



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

# House of Commons Debates

---

VOLUME 148 • NUMBER 134 • 1st SESSION • 42nd PARLIAMENT

---

OFFICIAL REPORT  
(HANSARD)

**Monday, February 6, 2017**

---

**Speaker: The Honourable Geoff Regan**

## **CONTENTS**

(Table of Contents appears at back of this issue.)

# HOUSE OF COMMONS

Monday, February 6, 2017

The House met at 11 a.m.

---

*Prayer*

---

## PRIVATE MEMBERS' BUSINESS

● (1105)

[*Translation*]

### INCOME TAX ACT

The House resumed from November 24, 2016, consideration of the motion that Bill C-274, An Act to amend the Income Tax Act (transfer of small business or family farm or fishing corporation), be read the second time and referred to a committee.

**Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC):** Mr. Speaker, I am proud to rise in the House today as the MP for a rural riding with an abundance of small and medium-sized businesses and plenty of family farms that go back more than 10 generations.

The work they do contributes to Montmagny—L'Islet—Kamouraska—Rivière-du-Loup's prosperity and entrepreneurial culture. I want to inform my colleagues that the Canadian Federation of Independent Business recently named Rivière-du-Loup the top entrepreneurial city in Canada in its fall 2016 ranking, this just a year after it was recognized as the most entrepreneurial city in Quebec.

There is no doubt that my riding and Rivière-du-Loup in particular are going full entrepreneurial speed ahead.

As a Conservative, I am proud of the previous government's record with respect to job creators. Our government reduced the corporate tax rate from 22% to 15% and the small business rate to 11%. It also increased the maximum revenue threshold for small business tax rate eligibility from \$300,000 to \$500,000.

As an entrepreneur myself who has created 20 or so jobs over the past 25 years in the printing industry in my region, I understand the importance of maintaining a tax system that favours entrepreneurship. Small businesses are the backbone of our economy. They created over 77% of all new jobs from 2002 to 2012.

People go into business for a variety of reasons. Some people are motivated by their passion, while others see a service gap that needs to be filled in their respective communities. For the most part, people

go into business in order to meet their needs and those of their family. That is what I did myself in 1993 when I started my business.

We do so with the fervent hope that, one day, our children will take over our businesses, and we are eager to see them make our businesses flourish and build an even better future for our regions.

In my case, I fully intend to transfer some or all of my family business to my daughter at some point. I am extremely proud of my daughter, who has been working with me in my business for the past three years now.

I was very surprised to learn that, under Canada's current tax laws, it would be better for me to sell my business to an outside third party rather than to a member of my own family.

Essentially, when a business is sold to a family member, the difference between the sale price and the original price of the business is considered a dividend and is taxable as regular income at 100%. However, if the sale is between two strangers, the difference is considered a capital gain, only half of which is taxed.

What is more, in Canada, the lifetime capital gains exemption that normally applies to small and medium-sized businesses does not apply in this case.

What type of message does that send? Does this not discourage people from starting a business?

What we want is to ensure that our country's economic growth continues to expand. For that we need to encourage people to get into business. When people who have been in business for 25, 30, or 40 years are ready to hand over their shares to their children, it is not right to put them at a disadvantage. The same advantages should apply whether the business is sold to a third party or a family member.

An estimated 550,000 business owners are going to want to sell or transfer ownership of their business over the next decade.

According to the Canadian Federation of Agriculture, over \$500 billion in farm assets are set to change hands over the next 10 years. That is not to mention the over 8,000 family farms that ceased operations in the past decade. The population is aging, yet only 50% of these farm owners have a succession plan.

I would like to remind members that the Lower St. Lawrence region has one of the largest aging populations in Canada, which means that there are fewer opportunities to sell our businesses to future generations.

*Private Members' Business*

•(1110)

Given the aging population, three out of four farmers intend to retire in the next 10 years. It is therefore urgent that we correct the discrepancy in the Income Tax Act so that we are prepared for the upcoming demographic reality. That is why I support Bill C-274, which was introduced by my riding neighbour, the hon. member for Rimouski-Neigette—Témiscouata—Les Basques.

This bill caught the attention of the Rivière-du-Loup RCM in the Lower St. Lawrence region, which wrote a letter in the fall indicating its support for Bill C-274. The Rivière-du-Loup RCM's chamber of commerce did the same. Support is growing across Quebec. The Association des marchands dépanneurs et épiciers du Québec has spoken out against the existing situation, and the Union des producteurs agricoles and the Board of Trade of Metropolitan Montreal have both indicated that they are in favour of this bill. All of the major opposition parties support this bill. It remains to be seen whether the Liberal government will also support it.

I think this is a good opportunity for the Liberals to redeem themselves after breaking their election promise to cut corporate taxes from 11% to 9%, voting for an increase in CPP contributions, and imposing a carbon tax on a still fragile economy.

Bill C-274 is an opportunity for the NDP, the Conservatives, and the Liberals to join forces and quickly pass a bill that would recognize that small businesses and family farms are important to Canadian society. I encourage each one of my colleagues to say yes to Bill C-274.

In closing, I would like to add that there is widespread support for this bill across Canada and especially in rural areas, where families create small businesses and support them from one generation to the next. I sincerely believe that these families must have this opportunity. Just imagine that I were to sell my business to my daughter. I would have to pay 100% of the tax instead of 50%. If I only had to pay 50% of the tax, I could continue to help my daughter grow her business. That money would certainly go back into the economy.

Once again, I invite all my colleagues to support Bill C-274.

**Ms. Karine Trudel (Jonquière, NDP):** Madam Speaker, today I am so very pleased to add my voice to the chorus of those across Canada who support Bill C-274, an act to amend the Income Tax Act (transfer of small business or family farm or fishing corporation). I would like to thank my colleague from Rimouski-Neigette—Témiscouata—Les Basques for introducing this bill. I know he worked long and hard to make sure this bill is written in such a way as to protect everything that matters to our small businesses.

As we all know, our small and medium-sized businesses are the bedrock of our economy. Whole families make a living thanks to them.

I am from Saguenay—Lac-Saint-Jean, where life can be very different from that in big cities. Many of my colleagues, such as those from Abitibi and the Lower St. Lawrence, as well as some of the other provinces, are familiar with those differences.

The reality in our regions, in places like Saguenay—Lac-Saint-Jean, is that there are often only two, three, or four large businesses

that contribute to their economies. Most of the time, small and medium-sized businesses are the main contributors. Many of our small businesses have only three or four employees, but they are what are sustaining our regions. We are seeing this more and more. The men and women of our regions are developing projects and new ideas and are doing their part every day to keep our regional economies going.

At the same time, our small and medium-sized businesses are facing many problems that make it harder for people back home to succeed. For example, the customer base is much smaller in our region.

Another problem is the shortage of young people willing to take over these businesses. It is really hard for SMEs to find people to take over, so when an entrepreneur is lucky enough to have someone in their family they can count on to take over the family business, that creates wealth for our communities. When people are lucky enough to have a family member to carry on a family business, it means they can pass down traditions, and for some, even memories. It means they can pass on what they have learned through experience and hard work.

Unfortunately, there is a great injustice. Federal legislation penalizes business owners and dissuades from passing on their life's work to members of their family. The reason is quite simple: when a business is sold to the owner's children or another relative, the profit from the sale is considered a dividend and is taxed as such under the Income Tax Act. On average in Canada, a dividend is taxed at roughly 35%.

If the business is sold to someone who is not part of the family, who is not a relative but a stranger, then the profit is considered a capital gain. In that case, there is a lifetime exemption of roughly \$825,000 for a business and about \$1 million for a farm or a fishing vessel. The remaining capital gain is taxed at about 25%, on average. That explains the difference between the sale to a stranger and the sale to a child or another family member.

We have to do something about this unfair situation. I have met with business owners in my region. They all agree on this. That is why various stakeholders in the Saguenay—Lac-Saint-Jean region support Bill C-274.

•(1115)

I will quote Carl Côté of the Saguenay-Le Fjord chamber of commerce and industry.

Business succession is a major economic issue, especially in remote areas. Family businesses play an important role in economic development and they must have support. At present, they are subject to very unfair tax treatment. Family business succession is an issue that we are following closely...

The former president of the Union des producteurs agricoles du Saguenay—Lac-Saint-Jean, Yvon Simard, believes that it is appalling that, in 2016, the dismantling and sale of companies to a stranger is subject to less tax than the sale or transfer to a family member, someone who could pursue their parents' dream and continue farming in the Saguenay—Lac-Saint-Jean region.

When we contacted businesses in my riding, dozens responded and supported the NDP's efforts. Many deplore the current situation and hope that this injustice will be addressed.

I would like to read a few comments I received about this. They paint a clear picture of the reality facing small businesses and what the people of Saguenay—Lac-Saint-Jean are going through.

A motel owner said that this is a major problem and that his father thought about selling the business to a stranger because it was more beneficial for him than to sell it to a family member.

Another business owner said the following: “I co-own a business with my son, so who do you think I will sell my shares to? However, by selling to my son, I am going to lose a lot of money. It is not fair.”

Finally, the owner of a small business said, “Two years ago, I sold my business to my son. It is unacceptable that I was penalized because of this unfair provision. It is a double standard.”

It is completely unacceptable for these business owners to be penalized for selling their company to a family member. We are not talking about opening the door to tax avoidance. We are talking about correcting the inequity that exists in the Income Tax Act, which considers the sale of a family business or farm to be a capital gain. Things should work the same whether the business is sold to a family member or a stranger. Bill C-274 simply seeks to correct the inequity, so that the process is the same regardless of whether the company is sold to a family member or a stranger.

In my opinion, my colleague's bill is well written and prevents tax avoidance. The bill is very clear about that. Our SMEs should not be penalized because of this inequity.

It is high time we abolished the unfair tax on the transfer of family businesses. When a business is transferred, potential buyers who are related to the owner should have the same rights and privileges as those who are not.

In closing, I would like to emphasize that all regions will benefit from this. This bill is good for everyone. It is good for our small and medium-sized businesses. In my region, Saguenay—Lac-Saint-Jean, this is the kind of positive change we really need to help revitalize our local economy.

I invite my colleagues in government and in opposition to consider the economic and social benefits of the bill. Facilitating the transfer of family businesses will help make our regions stronger. Something we talk about a lot in the regions is the retention of young people. My riding, Jonquière, is home to many farms and small businesses. We talk about the exodus of young people, who leave to work in big cities. Bill C-274 will boost local economies. Family farms are usually passed down from generation to generation. I visited a farm last winter, and the owners told me that it had been in their family for four generations.

I invite all my colleagues to vote in favour of Bill C-274, introduced by my colleague.

• (1120)

**Mr. Emmanuel Dubourg (Bourassa, Lib.):** Madam Speaker, I am pleased to speak to Bill C-274, which has to do with the transfer

### *Private Members' Business*

of family businesses, a subject I have been interested in for quite some time.

The first document I consulted was the December 2010 report by Suzanne Landry for Raymond Chabot Grant Thornton, a chartered professional accountants firm. Ms. Landry, who is now a professor at the École des hautes études commerciales de Montréal, identified a number of possible solutions in her report.

This bill targets one of the most complex parts of the Income Tax Act: the sections about transfers and the capital gains deduction, among others. We are talking about butterfly transactions. This has all kinds of implications.

Subsection 84.1, which this bill would amend, was included in the Act under tax avoidance to prevent fraudulent transactions involving the transfer of businesses among family members. Caution is vital here.

I wanted to bring in legislation on this when I was a member of another Parliament, the Quebec National Assembly. The finance minister and I had several meetings on the matter. I decided not to go forward because he told me that it would cost a lot of money and that this was the type of measure that needed to be passed by the Parliament of Canada in Ottawa.

Fast forward to November 2013 when I arrived in Parliament. I was still working on ways to rectify this injustice. That is why I introduced Bill C-691, but unfortunately, the session ended in June 2015 and we did not have the chance to debate it.

Let us talk about the impetus for this bill. Let us look at the statistics. We were told that 45% of jobs and 80% of new jobs in the private sector were created by small businesses. The Canadian Federation of Independent Business, the CFIB, said that 66% of small businesses would change owners over the coming decade and that a third of small and medium-sized business owners wanted to sell to family members. That is to say nothing of the youth unemployment rate.

Then there are the reasons why this bill is essential. I can also say that business succession is at the heart of this bill. Business succession represents an economic challenge because it requires a succession plan and choosing the successor. We must encourage the sale of businesses to family members because selling a business to a stranger could result in its relocation, benefiting the strangers.

The safeguards in this bill will ensure that the ones to benefit will be the middle-class families. Ensuring the sustainability of small businesses is also essential to the job market.

This bill has an end goal. The concept of transferring a business to a family member is simple, but the solution is complex. When a parent sells his or her business to a person who is not related by blood, marriage, or adoption, the parent can choose to not pay tax on the first \$824,000 of taxable capital gains. However, if the business is sold to the son, the parent cannot use the capital gains deduction. This bill will address an unfair element of the law.

When I introduced Bill C-691, measures also had to be taken to prevent abuse.

*Private Members' Business*

First, I included a gradual cap so that, if a company's taxable capital was less than \$15 million, the company would be eligible for the deduction. If the company made between \$10 million and \$15 million in taxable capital, then the deduction would be reduced because we do not want large companies to benefit from this type of deduction.

• (1125)

Second, after placing this cap on taxable capital, I introduced a measure that required that an affidavit of the transaction, issued by an independent assessor and indicating the fair market value of the business, be presented to meet the conditions of the transaction. The buyer also had to be over the age of 18. What is more, if the buyer had to resell the shares after less than two years, the initial transaction would be deemed to have never occurred.

When I introduced the bill, it received the support of my NDP colleague and the Canadian Federation of Independent Business, which was very important. When I held a press conference about the bill, representatives from the Canadian Association of Family Enterprise or CAFE were there with me to show their support. The Canadian Federation of Agriculture, which is made up of all the main farming associations in the country, and the Regroupement des cabinets de courtage d'assurance du Québec also supported the bill. It is important to mention that, in recent years, the Quebec CPA Order has raised this issue every time it has participated in pre-budget consultations.

In conclusion, I am certain this bill is the solution. I am glad that both the NDP and the Bloc Québécois decided to reintroduce it. However, there are a number of things to consider when we vote on this bill, cost being one of them.

I consulted the people at the Library of Parliament, and they told me that, in 2012, transactions involving eligible shares of small and medium-sized businesses amounted to more than \$5 billion. In their tax returns, people cannot specify which transactions occurred at arm's length, so the Library of Parliament's findings are based on estimates.

They told me that, in 2012, transactions totalling \$5 billion were carried out by more than 20,000 people. Supposing one-third of the transactions occurred between related individuals, such as 6,000 parents selling their businesses, giving them favourable tax treatment would cost the public purse no less than \$300 million.

The Liberal government stated that it absolutely wants to help the middle class. Bourassa, the riding I represent, is struggling economically. Every month there, 19,000 children collect more than \$8 million in Canada child benefit payments. By comparison, the cost of this program is exorbitant because it would cost \$300 million to help 6,000 people.

In conclusion, yes, it is not fair, but present circumstances dictate that we take all of the factors into account to make the right decision. That is what we will do on Wednesday when we vote on Bill C-274.

• (1130)

**Mr. Jacques Gourde (Lévis—Lotbinière, CPC):** Madam Speaker, I am very pleased to rise here this morning to take part in the debate on Bill C-274.

I want to thank my colleague from the New Democratic Party for introducing this bill, an act to amend the Income Tax Act regarding the transfer of small business or family farm or fishing corporation. The member for Rimouski-Neigette—Témiscouata—Les Basques, from the province of Quebec, is the finance critic for the second opposition party.

I feel compelled to speak to this issue because many people in my riding, Lévis—Lotbinière, have expressed their concerns about this matter and what the Canada Revenue Agency is supposed to do.

Furthermore, my colleague from Portneuf—Jacques-Cartier had intended to move a motion or introduce a bill to change this situation after a number of his constituents expressed their serious concerns and fears. As everyone here knows, all parliamentarians have to wait their turn in order to introduce a bill or motion in the House. Unfortunately, my colleague was 214th in line to be able to introduce his bill, which meant he was very unlikely to introduce it before the end of the 42nd Parliament, which will end in October 2019.

This bill should go through second reading so that we can study all the tax implications and, most importantly, determine how it will contribute to the economic development of the regions of Quebec and Canada.

We believe that this government has not done what is necessary to support the economic development of our regions, and here is why. It appointed just one minister to look after Canada's six economic development agencies, when that minister is not familiar with the realities of all the regions of Canada, particularly those of Quebec, and likely never will be.

The Liberals have been in office for over a year, yet they still have not managed to sign a softwood lumber agreement. They also have not managed to create any jobs in Canada, except perhaps at the Office of the Conflict of Interest and Ethics Commissioner. They are setting up an infrastructure bank for projects of \$100 million or more. They are even saying that investors would prefer projects of \$500 million or more. However, if projects of \$100 million or more or \$500 million or more are required, the Lotbinière RCM, whose municipalities have an average population of 2,200, will not see a penny of that money for many years to come.

What is more, the government set up only a modest compensation program for farmers and cheese producers. However, these days, our dairy producers are very concerned, particularly with regard to the new and upcoming NAFTA negotiations. I can see why they are concerned, given the government across the way.

Let us not forget the most important thing: the government did all of this while completely losing control of the deficit. It announced a \$10-billion deficit, which is huge, but now it seems the deficit is going to be closer to \$30 billion. What is worse, the budget will not be balanced until 2055. There are many people here in the House who will not even live to see that happen.

*Private Members' Business*

This bill has to pass second reading stage so that we can provide a tool to help protect our seasoned Canadian entrepreneurs. This will also help ensure the prosperity of a business supervised by a parent who is committed to the success of the business. Parents are excellent mentors for the business, especially if they have been working at the business for 40 years. They have weathered a few storms and are certainly able to give the best advice to the future generation, often their own children or grandchildren. These entrepreneurs worked hard on developing their businesses. The least we can do is take the time to address this issue in the House.

Let us build on what Quebec did when faced with the same problem involving the sale of businesses between members of the same family. In 2015, the finance minister included measures in his budget to ensure that this type of transaction is taxed fairly and equitably for family members of small-business owners.

We must also encourage family solidarity and in doing so, protect our small and medium-sized businesses to ensure their survival and allow children and grandchildren to take over the operations and maintenance of their family business, both in Canada's cities and its vast rural regions.

● (1135)

Many business people are not motivated to transfer their cherished business to a family member. Imagine that you had to pay between \$250,000 and \$1 million more in taxes on a small business. This is quite different than selling the business to a non-family member. That is the lesser evil. What is scandalous is the demise of these businesses, which results in the loss of 15, 20, or 30 jobs in small communities of 1,000 people.

Future generations work in the family business. However, when the owners want to retire and enjoy a well-deserved lifestyle after having worked to build a good business, they do not want to give their money to the different levels of government. We all know that the best place to invest money in order for it to grow is in the pockets of Canadians and not in those of a Liberal government.

Anyone who can count and who is an entrepreneur at heart will perhaps prefer, unfortunately, to sell their business to someone else rather than to a family member, because today's tax system is not accountable to anyone and does not respect the contributions of those who have developed these businesses for the past 40 years.

We believe that the aging of our population will result in increased business transfers, and that most small businesses will sadly not make it out in one piece. The survival of small businesses is vital to job markets all across Canada, especially in the regions. Young entrepreneurs are having a hard time coming up with the capital needed to take over the business, especially since they have to borrow 30% more to ensure that their parents can have a decent retirement. Many entrepreneurs want their children or grandchildren to take over their business, which is only natural. When people invest 40 years of their life in a business, they usually want it to continue after they are gone.

We believe that horizontal equity, when it comes to taxation, is a fundamental part of ensuring a fair and competitive business environment. It is only fair that all Canadians should be treated equally when it comes to taxation, and not two different ways. It is

unfair that there are two separate tax structures depending on whether business owners sell to their children or grandchildren, or to a stranger. We believe that the Income Tax Act penalizes families who want to keep the business in the family.

In closing, for all these reasons, and more importantly, because this government has not taken the necessary steps to support and develop our regions, which is very important, this bill needs to pass second reading. This tool will help protect Canada's experienced business owners and help guarantee millions of jobs for future generations. This is a good initiative and we will support it.

● (1140)

**Mr. Robert Aubin (Trois-Rivières, NDP):** Madam Speaker, this magnificent Monday morning, we have the good fortune to be talking about the bill introduced by my colleague from Rimouski-Neigette—Témiscouata—Les Basques. I gather from members' remarks that there is broad consensus around this bill. The only concerns I have heard people express from the start have to do with the cost of the bill. Barring petty partisanship, I see no reason why we should not send this bill to committee after the second reading vote for a closer look at its real costs. This bill is very important to the economy and to the development of both Quebec and Canada.

Everyone knows our society is aging. We are facing major changes to which we will have to adapt quickly and as best we can. We are used to analyzing health and education issues and changing our policies on the basis of demographic trends, but there is just as much urgency in other sectors that tend to be ignored. That is why I think my colleague's bill, which tackles one of the most significant generational shifts, is so important.

By 2020, as many as 350,000 business owners will be 50 or more and will be considering selling or transferring ownership of their business to a family member or selling it to a stranger. With the population ageing, it is reassuring to see that the next generation of entrepreneurs is available, skilled, competitive, and ready to face the challenges that come with taking over the reins from the previous generation.

Why are so many businesspeople raising their concerns with me over entrepreneurial succession? Well, they have done the math and they recognize how unfair the difference can be in the sale of a business to a family member or to a third party. Although my colleague's bill is not the first to address this issue, it is by far the most comprehensive and deserves the support of all parliamentarians in the House.

*Private Members' Business*

However, for the uninitiated who are following the debate and who are not aware of the problem, let us try to sum up what it means to transfer a business. If business owners want to get out of the business world, then they have two choices. They can sell their business to one of their children, thereby ensuring that the business remains family-run and deriving satisfaction from the act of passing down the business from one generation to the next. The owner gets to see his or her efforts carry on. The second choice in principle is just as commendable. The owner can sell to a stranger. It is easy to say that this is a personal choice and that everyone is free to make their own decision. However, that is less true when we know that both avenues do not produce the same profits from a sale at the same price.

At this point in time, if the business person sells their business to a stranger, the difference between the sale price and the original price is considered a capital gain taxed at between 23% and 29% by the provinces and also benefits from a tax exemption of about \$824,000. However, if the owner sells his business to one of his children, the same difference between the sale price and the original price is considered a dividend, which is taxed at between 35% and 51%, depending on the province, and does not benefit from a tax exemption.

To put it simply, the owner who sells his business for \$1 million and reports a capital gain, compared to the owner who reports a dividend on the same amount, would come out ahead by about \$306,000. We have to admit that makes selling to a family member somewhat less appealing.

This is what Bill C-274 would do. It would allow the owner and buyers from the same family to enjoy the same rights and privileges resulting from a transaction between two people without any family ties. Consequently, Bill C-274 would help keep businesses in the hands of local people, foster entrepreneurship, and contribute to the creation of local jobs.

• (1145)

What is more, in order to prevent any type of tax avoidance, an argument that members have been raising since this morning, my colleague had the foresight to include an obligation in the bill under which the family member who purchases the business must remain the owner for five years following the transaction. We are not the only ones who are saying that it is high time to eliminate this unfair business transfer tax.

Since I am running out of time, I will not read the incredibly long list of people who support my colleague's bill. I must admit that I do not see what reason any member would have to vote against a bill that has garnered so much support. I therefore hope that Bill C-274 will be sent to committee, because we are always open to making necessary improvements. I also look forward to the day when the House will send a clear message to entrepreneurs across the country telling them that they can sell their company to whomever they choose and still pay the same rate.

Need I mention that I strongly urge all members of the House to vote in favour of the bill introduced by the member for Rimouski-Neigette—Témiscouata—Les Basques?

**Hon. Ginette Petitpas Taylor (Parliamentary Secretary to the Minister of Finance, Lib.):** Madam Speaker, today I am speaking on behalf of the government about Bill C-274.

We all agree that small businesses are key to our prosperous communities. They provide important goods and services, create jobs, and weave themselves into the fabric of our communities, in which they have a genuine interest.

The Government of Canada wants the small business sector to remain stable and dynamic. Is Bill C-274 in the best interest of small businesses? The government's position, which I support, is this: the bill is well-intentioned, but the government is very concerned about its unintended consequences and whether it will really work.

The main problem is that it will open the door to tax avoidance. The Government of Canada cannot allow that possibility. The stated purpose of this bill is to amend the Income Tax Act to facilitate the transfer of small businesses and family farm and fishing corporations among family members.

To that end, the bill would dilute two longstanding anti-avoidance rules found in the Income Tax Act. First, we must answer the following important question: why are these anti-avoidance rules in place? Their objective is certainly not to discourage the transfer of small businesses to family members. These rules exist because without them certain individuals would have greater opportunities to engage in inappropriate tax avoidance.

