help them rebuild their homes and re-establish their shattered lives. Where would the residents of Fort McMurray be without these charities?

Bill C-239 is a bill that would inspire Canadians and foster a culture of generosity, a characteristic that I believe is central to our country and its people, a characteristic that has been evident in the support for Fort McMurray.

The bill would make it more affordable for Canadians to donate to charitable causes. Causes that do not get national media attention and do not catch the eye of the camera are often just as individually devastating to the people experiencing them as the fires in Fort McMurray. They just do not happen to capture the attention of the national media.

Every day, every night, right across Canada, tragedies happen. Folks lose their jobs, illness attacks, families are broken, and people's lives are shattered.

However, there is good news. The good news is that charities are there to provide food for the hungry, beds for the homeless, help for the hurting, support for the aging, and hope for the sick.

Where would we all be without charities?

Canadian charities do more than just that, though. They do more than just crisis intervention, more than just assistance to those folks who are needy. They conduct and advance scientific research. They promote medical research. They promote education. They promote care of our environment. The list could go on and on. Charities have also been instrumental in the resettling of refugee families. We heard from our immigration minister today the way charities right across Canada have ponied up, have come to the table, and are waiting for the refugees. They have made commitments to help settle these folks. That is what charities here in Canada do.

Yet despite all this good work they do and the incredible impact charities have on our lives, the fact remains that charities all cite a lack of funding as the number one reason for their inability to do more.

Canadian charities are faced with an aging and ever-declining donor base. In fact, the number of Canadians donating to charities and filing charitable donations on their tax returns has dropped from a high of 29.5% to 21.4% over the past 25 years. The donor base is declining, and that is something this bill would address.

The bill would incur a cost for our government. There would be a dip in revenue. However, what would cost even more and what we cannot afford is a capability gap in our charities due to a lack of donations.

When surveyed by Statistics Canada, 71% of Canadians stated that the number one reason they do not give is the lack of money. They simply cannot afford to give more.

How are we going to address that challenge?

Currently, the federal tax credits for political donations far exceed the federal tax credits for donations to charities.

As I am out of time, I would like to conclude by encouraging members in this House to support the bill and get it to committee where we can continue to study further its merits and make this happen.

• (1840)

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** Is the House ready for the question?

**Some hon. members:** Question.

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** The question is on the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** All those opposed will please say nay.

**Some hon. members:** Nay.

*Adjournment Proceedings*

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** In my opinion the yeas have it.

*And five or more members having risen:*

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** Pursuant to an order made earlier today, the recorded division stands deferred until Wednesday, June 8, 2016, at the conclusion of oral questions.

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## ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[*English*]

### HEALTH

**Ms. Georgina Jolibois (Desnethé—Missinippi—Churchill River, NDP):** Madam Speaker, I am eager to stand in the House today to bring up an important issue that has been continuously repeated in the chamber since the tragedy that occurred in my riding on January 22 of this year. With the suicide crisis that we are witnessing in Attawapiskat, La Loche, Cross Lake, northern Manitoba, and in other communities, it is more urgent now than ever to intervene and provide the mental health services that communities so desperately need.

I have stood here several times, along with my colleagues, to call on the Minister of Health to urgently invest in culturally sensitive and accessible mental health services for communities in northern Saskatchewan and across the country. I do not want to sound repetitive, but I truly believe that when the constituents of my riding sent me here when they elected me, they mandated me with this great honour to represent them in Parliament and to voice their concerns as loudly as needed. That is why I am here to raise once again this matter to the Minister of Health.

The annual suicide rate in Saskatchewan's Keewatin Yatthé Regional Health Authority, which includes La Loche, is the highest of any health authority in the province. At 43.3 suicide deaths per 100,000 people between 2008 and 2012, the northern health region has a suicide rate more than triple the provincial rate of 12.7.