Measures that would introduce tax loopholes would not be consistent with the principles of fairness, economic efficiency, and responsible fiscal management.

As I mentioned, the bill would dilute two long-standing anti-avoidance rules found in the Income Tax Act; specifically, it would amend sections 55 and 84.1 of the act.

I would now like to focus on section 84.1. This anti-avoidance rule may apply when an individual sells shares of one corporation to another corporation that is linked to the individual. When an individual sells shares of a Canadian corporation to a linked corporation, section 84.1 of the Income Tax Act deems that the individual has received a taxable dividend from the linked corporation rather than a capital gain, which is taxed at a lower rate in certain circumstances. Why? It is because the linked corporation could use the proceeds of the dividend paid by the Canadian corporation and give it to the individual in exchange for shares.

In other words, the individual is taxed based on the principle whereby dividends can be extracted from the Canadian corporation in order to be paid to the individual and should be taxable in his or her hands as dividends. Without this rule, such sales between related parties could be used to convert dividends for an individual into capital gains that are taxed at a lower rate, including gains eligible for a lifetime capital gains exemption.



Bill C-274 proposes narrowing the scope of section 84.1 by removing the sale of shares of certain companies from its application. These companies include eligible small businesses and family farm or fishing corporations sold by an individual to another firm owned by an adult child or grandchild of that individual.

This change will allow the owner-operator of a family business to convert the dividends of the corporation into taxable capital gains at a lower tax rate. Such conversions of corporate dividends into capital gains taxed at a lower rate could be done as often as the owner-operator wants to extract the corporation's surpluses and receive a fiscal benefit.

While the main purpose of section 84.1 is to limit the application of the lifetime capital gains exemption, there are similar concerns regarding cases where no exemption is requested because of different personal income tax rates that apply to taxable dividends and capital gains.

• (1150)

In 2017, the highest combined federal-provincial personal income tax rate on capital gains is roughly 17.8 percentage points lower than the rate applicable to dividends.

This difference in personal income tax rates means that for every extra \$100,000 that is converted into a taxable capital gain, the federal-provincial savings can be as high as \$17,800.

It is important to note that there is nothing stopping a parent from selling their shares of the family business directly to their child or grandchild and claiming the lifetime capital gains exemption on the capital gains, and then claiming as taxable capital gains any other gains from the sale of the shares that are not eligible for the lifetime capital gains exemption.

The anti-avoidance rule set out in section 84.1 applies when the shares are sold to a company owned by the child or grandchild of that taxpayer. The tax rules already allow for the intergenerational transfer of a business directly to a child or a grandchild.

Adopting the proposed changes to section 84.1 would open the door to new avoidance possibilities. This would unfairly benefit wealthy individuals instead of members of the broader middle class.

Based on a series of reasonable assumptions on how Canadians would react to this measure, the Minister of Finance believes that the proposed amendment would cost the federal government between \$350 million and \$1.2 billion a year. This clearly goes against the government's overall objective to strengthen support for the middle class and those working hard to join it.

It is also important to point out that, according to analyses conducted by third parties, Canada has a good tax system and is an excellent place to do business. According to a KPMG study, total business tax costs in Canada are the lowest in the G7 and 48% lower than those in the United States.

The government is currently making unprecedented investments in infrastructure and innovation that will expand opportunities in the country and result in stronger and more inclusive growth. What is more, the government has lowered taxes for nearly nine million

### *Private Members' Business*

Canadians, and 9 out of 10 families with children now receive higher benefits through our new Canada child benefit program.

That means more disposable income for middle-class Canadians and a stronger economy, which will benefit small businesses.

In closing, I understand the reasons behind Bill C-274. We all want the tax rules to be simple, fair, and conducive to small business growth. However, ultimately, the opportunities for tax avoidance that would arise from the passing of Bill C-274 far outweigh any possible benefit.

Bill C-274 would not make the tax system any fairer. On the contrary, it would give wealthy individuals the opportunity to use private corporations for tax planning purposes. It would result in pressure to weaken other anti-avoidance rules.

For these reasons, I urge the members of this House to vote against Bill C-274.

• (1155)

[English]

**Mr. Gord Johns (Courtenay—Alberni, NDP):** Madam Speaker, it is an honour to rise in support of Bill C-274, an act to amend the Income Tax Act (transfer of small business or family farm or fishing corporation).

As the small-business critic for the progressive opposition, as a former business owner and executive director of a chamber of commerce, and as the co-chair of the all-party entrepreneur caucus, I am proud to stand today in support of Bill C-274 and speak to its many strengths. I am grateful for the work of my colleague, the member for Rimouski-Neigette—Témiscouata—Les Basques, for putting forward an excellent piece of legislation on tax fairness for Canadian small-business owners.

In debates, committee meetings, and in legislation, small business is an important focus for parliamentarians. We understand that small-business owners are the real job creators in Canada, as 80% of all jobs are created by small business. Some 30% of our GDP comes from small business. Small businesses are an economic driver of our local economies.

*Private Members' Business*

The bill is about keeping jobs in Canada, keeping our wealth in our local communities, supporting family-owned businesses, and supporting community economic development by plugging economic leakages. It is about fair tax laws for Canadians. It is about correcting an unreasonable provision in the Income Tax Act. It makes no sense that our current laws make it easier to sell a business to a stranger than to a family member. Why would we do that? Let us make it easier to enable Canadian businesses to be passed from generation to generation, not harder. Let us not penalize the very people who have put their heart and soul and a lifetime into developing their local businesses. Let us support Canadians who support their communities.

I know I do not have time to do a full speech, so in closing, the government has an opportunity to show Canadians it is fighting for working-class Canadians by supporting the bill. The working class is family business. It is hard-working entrepreneurs who are the foundation of our economy and the real job creators. Nobody has a deeper connection to community or understands the importance of keeping the wealth in their community better than family business owners.

Canadians deserve fair succession tax laws on their family-owned small businesses. We need to make it easier to sell a business to a family member. We need to keep jobs local, and our money in our local economies. We need to give our business owners the tools to thrive in our communities. Right now, the Income Tax Act makes it easier to sell a business, like I said, to a stranger than to a family member. Bill C-274 would correct that mistake. I urge all parliamentarians to support small-business owners across Canada by supporting the bill.

• (1200)

[Translation]

**Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP):** Madam Speaker, I am very pleased to speak to conclude this debate on my private member's bill, Bill C-274.

In each of our ridings, there are small and medium-sized business owners, farmers and fishers. At present, these people do not belong to the wealthiest class, in spite of what the government is trying to say. They are the very definition of middle-class, and people who start up a small business are often people who aspire to join the middle class.

I am extremely disappointed that the government is opposing this bill. I believe they are opposing it for reasons I think are absurd, and I will explain why.

First, the Minister of Finance and his parliamentary secretary believe the bill will cost between \$300 million and \$1.2 billion. I worked with tax experts on this bill to make sure it will not be too costly for the government. We estimated that, in terms of lost revenue, it will cost between \$75 million and \$100 million. Is that excessive? The goal is to level the playing field.

In Montreal, the owner of a small window and door business who wanted to transfer his business to his child had to pay over \$110,000 more in taxes than if he sold it to a stranger, a person who was not family.

Obviously, there will be costs in terms of lost revenue, but the goal is to level the playing field and allow these businesses to stay within the family for a second or third generation. The figures the government is suggesting can and must therefore be disputed. They should be examined in committee.

That is why I am asking the government and all members of the House to adopt the bill at second reading, so that we can analyze these figures and compare the analyses I have done with various tax experts and the figures from the Library of Parliament, the Union des producteurs agricoles, and Raymond Chabot Grant Thornton and other accounting firms, with the government's figures.

Another argument that the government has made against the bill is the fact that at present, parents may transfer their business to their children and receive a capital gain. That is true, if the child is not incorporated. However, children increasingly are incorporated, since incorporation carries several advantages, including lower interest rates when they borrow and less tax on the amount to be paid to the parents.

I know there are extremely complex issues and tax policy is complex. Nonetheless, Bill C-274, which I have brought forward, is an appropriate response to the injustice that is an incentive for owners of small businesses, family farms and fishing boats to sell their businesses to strangers rather than to their children. They do not do that because they will get rich; they sell their business so they can retire.

[English]

I would like to reassure the government that my intention is not for the bill to be too costly. The intent is to bring the bill to committee so it can actually be studied and if needed, if it is really too costly, to be amended. I can guarantee every member in this House that with the numbers the government is putting forth, if the bill will be as costly as it is saying, I will volunteer to actually withdraw it from consideration. I am saying that because I am sure it will not be.

[Translation]

In conclusion, I encourage all members of the House to consider how this bill will affect their constituents. I have the support of more than 150 organizations across the country in Quebec, Ontario, the west and the Maritimes, organizations such as chambers of commerce, municipalities, and organizations that represent farmers and fishers.

If this bill dies before going to committee for an in-depth study of the costs and impacts, those people will be extremely disappointed. They are not likely to have forgotten this by the time the next election rolls around.

I therefore urge all members of the House to vote for this bill at second reading so we can study it in committee.

• (1205)

**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.

*Government Orders*

**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.

**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):** Pursuant to Standing Order 93, the division stands deferred until Wednesday, February 8, immediately before the time provided for private members' business.

---

## GOVERNMENT ORDERS

[*Translation*]

### CANADA-EUROPEAN UNION COMPREHENSIVE ECONOMIC AND TRADE AGREEMENT IMPLEMENTATION ACT

The House resumed from February 3 consideration of Bill C-30, An Act to implement the Comprehensive Economic and Trade Agreement between Canada and the European Union and its Member States and to provide for certain other measures, as reported (with amendments) from the committee, and of the motions in Group No. 1.

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** Order.

The Parliamentary Secretary to the Leader of the Government in the House of Commons had time left and we were at questions and comments.

**Mr. David de Burgh Graham (Laurentides—Labelle, Lib.):** Madam Speaker, in my riding of Laurentides—Labelle, many people often tell me about their concerns with free trade. They believe free trade helps the rich and not those who work the hardest in our society.

I would like my colleague from Winnipeg North to tell us how free trade helps everyone.

[*English*]

**Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Madam Speaker, my colleague is quite passionate in wanting to make sure that his constituents are well represented in the House on important issues and raises a valid concern.

It is important that we recognize that Canada, over the years, has been well established around the world as a trading nation. It is because of trade that we are able to have the type of lifestyle we have, whether it is in urban Canada or rural Canada.

I would assure my colleague that the best thing to do is to appreciate the jobs we have today. For many of those middle-class, hard-working jobs, whether it is providing a product or a widget, or whether it is a service, Canada is well equipped through our post-secondary institutions and many other training facilities to provide some of the very best products and services in the world.

The more we are able to reach out into the world, the better we are as a society, in terms of our lifestyle and beyond that.

**Ms. Anju Dhillon (Dorval—Lachine—LaSalle, Lib.):** Madam Speaker, how would my colleague best describe the importance of trade for Canada?

**Mr. Kevin Lamoureux:** Madam Speaker, I am sure my colleague would acknowledge that one of the highest priorities we put in place, when we took on the role of government just over a year ago, was the importance of creating jobs.

One of the things we need to remind ourselves of when we think of trade, as I pointed out in an earlier question, is that Canada is very much dependent on trade. When I talk about some of the best products, I could talk about my home province or even the member's province of Quebec. She would be very familiar with one of the things that Manitoba and Quebec share in common, and that is our aerospace industry. Some of the very best parts and aircraft that are manufactured today come from Canada.

When we look at ways that we could take down trade barriers and allow for a more free flow of goods, we are allowing opportunities for small and medium-sized businesses to be able to explore other opportunities that go beyond Canada's border.

When we think about trade and how Canada really benefits, the more Canada can trade, in particular on that export side but trade in general, the more it contributes to our GDP, the more it provides opportunities for those small and medium-sized business. That is really what this is all about.

We recognize that if we can build on trade, we can build Canada's middle class and those who aspire to become a part of it. The healthier Canada's middle class is, the healthier our economy is. Our economy needs to have a healthy middle class. One of the ways we can reinforce that healthy middle class, and have that middle class grow, is to look at ways we can increase trade throughout the world.

That is why we have seen such a high priority, whether it is CETA we are debating today, or the agreement between Canada and Ukraine which was signed, or even the World Trade Organization legislation that we brought in that allows for a more free flow of services and widgets that, ultimately, all Canadians will benefit from, in particular Canada's working middle class and those who are aspiring to become a part of it.

*Government Orders*

• (1210)

**Mr. Erin Weir (Regina—Lewvan, NDP):** Madam Speaker, the House has heard a great deal of debate on CETA. Throughout these discussions, the NDP has pointed out some critical problems with the agreement. It is likely to worsen Canada's trade deficit. It is likely to harm key sectors of our economy. It is likely to make it easier for temporary foreign workers to come into our country. It is going to extend pharmaceutical patents, driving up the cost of prescription drugs for our provincial health care systems as well as for individual Canadians. It will expose our democratic laws, regulations, and public policies to more challenges under the investor-state provisions.

I do not want to repeat all of those points. What I would like to do in today's speech is look at CETA from a different perspective. I want to look at it from the perspective of its implications for future Canadian negotiations. In particular, I want to look at our likely negotiations with a post-Brexit United Kingdom. I want to look at our potential renegotiation of NAFTA with the United States. Finally, I want to look at the negotiations we have, within our country, with corporate Canada.

In terms of the United Kingdom leaving the European Union, a big question is what that means for CETA. It is a question the NDP has been asking throughout this debate, because of course, the United Kingdom is the one major economy in the EU with which Canada currently enjoys a trade surplus.

I was interested to note on Friday that a Conservative colleague, the member for Samia—Lambton, actually asked that question during question period and did not get much of a response from the government. What the parliamentary secretary to the minister of international trade said was:

If CETA is passed by the EU, we will have a deal with the U.K. until things unfold in that country. Canada, of course, has an interest in maintaining access to the significant U.K. marketplace, and we believe very strongly that CETA provides an excellent baseline for future negotiations.

Here we have the government actually acknowledging that CETA is not a done deal, that it is unclear whether or how it might apply to the United Kingdom, and that in all likelihood, Canada would have to enter into new negotiations with the U.K. after the Brexit process plays out. Why, then, would we want to establish that baseline now? Will this be a baseline from which we make further concessions in negotiations with the United Kingdom?

It seems to me that after Brexit, the United Kingdom will actually be under pressure to formulate new trade agreements. It will no longer be part of free trade deals through the EU, and the British will be the ones who really need to make concessions to get trade deals. Why would Canada set the baseline now? Would it not be more prudent to see what happens with Brexit and then negotiate with Britain from a position of strength? Agreeing to CETA before Brexit has played out actually puts Canada in a much weaker position for prospective negotiations with the United Kingdom.

The second thing I want to consider is negotiations with the United States about the North American Free Trade Agreement. It is really important to recognize that under NAFTA currently, there is a concept of most favoured nation treatment, so when we make concessions to Europe through CETA, we are automatically making

those same concessions to the United States. Indeed, in Bill C-30, we find that it does exactly that. It provides concessions not just to the EU but to all trade agreement investors. For example, when CETA extends patent protections, it does not just do it for European pharmaceutical companies; it does it for American pharmaceutical companies as well. Of course, we do not get anything in exchange from the United States for that concession. It just happens automatically.

• (1215)

Another thing Bill C-30 does is raise the threshold for foreign investment reviews of proposed foreign takeovers to \$1.5 billion. It does this not just for proposed takeovers by European investors but also for proposed takeovers by American investors. This is a concession we are making to the United States without getting anything back in return on softwood lumber, on steel, on buy American, or on any of the other trade issues we might have with our neighbours to the south. It strikes me that rather than making these concessions to the United States pre-emptively through Bill C-30, it would be far more prudent to see what happens with Trump and with our potential renegotiation of NAFTA so that if we need to make concessions, we can get something for them. We can bargain rather than just give the U.S. these concessions as part of a deal with Europe. That is another reason to defeat this legislation.

The third type of negotiation I would like to speak to are the negotiations that are constantly going on between the Canadian state and corporate Canada, because one aspect of extending investor-state provisions through these different international agreements is that Canadian companies want to have access to the same special commercial tribunals so that they are able to directly challenge and sue over laws, regulations, and public policies they may not like. The more we extend these investor-state provisions, the more we invite Canadian companies to demand a similar basis on which to challenge our own democratic domestic policies.

We are starting to see this kind of thinking bubble up in the Conservative leadership race. Just last week, we had two candidates for the Conservative leadership, the member for Regina—Qu'Appelle and the member for Beauce, tripping over each other to try to adopt radical libertarian positions. The member for Regina—Qu'Appelle said that we should entrench private property rights in the Charter of Rights and Freedoms. The member for Beauce was very quick to agree with this concept. We can see the linkage of this with trade deals by looking at the way another Conservative MP reacted to this proposal. The member for Lanark—Frontenac—Kingston stated:

The lack of constitutional protection for the private property rights of Canadians means that the rights of Canadians can be treated as second-class under NAFTA. Canadians deserve the same property rights that foreign companies enjoy in Canada, and shouldn't be second-class in their own country.

*Government Orders*

We have this argument that because there are investor-state provisions in trade deals, they should be extended to all Canadian companies and property owners. What would that mean in practice? We can forget about any kind of land use planning for starters, but we can also forget about building any type of major public infrastructure that would traverse lots of different property. Imagine trying to build or even twin an existing highway if every landowner along the route essentially could veto it because their private property rights were entrenched in the Constitution. The power of expropriation is an extremely important thing if we want to get infrastructure built.

We have heard a lot of rhetoric in favour of pipelines from the Conservatives. Good luck building any pipelines after private property rights are entrenched in the Constitution. That is something the Conservative leadership candidates need to think about.

Bill C-30 would weaken Canada's negotiating position with a post-Brexit Britain. It would weaken Canada's negotiating position on NAFTA with the United States. It would also lead us down this goofy path of entrenching private property rights in the Constitution. For all those reasons, I urge my fellow MPs to defeat this bill.

• (1220)

**Mr. Scott Simms (Coast of Bays—Central—Notre Dame, Lib.):** Madam Speaker, I appreciate many of the concerns the member has, certainly about the private property issue he brought up from the Conservative debate. I thought that was well done, and I thank him for that. However, from the logic of one stronger dominant partner over the other in any particular trade deal, I do not quite follow the logic about the Brexit situation.

Now that section 50 has been triggered and will, no doubt, come to pass, when it comes into force following a vote in Europe on February 14, I believe, following Bill C-30, if it passes, we will have entrenched quite a bit in a very substantial trade agreement, along with a strategic partnership agreement that is more political in nature but certainly very important. To me, that puts Great Britain on the other side of his logic, where it has to negotiate something with us as it leaves the European Union.

Perhaps he could explain to me further where his logic prevails over mine.

**Mr. Erin Weir:** Madam Speaker, the member across the way points out that with this legislation, we will already have entrenched many aspects of CETA, and that is precisely my concern. We would be in a much stronger bargaining position dealing with Britain after it is out of the EU and after it is desperate to get into some trade deals than we are in negotiating with the entire European Union, as is currently the case.

The Parliamentary Secretary to the Minister of International Trade said in the House on Friday that CETA would provide a baseline for negotiations with a post-Brexit U.K. I am submitting that it is a bad baseline and that we could do better in negotiating with the U.K. after Brexit.

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Madam Speaker, I listened with great interest to my colleague, because it is clear that the Prime Minister is the foremost proponent of trickle-down economics in the world today. He believes in this ideology of trade, that if we trade away Canadian steel jobs, we will get

something better with the Chinese, or that if we allow the Chinese government to take over Canadian tech companies, it will somehow benefit the middle class. Liberals always invoke the middle class whenever they make a cynical decision.

The government refused to stand up for the farm sector in the CETA negotiations and walked away on compensation, when it knows that dairy farm families are going to take a serious hit. Yet the man they are looking to deal with Donald Trump, Brian Mulroney, is floating the trial balloon that to keep the Americans happy, we have to get rid of the supply-managed sector in this country. This is who the Liberal government seems to be taking its advice from.

I would ask my hon. colleague why he thinks it is that the Liberals put the ideology of these trade deals ahead of our steel sector, our farm sector, and our tech sector every single time to get any kind of deal it can get with anybody.

**Mr. Erin Weir:** Madam Speaker, that is an excellent question, and I will pick up where he left off, which is to observe that the current government, like the previous government, is blinded by an ideology that says that all of these so-called free trade deals are good no matter what and that we do not really need to worry about the details or the specific trade-offs being made.

It is very true that the Liberal government has made some huge concessions under CETA on supply management and in other areas. One of my concerns is that those concessions are automatically being extended to the United States under Bill C-30, which puts us in an even weaker position in potentially having to renegotiate NAFTA with the Trump administration. I would much rather go into those negotiations without having made these concessions so that we could actually push for the things Canadians want, such as the removal of the chapter 11 investor-state provisions and the removal of the proportionality clause that might limit our options as to where we export our energy resources going forward.

• (1225)

**Hon. Mark Eyking (Sydney—Victoria, Lib.):** Madam Speaker, I am honoured to rise in the House today to speak in support of Bill C-30 and the comprehensive economic trade agreement between Canada and the European Union, or CETA.

*Government Orders*

I would first like to congratulate our new Minister of International Trade, the member for Saint-Maurice—Champlain, on his new responsibilities, and recognize the hard work of our former minister, the member for University—Rosedale, for the devoted time she put in on the trade file. She will still be involved with the trade file as the Minister of Foreign Affairs. I would also like to congratulate the rest of our team. I am sure we will continue to work with the foreign affairs minister and the trade minister to get more trade agreements that are beneficial to all Canadians. As the Prime Minister stated, we are a trading nation. Our GDP relies on trading. We will continue to work hard to make good deals for Canadians.

I would also like to recognize our international trade committee, which I sit on as chair and am very proud of. We do a great job, and we work together. We do not always agree, but we work together. We have put a couple of agreements together which were passed in the House, such as the Ukrainian agreement, which was a big agreement. Of course, we also looked at the CETA, which is here on the floor. We work well together and get things done. We are always thinking about Canadians. We are going to be working on future agreements in the upcoming months, especially dealing with the United States and many of our Asian partners.

CETA is a modern, progressive trade agreement that, when implemented, will generate billions of dollars in bilateral trade and investment. It will provide greater choice and lower prices for consumers. It will create middle-class jobs in many sectors of our society.

CETA is a product of hard work, frank discussions and negotiations, and a calm commitment by our Prime Minister, Minister of International Trade, Minister of Foreign Affairs, our trade committee, and, of course, countless of Canadian public servants who made this agreement come together. When it comes to negotiating trade agreements such as CETA, we have some of the best negotiators in the world. Whether it is WTO or this agreement, whether it is big or small, we have some of the best negotiators. They stand as an example for the rest of the world when we do our negotiations. We are very proud of them and how they work. No matter what party is in government, they work for Canadians.

Canadian exports to the EU are diverse and include a significant share of value-added products in addition to traditional exports. These are resource-based products and commodities, whether they are precious stones and metals; machinery and equipment; minerals, fuels, and oils; mineral ores; aerospace products; and, of course, fishing and fish products. These are some of Canada's top merchandise exports to the EU.

From my perspective in Atlantic Canada, the export sectors that will particularly benefit from CETA are the minerals and mineral products export sector, and the other one which is dear to my heart is agriculture and agrifood. Of course, I think the biggest one in our area is the fishing and fish products sector. We have over 500 small craft harbours in Atlantic Canada, and although we love eating fish, we cannot eat it all. However, the rest of the world wants it, and we want to sell it to them.

When it comes to exporting our products, Atlantic Canada tops the rest of North America. Atlantic Canada is very well positioned in this agreement for the shipment of products from continent to

continent. Atlantic Canada is closer than Montreal, Boston, New York, or any other port in North America and South America to Europe. We are very excited, not only about the products that we have to offer Europeans, but also about being able to trade through our ports in Atlantic Canada.

I am from Cape Breton, Nova Scotia, which will benefit significantly from CETA and the preferential access to the EU market. The EU is Nova Scotia's second-largest export destination and second-largest trading partner, with a large portion of the share coming from my island in Cape Breton. Once in force, CETA will remove the boundaries on Nova Scotia's exports and create new market opportunities in the EU.

● (1230)

In all of the 28 EU member states, they have approved the conclusion of CETA and have signed the agreement or are in the midst of finalizing it. Trade means growth. Trade means prosperity. Trade means stability. Trade makes good friends. More growth in trade creates jobs, which is what we want in Canada.

Nova Scotians will benefit from improving exporting conditions, which will provide us with a comprehensive advantage over exporters in other countries who do not have free trade agreements with the EU. As mentioned in this House already today, the United States tried to pull off a deal with the EU but was not successful. We did, and we were successful. We are very proud of it. We see that Canada is an opportunity for an entranceway into the whole North American market through Canada and the EU.