To add pain to injury, since the tragic event in La Loche on January 22, 2016, a great number of youth, their families, and the community at large, have been suffering with post-traumatic stress disorder, a mental health condition that is triggered by a terrifying event, either experiencing it or witnessing it. Symptoms may include flashbacks, nightmares, and severe anxiety, as well as uncontrollable thoughts about the event. For a community that already has a high suicide rate, we can see the urgency of providing accessible mental health services. Since the event in La Loche, there have been several suicide attempts due to PTSD, and some were successful.

We know the government's budget allocated zero additional dollars for mental health care, despite the urgent need. In fact, last week in committee we learned that there is a \$30-million cut in Health Canada's mental wellness funding for indigenous peoples. Mental wellness teams are also saying they need \$40 million to \$50

million dollars to be able to provide the ideal level of service for every community.

The World Health Organization has stated:

The social determinants of health are the circumstances in which people are born, grow up, live, work and age, and the systems put in place to deal with illness. These circumstances are in turn shaped by a wider set of forces: economics, social policies, and politics.

Research shows that Canadian aboriginal people, including first nations, Métis, and Inuit, face gaps and disparities in dynamics, such as economic opportunities, literacy, and community well-being. The government can play a huge role in tackling these disparities.

In April, the Prime Minister told students in Oskayak High School in Saskatchewan that he would make a significant investment in project venture. In fact, project venture was highly appreciated by the community in La Loche. It offered a range of hands-on cultural activities for youth, from rabbit snaring to canoe trips. These were activities that kept our youth engaged and happy. This program was cut in 2015 by the—

• (1845)

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** Order please, your four minutes is up.

The Parliamentary Secretary to the Minister of Justice and Attorney General.

**Mr. Bill Blair (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.):** Madam Speaker, I would like to begin by acknowledging the member for Desnethé—Missinippi—Churchill River for her tireless advocacy on behalf of her constituents, and for her tireless work in reminding this House about the importance of our support for that community and indigenous communities right across Canada.

Our government was elected with a mandate to renew the relationship between Canada and indigenous peoples. We are moving forward and away from the previous government's style of relations with first nations. We have committed to implementing the Truth and Reconciliation Commission recommendations. Our government recognizes that addressing mental health and wellness issues are important priorities for indigenous communities.

Providing mental health services is a shared undertaking by federal, provincial, and territorial governments. Our government supports first nations and Inuit community mental wellness through a number of programs and services, including activities aimed at mental health promotion, suicide prevention, addictions treatment, after-care services, counselling, and other crisis response services, as well as supports to former students of Indian residential schools and their families.

*Adjournment Proceedings*

The goal of these programs is to provide first nations and Inuit individuals and communities with culturally appropriate mental wellness services and supports that are responsive to their needs. We are investing \$271.3 million in 2016-17 for these programs and services. This amount includes \$13.5 million annually for the national aboriginal youth suicide prevention strategy, which supports 138 community-based suicide prevention projects in first nations and Inuit communities.

In addition to community-based mental wellness programs and services, the non-insured health benefits program provides access to mental health counselling benefits to eligible first nations and Inuit individuals. This demand-driven benefit is often used to deploy additional professional resources in communities when there is a need for surge capacity.

This program has a list of registered mental health professionals who can supply support when there is a need that exceeds the local capacity. In 2015-16, expenditures amounted to \$16.2 million for mental health counselling within this program. Building on best practices, we know that the support provided to individuals, families, and communities should be culturally safe and community-driven. Lasting solutions require work with our partners, including first nations and Inuit organizations and, most importantly, with the communities themselves.

Health Canada, the Assembly of First Nations, and indigenous mental wellness leaders co-developed the first nations mental wellness continuum framework. Through this process, communities were engaged, and brought their ideas to the table. Culture emerged as foundational.

Community innovation, partnerships across government, collaboration and coordination across sectors, and linkages between programs and services were also identified as being crucial for moving forward. This framework has been ratified by the Assembly of First Nations' chiefs.

Health Canada is a partner in implementing the framework, which calls for integrated models of service delivery that focus on community strengths and indigenous knowledge. This framework is guiding our efforts and investments in mental wellness for first nations communities moving forward.

We are also now working with the Inuit Tapiriit Kanatami to develop a mental wellness continuum framework for Inuit people, expected to be completed during this fiscal year. It will support an Inuit-specific approach to mental wellness.

Strategies to prevent suicide and improve mental health for first nations and Inuit need to be developed, planned and managed in partnership with first nations and Inuit. Our government remains committed to working with indigenous leaders at the national and regional levels to ensure we have strategies that are grounded in culture, based on evidence, including indigenous evidence, and where first nations and Inuit play a central role in defining the goals, planning the approach, and managing the services.

This approach recognizes that there are distinct differences between and among indigenous peoples and communities, and is respectful of their unique needs, cultures—

● (1850)

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** Order please.

The hon. member for Desnethé—Missinippi—Churchill River.

**Ms. Georgina Jolibois:** To follow up, I appreciate the feedback you provided just now.

However, on the ground, at the local level, not just in La Loche but in communities, and in the constituency, throughout Canada, and at the committee I was at today, the Inuit spoke about some of the framework that you are speaking to. Again, those are still discussion stages.

There is an urgency right now. How can we ensure that the immediacy is still supported, and make sure that community members feel they have something to look forward to?

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** Before we continue, I want to remind the members that they are to address their questions to the Chair and not to an individual member.

The hon. Parliamentary Secretary to the Minister of Justice and Attorney General of Canada.

**Mr. Bill Blair:** Madam Speaker, with respect to La Loche, I want to assure her that this government recognizes the urgency of the issue in that community and in many indigenous communities across the country. We are committed to continuing to coordinate our actions with other federal departments, provincial ministries, and key first nations partners. The framework for the Inuit people, for example, is very much under discussion, but we recognize its urgency and we have made a commitment to deliver on that framework in this fiscal year.

We are working with our first nations partners, including the Meadow Lake Tribal Council and the Clearwater River Dene Nation. In particular, government officials are working with those organizations to provide search capacity as well as looking at the long-term mental health needs of that community.

Long-term recovery response planning discussions have begun in the community with its leadership to develop a response plan and to link appropriate services. We are all mindful of the urgency and the need within that community, and we will work diligently together to address those concerns.

## RAILWAY TRANSPORTATION

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Madam Speaker, it is my honour today to rise in adjournment proceedings to pursue a question I asked in question period on March 9. It pertained to a new report. It was commissioned under the previous government, chaired by former cabinet minister David Emerson, and it focused on Canada's transportation system.



*Adjournment Proceedings*

There is much that is good in this report, and there is much that is food for thought. However, in the absence of any national transportation policy or strategy, I found much of what was in this report quite alarming, particularly as it related to VIA Rail. What I asked the hon. Minister of Transport was whether the minister could confirm that the government would protect VIA Rail and restore and invest in our trans-Canada rail service. The response of the Minister of Transport was that other levels of government and stakeholders would have an opportunity to review this report and share their perspectives before the government addressed specific recommendations.

Let me just turn to the specific recommendations relating to VIA Rail, which are on page 182 of “Pathways: Connecting Canada’s Transportation System to the World”, a report, as I mentioned, by a commission on transportation established under the previous government and chaired by the Hon. David Emerson.

The report’s recommendations are not entirely bad in relation to VIA Rail. Very significantly, the commission recommended that there be a legislative framework for our passenger rail service. That is in contrast to Amtrak in the United States, where there is a statute, a legislative framework, that says the purpose of Amtrak is to move people around and to provide efficient passenger rail service.

VIA Rail has been given a very disadvantageous position, created when CN and CP were rolled out and parts were privatized. VIA Rail was left without a legislative framework and without access to dedicated rail. A lot of Canadians will not know this, but passenger rail service depends on freight giving passengers the right of way because freight owns the rail lines, therefore it owns the traffic lights. That is why those members who have ever gone on VIA Rail might ask why they spent half an hour on the siding for a train that was coming so much later. Freight in Canada and the number of freight rail cars in a single train have become so long that the trains do not fit on any siding. However, passenger rail fits on sidings. Therefore, passenger rail gets shoved to the side so freight can go by.