Nova Scotians will benefit from improved exporting conditions, and, as I stated, it will provide us with a competitive advantage over exporters from other countries who do not have free trade agreements with the EU. Between 2013 and 2015, in Nova Scotia alone, merchandise exports to the EU were worth over \$465 million, with fishing and fish products holding the largest share of that, 45% of our exports.

How does all of this translate? Following fish and fish products exports, of course, we have agriculture and agrifood, at 60%. We can grow anything in Nova Scotia. People in Europe love our blueberries. We have great blueberries and apples, and so many different products. We are looking at having more beef in Nova Scotia too. They like grass-fed beef in Europe, and we think we are well positioned in Atlantic Canada to do that. Also on metal and mineral products, the tariffs will go down from 10%. On other exports, such as chemicals and plastics, forest products, and information and communication technologies, tariffs will drop to 12%.

*Government Orders*

Most of the tariffs that we have to pay going into the European Union are 10% to 15%, which is significant. For instance, just on fish alone, which is over \$465 million, if we take the ballpark figure of \$400 million, 10% of that is \$40 million. That would be the benefit to Nova Scotia just on fish products alone. These tariffs are on the largest exports, such as I mentioned, fish and fish products. Some of them are up to 25%. It is a phenomenally high tariff going into that trade zone, and we are going to be glad it is gone. Through CETA, these fishing and fish product tariffs will drop by almost 96% immediately, and the remaining tariffs will be phased out over three-year, five-year, and seven-year periods.

According to Industry Canada, Nova Scotia exports \$5.4 billion worth of goods and services outside of Canada, with the United Kingdom being \$121 million; France, \$81 million; and the Netherlands, \$84 million. Of Nova Scotia's \$5.4 billion in exports, \$1.2 billion comes directly from lobster and crab. In my riding of Sydney—Victoria, the Neil's Harbour co-op fish processing facility has staff from all over Cape Breton, and many of the staff come from Newfoundland to work in the plant. In 2015, the Victoria Co-op Fisheries purchased about \$20 million of product from local fishermen. This spans over 100 miles of coastline; seven small harbours, most of which have between 20 and 25 vessels; and sales worth \$26 million.

As with most of the rural and northern communities like Neil's Harbour, in my riding of Sydney—Victoria, the fishing industry is what my constituents rely on for their well-being. Fishing is passed down from generation to generation. Men and women go out to sea for months at a time to put food on their tables and provide fresh fish for the world. CETA will boost the fishing trade in my riding and better the quality of life for hard-working fishers and their families.

In agriculture itself, as I know was mentioned here, beef, pork, and canola are agriculture products that will go to Europe tariff free. It is going to be phenomenal. I sat on the agriculture and agrifood committee.

When all other countries are closing the doors to trade and immigration, Canada is opening its doors. The benefits that will result from CETA are on the fishing and fish products in Nova Scotia and Cape Breton, the Atlantic provinces, and all over Canada. CETA is a modern, progressive trade agreement that could generate billions of dollars in bilateral trade and investment, provide greater choice, lower prices to consumers, and grow the middle class.

I would also like to thank the members of the previous Conservative government, because they worked hard on this agreement. We had to take it across the plate and finish it, but they did a lot of work. I am proud that they are on the committee with us and continue to do good work.

I am open for questions.

•(1235)

**Mr. Randy Hoback (Prince Albert, CPC):** Madam Speaker, I would like to thank the chair of the trade committee for his speech. You highlighted a lot of important things, but I do disagree with a few things you said.

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** I would remind members to address their questions and their comments through the Chair.

**Mr. Randy Hoback:** Madam Speaker, I agree with some of the things that the chair of trade committee talked about, but there are some things I disagree with.

The member talked about how good the blueberries are. We have saskatoon berries in Saskatchewan, and the people in Europe will enjoy the saskatoon berries better than the blueberries. Having said that, however, they are both excellent.

We have created the ability to get market access by going around the world, and now we are going to have access to the European market. Canadian companies will want to export their goods to Europe, and companies around the world will be looking at the possibility of getting a facility in Canada because they will have market access in Europe and the U.S. Hopefully, the TPP will go through the House and we will have access to the Asian market as well. It would be a great base for operations.

One thing that concerns me is our competitiveness. We are adding taxes to things that affect our competitiveness. The carbon tax is an example, when it comes to our fisheries. All Canadian fishers will have to pay a carbon tax, which will provide no return for their investment, and this will make them uncompetitive.

Does my colleague not feel that it is important to look at competitiveness with respect to trade agreements when it comes to taking advantage of opportunities and growing the business community here in Canada?

**Hon. Mark Eyking:** Madam Speaker, let me talk about the berries first. I think my friend is on to something. We could take those berries from Saskatchewan and Nova Scotia and make a blend with them and call it "Canada's finest". How does that sound? That would be a good idea. People could mix it with their vodka and gin, and everyone would be happy.

My colleague mentioned a couple of things. He mentioned how Canada could be a point of access to other markets. I am glad he brought this up. I have a window manufacturing company from Germany in my riding. It makes windows mostly for Atlantic Canada, and it does a fine job. The owner is looking at this agreement as giving him an opportunity to go into the U.S. market, depending on the tax rate. It is a fine point.

With respect to the carbon tax and this agreement, Europe already has a carbon tax. Europe is very similar to us with respect to our social structure, our beliefs, and how we treat the environment. This agreement fits well with us and the Europeans because we are like-minded. As with us, they have a tax on carbon and they are environmentally friendly. We are going to meet with Danish MPs on Wednesday, and I think they are going to be fond of our carbon tax.

*Government Orders*

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Madam Speaker, I listened with great fascination to my colleague. He is an enjoyable man, who is telling Canadians that the reason the government signed this free trade agreement is to get Nova Scotia blueberries over to Europe. That is one of the more ridiculous examples I have heard, except possibly for the reason given by the member for University—Rosedale, who said that we had to sign it so we could sell mukluks from little stores in Winnipeg to Europe. Do they think we are some kind of political knobs?

I want to thank my colleague for at least wrapping up his speech by thanking Stephen Harper and his policies for laying out the path that the Liberal government is following. At least we heard a bit of honesty from him. His government is following the same trickle-down economic plans of the Stephen Harper government and they are thankful for it. I want to thank him for his honesty. It was a breath of fresh air compared to all the other stuff.

I did not hear him talk at all about the fact that the Liberal government is selling out the dairy sector. At least Stephen Harper put the money on the table, because he knew this was going to be a serious multi-billion dollar hit to our farm families. The Liberal government has not put a dime on the table.

I would like my colleague to move away from blueberries for a minute and tell us what is going to be on the table for our farmers who will be giving up serious market share to the Europeans.

• (1240)

**Hon. Mark Eyking:** Madam Speaker, I am not surprised at the NDP. I am not trying to credit the Conservatives for everything. They did do a good job on this agreement, and we finished it up. The NDP is against trade, and I am not surprised.

Your family is from Cape Breton. Your family are fishers—

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** I want to remind the member that he is to address his comments through the chair. My family is not from Cape Breton.

There is not much time left, so a very brief answer.

**Hon. Mark Eyking:** Madam Speaker, the member should think of his relatives in Cape Breton who fish and how beneficial this will be beneficial to them. Every once in a while, he should go back to Cape Breton and get a taste of reality, and find out what real business is all about.

**Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC):** Madam Speaker, it is always a pleasure, and quite honestly, an honour to stand in this great place to talk about something that has great potential, an incredible potential to create jobs, economic growth, and value for our country.

Bill C-30 is about implementing this great agreement, CETA. I cannot go ahead without recognizing the member for Abbotsford, the former minister of international trade. For six years or so he worked not only with the team on our Conservative side, but also with all members of Parliament to come together on this extraordinary agreement which benefits Canadians from one coast of this country to the other.

I also want to thank the current Minister of Foreign Affairs, who was the minister of international trade, for taking the agreement forward to this point.

As my colleague before me mentioned, agreements do not happen in isolation. Our chief negotiator, Steve Verheul, is an amazing guy in his abilities and the things he accomplishes around the negotiating table. I am from Lambton—Kent—Middlesex. I farmed. I was involved in municipal government. In fact, when I was in dairy, I bought many of the inputs for my dairy operation from Steve's dad, so he comes from great stock.

There is a whole host of things that happened to get CETA done. One of them was the unprecedented amount of co-operation and involvement that the stakeholders had in developing this agreement. Whether it was the provinces or the territories, whether it was the stakeholders in the commodity organizations, the businesses, if they were not at the table, they were sitting on the chairs right behind it. That is why this agreement has so much appeal across Canada.

The text of the agreement was agreed to in August 2014. We all knew it would take a couple of years for the 28 countries to translate it into something like 22 or 23 languages. We are now at the time of implementation not only here in Canada, but also in Europe, which we understand may be happening very shortly.

What does it mean? As I mentioned, there are 28 countries. It has an impact for Canadian manufacturers, agriculture, education, and for all the stakeholders who were involved in the negotiations. It would provide access to some 500 million people and economic activity of almost \$20 trillion. It is estimated it would bring about a 20% increase in bilateral trade, and about a \$12 billion increase to the Canadian economy.

For example, it would leverage about \$1,000 for an annual family's income, but we have to understand that could be eaten up, because the Liberals keep bringing in new taxes. They just brought in a new CPP tax on employers and benefits. However, it has the opportunity to increase family incomes, and also create about some 80,000 jobs.

When CETA comes into effect, about 98% of non-agriculture trade tariff lines will disappear. For agriculture it will be 94% to 95%. Over a short period of time those tariffs will start to disappear.

• (1245)

One of the great things about trade agreements, and good ones like this one which we negotiated, is that they help to get rid of non-trade tariff barriers, those things that pop up between one country and another which sometimes are not directly related to trade but they become a political inhibitor to moving a product from one country another. For example, a shipment may go over to another country, but all of a sudden, they will find there is something wrong with it and it may be rejected and returned. That is a non-trade tariff barrier, and both sides, whether it is the European Union or Canada, want to try to eliminate as many of those as possible.



*Government Orders*

As I mentioned, the trade agreement has an incredible amount of potential benefit to Canadians. However, over the past 14 to 16 months, we have sat in this place, and a new government came in, so some of the advantages will take a hit. The Liberals promised that they would balance the budget in four years, but now that seems to have been misjudged by about 32 years. People who are 18 years old today will be about 56 years old before the budget is balanced.

What does that mean? That means that all the young people who are 18 or 19 today will be almost at the age of what someone might call “freedom 55” and are now going to be paying for this extraordinary spending of the government.

When the Liberals got elected they said they would have a \$10-billion deficit. However, within a couple of months or so, the amount was out by, I think, 300%. It went from \$10 billion to \$30 billion. The deficit will be somewhere around \$30 billion.

I think the parliamentary budget officer said it would be \$20 billion if the government did not spend the money on infrastructure that it had talked about. The Liberals were going to lower the business tax for our businesses, which very much involved CETA.

My riding of Lambton—Kent—Middlesex is all small businesses. Agriculture is the dominant one. Those small businesses not only did not get the tax relief they were promised, but there was an additional tax charge for the Canada pension plan and a new carbon tax.

It comes down to credibility, accountability, and trust.

The agreement has all the potential of going ahead and being good for our families and our businesses, but if the government is going to bring in a carbon tax, in it will negatively affect every individual, particularly farmers, truckers, and businesses in my riding. For example, a guy who is farming fills up his combine every day. At the end of the day, it will cost him another \$100 just for the fuel, not including the tractors that he has running beside the combine, and not including the truck. It is the same with the truckers. By the time they fill their trucks with fuel, it is going to cost them another \$100 or so a day, when the carbon tax is in full implementation. In Ontario, of course, we have other costs that are a deterrent, for example, our high energy costs.

My point is this agreement has all the potential to help keep Canada the strong economic force that it is.

Agriculture obviously is the key industry in my riding. Whether it is pork, beef, grains, when I was on the international trade committee and the agriculture committee, they told us about the significance of this, as did the dairy sector. We negotiated a true benefit for dairy producers.

I see my time has just about wrapped up. In closing, I will say that we will be supporting this bill as we move forward on the implementation of CETA.

• (1250)

**Mr. Scott Simms (Coast of Bays—Central—Notre Dame, Lib.):** Madam Speaker, I have worked with the member and have travelled with him on this particular issue, and I will get to that in a moment. However, I want to address the issue which the member brought up about carbon pricing. The Conservatives seem to be saying that we are the only ones in the world who are doing this right

now, that is, carbon pricing to help with the environment, but there is a universal acceptance that all of our current and future trading partners are doing it. I will leave that as it is, because in this case, I think the Conservatives are trying to make something out of what is not there.

In the case of this particular agreement, the member and I have shared the same table in Europe and we have talked about this. We have also talked about a parallel agreement called the strategic partnership agreement, which gives us a baseline of a political union, in a sense an informal political union, so that our ideologies match, and we are fundamentally agreeing with human rights and all other measures before we launch into the commercial aspect of this agreement.

I thank the member for his work and, by extension, the member for Abbotsford as well.

**Mr. Bev Shipley:** Madam Speaker, the member and I may even have been elected the same year, I am not sure. In this place we do have differences of political opinions, but we do build great friendships. That is why this country is so strong not only in the diversity of the people we meet but in the diversity of the occupations that we come from.

In this agreement and in every agreement, as my colleague has said, if there is going to be a strategic partnership agreement, we have to make sure, and we want to make sure, we recognize those baseline values of Canadians and of the countries that we build trade agreements with, whether they be human rights or our responsibility to the environment.

In my riding of Lambton—Kent—Middlesex, whether it is the manufacturing industry or the agricultural industry, we are leaders. We can look at the auto industry as leaders in this and see what they have done in their ability to make those great changes in the environment without a carbon tax.

**Mr. Brian Masse (Windsor West, NDP):** Madam Speaker, my colleague and I are neighbours, as he is from very close to Windsor where I am from.

He mentioned the auto industry. One of the concerns about CETA is the issue around the fact that European automakers have massive subsidization, as well as state ownership of their auto industry. I would ask the member a simple question related to that. How do we compete against companies, specifically in the auto sector, that actually have state subsidy and ownership, but that are also violating Canadian laws, for example, most recently Volkswagen, with regard to emissions? What should be the quid pro quo for Canadian manufacturing, given the fact that we compete against other national governments and state subsidies, and also violations of Canadian emissions laws?

**Mr. Bev Shipley:** Madam Speaker, I went over the bridge the other day, and there seems to be massive reconstruction on the old bridge. I know the member has worked hard, because he realizes the amount of trade that goes back and forth over that bridge every day. I believe it is \$2 billion every day.

*Government Orders*

In terms of the auto industry, we always have to be able to compete. Being able to negotiate trade tariff barriers and those tariff lines is an important part for every industry.

Some of the challenges we have in terms of the auto industry and others are those things I just talked about that, quite honestly, the Liberal Party is doing to every family and every business which is going to make it very difficult to be competitive. The member mentioned some of our major trade partners have a carbon tax. I am not so sure about that. Right now we have NAFTA and the United States of America is not going to have a carbon tax.

We are going to have to make sure that our government starts to take away some of the impediments that are in place for our businesses.

• (1255)

**Mr. Ali Ehsassi (Willowdale, Lib.):** Madam Speaker, it is a great honour to rise today to participate in this important debate about the comprehensive economic and trade agreement between Canada and the European Union.

Free trade debates are far too often hijacked or sidetracked by hyperbole, misinformation, and knee-jerk distortion of the facts. I still recall being a high school student when our country was immersed in the spirited debate surrounding the free trade agreement with the U.S. in the 1980s, and being struck by the outrageous claims made by the opponents of the agreement at the time.

As such, I firmly believe debates such as the one today are vitally important. They allow parliamentarians to set the public record straight and counter ill-informed misconceptions and simplifications. It is important that we emphatically underscore the comprehensive and progressive elements of the EU trade deal and highlight the tangible benefits that the agreement will provide the Canadian middle class, consumers, and exporters.

Prior to serving as the member of Parliament for Willowdale, I served in both the public and private sectors as a lawyer focused exclusively on international trade law. In that role, I gained valuable first-hand knowledge of the tangible benefits well-crafted trade agreements provided us each and every day. It is from that perspective that I approach today's remarks.

Before I begin, however, I would be remiss if I did not thank the former minister of international trade for her hard work on this file. I would also like to congratulate the incoming minister and parliamentary secretary on their new roles. I am confident they will navigate this file with expertise and great dedication.

Finally, allow me a shout-out to the hard work of countless Canadian departmental officials and negotiators. We owe them a great debt of gratitude for their tireless efforts. In that, I obviously am echoing the sentiments of the member for Sydney—Victoria, who talked about how we had some of the greatest trade negotiators in the world.

As any student of Canadian history knows, our great country in many ways was shaped and founded by trade. To this day, over 40% of our GDP and fully 20% of Canadian jobs are directly tied to exports. This side of the House has long recognized the role of trade in fostering economic growth and creating Canadian jobs, while at

the same time recognizing the need for progressive and comprehensive trade deals that truly work to the benefit of all Canadians and all stakeholders.

Our government understands that increased trade leads to economic growth and that economic growth leads to jobs for the middle class. This simple fact, however, is currently under siege. As the world slides toward protectionism and isolationism, a regression apparently favoured by some of my colleagues across the aisle, it is vital that Canada remains an open society and a champion of open global markets.

As the first and most ambitious trade deal of its kind, CETA would provide Canada with an unprecedented competitive advantage in an era of short-sighted protectionists. As Mr. Brian Kingston of the Business Council of Canada stated when discussing CETA before a committee earlier this fall:

...Canadian companies will be positioned to take advantage of preferential access...in the large European market. For many small, medium-sized, and large Canadian employers, this will mean new opportunities and, potentially, increased sales. The first-mover advantage will also help to attract investment to Canada. Companies looking to increase sales to Europe through CETA can use Canada as an export platform, and we believe this will attract investment and jobs to communities across Canada....CETA sends a positive and hopeful signal to the rest of the world about the benefits of international economic co-operation and open markets. Since the end of the Second World War, trade has been the principal means by which countries around the world have grown and prospered.

Just as Canadian leadership on the Syrian refugee file and infrastructure spending have served as beacons for the rest of the liberal world, our ambitious and balanced approach to trade provides an encouraging counter to closing borders and closed societies.

To quote a recent article found in *The Economist*, “Bucking the protectionist mood, Canada remains an eager free-trader...In this depressing company of wall-builders, door-slammers and draw-bridge-raisers, Canada stands out as a heartening exception.”

• (1300)

In that spirit, our government recognizes that CETA represents a tremendous and unprecedented opportunity for Canada. The EU, a market of 500 million people and \$20 trillion, representing nearly 17% of global GDP, is the world's second largest economy, second largest importing market, and Canada's second largest trading partner. By removing 98% of tariffs between Canada and the EU and by making Canada the first G8 economy with preferential access to the unified European market, CETA would open a range of possibilities to Canadian exporters, businesses, entrepreneurs, workers, and service providers. A joint Canada-EU study, for example, found that CETA would increase Canada-EU trade by 22%, thus providing the Canadian economy with a 0.7% boost in GDP, or roughly \$12 billion per year, with similar gains in job numbers and household incomes.

Following a decade of anemic growth under the previous government, we simply cannot afford to walk away from this type of amazing opportunity. To illustrate this, allow me to name just a handful of concrete benefits that would be brought with the implementation of CETA.

*Government Orders*

First, CETA would allow Canadian goods and services to reach European markets faster and more efficiently through the reduction of border processing times by providing access to advance rulings on the origin or tariff classification of products. It would also provide for the automation of border procedures and the creation of transparent systems to address complaints about customs rulings and decisions.

Second, CETA would mark the first Canadian bilateral trade agreement that would include a stand-alone chapter on regulatory cooperation to promote enhanced regulatory practices. This would include a protocol on conformity assessment that would allow Canadian manufacturers in certain sectors to have their products tested and certified in Canada for sale in the EU.

Third, through mechanisms such as the most favoured nation provisions, Canadian service providers, an ever-growing segment of our modern economy I might add, would benefit from unrivalled access to the European Union, which acts as the world's largest importer of services and represents a market worth an astounding \$12 trillion.

CETA is an inclusive and modern trade agreement that would greatly broaden Canadian access to the European markets across a wide range of sectors, from aerospace to agriculture to infrastructure to green technologies, and beyond.

We know Canadians demand trade agreements that not only advance our economic interests but also reflect our values. These are not contradictory aims, but rather mutually reinforcing goals. For example, allow me to outline just a few of the elements that make CETA not only the most comprehensive trade deal ever negotiated but also the most progressive.

CETA includes a robust right to regulate, allowing democratically elected governments the ability to regulate on important policy issues, such as the environment. CETA also includes a strengthened dispute resolution process, which makes the CETA agreement regime fairer, more ethical, and transparent. CETA also includes stand-alone chapters on environmental protection, sustainable development, and labour. Finally, CETA contains explicit safeguards regarding health, safety, and environmental protections, and provides for the necessary exceptions and reservations for social services. Furthermore, nothing in the agreement prevents governments from providing preferences to aboriginal communities, or adopting measures to protect or promote Canadian culture.

If any of my colleagues cannot support this trade agreement, it leads us to wonder what free trade agreement, if any, they would ever support. CETA represents a unique, pragmatic, and progressive trade agreement for the 21st century.

From day one, our government has made it clear that our priority is helping and growing the middle class and those working hard to join it. From cutting taxes for those who need it, to creation of the Canada child benefit, to boosting CPP for Canadian seniors, we understand that a thriving middle class benefits us all. Our approach to trade underscores that simple fact yet again. By finalizing the most important trade deal in a generation, our government has renewed its commitment to Canadian jobs, Canadian growth, and Canadian values.

● (1305)

**Mr. Randy Hoback (Prince Albert, CPC):** Madam Speaker, that was a very interesting speech. The member talked about walking away from opportunity. I agree that we should not walk away from this opportunity, which is huge for all Canadians. In fact, the benefit in this agreement is about \$1,000 per family, so we know there will be a distinct benefit there.

What really concerns me is the fact that the Liberal government is taking that \$1,000 out of the pockets of families and spending it elsewhere. More payroll taxes and a carbon tax are the types of things that make our business community uncompetitive. Even though businesses have gained market access to sell all over the world, to Europe in this situation, if they cannot produce effectively and efficiently in Canada at a price that people will pay, then they will have to look at the location of their businesses, which maybe is not in Canada.

While the Conservative government was very active in pursuing market access and keeping taxes low, why are the Liberals doing only half of a deal? If they are so concerned about the middle class, why do they not let the middle class keep that \$1,000 and allow businesses to have a competitive field in Canada, so they can take advantage of the market access they will receive?

**Mr. Ali Ehsassi:** Madam Speaker, we are very much concerned about the middle class and the economy. For that very reason, despite what my learned friend is telling us, we have cut taxes for the middle class. We have provided benefits under the Canada child benefit program. We understand we have to help the middle class. Therefore, I cannot agree with some of the things to which my friend has alluded.

**Mr. Gord Johns (Courtenay—Alberni, NDP):** Madam Speaker, my region has seen raw log exports go up tenfold in 10 years. The government has just removed a 25% tariff for ferries to be built in Canada so they can be built in Poland and Turkey. The Coast Guard is now looking to refit, for the first time ever, outside of Canada. CETA, for the first time, will legally allow foreign-owned vessels and foreign crews to transport goods between Canadian ports, which is known as cabotage. This will cost us 3,000 really good Canadian seafaring jobs.

When I talk to the people in my community about free trade, they get pretty nervous about it. They feel like our resources and their jobs are disappearing for free, and no one is looking out for them. Part of a parliamentarian's job is to safeguard jobs in communities, especially coastal communities, where jobs have disappeared.

*Government Orders*

In the previous Parliament, the Liberals agreed with the NDP that there were many outstanding concerns with CETA. Now the Liberal government is ignoring these legitimate concerns. Will the member stand up for coastal British Columbians and people who are worried about cabotage?

**Mr. Ali Ehsassi:** Madam Speaker, in response to my friend across the aisle, I will remind him of the debate on the Canada-U.S. Free Trade Agreement in the 1980s. He will recall that, at the time, a lot of critics of that agreement told us the sky was falling on our heads. Unlike my colleague, every time I have spoken with constituents about free trade, I think they have understood full well that trade means jobs, better wages, and something of which we should take advantage.

We are now talking about a market of 500 million people, a market worth \$12 trillion. Canadians are happy to see that. They want us to improve our export sector.

• (1310)

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Madam Speaker, it is true that in the debate about NAFTA, the single biggest damaging feature of NAFTA never got mentioned in the debate, which is chapter 11. That same sleeper element of investor-state agreements rests within CETA in Bill C-30.

Has my friend actually studied the effect of foreign corporations having the right to bring multi-million dollar cases against Canada for actions we take that are not in the interest of protectionism, but are all about the protection of health and safety, and the environment?