I like the fact that this report says that there will be “...a legislative framework that articulates government policy on passenger rail...”. What worries me, deeply, is this recommendation that the government should “[consider] the elimination of subsidies for the Toronto–Vancouver service...”. Note that word subsidies. We never hear any level of government talking about subsidies to our highways. We subsidize our highways for sure. Large trucking companies get a great subsidy because the people of Canada keep repairing the roads that their heavy vehicles wreck. They are subsidized. However, when we talk about highways, politicians always say that we invest.

We need to invest in VIA Rail. I am a frequent user. Believe it or not, at least once a year I go from Toronto to Vancouver. I would like to do it more often if it were faster. However, it is not just tourists on that run. There are families, and it is their main way of getting from Edmonton to Saskatoon, for example. That is a route where they can travel with their children for free. If they are reliant on air traffic, the whole family has to pay per ticket. VIA Rail offers something that flights do not and that privatized rail never will. We must protect it.

● (1855)

**Ms. Kate Young (Parliamentary Secretary to the Minister of Transport, Lib.):** Madam Speaker, I am pleased to have this chance to highlight our government’s recognition of the important role intercity passenger rail plays in supporting Canada’s overall economic prosperity and in the well-being of individuals.

Historically, intercity passenger rail networks have played an important role in linking communities in our country from coast to coast to coast. Today, Canadians continue to benefit from safe, efficient, and reliable passenger rail service for travelling between communities, whether for work, vacation, or visiting family.

VIA Rail carried more than 3.8 million passengers to various destinations throughout the country in 2015. While a majority of these passengers travelled between Canada’s most populous cities in Ontario and Quebec, approximately 90,000 passengers travelled on VIA Rail’s western Canada long-haul, the *Canadian*, which operates between Toronto and Vancouver.

Given the importance of passenger rail services, I am pleased that it has featured prominently in the final report of the Canada Transportation Act review, the Emerson report. Specifically, the review was mandated to consider how federally regulated passenger rail services can be delivered to meet travellers’ needs while minimizing costs to the public purse.

As members know, our government tabled the review’s final report on February 25. The final report provides important findings on a range of issues pertaining to Canada’s transportation system, including intercity passenger rail services. Our government is carefully considering the report’s findings and any actions required to further strengthen Canada’s transportation system.

As well, we are looking forward to engaging further with Canadians on the report and its findings. On April 27, the Minister of Transport launched an engagement process with Canadians, stakeholders, and provinces and territories, to take place over the course of spring and summer 2016, in order to hear views and discuss ideas that will inform the development of a long-term agenda for transportation in Canada.

There is a range of recommendations relating to passenger rail services presented in the review’s final report. At the same time, there are also important considerations relating to various options for the future of passenger rail in Canada. For example, VIA is putting forward a case for revitalizing services in the busy Quebec City–Windsor corridor.

On February 22, the government released budget 2016, which includes \$3.3 million to support an in-depth assessment of VIA Rail’s high-frequency rail proposal. In this context, the government will want to take the time necessary to determine the best approach to providing safe, efficient, and reliable passenger services in Canada that meet the current and future needs of Canadians.

*Adjournment Proceedings*

•(1900)

**Ms. Elizabeth May:** Madam Speaker, what a joy to participate in the debate in adjournment proceedings where the comments from a parliamentary secretary are relevant to the topic at hand and are actually responsive to my concerns. That is new in the 42nd Parliament, and I want to thank the parliamentary secretary. However, I would love to find out how we can do more.

I am very concerned that VIA Rail needs to have the full board of directors fully appointed. There are vacancies on the board of VIA Rail. There are qualified Canadians who care about passenger rail service who should fill those vacancies. As a result of Sir John A. Macdonald's national dream, we have a rail service from coast to coast. However, it should not resemble an antique or historical artifact. We need to modernize. We need to make sure we offer people an option that gets them off planes and out of their cars and enjoying Canada from tracks that are modern and efficient. This is a tall order, given the neglect of our rail service for so long. I welcome the interest of the current government.

**Ms. Kate Young:** Madam Speaker, across Canada, passenger rail services link Canadians with other communities, allowing them to visit family and friends, pursue professional opportunities, and enjoy a range of cultural and tourist activities across the country.

Our government recognizes the importance of VIA Rail. We will want to take a carefully considered approach to ensuring that passenger rail services meet the needs of Canadians today and 30 years into the future. The government's decisions will be informed by the findings presented in the final report of the Canada Transportation Act review, which includes several recommendations that relate specifically to passenger rail services in Canada. Our government looks forward to considering the report, its findings, and possible actions to enhance Canada's transportation system. To that end, we are in the process of developing a forward-looking agenda for Canada's transportation system, including passenger rail services.

## TRANSPORT

**Ms. Jenny Kwan (Vancouver East, NDP):** Madam Speaker, I am here to hold the Liberal government accountable to one of the major promises that it made to Canadians during the election campaign. The Liberals promised to make environmental assessments credible again. In their platform they stated, "We will immediately review Canada's environmental assessment processes and introduce new, fair processes that will restore robust oversight and thorough environmental assessments."

Seven months after the election we are still operating under the old Conservative environmental regime. Major projects such as Kinder Morgan are approved with the Conservatives' environmental processes. For the port, there is no difference.

Under the Canadian Environmental Assessment Act of 2012, in conjunction with the powers and authorities granted to the Canada Port Authorities, Port Metro Vancouver can assess and approve its own projects. Surely this is not what the Liberal government envisions as robust oversight and a thorough environmental assessment process.

For the residents of East Vancouver, we are alarmed by Port Metro Vancouver's proposal to infill seven acres of the waterfront at CRAB

Park. The Vancouver East community has fought long and hard for the establishment of the community's only public waterfront green space, CRAB Park beach, in 1987. This fight included staging a 75-day occupation of crown land in 1984 by the founder of CRAB Park for Life Society, Mr. Don Larson.

CRAB Park today is also a sacred place as it is home to the missing and murdered women and girls monument.

When community members began to learn about Port Metro Vancouver's proposed Centerm expansion project, many of the local residents shared their concerns with me. They feel that this major expansion poses a real threat to CRAB Park. They have also indicated their concerns that this expansion poses significant environmental risks to the area. In addition, they have raised the issue around increased levels of traffic on both land and sea along with concerns regarding the potential need to construct a fifth rail track.

With the proposed expansion, these are some of the questions we have for the minister and for the port: What is the size of the container ships currently, and will that change with the expansion? Where will the container ships waiting to load or unload be docked? Will the amount of hazardous materials entering and exiting the port area increase, should the expansion move forward? If yes, what hazardous materials and how much will be increasing in volume and frequency?

What is the projection in the increased traffic, both by sea and by land, in the area of expansion? What plans have been made or will be made regarding the expected increases to shipping, rail, and road traffic in the area?

As a result of concerns stemming from the March 2015 chemical fire at the port, what changes, if any, have been made with respect to the safety and emergency preparedness plans of the port? What additional measures will be taken to ensure that if approved, the safety and emergency plans of the port will be adequate for a larger port with increased traffic?

What plans are there for cleanup in case of spills and accidents in a crowded harbour, and how will traffic be coordinated? What measures will the port implement to mitigate the effects of expansion on climate action?

In addition, my constituents would like to know, what are the plans of the port to consider the input of community groups in the application process? How will impartiality be maintained? How will the issue of conflict, perceived or otherwise, with the port being both the proponent and regulator of the project, be addressed?

Aside from the Centerm proposal, we have also heard from a wide array of people who are concerned that successive governments have significantly increased the autonomy and authority of the Canada Port Authorities.

I have more to say about this with respect to the issue of accountability.