**Mr. Ali Ehsassi:** Yes, Madam Speaker, I have examined chapter 11. The member can rest assured that not only NAFTA but the CETA provides government sovereign powers to protect the environment. There is nothing in these agreements that undermines the government's ability to introduce progressive environmental policies.

**Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Madam Speaker, it is a pleasure for me to join this debate. If you will indulge me briefly, I know that my soon to be four-year-old daughter is watching at home, and I want to wish her a happy birthday on her upcoming birthday.

With respect to the subject at hand, this is a very important agreement for those of us alive today, and indeed for future generations, in terms of the economic opportunities and prosperity it will create. However, I want to speak to the non-economic arguments for free trade in my remarks today.

We speak often, and many good speeches have been given, about the economic benefits of free trade. Maybe I will have a chance to return to that in the questions and comments period. One of the things we have discussed less and that we should remind ourselves of is that free trade is not just about the economic benefits it creates but also about the opportunity for community that is facilitated by economic exchange, with community among nations, and for the benefits that creates in terms of creating a more peaceful world, and also facilitating more open societies. I believe that open and pluralistic societies should also include economic openness in their understanding of societal openness, and that the kind of openness that is created through free trade reinforces a broader spirit of openness.

In that vein, I want to introduce for members a bit of the history of, as I see it, trade in the European Union and how that relates to the agreement that is in front of us today.

John Maynard Keynes, I would argue, is one of the most abused economists in that he is often used as a justification for positions that he did not take. John Maynard Keynes was at the peace agreement at Versailles in 1919. He was there advocating his view that the peace needed to be more generous to Germany but also that it needed to focus on different issues. Many of the powers in Europe at the time were focused on a conversation about borders and security, which entailed an assumption that there would be ongoing competition among nations with respect to things like territory. Keynes' view was that there needed to be a reorientation of the discussion, that rather than this kind of zero-sum game over territory there needed to be a focus on economic prosperity. He thought that having free trade within Europe was critically important because it would create the conditions for a cohesive community, for a community of nations working and prospering together, despite following immediately on the heels of a catastrophic war. This was a very prescient point. He argued that a focus on borders, on security only, without emphasizing the economic dimension, could well create the conditions for what had been history for hundreds of years in Europe, which was ongoing conflict and the harsh and negative manifestations of competition. He advocated free trade. He also advocated a credit program similar to what was brought in after the Second World War in the form of the Marshall Plan. He was quite prescient insofar as he understood that the heavy demands for reparation would lead to inflationary policies. They would lead to inflation as nations tried to respond to the requirements that were put on them.

During the interwar period, because of a lack of emphasis on the economic dimension, we had serious inflation, we had a decline in trade, and that really set the stage for the rise of totalitarianism and subsequent conflict. Keynes saw these things coming, which is why right after the First World War he wrote a book called *The Economic Consequences of the Peace*, where he specifically made this argument about the relationship between peace and trade.

Right after the Second World War there was finally a recognition of some of the insights that Keynes had advocated. What he had proposed in the aftermath of the First World War, what he had proposed in terms of freer trade, as well as a credit program to help European nations get back on their feet, was implemented. This was the basis for the European Union coming out of the Second World War, the sense that a community of nations, especially a trading community, would help ensure peace in Europe.

• (1315)

There are various other factors that contributed to the period of peace that has existed since the Second World War in Europe, but in general, we can see the wisdom of emphasizing the economic dimension and realizing that free trade creates the conditions for greater peace. This was Keynes's insight, and it is behind a lot of arguments for freer trade today.

*Government Orders*

I am not worried that in the absence of this deal we are about to have some kind of military conflict with Europe. However, the point is, as we pursue the expansion of trading relationships between nations, and as part of larger trading blocs, this establishes the conditions in which individuals can focus their passions on economic matters, and there is not the focus instead on the kind of territorial competition that historically was the basis for a lot of warfare in Europe.

This was the insight, and this is why coming out of that discussion we can see the importance of trade based on that history for two principal reasons: one, that we have a more peaceful world; and two, that there is this relationship between an open economy and open society. A society that is open to economic exchange is also one that is going to have a greater sense of solidarity with people in other countries.

In terms of this connection with peace, it is a fairly obvious point, but economics is not a zero-sum competition. Canada doing better economically does not mean someone else is doing worse economically. In fact, all of the nations of the world can do better economically together. This is really the advantage of what one might call the valorization of economic success. It is not that economic success should be seen as the most important thing in life, but to the extent that our polities are oriented towards trying to improve economically, those are the kinds of improvement that do not put us into conflict with other states. In other times, in other places, the primary objectives were seen as being territorial expansion, which obviously creates inevitable conflict, because control of territory is a zero-sum game. Also, warfare becomes more economically costly when there is economic interdependence and exchange between countries.

For Keynes to make these points right after the First World War, I think we can see that he was right to make those points. We can also understand why many in his own time would have been immediately skeptical. Why are we immediately jumping to the discussion of economics rather than looking at the factors that brought us here? Actually, highlighting trade even in the midst of a conflictual world, even in the midst of present tensions, I think is necessary for creating conditions that will build and ensure a lasting peace.

I want to speak to the relationship between an open economy and an open society. It is fascinating to me that there are members in the House and voices elsewhere who believe very much in an open society and the importance of people from different kinds of backgrounds living together, working together, yet when it comes to economic exchange between people from different kinds of communities and different nations, all of a sudden, that is a problem. It strikes me that there is this clear inconsistency between advocating for open societies, pluralistic societies, but on the other hand always being pessimistic about the prospects of people from different kinds of national communities trading together.

I am really perplexed by that, especially when we consider that pluralism and multiculturalism are facilitated by trade. The ability to trade with other places really helps facilitate the kind of diversity that we have. Also, by the way, the diversity that we have, the open society we have, creates opportunities for trade, because we have people here who have close connections with nations all over the

world. This creates renewed opportunities for economic exchange around the world that benefit our interests.

These are some of the clear non-economic benefits that come with trade and that are associated with these kinds of trade deals. Because of this, I think it is important for Canada to be a strong voice on the world stage for the open economy. For those of us who believe in the value of peace and open societies, we should also be strong advocates for open and free trade, because that creates the conditions under which nations can prosper together, can see their success invested in the success of others, and indeed develop a deeper sense of solidarity.

• (1320)

In my remaining time, I want to follow up on some of the comments I have just heard in the debate because we have had some interesting comments from the government members, talking about the importance of opening ourselves up to competition. We have members of one party, the NDP, who do not want to open us up to competition. I get that impression from the kinds of comments that the New Democrats make.

Madam Speaker, am I out of time? I will have to come to that later.

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** I am sorry about that. I should have given the member the one-minute mark.

Questions and comments, the hon. parliamentary secretary to the government House leader.

**Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Madam Speaker, I appreciate a number of the comments that the member across the way has made. I want to underline the importance, and maybe get the member to provide his thoughts, in regard to why we have this wonderful opportunity with this particular pact in passing the legislation, especially given what has been taking place over the last number of months with respect to the U.S. Canada can play a strong leadership role in bringing down barriers in the European Union or the United States. At the end of the day, if we continue to be successful at doing that, we all benefit from it, economically and ultimately socially.

**Mr. Garnett Genuis:** Madam Speaker, my friend is absolutely right that we are at an important time in terms of the global debates around trade, and also global discussions around pluralism and international harmony as well. We have to recognize the connection between those things and yes, Canada can be a strong voice for all of those things, including the open economy.

I have to say that is why I was somewhat disappointed that immediately after the current President was elected, we had the Prime Minister saying sure, we will renegotiate NAFTA. We need to hear stronger statements from the Prime Minister about the benefit of open trade in the European context, but also how well we have been served by trade over the last few decades here in North America. I know some members of the government are very supportive of that. Other members of the government have made the suggestions of greater skepticism, especially around deals like TPP and the Asia-Pacific. I think trade in the Asia-Pacific as well as with Europe and North America are all very important for ensuring the kinds of benefits that I have talked about.

*Government Orders*

**Mr. Gord Johns (Courtenay—Alberni, NDP):** Madam Speaker, in the NDP, we actually do support trade. We understand the importance of trade but we want to get it right.

I live in a rural community, and for decades we have seen wealth and jobs leave rural communities, so we want to get it right this time. To do that, we need to do an economic impact study and a proper analysis so that we can protect communities. We have seen communities disappear along our coast. I talked a bit earlier about the 25% tariff on ferries and how that was just removed with absolutely no economic analysis, no impact study of what it will do for coastal British Columbia.

Does the member not agree that now is the time to have serious conversations about what it means to pursue trade deals that serve the people's interests over corporate interests, or is it just trade at all costs?

• (1325)

**Mr. Garnett Genuis:** Madam Speaker, my friend said at the beginning of his question that he is supportive of the idea of trade. Then he criticized this deal on the basis that from his perspective there are some unknowns. A lot of analysis has been done, a lot of conversations have happened and we see a clear benefit in terms of job creation and in terms of benefits to consumers. The reality of open trade on the other hand is that yes, there is a situation created in which there is competition, in which tariffs are removed. We cannot have a trade deal without removing tariffs and therefore there is competition. There is an opportunity for Canadian companies to compete against European companies and benefit from that to the greater benefit for job creation and for consumers.

It is a bit rich for the New Democrats to say, on the one hand, that they are supportive of trade but, on the other hand, that we cannot possibly have any kind of unknowns or that we cannot possibly expose ourselves to increased competition. It is just part of the reality of a trade deal that those things are necessary.

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Madam Speaker, the hon. member for Sherwood Park—Fort Saskatchewan gave a very erudite speech and I appreciate his resurrecting of John Maynard Keynes from the Conservative caucus.

I just wonder if the member distinguishes for himself, as perhaps Nobel Prize-winning economists Paul Krugman and Joseph Stiglitz do now, the difference between trade deals that were about breaking down protectionism to allow trade in goods and the new era of deals, like the TPP or CETA, that are more about managing trade, reducing the power of sovereign nations, and expanding the power of transnationals.

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** The hon. member for Sherwood Park—Fort Saskatchewan, a very brief answer, please.

**Mr. Garnett Genuis:** Madam Speaker, I am in favour of trade, generally speaking, that is as free as possible. Obviously, I guess the member is getting at the fact that some of these trade deals leave certain barriers in place and have certain exceptions to them. Of course, that is the reality. It is part of the process of negotiation. I think the point has been made about the degree to which certain kinds of deals are as free as they possibly could be.

However, any time a nation, or really any time anyone, makes a deal, it involves some degree of ceding discretion. If a nation signs on to an agreement, that means it does not have the same level of discretion it had in place. People can hold the provisions of the deal out against them. I think that is just, and that is why we obviously evaluate the provisions of a deal.

However, the objection of the Green Party is that somehow, when we have an enforcement mechanism in a trade deal, it is a fatal flaw. I just do not agree. I think if we are going to—

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** I am sorry. The time is up. It was a brief answer we were looking for.

Resuming debate. The hon. Parliamentary Secretary to the Minister of Agriculture and Agri-Food.

[*Translation*]

**Mr. Jean-Claude Poissant (Parliamentary Secretary to the Minister of Agriculture and Agri-Food, Lib.):** Madam Speaker, I thank the members for their hard work in moving this vital legislation forward.

The Canadian agriculture sector contributes over \$100 billion to Canada's gross domestic product. It generates over \$60 billion in exports, and creates one in eight jobs.

Canada's food processors employ more Canadians than any other manufacturing industry in the country.

When it comes to Canada's trade in agriculture and food, I would like to focus on three key areas: the importance of trade to the sector; export opportunities; and investing to grow markets.

Canadian farmers and food processors depend on trade. About half of the value of agricultural production in Canada is exported. This includes two-thirds of pork, 80% of canola, and 74% of wheat.

Canada is the world's top exporter of canola, flax, pulse crops, and wild blueberries. It is also a top-three exporter of wheat and pork.

Last year, Canada's agriculture and food trade hit a new record of over \$60 billion.

Trade helps secure jobs, growth, and opportunities for Canadians and more great food choices for consumers around the world. Trade is a priority for our government, which continues to work hard to open new markets for our farmers and food processors.

The hon. Minister of Agriculture and Agri-Food recently returned from a trade mission to China, along with one hundred industry and government leaders. They were there to promote Canada's world-class agricultural products and food. China is Canada's second-largest market for agriculture and food products, valued at over \$6 billion.

*Government Orders*

Just before the visit, we had tremendous news when the Prime Minister announced an agreement with China to expand market access to frozen bone-in beef from animals less than 30 months of age, ensure stable and predictable Canadian exports of canola to China on an uninterrupted basis through early 2020, and support trade in Canadian pork, bovine genetics, and processed foods.

Canada and China have set a goal of doubling trade between the two countries by 2025. All of this is great news for Canadian agriculture and great news for Canada. It is the result of a lot of hard work at all levels, by the Prime Minister, by our officials, and by industry. The mission focused on the growing trade in e-commerce, which is a powerful tool for Canadian industry to expand markets in China and build the Canada brand.

Canada renewed our strategic agreement with JD.com, one of the major platforms for food sales in China. We will keep building the Canada-China relationship. We are also reaching out to other key markets in Asia.

Asia is an important market for Canadian agriculture and food products, and especially for consumption of animal protein. With over half of the world's population, these are large economies where incomes, urbanization, consumption, and population are all on the rise. Last year, Canadian agrifood exports to Asia were worth almost \$17 billion, close to a third of our total exports.

Building on our success in China, we have re-established access for Canadian beef in South Korea, Taiwan, and Mexico. We obtained new access for Canadian pork in India and restored access in Russia and Ukraine.

• (1330)

We are also working closely with Argentina to complete the final steps to regain access for our pork products, as the Prime Minister announced in the fall.

We will work unstintingly to ratify the comprehensive economic and trade agreement with the European Union, to diversify trade opportunities and export destinations. The economic agreement will create new markets for our high quality Canadian agrifood products.

While we support the economic agreement, I can assure you that we understand the situation of Canadian dairy producers who will be facing heightened competition for cheese on the Canadian market. As the father of a young dairy producer, I can assure you that I am very sensitive to that issue. Our government will always stand up for supply management and our milk producers. In fact, that is why the minister and I have announced a \$350 million investment to help Canadian dairy producers and processors invest in innovation and make sure the industry stays competitive.

Our government supports supply management. We have taken steps to address concerns around import predictability and the effectiveness of border controls for supply-managed commodities, while at the same time making sure that Canadian processors who use dairy and poultry inputs stay competitive on export markets.

The first thing we need, in order to develop new markets, is a world-class product. We also need investments and resources. That is where we have played a role, opening doors for our agrifood product exporters.

The money we have invested will enable a whole range of industries to capture new global markets, whether for blueberries or for bovine genetics.

In addition to investments, we are allocating key resources to trade. Agriculture and Agri-Food Canada's market access secretariat is working with the industry to target priority markets. The trade delegates in the agriculture sector are working non-stop on the ground to promote and develop Canadian trade in the agriculture and food sector. Investments in innovation are also essential, to open and expand markets and meet global demand. In the future, the world's population will continue to grow and demand for Canadian foods will only continue to rise.

To help industry seize these opportunities, the Minister of Agriculture and Agri-Food is working with his colleagues and the industry to prepare the next strategic framework for agriculture, which will take effect in 2018.

Together, we are preparing a plan that will allow us to expand agricultural and food exports, create jobs for the sector, including the middle class, and grow Canada's economy.

I am optimistic about the future of the agriculture and agrifood sector, an industry with tremendous economic potential. Canadian agrifood exports continue to hit new records every year. Over the next 30 years, global demand for food is expected to grow by 60%.

Somebody is going to meet that demand, and we want it to be Canadian farmers and food processors. CETA will help us do that.

The sector projects that CETA will boost our agricultural exports by \$1.4 billion per year. That means more money for Canadian farmers and families. We are very proud of this achievement.

• (1335)

[English]

**Mr. Randy Hoback (Prince Albert, CPC):** Madam Speaker, I am encouraged listening to my colleague across the aisle talk about agriculture and trade. We have not heard the Liberal Party in years, if not centuries, actually talk about and acknowledge the importance of trade to the agriculture sector.

I am a little confused. He talked about trade with China, and he talked about CETA and how good that would be, but he did not talk about the TPP or trade with the Asian countries, like Japan, where the TPP would actually gain us market access.

He may know that the Liberal Party has been involved in stalling the actual signatories to the TPP in this House and in the committee for the last year. Can he tell me if he is ready to go to his party and push forward the TPP so we can actually get more benefits for Canadian farmers?

*Government Orders*

[Translation]

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

We are here to debate Bill C-30. What I would like to say today is that the previous government negotiated agreements with respect to the TPP, but that is it not currently working on the file.

We are ready to listen to farmers and work with them regardless of which opportunities come up in the future. Our government is transparent.

[English]

**Mr. Gord Johns (Courtenay—Alberni, NDP):** Madam Speaker, I want to thank the member for La Prairie for talking about areas of the Canadian economy that might benefit from this trade deal.

However, he did not talk about how CETA will, for the first time, legally allow foreign-owned vessels and foreign crews to transport goods between Canadian ports, which is called cabotage, and will open up domestic dredging contracts to foreign suppliers. This will lead to an estimated loss of 3,000 coastal jobs, high-quality, well-paid jobs, and will indirectly affect 250,000 people. Competitors could come in and undercut Canadians, paying their employees \$2 an hour, with low safety standards and poor working conditions.

In coastal B.C., we have lost tons of jobs. We are seeing communities disappear with the decline in the forest sector. Where are our Liberal MPs in demanding an analysis and a proper economic impact study to protect coastal communities and mariners? We need them to stand up right now. If we do not stand up, we might as well get an eraser and start erasing coastal communities.

These jobs are important. Would the member talk about what he is going to do, and what the Liberals are going to do, to fight for coastal British Columbians and these important jobs?

• (1340)

[Translation]

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

As members of the House know, a great deal of trade is going to happen thanks to the comprehensive economic agreement. Of course, we are also listening to certain sectors that might have a different experience than other sectors. As I said, these agreements will boost exports by \$1.4 billion and help us create good jobs in this sector.

[English]

**Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Madam Speaker, I wonder if my colleague could continue on the point that there are industries that will in fact benefit.

One of the industries I have talked a great deal about is the aerospace industry. We have bus manufacturing industries. There are many products, widgets, we will call them, in Canada that will benefit immensely from a broadened market. The EU will in fact broaden the market.

Would the member provide his thoughts on the benefits of having a larger market for those companies that produce and manufacture

products and provide good-quality jobs? We will see better and more opportunities for many of those companies, both small and large businesses.

[Translation]

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

Indeed, thanks to this agreement, many jobs will be created in the sectors my colleague just mentioned.

I would like to come back to agriculture. We know that Canada will be importing a little more cheese, but we will be exporting huge amounts of pork and beef. We have some agricultural products that my not be well known but are appreciated all over the country. I used the example of maple syrup and wild blueberries. These are going to be value-added products with access to a much larger market.

[English]

**Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.):** Madam Speaker, I am pleased to rise in the House today to speak about CETA, the Canada-European comprehensive economic and trade agreement.

I would like members to think about 500 million people, a \$20 trillion economy, and the opportunity this agreement is presenting to Canada right now. If there was ever a time to diversify, to reach out to the rest of the world, to open up new trade agreements, this is the time. I am delighted that we are doing this.

I was lucky to sit on the Standing Committee on International Trade through its review of Bill C-30 and heard from a variety of stakeholders. While expanding trade to create new opportunities for Canadian businesses abroad, this agreement is about more than just trade and investment. The Canada-EU agreement, CETA, is a major landmark in the development of a progressive trade agreement, which our government is firmly committed to advancing. Notably, CETA includes robust commitments to promote high environmental and labour standards, and promote sustainable development, as Canada and the EU benefit from increased economic activity flowing from a liberalized trade zone.

Let me begin by speaking about the environmental provisions in CETA.

Canada's rich natural resources and environment are essential to our high standard of living and quality of life. Our government is firmly committed to the principle that a clean environment and a strong economy must go hand in hand.

Trade liberalization and environmental protection should be mutually supportive. Fostering robust environmental governance as our trade relationships expand is critical to ensuring long-term sustainable economic growth and well-being. This is all reflected in CETA. Underpinning this is the fact that we have many shared values with the European community, the shared values of freedom, democracy, peace, and human rights.



*Government Orders*

Specifically, through ambitious and comprehensive environmental commitments set out in the trade and environment chapter, Canada and the EU agree to pursue high levels of environmental protection to effectively enforce domestic environmental laws and to not relax or derogate from such laws in order to encourage trade or investment. Canada and the EU have also agreed to ensure transparency and public awareness and engagement in the development and implementation of environmental laws and policies. In addition, the environment chapter requires that each party ensures that appropriate and effective domestic processes and remedies are available to address any violations of its domestic environmental laws. A public accountability mechanism also allows for members of the public to raise concerns and make submissions related to the trade and environment chapter.

Recognizing the value of international co-operation, and in addressing environmental challenges, Canada and the EU reaffirmed their commitments to implement the multi-lateral environmental agreements that we have ratified, such as the historic Paris agreement to combat climate change.

In addition, CETA includes provisions to reinforce the relationship between trade and the environment. For example, Canada and the EU undertake to promote trade and investment in environmental goods and services. This includes special attention to goods and services of particular relevance for climate change mitigation. Moreover, the trade and environment chapter includes specific commitments for Canada and the EU to promote sustainable forestry and fisheries management. This includes co-operation to address issues such as illegal forestry and illegal unreported fishing.

To build on and strengthen our bilateral relationship, the trade and environment chapter establishes a framework for co-operation between Canada and the EU on trade-related environmental issues of shared interest. Should any issue arise under the trade and environment chapter, a dedicated government-to-government mechanism has been created to address the matter through consultations and dispute settlement. This includes review by an independent panel of experts whose recommendations would be made publicly available.

With this robust and high-quality trade and environment chapter, Canada and the EU have demonstrated our shared commitment to upholding and strengthening environmental protection as we enhance our trade and investment partnership.

• (1345)

For Canada, this reflects the strong priority that this government places on protecting and conserving the environment both at home and on the global stage. For example, we are very proud to have recently ratified the historic Paris agreement to address climate change. Closely following this, together with our international partners, we came to an important agreement to amend the 1987 Montreal protocol to phase down hydrofluorocarbons, which represents a significant step in combatting climate change.

At home, our government is working with the provinces and territories to develop a pan-Canadian framework on clean growth and climate change. This represents our strong commitment to taking action for a sustainable future and transitioning to a clean growth economy. The trade and environmental chapter in CETA advances

the objectives of Canada's progressive trade agenda. The implementation of this chapter will promote sustainable and inclusive economic growth as we continue to facilitate opportunities for Canadian businesses abroad.

Likewise, the trade and labour chapter of CETA reflects Canada's commitment to progressive trade policies. Canada and the EU have committed to ensuring that their laws respect the International Labour Organization's 1988 Declaration on Fundamental Principles and Rights at Work, which covers the elimination of child labour, forced labour, discrimination, the respect of freedom of association, and the right to bargain collectively. Canada and the European Union have also committed to effectively implementing the fundamental ILO conventions that each has ratified, and to make continued, sustained efforts toward ratification of fundamental conventions that have not been ratified to date.

To further protect the rights of workers, Canada and the EU have also committed to ensuring acceptable protections in regard to health and safety at work, acceptable minimum employment standards, and non-discrimination in respect of working conditions, particularly for those migrant workers. The chapter also includes provisions that enable members of the public to submit complaints concerning perceived failures to respecting labour obligations. This is a very progressive move, one that sets a gold standard for the rest of the world to look to.

These important commitments to CETA's environment and labour chapters are complemented and reinforced by a trade and sustainable development chapter. CETA marks the first time that Canada has negotiated a chapter on sustainable development in a free trade agreement. It is the first time. This chapter highlights Canada and the EU's shared objective that international trade should be developed in a way that promotes sustainable development and its environmental, social, and economic aspects. In support of this goal, it establishes commitments in areas such as encouraging businesses to adopt voluntary practices of corporate social responsibility. The trade and sustainable development chapter also commits the parties to review, monitor, and assess the impact of the implementation of CETA on our sustainable development. As well, it establishes a committee on trade and sustainable development to oversee the implementation of this chapter, as well as those on the environment and labour.

Finally, recognizing the importance of public participation and consultation, Canada and the EU agreed to innovative approaches to engaging with civil society through the creation of a joint civil society forum. This forum will conduct a dialogue on issues related to trade and sustainable development in the context of CETA.

*Government Orders*

This is an ambitious and comprehensive commitment that we have made on the environment, on labour, and on sustainable development. CETA marks a key milestone for progressive trade. This agreement supports this government's firm resolve that free trade must not come at the expense of high environmental and labour standards, but rather advance sustainable and inclusive growth and development for all Canadians.

• (1350)

**Mr. Gord Johns (Courtenay—Alberni, NDP):** Madam Speaker, I want to thank the member for his speech, his hard work on the international trade committee, and for talking about public consultation.

The Prime Minister and the Liberal Party often talk about there being no relationship more important to the Government of Canada than that with Canada's indigenous people. They promised that they would do all economic development on the condition and on the foundation of principles of consultation, accommodation, and consent.

Has the Government of Canada had consent from Canada's aboriginal people on this trade deal?

**Mr. Peter Fonseca:** Madam Speaker, I am so proud of this agreement. The reason I am proud is that we have worked with all of our partners. We have worked with indigenous peoples. We have worked with the provinces and territories. This is the way to construct an agreement, by bringing everyone on board. That is why it has been so comprehensive.

We have heard from all stakeholders. That is very unlike the way things worked with the TPP. This is the way to construct an agreement, by listening to all people. The indigenous peoples have been listened to at the provincial level and the federal level.

I spoke to the labour standards, the environmental standards, and the sustainable development standards. This is the type of agreement we can all be proud of and will be moving forward with.

**Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Madam Speaker, in general thrust, I agree with the member, although it is interesting to hear the Liberals try to twist themselves in contortions talking about how the Canada-EU trade deal we negotiated was good, but on the TPP deal we negotiated, we are actually not sure what they think.

Many members of the government have talked about the importance of more open trade. What is the member's view of trade in the Asia-Pacific? Does the government have a plan? Does it have an agenda when it comes to increasing our trade relationships with like-minded democracies in the Asia-Pacific area, like Australia, New Zealand, and Japan? Does it have a plan, and what is that plan?

• (1355)

**Mr. Peter Fonseca:** Madam Speaker, we are talking about Bill C-30 and CETA. The member brought up the TPP. The former regime did not consult when it brought forward the TPP. It was very closed in the exercise of working on the TPP. We took a different approach. It was one of transparency, of openness, and of reaching out to stakeholders.

As I mentioned in my previous answer to another member, this is the way to do things, in an open and transparent way, speaking with

all stakeholders, with the provinces and territories, and with indigenous peoples, rather than, as the previous government did, in a cloud of secrecy. It ensures that Canadians know that whatever decision we make in the House is to the benefit of all Canadians.

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Madam Speaker, it is very common in this debate to hear members proclaim, as though it is an actual fact, that investor-state agreements do not challenge the environment and do not erode our environmental laws, but the reality, the track record, is entirely to the contrary. We have had laws that protected us from toxic gasoline additives actually repealed in the House of Commons based on a chapter 11 investor-state dispute, when Canada did nothing wrong in terms of the evidence, the science. We just cost profits to a U.S.-based corporation.

Because of that agreement, this deal will continue to face opposition in the European Union. I ask the hon. member if the government would consider, even at this point, recognizing that passage of the trade elements of CETA will continue to be impaired by the presence of investor-state dispute resolutions, which would give corporations superior power to government.

**Mr. Peter Fonseca:** Madam Speaker, the member is quite right. In the past, many times, investor-state dispute mechanisms have been done very poorly. Many stakeholders, individuals, corporations, and countries have been caught on the short end of the stick. That is why so much time and effort was put into a progressive approach, which has been deemed the gold standard of investor-state dispute mechanisms, within CETA. It was one of the things Canada and the European Union grappled with, ensuring that this would be a standard that all could look to. We feel we have struck the right balance.

**Mr. Garnett Genuis:** Madam Speaker, I would like to follow up on a previous question about the issue of consultation. We are talking about the Canada-EU free trade deal, but I know, if he does not, that the structure for consultation for trade deals is fundamentally the same across trade deals. It involves inviting stakeholders to have an opportunity to have input, provided they do not release information publicly while those discussions are going on. Obviously, it involves negotiations not taking place in public.

If the member is comfortable with the amount of consultation that happened under the Canada-EU free trade deal, but is not comfortable with what happened under the TPP, does he not acknowledge that the process followed was actually the same?

**Mr. Peter Fonseca:** Madam Speaker, if the member were to do a study on the TPP from start to finish, and we are not sure where that finish will be, and the CETA agreement, and did a compare and contrast, he would see that they are right and day.

With the TPP, it was very much behind closed doors. It was an agreement that was done, for the most part, in secrecy. CETA was open to the public. The public was quite aware of what was going on with CETA. There was much more partnership with the provinces and territories. Everybody had to come on board with this agreement to bring this agreement to fruition. That was not the case with the TPP.

---

## STATEMENTS BY MEMBERS

• (1400)

[English]

### QUEEN ELIZABETH II

**Mr. Randy Boissonnault (Edmonton Centre, Lib.):** Madam Speaker, today Canada celebrates Her Majesty Queen Elizabeth II's Sapphire Jubilee and Her Majesty's outstanding service to the Canadian people.

[Translation]

Today we are honouring a sovereign who inspired hope and confidence in an entire population at a very difficult time during the post-war period. Her Majesty's reign has been exemplary for the past 65 years, the longest reign in the history of the British Crown.

[English]

Each visit by Her Majesty to Canada touched the hearts and minds of millions. Along with my fellow Albertans, we will always remember Her Majesty's 2005 visit to Alberta to mark the province's 100th anniversary.

As we reflect on our history throughout Canada's 150th birthday, we also mark and honour the story of our amazing monarch. God save the Queen.

[Translation]

Long live Her Majesty the Queen.

\* \* \*

[English]

### VIRDEN, MANITOBA

**Mr. Larry Maguire (Brandon—Souris, CPC):** Madam Speaker, I rise today to pay tribute to some regular folks who, once again, rose to the occasion and showed the very best of what it means to be Canadian.

During a two-day blizzard in the middle of December, the Trans-Canada Highway was closed, and dozens upon dozens of travellers and truckers were stranded in the town of Virden. After the hotels were full, the town opened its doors and provided food and shelter to those in need. In fact, one of those stranded travellers was renowned Canadian artist Tom Jackson, who put on an impromptu concert to make the best of a bad situation.

In particular, I would like to recognize the mayor and town staff, Westman Emergency Group, the Virden RCMP detachment, the Wallace District Fire Department, Prairie Mountain Health, and especially, people in the town of Virden, who showed great compassion to those who were stranded.

### Statements by Members

On behalf of all members in the House, I salute each and every one of those people who helped and for proving, once again, why the word "friendly" is not just another word on a licence plate in Manitoba.

\* \* \*

### VOLUNTEERISM

**Mrs. Bernadette Jordan (South Shore—St. Margarets, Lib.):** Madam Speaker, I am rising in the House today to recognize a young man from my riding of South Shore—St. Margarets, who, at 11 years old, started a charity to raise money and distribute supplies for people experiencing homelessness and precarious living situations.

Adam Graves, of Brookside, Nova Scotia, spearheaded an effort to raise almost \$2,000 and distribute 175 gift bags and Christmas gifts to people in vulnerable situations across Halifax at the beginning of the winter. He was supported by Hope Cottage in Halifax. Adam does not do this for the recognition, but I hope that his actions can inspire others in our communities to see what a difference one person's actions can make.

I ask the House to join me in congratulating Adam and all young leaders across the country working hard and volunteering to make a difference in other people's lives.

\* \* \*

### HOBIIYEE CELEBRATION

**Ms. Jenny Kwan (Vancouver East, NDP):** Madam Speaker, February marks the beginning of the Nisga'a nation's new year. The Nisga'a Ts'amiks Vancouver Society hosted the Hobiye festival at the PNE in Vancouver East in celebration of the waxing crescent moon this weekend. Hobiye is celebrated wherever Nisga'a people live.

Over 650 performers from eight large first nations dance groups came to celebrate the strength, beauty, and diversity of indigenous cultures. It was a magnificent sight to behold: to feel the beat of the drums, to see the silhouettes of the dancers, and to listen to the power of the traditional songs. Hobiye in Vancouver allows aboriginal peoples living in a concrete jungle to connect with their culture and traditions. Chief Joe Gosnell opened the festival.

The Nisga'a people's journey to reclaim their right to self-govern exemplifies the first people's resilience. As we celebrate our nation's 150th birthday, would it not be something if Parliament also adopted Bill C-262, the UN Declaration on the Rights of Indigenous Peoples act?

New beginnings, Hobiye.

\* \* \*

### TEACHER APPRECIATION WEEK

**Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.):** Mr. Speaker, during this Teacher Appreciation Week in Quebec, I would like to thank all the educators in my riding of Lac-Saint-Louis for their dedication to providing our West Island youth with the knowledge, skills, and vision needed to build productive lives and make meaningful contributions to our community and country.

*Statements by Members*

[Translation]

It quickly becomes apparent to anyone who is concerned about the problems in the world today that education is key to solving them.

[English]

Teachers not only share and imbue important facts and ideas, they encourage critical thinking so that their students can be equipped for the road to intellectual discovery and self-knowledge, but first, they create a passion for learning.

[Translation]

I sincerely hope that this week will give all teachers in Quebec the well-deserved opportunity to reflect, with pride and satisfaction, on the important role they play in the everyday lives of students and their families.

• (1405)

[English]

I am proud to have been a teacher at one point in my career, and particularly proud that we have a former teacher leading our Liberal government as Prime Minister of our great nation.

\* \* \*

#### JOURNALISM

**Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC):** Mr. Speaker, last week one of the local journalists in my riding asked in his column, “Do you really think our communities would be better with no newspapers, TV or radio news? Do you really want our only news authority to be click bait?”

I, for one, do not. Frankly, I miss our local *Kamloops Daily News*. It was one of many long-established small-town newspapers that disappeared overnight after more than 83 years.

Along with the death of the local paper, we have seen the consolidation of major national papers, local TV news vanishing, and respected journalists leaving the profession entirely. The direct correlation between digital technology and the death of quality journalism cannot be understated.

We are at a crossroads. Technology will not be reversed, but the important role journalists play in our society can no longer be diminished. It is time for all of us to spend some time thinking about how government, society, and our democracy will be held accountable in the era of fake news.

\* \* \*

[Translation]

#### INTERNATIONAL DEVELOPMENT WEEK

**Mrs. Celina Caesar-Chavannes (Whitby, Lib.):** Mr. Speaker, today marks the beginning of the 27th International Development Week.

[English]

This week is an opportunity to communicate with our constituents about how Canadian investments are making a difference in the lives of the most vulnerable in our society, to highlight the program partners, and to speak to local development organizations in our ridings.

Our borders do not shield us from climate change, disease and epidemics, or the fallout from conflict. However, our assistance does help developing countries and fragile states to better protect the environment, strengthen health systems, and limit the flow of refugees and displaced peoples. The countries that we support today will be our economic partners tomorrow.

Throughout the week, we should highlight Canada's work via the hashtags #WhyItMatters and #IDW2017.

Happy International Development Week.

\* \* \*

[Translation]

#### NEW BRUNSWICK ICE STORM

**Mr. Serge Cormier (Acadie—Bathurst, Lib.):** Mr. Speaker, New Brunswick was hard hit by an ice storm that left over 133,000 people without power at the height of the crisis. The bulk of the outages occurred in my riding of Acadie—Bathurst, more specifically in the Acadian peninsula, where over 23,000 people were left without electricity, many of them for more than 12 days.

[English]

I am extremely pleased to rise in this House to inform all members of some very good news. As of today, power has been restored to every home in the province of New Brunswick.

[Translation]

I particularly want to thank the line workers from NB Power and those from other provinces who came to help out, the Emergency Measures Organization, the municipalities, the local service districts, the Canadian Armed Forces, the Province of New Brunswick for its leadership, the neighbouring communities for their assistance, and the many volunteers who helped all those in need.

[English]

I have never been more proud of the people of New Brunswick, and specifically my riding. I was overwhelmed to witness such generosity.

\* \* \*

#### HUMAN RIGHTS

**Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Mr. Speaker, as we mark Black History Month here in Canada, we consider and celebrate the contributions of black Canadians, and we also recognize the suffering and the challenges confronting black people throughout the world.

Today, I draw the attention of members to the situation in Sudan, where religious and ethnic minorities continue to face severe abuses. In January, President Obama announced a plan to lift some sanctions and start to normalize relations with that country, in spite of the fact that the Sudanese president is wanted by the ICC for war crimes, crimes against humanity, and genocide.

Some take the view that “progress” has been made in Sudan; however, the ongoing persecution of minorities stands in stark contrast to these claims. Sudanese pastors Hassan Abduraheem Kodi Taour, and Kuwa Shamal, along with Abdulmonem Abdumawla Issa Abdumawla, and Czech national Petr Jasek, were recently given long prison sentences in response to their Christian activities.

The international community must hold the line on human rights in Sudan until we see real change. Releasing these four men would send a very positive signal.

\* \* \*

#### CANADIAN SCHOOL COUNSELLING WEEK

**Mr. Majid Jowhari (Richmond Hill, Lib.):** Mr. Speaker, on the occasion of Canadian School Counselling Week, I acknowledge and express my gratitude to an important group of dedicated people who work tirelessly with children, youth, and their families.

Approximately one in seven Canadian children and youth suffers from some form of mental disorder that diminishes his or her opportunities for educational success. Fortunately, there are professional people who interact every day with our youth and work to improve scholastic performance and the overall mental health of our youth.

I urge members of this House to join me in celebrating Canadian School Counselling Week and to recognize the work of school counsellors at learning institutions all across Canada, including schools in my riding of Richmond Hill, namely, Alexander Mackenzie High School, Bayview Secondary School, Langstaff Secondary School, and Jean Vanier Catholic High School.

Our children and youth owe these counsellors our heartfelt appreciation.

\* \* \*

● (1410)

#### YUKON

**Hon. Larry Bagnell (Yukon, Lib.):** Mr. Speaker, on June 13, 1898, the great Yukon Territory was created, becoming one of the 13 provinces and territories that form our Confederation.

This week is the annual Yukon Days, where along with the cultural component, Yukon ministers, chiefs, and other leaders come to Ottawa to meet their federal counterparts. I extend a huge Ottawa welcome to the premier, grand chief, ministers, and chiefs who are here today, and a big shout-out to all of the federal ministers who have been able to schedule appointments with them.

The Yukon government and chiefs should be commended for their innovative, pioneering leadership in having these meetings together with a one government approach.

For those Canadians who cannot enjoy the great Yukon hospitality at the big bash tonight, I encourage them to come to Whitehorse in 17 days to enjoy the greatest winter carnival, the Yukon Sourdough Rendezvous. Barring that, they should come next summer to enjoy the culture of our 14 first nations, the highest mountains in North America, many museums, the Klondike gold rush, the world's longest salmon run, and many music festivals and races.

#### Statements by Members

#### HUMAN TRAFFICKING

**Mr. David Sweet (Flamborough—Glanbrook, CPC):** Mr. Speaker, victims of human trafficking, mostly women and girls, are coerced into providing sexual services while their perpetrators profit.

The Harper government implemented a national action plan to combat human trafficking focused on prevention, the protection of victims, and the prosecution of offenders. The Liberals have allowed this plan to end without as much as a whimper. Now the Liberals are preparing to remove much needed safeguards by repealing the Protection of Communities and Exploited Persons Act.

How can the Prime Minister claim to be a feminist while considering legislation that would lead to the exploitation of the most vulnerable? The Liberals should not be thinking of repealing legislation that protects vulnerable women, but should be giving law enforcement across the country more tools for apprehension and conviction. Victim services need more resources, and the government needs to fund safe houses and long-term restoration if it really wants to demonstrate that it cares for these victimized women and girls.

\* \* \*

#### INUIT YOUTH

**Mr. Peter Schiefke (Vaudreuil—Soulanges, Lib.):** Mr. Speaker, last week I had the privilege of visiting the communities of Pond Inlet and Iqaluit, Nunavut. There I met with Inuit youth at the Piruvik Centre, and Nassivik and Inuksuk schools, outstanding youth leaders and mentors such as Shelly Elverum from Ikaarvic, Maatalii Okalik, and Prime Minister's youth council member Rachel Smale.

[*Translation*]

I also met with young entrepreneurs like Michael Milton, a former Inspire Nunavut program participant. All of these young people shared their thoughts on the challenges facing youth in the far north and the innovative ways that we can work together to overcome those challenges.

[*English*]

I was also privileged to see first-hand state-of-the-art research under way by the incredible team at Memorial University's SmartICE project, who are developing groundbreaking new ways to monitor and map sea ice, a technology which members know is invaluable to northern communities.

For their warmth and hospitality, and the fact that they broke out a highly prized stash of caribou meat, I say *qujannamik*, and I hope to see them again soon.

*Oral Questions**[Translation]***MIDDLE CLASS**

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, let us talk about the middle class. Every time the Prime Minister has to defend a cynical decision, he brings up the middle class.

He sets up billionaires' special access clubs for the middle class. He supports a Saudi arms deal for the middle class. He gives tax cuts to bankers and cabinet ministers for the middle class.

Is the Prime Minister oblivious to what is happening to the middle class? Where is the plan to deal with higher student debt, the lack of affordable housing, or the decline in the number of permanent jobs? Those are the real needs of the middle class.

The middle class is being had by this government's economic policies. We are going to provide the middle class and the working class with a real alternative.

\* \* \*

*[English]***HUMAN RIGHTS**

**Mr. Colin Carrie (Oshawa, CPC):** Mr. Speaker, on Friday night, I attended an event at the University of Toronto, highlighting the plight of Canadian resident Saeed Malekpour. Saeed has been imprisoned by the Iranian regime for over eight years after he travelled to his birthplace to visit his dying father. He has been threatened with violence, tortured, and humiliated. His basic human rights have been violated, and continue to be violated.

Sadly, the Liberal government, in its rush to legitimize this criminal rogue state, has forgotten this Canadian resident, whose liberty has been stolen. In the past year, the previous minister of foreign affairs did nothing to move his case forward. According to his sister Maryam, he has been able to keep himself busy with art and exercise. However, the lack of action by the government is deafening.

As we wait to see whether the new minister, like her predecessor, will rush to appease Iran, she needs to remember that Canada has always stood up against those who violate human rights. Will she commit to making the opening of relations with Iran contingent on the release of Mr. Malekpour?

\* \* \*

● (1415)

*[Translation]***BLACK HISTORY MONTH**

**Mr. Greg Fergus (Hull—Aylmer, Lib.):** Mr. Speaker, 400 years ago, Mathieu da Costa was the first black man to set foot on what is now Canadian soil.

*[English]*

From that day to this one, from forced to free migration, black Canadians have contributed greatly to the cultural, social, and economic prosperity of Canada.

*[Translation]*

I rise today to invite all Canadians to learn more about our country by taking part in Black History Month activities. Today, a delegation of black leaders is joining parliamentarians of all political stripes to ensure that black people may continue to leave their mark on Canada and around the world.

*[English]*

Tonight, hundreds of proud black Canadians will gather at the Museum of History in my riding of Hull—Aylmer to celebrate the long road from which we came, and the even longer and wider roads ahead. Tonight, we may celebrate the past, but let me assure members that the best is yet to come.

*[Translation]*

I wish everyone a happy Black History Month.

**ORAL QUESTIONS***[English]***STATUS OF WOMEN**

**Hon. Rona Ambrose (Leader of the Opposition, CPC):** Mr. Speaker, over the weekend, research revealed that when a woman or girl was raped in our country, her chances of being believed or being able to pursue justice were inadequate.

I volunteered at a rape crisis centre, and one of the most difficult decisions a woman makes is whether or not to go to the police. We need to make that decision easier.

Will the Prime Minister commit to ensuring that RCMP front-line officers have the training needed to give these women and girls confidence to pursue justice?

**Right Hon. Justin Trudeau (Prime Minister, Lib.):** Mr. Speaker, I want to be clear. Gender-based violence and sexual assault is unacceptable. We are doing everything we can to try to change something that is, as was pointed out, as we have known for a long time, far too pervasive in our society.

The way we support victims and survivors of sexual assault, the way we fight against gender-based violence, the way we change our institutions are all things that we are working on, not just with the Minister of Status of Women but indeed all of government, in an approach to make sure we put an end to this.

\* \* \*

**THE ECONOMY**

**Hon. Rona Ambrose (Leader of the Opposition, CPC):** Mr. Speaker, it is an uncertain time for our economy and an anxious time for our workers.

The U.S. President is looking to renegotiate NAFTA. By cutting regulations and lowering taxes, the Americans are putting their companies and workers at a competitive advantage over ours.

*Oral Questions***SOFTWOOD LUMBER**

The Prime Minister's current plans to raise taxes and increase regulations will send our jobs south. Will he change course in the budget?

**Right Hon. Justin Trudeau (Prime Minister, Lib.):** Mr. Speaker, we have lowered taxes for the middle class by raising them on the wealthiest 1%. We have put more money in the pockets of nine out of 10 Canadian families by giving monthly child benefits that are non-taxable and more generous than what the previous government did, by not sending child benefits to the wealthiest families.

We continue to look for ways Canada can create good jobs by engaging in the global marketplace, creating opportunities for our young people, and creating the kind of economic growth that Canadians did not have for too many years under the previous government.

**Hon. Rona Ambrose (Leader of the Opposition, CPC):** Mr. Speaker, three-quarters of everything we make and sell goes to the United States. The Prime Minister keeps saying that everything will be okay, but the truth is millions of jobs are being targeted by the U.S. administration: our farmers, our forestry workers, and our steel manufacturers.

When will the Prime Minister show us a plan to protect our workers?

**Right Hon. Justin Trudeau (Prime Minister, Lib.):** Mr. Speaker, for the past months, we have been engaging with the new American administration to highlight that, yes, millions of Canadian jobs depend on a close relationship with the United States, but also millions of American middle-class jobs depend on a close trade relationship with Canada. Thirty-five different American states have Canada as their number one export destination.

Our economies are integrated like no other two countries in the world. We will continue to defend Canadian jobs, defend opportunities for the middle class on both sides of the border, and create a better future for Canadians.

• (1420)

[*Translation*]

**Hon. Denis Lebel (Lac-Saint-Jean, CPC):** Mr. Speaker, as we know, the new U.S. President is going to cut red tape and taxes to help boost his country's economy.

The Liberals can talk about what they did last year, but we know that their efforts did not yield results because no full-time jobs were created. What will the Prime Minister's real plan for the future be? I am not talking about what has been done, but what they are going to do given the new government in the United States.

**Right Hon. Justin Trudeau (Prime Minister, Lib.):** Mr. Speaker, for many months, we have been in contact with the new government to point out just how integrated our two economies are and how millions of jobs on both sides of the border depend on open trade between our two countries. We will continue to work hard to create opportunities for small, medium-sized, and big businesses, and to have success in research, innovation, and green energy in Canada. We know that Canada faces enormous challenges in the years to come, but it also has considerable advantages. That is what we are working on.

**Hon. Denis Lebel (Lac-Saint-Jean, CPC):** Mr. Speaker, according to an internal document by the new U.S. government transition team, Canada and the United States are far from reaching a deal on softwood lumber. We know that the United States needs to import wood. It is not self-sufficient. It needs 30% more wood to keep building its houses and keep its own carpenters, electricians, and plumbers employed. That should not hurt Canada.

Why is the government unable to get that message across? Because this government is unable to prove to the United States that it needs that wood.

**Right Hon. Justin Trudeau (Prime Minister, Lib.):** Mr. Speaker, we came to power 15 months ago, and every time I have met with the U.S. president since then, we have talked about this issue. In recent months, with the new U.S. government, we have continued to pay special attention to this issue and the good jobs that depend on forestry across the country.

We will continue to work with the Americans on this important issue to ensure the stability of jobs in communities across the country.

\* \* \*

[*English*]

**DEMOCRATIC REFORM**

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Mr. Speaker, we all remember when the Prime Minister, hand on heart, looked longingly into the eyes of Canadians and promised them all that he would be different, that he was not like the old Liberal Party, promising anything to get elected but then once in, betraying that very promise. What ever happened to that guy? We hardly even got to know him.

All the evidence shows that proportional representation not only ensures that every vote counts, it helps elect more women and encourages parties to work together in the national interest.

When will the Prime Minister finally stop all the fearmongering and admit what everybody knows to be true, that the only reason he broke his promise to Canadians on electoral reform was because it was not in the interest of the Liberal Party?

**Right Hon. Justin Trudeau (Prime Minister, Lib.):** Mr. Speaker, we took this issue very seriously and consulted broadly with Canadians. We talked about this issue, and saw the extent to which there were very many strongly held, divergent views on this issue. We worked very hard on this, but it was clear there was no consensus, that there was no responsible path forward. That is the decision we have made.

*Oral Questions*

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Mr. Speaker, we would think the Prime Minister would at least have the decency to blush when he is breaking his promise to Canadians so blatantly, and could at least take that slightly smug look off his face. The way I was raised was that when people broke their word to Canadians, they would find the courage to apologize, which the Prime Minister has yet to do.

Just eight weeks ago, the Prime Minister said, “I make promises because I believe in them”. On consensus, he said that he had heard “loudly and clearly that Canadians want a better system of governance”.