*Adjournment Proceedings*

● (1905)

**Ms. Kate Young (Parliamentary Secretary to the Minister of Transport, Lib.):** Madam Speaker, Canada port authorities were established in 1998 by means of the Canada Marine Act. They are shared governance organizations designed to be commercially competitive. In fact, under the legislation that established Canada port authorities, the Canada Marine Act port activities have to be self-sufficient. Eighteen Canada port authorities exist today, established as such because they are deemed to be of national significance to Canada's economy.

It goes without saying that they are critical drivers of local economies and also are a wealth of well-paying jobs for residents. Approximately 35,000 people are employed at the Port of Vancouver.

We depend upon these ports for a large portion of Canada's trade with the world. In fact, according to the Association of Canadian Port Authorities, 310 million tonnes of goods went through this country's port authorities in 2015. They connect Canada to world markets.

The Canada port authorities fall within the portfolio of the Minister of Transport. However, under the current legislation and regulations that Canada port authorities must follow, it is the board of directors that is responsible for the day-to-day management activities of a port.

This governance system also requires Canada port authorities to hold public annual general meetings, make public their annual reports, and post quarterly financial statements. This system also prevents governments from interfering in and politicizing the operations of these entities.

The Port of Vancouver is Canada's largest port and is a key economic enabler. It is a gateway to Asia-Pacific markets and is our largest Canada port authority. The Port of Vancouver handles 26% of all maritime tonnage in Canada, including close to 54% of all marine container traffic.

Our system of port authorities has served our country well for nearly 20 years. The government is looking at ways to ensure that it will continue to serve the economy, the environment, and the country for the next 20 or 30 years.

The government is looking at how Canada port authorities balance their need to remain competitive in global markets with being responsive to local communities and protecting the environment.

I appreciate the member for Vancouver East's concerns about the activities of Canada's largest port and can assure her that the port is strongly encouraged to work with local communities. In fact, the port has a strong track record with respect to building habitat restoration areas and protecting the environment while responding to growing trade demands.

The port authority's habitat enhancement program was intended to create, restore, and enhance habitats that would benefit the region's

fish and wildlife. There are currently five ongoing habitat enhancement projects proposed by the port authority, including the Point Grey tidal marsh project and the New Brighton Park shoreline habitat restoration project in Vancouver.

These are the kinds of activities that are central to the port's ability to both meet its mandate as a key economic and trade enabler for Canada and ensure that it protects the environment and meets local needs.

● (1910)

**Ms. Jenny Kwan:** Madam Speaker, previous governments gave the ports sweeping powers, including the right to override land use decisions and the right to assess and approve their own projects. It is the opinion of many that we need to change the environmental assessment process to make it completely independent, transparent, inclusive, and consultative.

As well, we feel that the port needs to make consultation more meaningful in affected communities. The port's current process only affects a project in isolation and does not consider the cumulative impact of the many heavy industrial projects under review.

Many also believe that the federal government should put in place a completely independent, science-based, overriding assessment process to review the cumulative impacts, as these projects need to be dealt with on a collective basis. These views are shared by many, and we want public accountability for Port Metro Vancouver.

I am calling on the government to act. The government has the ability to do that, to take those authorities and put them back in the place—

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** The hon. Parliamentary Secretary to the Minister of Transport.

**Ms. Kate Young:** Madam Speaker, I can appreciate the member for Vancouver East's concerns about accountability and can assure her that Canada port authorities are encouraged to hold themselves to high standards of transparency and accountability.

It is my understanding that the proposed Centerm expansion project is currently in the preliminary design phase. As a federal authority under the Canadian Environmental Assessment Act, the Port of Vancouver is required by law to conduct an environmental review of any proposed project on federal lands to determine if potential adverse environmental effects would exist.

Notwithstanding that, we encourage the Port of Vancouver and local communities to continue to work together to find long-term solutions that address the needs of the port as well as those of local communities.

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** The motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 24(1).

(The House adjourned at 7:13 p.m.)



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