After such obvious deception, how can anyone believe the Prime Minister ever again?

**Right Hon. Justin Trudeau (Prime Minister, Lib.):** Mr. Speaker, Canadians want improvement in their democracy, absolutely. That is why we are moving forward on many things to repeal sections of the unfair elections act brought in by the previous government, why we are making sure that we are protecting Canadians from cybersecurity attacks, and why we are moving forward in many ways to improve our democracy.

However, on changing the way we vote in elections, it was clear there was no consensus. There are strongly held, highly divergent views. There was no responsible way to move forward, so we are looking for other ways to improve our democracy.

• (1425)

[*Translation*]

**Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP):** Mr. Speaker, here is a quote for you: “I make promises because I believe in them. I’ve heard loudly and clearly that Canadians want a better system of governance, a better system of choosing our governments, and I’m working very hard so that 2015 is indeed the last election under first-past-the-post. Canadians elect governments to do hard things and don’t expect us to throw up our hands when things are a little difficult. No, I’m sorry, that’s not the way I was raised.”

Who said that? It was the Prime Minister, on December 2, 2016.

Has he forgotten how he was raised?

**Right Hon. Justin Trudeau (Prime Minister, Lib.):** Mr. Speaker, I was raised to consider what is best for the country, to serve it and its citizens in the way they deserve to be served.

That means growing the middle class and helping those working hard to join it. That also means improving our democracy. We have put forward a number of things that we are going to do to improve our democracy. The reality of electoral reform is that it is clear that there was no consensus and no responsible way to move forward with this commitment.

[*English*]

**Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP):** Mr. Speaker, if you smell something burning, do not worry; that is just the pants of the Prime Minister on fire.

[*Translation*]

Since the Prime Minister has gone back on his word on electoral reform—

**Some hon. members:** Oh, oh!

[*English*]

**The Speaker:** Order, please. Members are certainly entitled to ask difficult and tough questions, but they know they cannot do indirectly what they cannot do directly. Therefore, I invite the hon. member for Rosemont—La Petite-Patrie to rephrase his question.

[*Translation*]

**Mr. Alexandre Boulerice:** Mr. Speaker, I will gladly rephrase my question.

Since the Prime Minister broke his promise on electoral reform, many people have reacted with indignation, which is perfectly normal. People are feeling duped. A lot of people are saying they will never vote for the Liberal Party ever again. That is not surprising.

However, what is even more troubling is that young people who voted for the first time last year are saying that they will never vote again, because they are disgusted by politics.

Was that the Prime Minister's plan all along, to make young people even more cynical?

**Right Hon. Justin Trudeau (Prime Minister, Lib.):** Mr. Speaker, we are doing things for Canada's youth that have never been done before by any government. For instance, we are increasing funding for post-secondary scholarships so that young people do not have to pay back their student loans until they are earning at least \$25,000.

We are transforming the way we are preparing our young people for the future. That is what young people talk to me about when I visit them and during town hall meetings.

\* \* \*

[*English*]

**TAXATION**

**Hon. Pierre Poilievre (Carleton, CPC):** Mr. Speaker, last year, I filed an Order Paper question, asking if Finance Canada had an analysis of the impact of the carbon tax on low-income families. The department responded with nothing, suggesting it had done no such analysis.

However, a note to the deputy minister of finance, obtained through access to information, refers to a table that estimates the impact of the carbon price “across earnings groups”. That table is broken down by income quintile, however, all the numbers are blacked out.

Why is the government blacking out and covering the impact of its carbon tax on the poorest Canadians?



*Oral Questions*

**Hon. Bill Morneau (Minister of Finance, Lib.):** Mr. Speaker, I am pleased to talk about the impact of the taxes we have actually reduced for Canadian families. I am pleased to talk about the impact on Canadian families of the introduction of the Canada child benefit. Those specific numbers are important: for the single family, with a reduction in middle-class taxes, \$330 more for that person this year; for the family, a \$540 reduction in taxes; for the nine out of 10 families that got the Canada child benefit, an average of \$2,300 more per year after taxes.

These are very important measures. We know that together with the efforts we are making on the environment we can make a real difference for Canadian—

**The Speaker:** The hon. member for Carleton.

**Hon. Pierre Poilievre (Carleton, CPC):** Mr. Speaker, the measure of a society is how it treats its most vulnerable. That is why I asked how this carbon tax would impact on the poorest Canadians.

At first, the government said, “No such data exists”. Then it said, “It exists, we just don’t want to tell you what it says”. That is the current position of the government? That it wants to keep secret from Canadians, the most vulnerable Canadians, those with the least, the impact of this heavy new carbon tax on heat, hydro, gas, and electricity. Is that what it meant when it promised it wanted to help those trying to join the middle class?

• (1430)

**Hon. Bill Morneau (Minister of Finance, Lib.):** Mr. Speaker, we meant exactly what we said. We want to help those trying to join the middle class and those in the middle class. That is why our policies have been specifically directed to help those who are most vulnerable in our society, to help middle-class Canadians to be in a better situation. We have done it in myriad ways. We have done it through tax reductions. We have done it through the introduction of the Canada child benefit.

We have helped lower-income and middle-income students to have 50% more money for grants for university. Also, we have helped those most vulnerable in our society, seniors who are below the poverty line, with a 10% increase in the guaranteed income supplement for single seniors.

We are making a real difference, in particular, for those most—

**The Speaker:** The hon. member for Louis-Saint-Laurent.

[*Translation*]

**Mr. Gérard Deltell (Louis-Saint-Laurent, CPC):** Mr. Speaker, for more than two months, we, the Conservatives, have been pressing the government to not tax health and dental insurance.

Tomorrow, in a vote, the Liberal government will have the opportunity to acknowledge that we are right. However, there is still cause for concern because the government is eyeing other things with its voracious appetite, such as pension splitting. For Conservatives, this is non-negotiable because it affects 2.5 million Canadians.

Can the Minister of Finance give us assurances today that he will not touch this vital policy, yes or no?

**Hon. Bill Morneau (Minister of Finance, Lib.):** Mr. Speaker, in our 2016 budget, we introduced our plan to improve the situation of the middle class and those who want to join it, and that plan has all the measures that really help Canadian families.

In budget 2017, we will continue with our plan. It will be very important for us. We will find ways to strengthen the middle class and our budget will contain very important measures to that end.

[*English*]

**Mr. Gérard Deltell (Louis-Saint-Laurent, CPC):** Mr. Speaker, the question was crystal clear. Yes or no? Again and again, the minister dodges the issue. This is the House of Commons. This is not the Los Angeles Dodger Stadium. Could he answer that?

The question is quite clear. I will ask it in English this time. Would the minister indicate to the House that 2.5 million Canadians will not be touched because the government does not intend to cut the pension income splitting, yes or no?

**Hon. Bill Morneau (Minister of Finance, Lib.):** Mr. Speaker, I am not sure how much more clear I can be.

Our first budget reduced taxes on Canadians, helped middle-class Canadians, helped those most vulnerable. That is our program.

As we move forward with our budget 2017, which I remind members is not actually today, we will be talking about how we can continue in our efforts to help Canadians, to help middle-class Canadians, to help those most vulnerable.

It will be a meaningful continuation of our agenda, important for Canadians across the country.

\* \* \*

**INFRASTRUCTURE**

**Ms. Dianne L. Watts (South Surrey—White Rock, CPC):** Mr. Speaker, last week the parliamentary budget officer confirmed that the Liberals were short-changing communities across Canada by \$9 billion in infrastructure and 96% of the announced projects were not under construction. Now we learn that construction companies are shutting down. The CEO of Keystone Excavating said, “2016 was the worst year we’ve ever had in 35 years.” The projects are not being built and the jobs are not being created.

Will the minister commit today to getting the money out before the spring construction season begins, yes or no?

**Hon. Amarjeet Sohi (Minister of Infrastructure and Communities, Lib.):** Mr. Speaker, we have approved more funding in the last year than the previous government did in five years combined, 1,200 projects with a combined investment in partnership with municipalities and provinces, \$14 billion together, and almost 60% of those projects are currently under way, creating opportunities for Canadians from coast to coast to coast.

*Oral Questions*

[Translation]

**Mr. Alain Rayes (Richmond—Arthabaska, CPC):** Mr. Speaker, this is the Liberal logic: they put Canadians' money into different programs and they tell themselves that, like the budget, it will all balance itself out. That is not how it works. After the government announced with great fanfare that it was going to invest \$13.6 billion in infrastructure in 2016, we have now learned that the Liberals invested only \$4.6 billion. My question is simple.

Where is the \$9 billion that was supposed to be invested in infrastructure projects for municipalities across Canada?

• (1435)

[English]

**Hon. Amarjeet Sohi (Minister of Infrastructure and Communities, Lib.):** Mr. Speaker, let me quote some figures: 83 projects for British Columbia with a combined investment of \$2.4 billion; 57 projects for the province of Quebec with a combined investment of \$1.5 billion; 127 projects for the province of Alberta with a combined investment of \$4.2 billion, and the list goes on.

As I said earlier, we have approved more funding for provinces and municipalities in the last year than the previous government did in five years combined.

\* \* \*

**INTERNATIONAL TRADE**

**Ms. Tracey Ramsey (Essex, NDP):** Mr. Speaker, an internal U.S. briefing note indicates the Trump administration will target Canada's dairy supply management system and our softwood lumber industry. Instead of assuring Canadians that jobs in these key sectors will be protected, the Liberals have sent Brian Mulroney to act as Canada's intermediary. Mr. Mulroney is the architect of the flawed NAFTA deal and just last week he called for the elimination of supply management.

Will the government stand up to Trump and fight for Canadian jobs? Will it commit today that supply management will not be on the table?

**Hon. Lawrence MacAulay (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, our government fully supports our dairy farmers and our supply management system. It is our party that fought hard to implement supply management and I can assure the House that we will protect and defend it. Canada's supply management system is a model for the world.

I can assure the House that there is a great future in the dairy industry and the manufacturing sector with the investments this government is making.

[Translation]

**Ms. Ruth Ellen Brosseau (Berthier—Maskinongé, NDP):** Mr. Speaker, the Liberals asked Brian Mulroney to open a dialogue with the Trump administration for the renegotiation of NAFTA.

In 2014, the former prime minister gave a really frightening speech in which he recommended that our supply management system be dismantled and abolished. Last Thursday, he gave another similar speech saying that we should learn from New Zealand and Australia.

Canadians want the government to defend our supply management system. Can the government confirm today that it will defend our supply management system, and will the government tell us why it is sending a Conservative who does not believe in our supply management system—

**The Speaker:** The hon. Minister of Agriculture and Agri-Food.

[English]

**Hon. Lawrence MacAulay (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, it is hard to say it much more clearly. We have consulted dairy farmers and dairy processors around this country for the last number of months. We have invested \$350 million to make sure that dairy farmers and the processing sector in this country are innovative.

The Liberal Party worked hard to put the supply management system in place and this government will make sure that we support the supply management system.

\* \* \*

**AGRICULTURE AND AGRI-FOOD**

**Mr. David Anderson (Cypress Hills—Grasslands, CPC):** Mr. Speaker, everywhere the Liberals go they create chaos and corruption. The Ontario Liberal energy policy has devastated investment in Ontario. It has become so bad that even rich Liberals cannot stand it any longer.

We have learned that the federal agriculture minister's chief of staff is turning her back on Ontario. She is building her new egg operations in Quebec because energy costs are half as much.

With this kind of impact on agriculture, why is the Prime Minister forcing Kathleen Wynne's disastrous energy policies on the rest of Canada?

**Hon. Lawrence MacAulay (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I answered this question many times in the House. My chief of staff is a very well-recognized lady, well respected in her community and honoured in her community. I hope and I am sure that the member does not want to indicate to the House or to this country that my chief of staff does nothing but promote agriculture in this country.

\* \* \*

**GOVERNMENT APPOINTMENTS**

**Mr. David Anderson (Cypress Hills—Grasslands, CPC):** Mr. Speaker, chaos and corruption follow them. The Grain Commission is an important part of western Canadian agriculture overseeing grain quality. It has always been run by appointees who knew and understood agriculture. Now the Liberals are making it a dumping ground for patronage. The latest appointment is noticeable only for his lack of qualifications. Lonny McKague's credentials are that he knows the public safety minister and he is a failed Liberal candidate.

Why is the minister putting Liberal patronage ahead of western Canadian grain producers?

*Oral Questions*

**Hon. Lawrence MacAulay (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, as my hon. colleague is well aware and the House is well aware, this government took a new approach to Governor in Council appointments and we are putting in place new Canadian grain commissioners who would benefit the sector, stand up for grain farmers, and deliver results to the industry. My hon. colleague is well aware of who was appointed. He also is well aware of how qualified the people who were appointed are and will do nothing but be an asset to the Canadian Grain Commission.

• (1440)

**Mr. Michael Cooper (St. Albert—Edmonton, CPC):** Mr. Speaker, the Prime Minister promised an open appointment process. In that spirit of openness, the Minister of Justice has appointed guess who to the Canadian Human Rights Tribunal. It is none other than her former chief of staff. By openness, did the Prime Minister mean open to Liberals and closed to everyone else? Or is this just another Liberal promise made and another Liberal promise broken?

**Hon. Jody Wilson-Raybould (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, I take very seriously the appointments process and the fact that it should be and must be open and transparent. My former chief of staff has been appointed to the Human Rights Tribunal because she is entirely qualified to fulfill that position and I look forward to her contribution to the tribunal as we move forward.

[*Translation*]

**Mr. Jacques Gourde (Lévis—Lotbinière, CPC):** Mr. Speaker, when the Liberal Party is not throwing money out the window on useless renovations or giving subsidies to Canada 2020, it is doing what it has always done: rewarding its cronies.

We recently learned that the Minister of Justice and the Minister of Agriculture were only too happy to appoint friends of the Liberals, namely a former chief of staff and a defeated Liberal candidate, to important positions.

When will this government stop putting the Liberal Party's interests first and finally look out for the best interests of Canadians?

[*English*]

**Hon. Bardish Chagger (Leader of the Government in the House of Commons and Minister of Small Business and Tourism, Lib.):** Mr. Speaker, as you know very well and as all Canadians know, we have committed to a more open, more transparent appointment process. We are proud of the process that we have undertaken. Canadians are able to apply for these positions. They are openly declared so that all Canadians can participate. We are proud of the appointments we are making and I am sure the member knows very well that they are good appointments here to serve Canadians.

\* \* \*

[*Translation*]

**HEALTH**

**Ms. Brigitte Sansoucy (Saint-Hyacinthe—Bagot, NDP):** Mr. Speaker, according to a University of Ottawa study, the provinces will not be able to maintain current services in the coming years if they accept the federal government's proposed health funding deal.

The parliamentary budget officer also sounded the alarm because of rising health costs due to, among other things, the aging population.

Will the government give the provinces the money they need to give people the services they need?

[*English*]

**Hon. Jane Philpott (Minister of Health, Lib.):** Mr. Speaker, our government is investing in health care in numbers that have never been seen in Canada before. We made an offer to provinces to grow that investment in the Canada health transfer such that it will outstrip provincial spending, it will outstrip GDP growth, and it will outstrip the rate of inflation. In addition to those increases in the Canada health transfer, we are investing \$11 billion in home care and mental health. This will support Canadians and make sure that Canadians receive value for money spent.

**Mr. Murray Rankin (Victoria, NDP):** Mr. Speaker, this report shows that the federal government's health care offer falls far short of the provinces' increased costs. Already we are seeing the direct impacts of that underfunding like the horror stories coming out of Surrey, British Columbia, where a quadriplegic home care patient is forced to choose between a meal and a change of clothes.

Why have the Liberals broken their promise to properly fund health care and what the heck ever happened to the Liberals' campaign commitment to immediately invest \$3 billion in home care?

**Hon. Jane Philpott (Minister of Health, Lib.):** Mr. Speaker, it is well known that Canadians pay some of the highest per capita costs for health care in the world. It is important that Canadians get value for the money invested in health care. That is why we are taking a new approach.

In addition to increasing the Canada health transfer, we are making targeted investments in the areas of home care and mental health, so that people like the woman to whom the member has referred will get access to home care, and we will transform health systems across this country.

\* \* \*

[*Translation*]

**PUBLIC SAFETY**

**Mr. Frank Baylis (Pierrefonds—Dollard, Lib.):** Mr. Speaker, Security Awareness Week starts today. This is an opportunity to make sure all Canadians feel safe.

Unfortunately, in the wake of the tragic shootings at the Centre islamique culturel de Québec, we can understand why many Canadian Muslims and members of other minority groups might feel vulnerable.

Can the Minister of Public Safety and Emergency Preparedness tell us what the government is doing to help these communities protect themselves?

*Oral Questions*

●(1445)

**Hon. Ralph Goodale (Minister of Public Safety and Emergency Preparedness, Lib.):** Mr. Speaker, we all grieve with our fellow Quebec City Muslim citizens.

[*English*]

We are extending to March 31 the deadline for our security infrastructure program, which helps communities protect against hate-motivated crimes. This is on top of other enhancements to the program to cover a greater variety of security measures and to make it more widely accessible.

Most important, we must all continue working together to foster respect, solidarity, cohesion, and inclusion. There is no licence for hate in Canada.

\* \* \*

**NATIONAL DEFENCE**

**Mr. James Bezan (Selkirk—Interlake—Eastman, CPC):** Mr. Speaker, it was revealed that the Super Hornets the Liberals are purchasing would be operational for only 12 years. It is unbelievable that the Liberals would waste \$7 billion on an aircraft that they have already planned to mothball.

As we know, finance is not the Liberals' strong suit, but let us give them a hand. That costs over \$300 million per jet. That is a colossal waste of taxpayers' money. That is a colossal waste of time for the Royal Canadian Air Force.

Why will the Minister of National Defence not quit wasting time, resources, and money and move immediately to an open competition?

[*Translation*]

**Mr. Jean Rioux (Parliamentary Secretary to the Minister of National Defence, Lib.):** Mr. Speaker, our government will take no risks with our ability to simultaneously meet Canada's NORAD and NATO commitments.

That is why we are exploring the acquisition of an interim fleet of 18 Super Hornet aircraft to supplement the CF-18 fleet until the permanent replacement arrives.

These measures will give Canadians the assurance that our defence needs will continue to be met in both the short and the long terms. We will launch an open competition.

**Mr. Pierre Paul-Hus (Charlesbourg—Haute-Saint-Charles, CPC):** Mr. Speaker, I feel I have to tell the Parliamentary Secretary to the Minister of National Defence that that purchase has been proven to be useless and that there is no capability gap.

The Super Hornets are going to cost between \$5 billion and \$7 billion, a price range that has been confirmed by Boeing officials. For 18 aircraft, that is highway robbery. It works out to between \$277 million and \$388 million per plane.

Is the Minister of National Defence still saying that this is the best deal for Canadians?

**Mr. Jean Rioux (Parliamentary Secretary to the Minister of National Defence, Lib.):** Mr. Speaker, we are not going to wait to

mitigate the risks associated with Canada's dependence on our CF-18 fighter fleet, which is over 30 years old.

We need a fighter jet that allows us to reduce our dependence on our current fleet of CF-18s as quickly as possible, so that we can continue to live up to our national and international obligations. In the end, the 18 new Super Hornets will mean that our military personnel can count on more advanced fighter jets to defend Canada.

[*English*]

**Mr. James Bezan (Selkirk—Interlake—Eastman, CPC):** Mr. Speaker, the Liberals' approach for replacing our fighter jets makes absolutely no sense at all. The sole-source Super Hornet deal will cost up to \$7 billion for only 18 jets for only 12 years of service.

This week, Boeing's competitor announced a price drop that puts the F-35 at the same price as the Super Hornet.

Will the Liberals finally listen to our air force and our defence procurement experts and start an open competition today to replace our aging F-18s?

[*Translation*]

**Mr. Jean Rioux (Parliamentary Secretary to the Minister of National Defence, Lib.):** Mr. Speaker, the Government of Canada has begun discussions with the U.S. government and the Boeing corporation for the possible procurement of 18 Super Hornet fighter jets.

Discussions with the American government and Boeing will allow us to determine whether Boeing can provide an interim cost-effective solution within a timeframe and with a capability level that are acceptable to Canada. In order to ensure that Canada gets the best value for money during future discussions and negotiations, we will not comment on the budget at this time.

**Mr. Pierre Paul-Hus (Charlesbourg—Haute-Saint-Charles, CPC):** Mr. Speaker, not only is the cost per plane excessive at between \$277 million and \$388 million, but the minister indicated in the House in a written response that the outdated Super Hornets would be in operation for only 12 years. That makes the annual cost quite high, specifically between \$23 million and \$32 million a year per plane. Clearly, there are no savings to be had here.

Why is the government insisting on sticking with this plan instead of launching an open process to replace the CF-18s? We know that this agreement benefits Boeing, but how will it benefit Canadians?

●(1450)

**Mr. Jean Rioux (Parliamentary Secretary to the Minister of National Defence, Lib.):** Mr. Speaker, the Canadian Armed Forces does exceptional work managing the risk related to concurrently respecting our commitments to both NORAD and NATO.

The government thinks it is unacceptable to manage such a high level of risk. The current fleet of CF-18s was acquired in the 1980s and honestly should have been replaced long ago. The government no longer wishes to rely exclusively on a fighter fleet that is over 30 years old. That is why we have to act now.

## YOUTH

**Ms. Anne Minh-Thu Quach (Salaberry—Suroît, NDP):** Mr. Speaker, Katimavik is an organization fighting for its survival. The program has trained close to 35,000 young people with the goal of promoting reconciliation between indigenous and non-indigenous peoples.

If the Liberals continue to do nothing, the organization could close its doors in a few weeks. The Liberals promised to create a volunteer youth service program during the campaign and in the last budget. However, there has been no mention of it in the past 18 months.

Will the Prime Minister, who is also the minister of youth and former chair of Katimavik, finally release emergency funds to save the organization?

[English]

**Mr. Rodger Cuzner (Parliamentary Secretary to the Minister of Employment, Workforce Development and Labour, Lib.):** Mr. Speaker, helping young Canadians gain valuable work and life experience is central to the focus of our government. It is absolutely a priority. Our Prime Minister and the government are proud of reversing 10 years of cuts to youth programming by the past Conservative government.

We continue to engage with Katimavik. If I could take the opportunity, I want to recognize the member for Ville-Marie—Le Sud-Ouest—Île-des-Soeurs, who has done excellent work on this file. We will continue to engage with Katimavik. Stay tuned. Hopefully, we will have a great resolution forthcoming.

\* \* \*

## PUBLIC SERVICES AND PROCUREMENT

**Mr. Erin Weir (Regina—Lewvan, NDP):** Mr. Speaker, it has been over three months since the government's own deadline to fix Phoenix, and 7,000 cases from the original backlog still have not been fixed, leaving Canadians waiting to get paid. In addition, there have been 185,000 Phoenix complaints in the last six months.

The government refused to delay implementing Phoenix until it was corrected. When will the government end this boondoggle and pay our federal employees properly and on time?

**Hon. Judy Foote (Minister of Public Services and Procurement, Lib.):** Mr. Speaker, I welcome my colleague's question. Resolving the ongoing service pay problems remains a priority for our government. That is why we have taken so many additional measures to respond in a quick manner. The reality is, we do have a number of outstanding issues. We are working very hard. We are working with our employees and we are working with the unions to try to find a speedy resolution, but we have encountered some complex cases. We are now going to shift to focusing on those priority cases to get them resolved as quickly as possible.

\* \* \*

## PUBLIC SAFETY

**Hon. Michelle Rempel (Calgary Nose Hill, CPC):** Mr. Speaker, last week the Liberals told the House that Canadians would not be affected by the U.S. executive order on immigration. However, we found out that NEXUS memberships have in fact been revoked from all Canadian permanent residents with citizenship in any one of the

## Oral Questions

seven countries affected by the U.S. travel ban. I think that would be the definition of "affected".

When did the minister become aware of this new issue? Was it after the assurance or before? More importantly, what steps is he taking to stand up for Canadian interests?

**Hon. Ralph Goodale (Minister of Public Safety and Emergency Preparedness, Lib.):** Mr. Speaker, all Canadian citizens with a valid Canadian passport should be treated at the border in the same way as before the executive order. It is our passport, not our NEXUS card, that establishes our status. NEXUS is a discretionary program to expedite processing. Each country has the right to withdraw the privilege. There are about 1.5 million people with NEXUS privileges. About 200 have been affected by the U.S. revocation. To the best of CBSA's information, none of them are Canadian citizens. We are working with our American counterparts to make sure that all Canadians are treated fairly.

**Hon. Michelle Rempel (Calgary Nose Hill, CPC):** Mr. Speaker, that is not what CBSA told CBC on the weekend. More importantly, when I asked the minister this question on Friday, he said "If people feel that they have..., been unfairly treated by the process... there is an appeal process and there is an ombudsman."

Canadians do not want an ombudsman. They want their government to stand up for their interests. When will the Liberals stand up for Canadians and get these revocations reversed?

**Hon. Ralph Goodale (Minister of Public Safety and Emergency Preparedness, Lib.):** Mr. Speaker, what the hon. member does not seem to acknowledge is that NEXUS, on both sides of the border, is a discretionary program, entirely under the control of one government or the other, depending on which country they are in.

We are in the process of making sure, to the very best of our ability and capacity, that Canadians are treated fairly in all circumstances. Canadians themselves do have the benefit of the appeal procedure. They should avail themselves of that. However, they can be sure that their government is fighting for them too.

\* \* \*

● (1455)

## FOREIGN AFFAIRS

**Hon. Peter Kent (Thornhill, CPC):** Mr. Speaker, Saeed Malekpour, a Canadian permanent resident, who is a computer programmer, was arrested on a visit to Iran in 2008 on trumped-up charges.

After conviction on a confession obtained through torture, Mr. Malekpour was sentenced to death. That sentence, after protests by our Conservative government and human rights organizations, was reduced to life in prison.

The Liberals promised that their muted criticism of Iran and reduced commercial sanctions would get results. Can the minister update the House on efforts to gain Mr. Malekpour's release and his return to Canada?

### Oral Questions

**Mr. Omar Alhabra (Parliamentary Secretary to the Minister of Foreign Affairs (Consular Affairs), Lib.):** Mr. Speaker, we are clearly concerned about the well-being of Mr. Malekpour.

I had the opportunity to meet with his sister. I committed to her that our government was following his case with great concern. Obviously, members of the opposition know that the lack of diplomatic presence in Iran has posed challenges for us. That is why our government is committed to re-engaging with Iran, making sure that we defend the interest of Canadians, and building on people-to-people relationships with Iran.

\* \* \*

[Translation]

### INFRASTRUCTURE

**Mr. Pierre Breton (Shefford, Lib.):** Mr. Speaker, in early 2017, the government announced drinking water and waste-water treatment projects under the bilateral agreement with Quebec. Two weeks ago, five projects with \$6.4 million in funding were announced for the Eastern Townships, 16 projects worth \$82.9 million were announced for the Mauricie region, and 19 projects worth \$61.3 million were announced in the Montérégie region, including four in my riding of Shefford.

Could the government provide an update on this program?

[English]

**Hon. Amarjeet Sohi (Minister of Infrastructure and Communities, Lib.):** Mr. Speaker, as I said earlier, in collaboration with the Government of Quebec, we have approved 57 projects for a combined investment of more than \$1.5 billion.

Just today, we announced an additional three projects for the region of Abitibi. These projects will provide safe, clean drinking water for the region.

We continue to work with our partners to approve even more projects to grow our economy and create opportunities for the middle class and those working hard to join the middle class.

\* \* \*

### INDIGENOUS AFFAIRS

**Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC):** Mr. Speaker, we learned after Christmas that since gutting the Financial Transparency Act, the compliance measures, of course, the reporting rate has gone down. The minister had to know that was going to happen. It is no surprise.

The *National Post* wrote that about 90 bands had not been fully compliant with the act, and, of course, for the community members, that is 90 too many. It has been over a year. First nations communities, 90 of them across this country, do not have access to basic information.

When will the minister listen to the grassroots band members and respect them, and enforce the act?

**Hon. Carolyn Bennett (Minister of Indigenous and Northern Affairs, Lib.):** Mr. Speaker, as I have said in this House many times, first nations governments, and everyone, want increased transparency and accountability.

We will achieve this through working in full partnership with first nations leaderships and organizations. We are currently engaging first nations leadership, communities, and organizations to identify a way forward that is based on the recognition of rights, respect, co-operation, and partnership.

\* \* \*

### PERSONS WITH DISABILITIES

**Ms. Cheryl Hardcastle (Windsor—Tecumseh, NDP):** Mr. Speaker, the Canadian National Institute for the Blind must lobby each year for funding in the form of government grants.

Given the crucial services provided by the CNIB, like making sure literature is available in accessible formats, stable, predictable, and ongoing funding is required. Funding would allow the CNIB to provide Canadians with visual impairments the programs and services to which they are entitled.

Will the government commit to ensuring that funding for the CNIB will be in the next federal budget?

**Hon. Carla Qualtrough (Minister of Sport and Persons with Disabilities, Lib.):** Mr. Speaker, I know the member shares the passion for inclusion and accessibility for people with disabilities that our government does.

I have experienced first-hand the great work that CNIB does for the visually impaired community in Canada. I was proud to work with them over the last year to celebrate Canada's accession to the Marrakesh Treaty. I am proud of our government commitment of \$3 million to ensure we can meet the demands for alternative format materials.

Our government's disability program has been undergoing a transformation aimed at providing greater certainty and efficiency to organizations. We are indeed exploring whether or not we can provide multi-year funding.

\* \* \*

● (1500)

### IMMIGRATION, REFUGEES AND CITIZENSHIP

**Ms. Pam Damoff (Oakville North—Burlington, Lib.):** Mr. Speaker, like many ridings in Canada, Oakville North—Burlington is made stronger because of its diversity. Our post-secondary institutions, like Sheridan College in Oakville and DeGroot School of Business in Burlington, rank among the very best in the world, attracting students from around the world. However, our immigration system has made it difficult for those who wish to stay in Canada.

Can the minister please update this House on what the government has done to make it easier for international students to live and work in Canada?

**Hon. Ahmed Hussen (Minister of Immigration, Refugees and Citizenship, Lib.):** Mr. Speaker, I would like to thank the hon. member for Oakville North—Burlington for the question and for her hard work.

Our government strongly supports the attraction and retention of international students to Canada. This is why we made changes to our express entry program, which has made it easier for international students to stay in Canada. It has led to them creating economic growth, jobs, and spurring innovation in our country.

I also want to take this opportunity to thank my officials for processing 367,000 international student visas last year, which is a 22% increase over the previous government.

\* \* \*

#### FINANCE

**Mr. Blake Richards (Banff—Airdrie, CPC):** Mr. Speaker, if there is anything that Liberals are good at, it is breaking promises and wasting hard-earned tax dollars. They promised a deficit to pay for infrastructure, and while the deficit just keeps growing, there are still no shovels in the ground. They promised to balance the budget by 2019, but now it will not be until 2055. We have heard the Liberals make promises of electoral reform, but then all Canadians got was a \$4 million bill for a muddled personality survey.

While Canadians are struggling to make ends meet, what other broken promises can taxpayers be expected to foot the bill for?

**Hon. Bill Morneau (Minister of Finance, Lib.):** Mr. Speaker, I want to be clear that Canadians can expect this year in our budget, as they saw last year, and as they will see in years to come, that we will have a focus on helping those most vulnerable. We have demonstrated that so far, and we will continue to do that, with a focus on improving the lives of middle-class Canadians through lower taxes, through more opportunities for themselves and their children in future because of the investments we are going to make.

That is what Canadians can expect, and we are pleased to be able to deliver for them.

\* \* \*

[Translation]

#### QUEBEC

**Mr. Rhéal Fortin (Rivière-du-Nord, BQ):** Mr. Speaker, on Wednesday, while all of Quebec was mourning the victims of the Quebec City shooting, the *Washington Post* published an article written by J.J. McCullough that constituted an unprecedented attack on Quebec's international reputation. An excerpt from the article reads: "And now, [Canadians] have good reason to observe that the province [of Quebec] seems to produce an awful lot of lunatics prone to public massacres".

Will the Prime Minister rise now, with all the dignity of his office, and unequivocally condemn this attack on the Quebec nation?

**Hon. Mélanie Joly (Minister of Canadian Heritage, Lib.):** Mr. Speaker, the comments made in the *Washington Post* op-ed are unacceptable and we denounce them. Quebeckers, like all Canadians, are open and welcoming. The surge of solidarity following the terrorist attack in Quebec City made that very clear. It is up to all of us to speak out against discrimination and injustice.

**Mr. Luc Thériault (Montcalm, BQ):** Mr. Speaker, the Prime Minister is refusing to rise as a statesman, and his silence, like that of the Conservative Party on Friday, encourages derogatory Quebec bashing. While all of Quebec is mourning its dead in the wake of the

#### Oral Questions

terrible attack at the Quebec City mosque, people are insulting Quebec and attacking and besmirching its reputation. Meanwhile, neither the official opposition nor the Prime Minister wants to condemn this disgraceful rag.

How can the Prime Minister, the self-proclaimed Quebec lieutenant, justify remaining seated and remaining silent?

**Hon. Mélanie Joly (Minister of Canadian Heritage, Lib.):** Mr. Speaker, I repeat that the comments made in the *Washington Post* op-ed are unacceptable. We strongly condemn them. As my colleague mentioned, we firmly believe that we must speak out against all forms of injustice and discrimination. That is why we condemn the statements that were made and support the Bloc Québécois's motion in that regard.

\* \* \*

● (1505)

#### HEALTH

**Mr. Rhéal Fortin (Rivière-du-Nord, BQ):** Mr. Speaker, provinces representing 90% of the population are standing united, but the government is forging ahead with the Conservative cuts to health transfers and the NDP conditions.

The Government of Quebec, the Council of the Federation, The Conference Board of Canada, and the parliamentary budget officer all said it, and now the University of Ottawa has found that Ottawa's contribution must at least keep pace with rising costs to ensure the future of our health system.

Will the Minister of Finance bring the health system to its knees, or will he listen to the people, reconsider, and restore the 6% increase?

**Hon. Jane Philpott (Minister of Health, Lib.):** Mr. Speaker, the federal government's \$11-billion offer has the potential to be transformative and to make life better for Canadians with respect to home care and mental health. This investment is in addition to legislative commitments through the Canada health transfer, which will continue to grow every year. This year alone, funding will increase by almost \$1 billion. We are ready to collaborate with the provinces and territories to improve the health care system.

\* \* \*

[English]

#### PRESENCE IN GALLERY

**The Speaker:** I would like to draw to the attention of hon. members the presence in the gallery of the Hon. Sandy Silver, Premier of Yukon, and an accompanying delegation.

**Some hon. members:** Hear, hear!

*Routine Proceedings***ROUTINE PROCEEDINGS**

## LABELLING OF FOOD

[Translation]

**COMMITTEES OF THE HOUSE**

## PROCEDURE AND HOUSE AFFAIRS

**Hon. Larry Bagnell (Yukon, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the 19th report of the Standing Committee on Procedure and House Affairs.

The Committee advises that, pursuant to Standing Order 91.1(2), the Subcommittee on Private Members' Business met to consider the items added to the order of precedence as a result of the replenishment of Tuesday, December 6, 2016, and recommended that the items listed herein, which it has determined should not be designated non-votable, be considered by the House.

**The Speaker:** Pursuant to Standing Order 91.1(2), the report is deemed adopted.

● (1510)

**Hon. Larry Bagnell (Yukon, Lib.):** Mr. Speaker, pursuant to Standing Orders 104 and 114, I have the honour to present, in both official languages, the 20th report of the Standing Committee on Procedure and House Affairs regarding the membership of committees of the House.

If the House gives its consent, I move concurrence in the report.

[English]

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

**Some hon. members:** Agreed.

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

**Some hon. members:** Agreed.

(Motion agreed to)

\* \* \*

**PETITIONS**

## HUMAN RIGHTS

**Mr. Daniel Blaikie (Elmwood—Transcona, NDP):** Mr. Speaker, I rise today to table a petition signed by hundreds of Winnipeggers condemning the systematic and state-sanctioned organ harvesting by the Chinese government.

The petitioners call on the Government of Canada to take concrete action to bring an end to the practice.

## HOUSING

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Mr. Speaker, it is my honour to rise in the House to present two petitions.

The first is from residents throughout my constituency. I know the hon. minister is interested in pursuing more affordable housing through the federal government. The petition asks the government to look at the proposals from the Federation of Canadian Municipalities to create a national affordable housing program.

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** The second petition, Mr. Speaker, is one on which thousands of Canadians have sent me petitions. These come from Leamington, Ontario; Surrey, B.C.; Langley and Vancouver.

The petitioners call on the government to put in place labelling so Canadian consumers will know whether the products they buy and consume contain genetically modified organisms.

## PHYSICIAN-ASSISTED DEATH

**Mr. Murray Rankin (Victoria, NDP):** Mr. Speaker, I have two petitions today.

First, I am pleased to present a petition from hundreds of constituents in Victoria, calling on the government to repeal a new clause in the Criminal Code, restricting those seeking medical assistance in dying only to those whose deaths are reasonably foreseeable. As members will know, many of us question the constitutionality of that. It is now before the courts as well in the case of *Lamb v. Canada*.

The petitioners say that their charter rights are affected. They call on the government to repeal the clause.

## DEMOCRATIC REFORM

**Mr. Murray Rankin (Victoria, NDP):** Mr. Speaker, the second petition is from hundreds of constituents in Victoria, calling on the government to keep its promise on electoral reform, and implement a fair proportional voting system.

The petitioners say that they have devoted hundreds of hours to organizing and engaging with the government on this issue and deserve an explanation as to how the government can believe there is insufficient interest from Canadians in improving our voting system.

## 150TH ANNIVERSARY OF CONFEDERATION

**Hon. Peter Van Loan (York—Simcoe, CPC):** Mr. Speaker, I rise today to present three petitions from Canadian historical societies, stating that they want history to be respected and celebrated during the 150th anniversary of Confederation. As part of the Liberal war on history, neither history nor Confederation is a permitted theme.

The township of Tiny's heritage advisory committee presents one of those petitions. The township of Tiny has its own unique history rooted in the unification of cultures. The township's founding cultures of French and English mirror the goal of Confederation, to unite these two distinct cultures in a single country.



The second petition comes from the Cornwall Township Historical Society, which has restored historical sites and landmarks throughout South Stormont township since 1978. The explorer Simon Fraser, one of the first men of European descent to explore western Canada, lived in Cornwall much of his life, and is commemorated by a historical monument. Ontario's first premier, John Sandfield Macdonald, is also buried in the region and represents Cornwall's own connection to Confederation.

The third petition comes from the Upper Ottawa Valley Genealogical Group. The members of this organization are exploring and celebrating their own family connections to Canada's past. The organization is collecting the stories of ancestors and members, and assisting in the research of ancestors of other members.

The petitioners all call upon the government to reverse its decision to exclude Confederation as a theme of the 150th anniversary of Confederation and to pay respect to Canada's history by making it a theme of the 150th anniversary of Confederation.

#### LANGUAGE TRAINING

**Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC):** Mr. Speaker, on behalf of the constituents in my riding, many who are concerned about a lack of funding for refugees and other immigrants with respect to official languages training, I am pleased to table several petitions with the names of over a hundred concerned Canadians.

The petitioners want the government to ensure that when people come to Canada, they have access to proper language training so they can fully participate in our economy.

\* \* \*

• (1515)

#### 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 ask that all questions be allowed to stand.

**The Speaker:** Is that agreed?

**Some hon. members:** Agreed.

---

## GOVERNMENT ORDERS

[English]

### CANADA-EUROPEAN UNION COMPREHENSIVE ECONOMIC AND TRADE AGREEMENT IMPLEMENTATION ACT

The House resumed consideration of the motion that Bill C-30, An Act to implement the Comprehensive Economic and Trade Agreement between Canada and the European Union and its Member States and to provide for certain other measures, as reported (with amendments) from the committee, and of the motions in Group No. 1.

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC):** Mr. Speaker, on behalf of my constituents in the Ottawa Valley riding of Renfrew—Nipissing—Pembroke, I am pleased to partici-

#### Government Orders

pate in today's debate, ushering in the peace and prosperity agenda that represents the cornerstone of successive Conservative policies that have been the envy of the rest of the world.

The trail that leads to today's debate for a Canada-EU trade agreement began with our previous Conservative government under the leadership of the Right Hon. Stephen Harper, and was concluded before the last general election. Conservatives recognize that international trade initiatives generate increased economic activity, drive prosperity and job creation, as well as foster greater co-operation between our democratic allies. The Canada-EU agreement will emphasize the importance of secure access to international markets through a rules-based trading system.

Canada must trade. Jobs in Canada depend upon the ability to export what we ourselves do not consume. In turn, the world needs what Canada produces. Conservatives believe that Canada should strive to maximize the benefits we have as a free trading nation. We understand clearly the need to diversify markets as competition promotes fairness. The need to establish trading relationships beyond North America is exactly what CETA accomplishes. This landmark trade agreement is the result of sound Conservative trade policy and years of hard work. I welcome the opportunities in employment and wealth creation of bringing this deal into force.

I ask all Canadians to recognize the hard work over the past decade by our world-class trade negotiators, the ministers who led them, and the prime minister whose vision led Parliament to pass a record number of free trade agreements. The path to reaching the comprehensive economic and trade agreement between Canada and the EU began nearly a decade ago under our previous Conservative government. Negotiations were formally launched in 2008 by then minister of international trade, my good friend and former colleague, the Hon. Stockwell Day. Talks continued under my friend and colleague, the hon. member for York-Simcoe, who also found time to launch trade talks with India, the world's largest democracy, and trade talks, now finalized, with Ukraine, a democracy under siege. However, we would not be here today if it were not for the hard work and heavy lifting by Canada's longest serving and, easily argued, best minister of international trade, the hon. member for Abbotsford. As minister, he ushered through Parliament trade agreements with Colombia, Jordan, Panama, Honduras, and Korea, all while completing negotiations with the 28 countries in the EU. Canada's consumers, entrepreneurs, farmers, miners, and manufacturers will benefit under this agreement, thanks to the hard work of the member for Abbotsford.

*Government Orders*

I recognize the present federal government in moving forward in the best interests of all Canadians by supporting trade liberalization with the ratification of this trade agreement. With the decision to walk back on a number of Conservative policies, like tax reduction, reducing the federal deficit, and balanced budgets, Canadians are breathing a sigh of relief that this federal government is not following the regressive left trade policy of isolationism by trying to undo our previous Conservative government's accomplishments on trade. I will only be confident when CETA is finalized.

Canadians will see significant economic benefits from free trade with Europe. Perhaps this will inspire the current government to support free trade between provinces, and free the beer. Like NAFTA, CETA was negotiated under a Conservative government and ratified by a Liberal government. My hope for Canadians is that we will see similar economic benefits from CETA as we have under NAFTA.

My constituents are concerned the Liberal government's anti-business policies and reckless deficit spending will wipe out any economic benefits Canadians might see under CETA. NAFTA helped our economy grow. It helped businesses expand and hire more employees. By expanding the Canadian economy with trade, a previous federal government was able to finally wrestle down the reckless deficit spending launched in the 1970s under Pierre Trudeau.

• (1520)

Now, in what might be the most ironic case of history repeating itself, we have another Liberal Prime Minister whose reckless spending has led us into structural deficits that will far outlive many of the majority of the current generation of taxpayers.

When this trade deal with Europe starts to provide a boost to our GDP, I am concerned that the government will use it as an excuse to keep on its reckless spending record.

It is important to remind Canadians that after the government broke its promise on the annual deficit, and then broke its promise on the total amount it would borrow, any fiscal credibility rests on keeping the debt-to-GDP ratio the same. As Canadian employees and employers work together to open new markets for the products and services in Europe, their creativity and drive will increase our country's GDP. This does not justify larger deficits. The debt-to-GDP ratio should decline over the long term as it did when our Conservative government was in power.

Expanding the Canadian economy with trade and reducing debt is the right policy for Canadians. By expanding the Canadian economy, CETA represents an opportunity to get federal spending under control without the cutbacks of the 1990s that resulted in cuts to health care and the decade of darkness for our military and the nuclear industry.

In my riding of Renfrew—Nipissing—Pembroke, we have some of the most innovative and productive farmers in the world. Young farmers are looking forward to seeing 94% of EU tariff lines on Canadian agricultural products becoming duty-free once CETA enters into force. This duty-free access will give Canadian agricultural goods preferential access to the EU market at a time

when their American competitors are sidelined, waiting on a stalled deal between the United States and Europe.

With the passage of CETA, I am looking forward to going back to my riding and telling farmers that if they hurry, they can capture new markets and increase their sales. It is important that they increase their sales, because under the Wynne Liberals, their electricity costs have skyrocketed with the hidden carbon tax called the “global adjustment” on consumers' hydro bills. It is important they hurry because the federal Liberal government has implemented a massive carbon tax on all of their energy costs, to be collected by the Toronto Liberal Party.

CETA will be good news for the farmers and manufacturers in my riding, but they use a lot of energy, so any gains they make will be taxed away by the Liberal government.

With the elimination of tariffs between Canada and Europe, combined with our country's vast natural beauty, we could expect to see more European tourists seeking to explore our wilderness. For Europeans watching this debate, whitewater rafting in the upper Ottawa Valley is world class and a lot of fun.

Sadly, when they come this spring, some smaller family-run campgrounds will not be reopening because of the government's relentless attack on small business, and in particular, its attack on family-run campgrounds. Like many European tourists, my colleagues across the aisle may not be aware the government thinks that if campgrounds have fewer than five full-time year-round employees, they are too small to qualify for the small business tax rate and should therefore pay the same as large companies, and in many cases, even more.

Urban MPs do not represent a lot of campgrounds downtown, but when thousands of their constituents leave the city to go camping across Canada this summer and find out their favourite little campground closed because of the Liberals' borrow, tax and spend policies, I expect they will hear a lot more about this issue. In short, CETA is good for tourism, but Liberals are bad for business in the tourism industry.

Again and again, it is the same story. The gains Canadians made from the hard work by our previous Conservative government to cut taxes for all Canadians and successfully negotiate favourable new trade deals is being undone by the Liberal spending government.

• (1525)

**Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Madam Speaker, I find it is kind of tough to follow along when some members speak, but one thing I will say about the member is she is consistent. I do applaud her on that. That is the nice thing I have to say, I guess.

*Government Orders*

The question I would have for the member is, on a number of fronts, she just throws something into the air that gets recorded in *Hansard* and I do not quite understand the logic behind it. Let me give an example. The member continually makes reference to deficits and reckless spending. One would think she was talking about the Harper government, which had the largest, most significant deficit in the history of Canada. That is Stephen Harper, the former prime minister.

She talked a great deal about trade and how Canadians are going to benefit from it. It was Stephen Harper who brought us to the deficit side of the trade balance.

Yes, the Conservative government did do some work in bringing forward an agreement, but it was our government that brought it across the goal line.

I wonder if the member might want to address some of those points in the best way she can.

**Mrs. Cheryl Gallant:** Madam Speaker, I think the member opposite has been believing the fake news that he generates. In the Liberals' zeal to undo our Conservative legacy on justice for victims, funding for our military, and cutting taxes for low-income Canadians, first and foremost, the Liberals embraced our health care funding formula while sowing divisions between the provinces. They embraced our carbon targets, but imposed a carbon tax on everything. With CETA, they embraced our Conservative legacy on trade, but of course, being Liberals, they perverted CETA to their own end.

**Mr. Brian Masse (Windsor West, NDP):** Madam Speaker, one of the things that was mentioned in my colleague's speech was the Liberals being bad for tourism, in general, and the cost on tourists. I would like to ask the member about her comments with regard to adding new taxes for tourists and the subsequent policies that were done under the Harper administration, in particular, the HST. The HST was introduced during a time of deficit.

I had an independent study from the Library of Parliament to examine the borrowing costs during the deficit of the \$4 billion that we had to provide for Ontario and \$2 billion for British Columbia, at that time, and the interest over a period of time to pay that off as we continued to stay in deficit actually ranged from an \$8-billion to a \$10-billion deficit.

I would like to ask the member about the deficit increase that was created by the HST, an ideological tax which the Conservatives, under Harper, brought in at that time, and the mere fact that it has cost consumers more money.

**Mrs. Cheryl Gallant:** Madam Speaker, the member is spewing alternative facts. Everyone knows that the HST, what was taxed and whether or not to go ahead with it, was the decision of the provinces.

Our Conservative government pursued trade deals with our allies and developing democracies with so much energy because of former prime minister Harper's vision for Canada and the confidence that Conservatives have in Canadians.

Our Conservative caucus is confident Canadian companies can compete with the best in the world and win. What we do not need is a Liberal promise-breaking and spending government taxing Canadians in order to give handouts to their friends.

**Ms. Joyce Murray (Parliamentary Secretary to the President of the Treasury Board, Lib.):** Madam Speaker, I am pleased to be part of this debate on CETA. Having listened to the previous speaker, the member for Renfrew—Nipissing—Pembroke, I was disappointed, but not surprised, by the partisan and inaccurate sound bites with respect to the current government. However, I want to thank her for having given credit to members of the previous government and their work to build this very important trade agreement, especially the member for Abbotsford. It is always important to recognize that we are building on the work, over the long run, of members on all sides of the House.

I am going to talk about small and medium-sized businesses in my remarks, for the simple reason that I was the founding owner of a business that went from small to medium-sized. I have not been involved with that business since I entered politics in 2001. There were more than two decades during which I dedicated my efforts and talents to developing that business, so I understand not just the importance of small and medium-sized businesses but the challenges they face.

Canada needs to increase its competitiveness and productivity. We know that, and an important way to do that is to support small and medium-sized businesses. In my riding of Vancouver Quadra, there are many clusters of emerging innovation in clean tech, biotech, innovative arts and culture, and information technology. In innovation, there is the University of British Columbia, which has a world-leading cluster of innovation. Workers and owners and their families, like in Vancouver Quadra, would benefit from the support CETA would provide to small and medium-sized business groups.

Exports play a very important role in the Canadian economy, as we know, contributing to growth, productivity, and employment. Overall, exports of goods and services are the equivalent of just under one-third of Canada's GDP. Either directly or indirectly, export enterprises employ one out of every six Canadian workers. Small businesses alone make up 90% of Canadian exporters and, in 2011, were responsible for \$68 billion, or 25%, of the total value of exports.

Small and medium enterprises, or SMEs, are about people. SMEs employ some 10 million Canadians, or nearly 90%, of Canada's total private-sector workforce. Innovation, Science and Economic Development Canada released a report last year profiling SMEs and their characteristics as Canadian exporters. The report found that 10% of Canadian SMEs exported goods and services in 2011, with export sales accounting for about 4% of total company revenues. We can and need to grow that.

### *Government Orders*

The report also points to superior financial performance by exporters compared with non-exporters. Specifically, exporters generated higher sales, pre-tax profit margins, and returns on assets, on average, compared with non-exporters. As well, exporters are more research and development intensive than non-exporters, spending 8% of annual revenues on R and D, on average, compared with 6% for non-exporters. Exporters are also more growth oriented than non-exporters, with a higher percentage growing their sales by 20% or more per year compared with non-exporters.

SMEs clearly have a significant role to play in Canada's future prosperity, and our government certainly believes in supporting our hard-working SMEs in succeeding in this role, leading to more jobs, a strengthened middle class, and more tax dollars for our important social safety nets.

One way to support SMEs is by ensuring that there are accessible export markets abroad, with advantageous conditions within these markets for them to compete. The findings of the report I mentioned support the government's continued commitment to advancing an SME growth and export agenda through the establishment of new trade agreements.

• (1530)

Currently, Canada's SME exporters continue to focus predominantly on the U.S., with 89% of exporters selling to the United States and 74% of the value of exports generated by U.S. sales.

With CETA, we will see SMEs diversify their exports and pursue opportunities in the European Union, the world's second-largest market for goods. The EU's annual imports alone are worth more than Canada's entire GDP. The EU is also key for global supply chains, with more Fortune 500 companies than anywhere else in the world. This important access to supply chains is an important avenue of opportunity for the global ambitions of many Canadian people and their families. Of the EU's more than 9,000 tariff lines, approximately 98% will be duty free for Canadian goods when CETA comes into force, with more eliminated, over time, when the agreement is fully implemented.

As well, there are innovations within CETA that will save companies time and money, such as the protocol on conformity assessment, which will allow Canadian manufacturers and certain sectors to have their products tested and certified in Canada for sale in the EU. This kind of regulatory alignment can be particularly useful for SMEs, avoiding the need to set up testing operations outside the country.

CETA will open opportunities for Canadian businesses, including SMEs, in the EU's estimated \$3.3 trillion government procurement market. Once CETA enters into force, Canadian firms will be able to supply goods and select services to all levels of EU government, including the EU's 28 member states and thousands of regional and local government entities.

CETA will also provide Canadian SMEs with a first-mover advantage in the EU market over competitors from markets, like the U.S., that do not have a trade agreement in place with the EU. It will allow Canadian businesses to establish their customer relationships, networks, and joint projects first.

Canadian businesses need to be aware of the benefits CETA will bring. We cannot assume that this is always the case. As I remember well, small businesses often lack the time and resources to inform themselves of game-changing international business developments such as free trade agreements.

Plans have been developed to promote recently concluded agreements, including CETA, with SMEs specifically in mind. First, our government is undertaking proactive initiatives to reach out to Canadian businesses across the country and through our missions in the EU market. There is a new CETA web page geared toward Canadian businesses, with links to information and export opportunities. In co-operation with our provincial partners as well as Export Development Canada and the Business Development Bank of Canada, our government is launching a series of business outreach events featuring technical experts who will be reaching out to small businesses. Outreach is very important to our business community.

Second, we are ensuring, through training, that our teams support international business development through trade commissioners, in Canada or abroad, so that they are fully familiar with the technical aspects of the agreement and can advise their clients about the opportunities they bring. One example is the work the government has done to ensure that trade commissioners can properly advise their business clients on CETA by holding training sessions.

Third, following a detailed assessment, the government will work with specialized industry associations in priority sectors, with a focused, hands-on approach to helping potential exporters.

CETA is an agreement with progressive countries, many of which have strong, or stronger than Canadian, environmental and labour conditions. The inclusion of strong labour and environmental side agreements is very important to Canadians and to our government. As well, CETA's benefits for the Canadian business community are very important to our government. This range of opportunities in the EU and its market of more than 500 million consumers is critical for our country's jobs and the economy.

What a positive initiative this is, and how appreciative I am that our government's former trade minister managed to take this stalled agreement, work with her partners in the EU, and bring the agreement to a close. Our families, our workers, rely on these kinds of jobs.

•(1535)

This is good for Vancouver Quadra, for British Columbia, and for Canada. It is a landmark agreement with our European partners. It needs to be implemented as soon as it can.

•(1540)

**Mr. Gord Johns (Courtenay—Alberni, NDP):** Madam Speaker, there is another part of this deal that is very troubling to my constituents, the residents of Vancouver Island. It is the maritime section of CETA.

The International Longshore and Warehouse Union released a statement about this portion of the trade deal. In that statement, they said, “The maritime section of CETA will destroy the Canadian maritime industry as it exists today by ending what is known as cabotage.”

Some members might ask “What is cabotage?” Cabotage is the protection under the Coast Trading Act. It is a measure that protects our coastal trade by requiring any vessel trading within Canada to be Canadian owned, operated, and crewed.

Cabotage protects jobs, our environment, and our economic health. If CETA goes forward, it will destroy the protection of cabotage. It will allow foreign-owned vessels to work the coastal waterways they are currently banned from. It will allow cheap foreign labour from foreign countries to run their ships, putting our Canadian seafarers out of work. These foreign countries' ships will not pay taxes in Canada. This is an unfair labour advantage.

Will this coastal MP from Vancouver Quadra stand up for coastal British Columbians, stand up for seafarer jobs, and stand up for B. C.'s economy?

**Ms. Joyce Murray:** Madam Speaker, I appreciate the member's concern for his constituents, and for the environmental and economic health of coastal British Columbia. As the member is very well aware, a huge part of the economic vitality of British Columbia is completely dependent on trade.

This is an agreement with partners that pay wages that are, in many cases, higher than we pay in Canada, that have environmental standards, and measures such as carbon taxes and cap-and-trade systems that are more robust than we have in Canada.

Trade is important in British Columbia and on our coasts, and those principles of environment and labour health in Canada are being advanced.

**Mr. Arnold Viersen (Peace River—Westlock, CPC):** Madam Speaker, the hon. member mentioned positive aspects of CETA, and I would agree with most of them.

I am just wondering what the member's thoughts are in terms of the TPP and how we are moving forward on that, if we are going to move forward on that?

**Ms. Joyce Murray:** Madam Speaker, I appreciate the positive comments by the member opposite about this Canada-European Union free trade agreement, which both the former government and our government have worked so diligently to bring to fruition.

As the member is likely aware, our government did not take a position on the TPP because we wanted to consult Canadians. We

### *Government Orders*

have done that, very fully, over the period that we have been in government. That is a key, I would say a seminal, difference between our government and the former government of Prime Minister Stephen Harper. There tended to be a lot of decisions made by government for Canadians without consulting with Canadians.

This has been an important initiative on our government's part, to hear from Canadians, the stakeholder groups, the interest groups, and individual citizens before taking decisions on major initiatives that may well affect them.

**Mr. Sukh Dhaliwal (Surrey—Newton, Lib.):** Madam Speaker, first of all, I would like to commend the hon. member for Vancouver Quadra for the work she has done and for standing strongly with British Columbians and coastal communities, as well as for her passion on the environmental file.

My question is on the environment. When we signed a free trade deal with Colombia, we had a parallel agreement on the environment. I would like to ask the hon. member if we need a parallel agreement on the environment, the way we had one with Colombia.

•(1545)

**Ms. Joyce Murray:** Madam Speaker, I appreciate the member for Surrey—Newton reminding me of that initiative of the Canada-Colombia Free Trade Agreement as we travelled together as members of the Standing Committee on International Trade. Indeed, having a side agreement on the environment was a very important aspect of entering trade with a country like Colombia. In fact, it is important for any country that we do trade with, and that began with the North American Free Trade Agreement. It continues and is improved in agreement after agreement today.

It is hugely important to Canadian citizens to know that our protection of the environment will not be weakened in Canada as a result of a free trade agreement and, in fact, the agreement itself may serve to strengthen protection of the environment in our trade partners.

**Mr. Brian Masse (Windsor West, NDP):** Madam Speaker, I am pleased to rise today to debate CETA. It is good that we are talking about other trade agreements.

*Government Orders*

I was going to start off with something different but I want to address a bit of the previous conversation that has been taking place with respect to trade agreements in Colombia, and trade agreements in general. It is correct that we do have side agreements with Colombia on environment and labour. The problem is that they are not enforceable. Those non-enforceable trade agreements have been the hallmark of Canadian trade agreements for a number of different countries. If we want to use Colombia as an example, what is interesting is that it was argued that the free trade agreement with Colombia would open up all kinds of jobs and investments in Ontario. It would also invest in other places across Canada. We are supposed to have those benefits. Therefore, I do not understand why they are not being referred to in this debate.

If we want to look at Canada's past trade agreements, the most recent being Korea, there has been no indication coming back to the House of Commons with respect to any benefits that have been accrued. That was done in 2015. It was supposed to be an earth-shattering, groundbreaking advancement for Canadians in particular for the separate industries of agriculture, and other investments in canola and other things. Where are those jobs? It was argued that they would be good, full-time, free-trade jobs that would be supported by all Canadians. We were going to break down the barriers, our lives would get better, and the improvements would be there. Where are they? Nobody knows. They are not here.

We had warned that there would be a loss of jobs in the auto sector related to it. We still have the same problem because of non-tariff barriers. For example, good luck to anyone who is trying to sell a vehicle in Korea, and if one tries to open up a dealership there to service it, one cannot do that because of all the problems, so one could buy a vehicle that cannot be serviced by a dealership. Who wants to do that? Therefore, what we have is a loss of jobs and unfair competition.

Where are all of these jobs in South Korea or in Colombia? It continues to go on.

If we look at Panama, which is known for harbouring money, and fugitive money, those things continue to exist. In fact, we have had the Panama Papers since we signed the agreement on April 1, 2013. I remember standing with others in this chamber to talk about our exposure to encouraging offshore tax avoidance, which sometimes occurs in our country, as well as across the world. We have a free trade agreement that was supposed to bring all kinds of jobs and accountability. That has not happened. We would not have even known about those things if not for the *Toronto Star* and the CBC doing investigative reports on the leaked Panama Papers from time to time, which led to the exposure of many of these problems that we knew were there because we had evidence. However, that was another trade agreement related to creating jobs.

We have the Honduras trade agreement. Where are the jobs and the examples from the government on Honduras? They were supposed to be here in 2014. The trade agreement was supposed to lift Honduras to other levels and create jobs for us here. We have not heard anything about that.

It is the same with Peru. That trade agreement happened, but where are all those jobs? Again, we have not heard.

We have signed these agreements and we have not heard about any measurables.

This is the important part that connects to CETA, and I will get into it more specifically after this. We have side agreements on the environment and labour. The real connection relating to what we see happening with the disturbance of a number of patent and trade agreements right now is the United States clamouring over NAFTA. Most of it is related to environmental and labour subsidies coming from what it says is Mexico, despite the fact that thousands of people per day cross over and work at Walmarts, factories, and so forth in the United States. We will not talk about that, but that is the reality, and the hypocrisy, of it. However, that comes from side agreements.

● (1550)

What is the difference between a side agreement and having something inside the agreement? Inside the agreement, it is manageable and measurable, and part of the agreement. It becomes synonymous with the agreement such that one cannot use human beings in a deplorable fashion, one cannot use children, and one cannot exploit labour. None of these things could be done. It is similar to the environment. One cannot use the environment to subsidize the impact of the cost of production in competition without a challenge, and that can be in the agreement.

In CETA, we will have a better example with the European countries that are involved in it, and it is something very serious to consider, given that with NAFTA the biggest thing pulling at us right now is the fact that we did not include labour or the environment. It festered for a couple of decades to the result that we see right now. Trump and other Americans are complaining about it, but some of these things would have been controllable in a labour agreement. They could have been there and would have been measurable. It could have been addressed. However, we are not doing that under CETA.

With CETA, the interesting thing to consider right now, as it is on the table, is that we have Brexit. Let us talk about Brexit with regard to how important it is to CETA.

Obviously, the United Kingdom is a very close ally and trading partner. It is part of the foundation of our modern society here. However, it has decided to exit from European trade. When we sat down to look at this agreement and started working on it, this was not the case. It has taken so long to get here that it has gone from being a partner in the agreement, to actually holding a referendum, and now to exiting from the arrangement.

Some members may think that, oh, it is just the U.K. Do not worry about it. It is just one nation over there. However, that is 42% of our trade with Europe. Therefore, 42% of the deal is off the table and has been cast to the wind.

*Government Orders*

If one were to negotiate the sale of one's house, or purchase a house, and all of a sudden 42% of the house was no longer saleable, it would probably change the way one would go about business. If one were to buy a car but it was 42% different than what one actually wanted to buy in the first place, one would probably look for a different car. This 42% is a significant amount. It actually creates an opportunity that the government does not even realize with regard to trading.

The Liberals always say that NDP members are against trade and all that kind of stuff, which is absolutely ridiculous. Humans have been trading from the beginning and continue to trade now under different types of agreements. However, we disagree about the fact that we do not have labour and environment in those agreements. When we create a partnership, the partner should not use child labour or subsidize the environment, like dumping oil, chemicals, and so forth in the water. In fact, we have enough of our own domestic problems with that stuff, and perhaps some competition would do us some good.

The reality is that under CETA right now, 42% of the agreement has been blown up, it is out the window, and we are going to have to create a separate binational agreement with the U.K. I see that as an opportunity. I see that as a possibility, and those elements are being sought out right now. Instead, we are going to grind ourselves away into an agreement that will still take years to be ratified. Not only will it take years to be ratified, it is different than when we started.

In fact, one of the major objections we have is the investor-state provision in CETA, which is huge. It is related to the controllability of the public sector versus that of the private sector. We see chapter 11 under NAFTA where we got it up, having so many lawsuits.

To conclude, even by us approving CETA, our partners in this will approve something different, because they actually stood up to for their communities and their people, and they got a better deal than what we are willing to even talk about at the table.

• (1555)

**Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Madam Speaker, the member has indicated that because England has pulled out of the agreement, Canada should pull out as well. The United Kingdom makes up 42% of trade, but according to my math that still leaves 58%, which is a significant amount of trade. It takes time for these things to evolve.

Is the government to believe that the position of the NDP is based strictly on the fact that the EU has broken up because of England and therefore we should not pass this trade legislation? We know that 58% or more of our exports cross the Atlantic, and we benefit immensely from that. This agreement will enhance the amount of trade between the EU and Canada. Why would we tear up the EU agreement because one of the countries has left, albeit a significant one?

**Mr. Brian Masse:** I did not say that, Madam Speaker.

**Mr. Arnold Viersen (Peace River—Westlock, CPC):** Madam Speaker, at the beginning of his speech, the member asked where all the jobs are that the previous Conservative government promised when it dealt with free trade. I am proud to be part of the party that managed to sign 42 free trade agreements around the world when it

was in government. We were able to watch our country flourish under those agreements. Our Conservative government grew the economy by 1.2 million new jobs.

There are jobs to be had. Is the member in favour of free trade or not?

**Mr. Brian Masse:** Of course I am in favour of trade, Madam Speaker. We have supported all kinds of trade agreements, but there were others that we did not support.

What is interesting to note about all of those trade agreements that the member has mentioned is that Canada's employment rate and its export elements were poorly reflected in them. Those agreements have not led to the panacea for human rights and other environmental improvements that were sought with regard to trade and were profoundly mentioned. We were promised those things. We were promised that the government would lift the boat up, so to speak.

If jobs were created, they were likely created from the incredible historic deficits that the Harper administration carried. That deficit spending came in two ways, the first being corporate tax cuts, often to some of the most affluent businesses that did not need them at the time. That resulted in very little job creation. Some jobs were created in relation to infrastructure, as some tangible targets were reached. The government at that time does deserve some credit for those.

At the same time, the poorly administered massive deficit is historic in nature, and we are going to continue to pay for it, especially with the Liberals piling on expenses for things we cannot calculate because they were not done in the proper way.

**Mr. Gord Johns (Courtenay—Alberni, NDP):** Madam Speaker, when I hear my colleague from Windsor West speak, I hear someone who has wisdom and understands the issue. He lives on our border with the United States and deals with trade every day. He sat for many years on the all-party committee for Canada and the United States. I appreciate him talking, not just about free trade, but about fair trade and agreements that work for everyone. I am from a rural community, and I have seen wealth leave and jobs disappear. This is happening in many rural communities.

The member wants trade. Could the member talk about how we could move forward with trade deals? We want trade, but we want to do these deals right and get them right for people in all communities.

*Government Orders*

•(1600)

**Mr. Brian Masse:** Madam Speaker, British Columbia is known for its excellent wines and wineries. Under the EU deal, we fought to get it to keep certain areas that are branded. The EU has been able to do that. For example, we cannot call champagne “champagne” anymore, because it has been branded in the EU. We expected some reciprocity to call certain zones under the Canadian flag that way, but that was not permitted. It was not even supported by the government of the day.

**Mrs. Bernadette Jordan (South Shore—St. Margarets, Lib.):** Madam Speaker, thank you for the opportunity to speak today on trade and the benefits of CETA.

The reality is that anti-trade sentiments are rising around the world. There is an increase in protectionist attitudes in the U.S. and other countries previously seen as welcoming to global commerce, which could make it challenging to progress in negotiating trade deals, and there are a lot of misconceptions about free trade.

Canada is a nation that was built on trade and continues to rely on it heavily for our continued prosperity. Our predecessors knew that opening borders and exchanging with our neighbours was a pathway to strength and security for our nation and its citizens. Our government supports this long-standing practice of opening foreign markets through trade agreements.

Through the years, the process of trade has evolved, with innovation leading to faster, more reliable, and more efficient exchanges across borders. For example, technological advances have helped overcome barriers of time and distance and have made it much more of a reality to find trading partners throughout the world.

Concretely, it means that many of the burdensome and costly processes required to explore, pursue, and deliver on international business opportunities are now easier for Canadian companies.

As a side note, the changing accessibility of markets highlights an important challenge for many business owners and entrepreneurs in my riding of South Shore—St. Margarets, as so many businesses rely on quality high-speed Internet in order to communicate with suppliers and expand trade opportunities around the world. I was thrilled with the announcement by the Minister of Innovation, Science and Economic Development of the connect to innovate program, which invests \$500 million over five years to support the development of broadband infrastructure. I have spoken with many organizations in my riding that are considering putting forward applications for this program. I hope that this will be a great first step in getting more reliable Internet to rural parts of my riding. Our government is actively working to address these barriers to trade and business expansion.

However, to get back to CETA, trade is fundamental to the prosperity of Canada, just as it is for the world economy. Canada is among the most open of the G7 countries, ranking second in terms of both trade and foreign direct investment as a share of GDP. In Canada, one in six jobs is related to exports. Canadian exports of goods and services are equivalent to just under one-third of our GDP, and Canada's total trade is equivalent in size to nearly two-thirds of our GDP. There were more than 43,500 Canadian goods exporting companies in 2014, most of which are small and medium-size enterprises.

As a medium-sized economy, we depend on trade to increase tax revenues to our public accounts, so we can invest in Canada's physical infrastructure, security infrastructure, and public services. Increased trade means increased job creation, increased income, resulting in a higher standard of living. Canada is ranked high in all of these categories, thanks in part to our trade around the world.

Open trade benefits Canadian consumers by increasing product selection and lower prices resulting from the elimination of unnecessary trade barriers, be they traditional, such as tariffs, or technical, such as having heavy bureaucratic burden. It benefits Canadian businesses by opening up new markets and opportunities for our world-class workers, producers, and manufacturers.

Trade agreements open international markets to Canadians goods and services and help counter protectionism. These agreements improve operating conditions for our firms by committing countries to transparent, predictable, rules-based systems. This helps establish a more stable environment for trade and investment and is especially important for middle-sized economies such as Canada's.

The context of international trade is changing. In light of this change, and in order to counter rising anti-trade sentiments, the government has moved above and beyond the traditional model, policies, and mechanisms to pursue trade, becoming a leading force in certain fields. It is the government's progressive trade agenda policy that I am referring to.

We have recently witnessed the success of progressive trade with CETA. Our government has made enhancements to CETA in order to strengthen and introduce progressive elements related to environmental protection, workers' rights, consumers' health and safety, and the government's right to regulate. These were key issues that needed to be addressed properly in order to gain the support of some member states within the EU before we signed CETA, permitting the ratification of this progressive agreement in the Council of the European Union.

Nova Scotia's aging population, jobs, and economic growth and challenges, matching those looking for work with the vacancies available, are issues I hear about every day. However, we are not elected to just talk about challenges, we are here to talk about and find solutions.



*Government Orders*

•(1605)

As members may be aware, the federal government and provincial governments of Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland and Labrador have launched the Atlantic growth strategy, which is in response to some of the systemic issues we have seen in Atlantic Canada for some time. We have not seen a lot of progress on these issues under previous governments, unfortunately. What we Atlantic Canadian MPs can see clearly, which I think many business owners can see clearly, is that Atlantic Canada is home to some of the highest-quality products in the world and that there are markets that are willing to pay for our high-quality products.

As a government, it is our job to reduce those barriers to get our products to their markets, to help our small, medium, and large-sized businesses succeed. CETA is a pathway to achieving that end. By removing some of the barriers to trade, it means we can get lobsters, wines, tires, airplane parts, fruit juices, Christmas trees, and many other goods to European markets more easily and at more competitive rates than they are right now.

We have the CanExport program, announced in January of 2016 by our government, which is designed to provide up to \$50 million over five years in direct financial support to small and medium-sized companies to access new export opportunities, as well as The Canadian Trade Commissioner Service's network. It is not just goods. Implementing CETA will mean that innovative and entrepreneurial Canadians would be able to offer their services more easily to European businesses and governments. As former American President Obama said on his visit to Ottawa, "the world needs more Canada". CETA is one way to help grow Canadian businesses and help them create jobs while sharing what Canadians have to offer with the world.

My message today is a simple one: free trade has and will continue to transform the world for the better. We should be confident about what can be achieved through trade. Trade means economic growth and job creation in Atlantic Canada. In pursuit of prosperity, we should continue to challenge those who oppose trade. We should welcome a golden opportunity like CETA and other free trade agreements to forge a new role in the world, one which puts Canadians first.

I encourage all hon. members to support this bill. Their support would indicate to Canadians that we want to succeed in today's globalized world while staying true to our core principles.

**Mr. Arnold Viersen (Peace River—Westlock, CPC):** Madam Speaker, in my riding in northern Alberta, there are a number of key industries. The forestry industry is a major player, the agriculture sector is a huge employer, and the oil and gas sector is the number one employer. They very much value the increased market access that comes with CETA.

They are also looking forward to the ratification of the TPP. I was wondering if my colleague could provide her insights on the TPP and how that deal is progressing, particularly in light of some of the other comments that have been made earlier today.

**Mrs. Bernadette Jordan:** Madam Speaker, when we talk about free trade, we have made it clear that we support trade on this side of the House. It is important to note that all agreements will be debated

in their own time. Right now, CETA is top of mind, and one that I am hoping all members of the House will support.

•(1610)

**Mr. Daniel Blaikie (Elmwood—Transcona, NDP):** Madam Speaker, what is sometimes frustrating when we have debates on trade in the House is trying to work our way through the barrage of suffocating platitudes about free trade to talk about particular agreements. It seems to me, having listened to the member's speech, that she does not believe it matters, when we are on the cusp of signing a major multilateral treaty with a number of major partners, that one of the major partners is pulling out of the deal.

Let us say that one was planning one's family's financial future. Assuming that one partner had a job with a certain income and the other one had a job with another income, the two decide what they can afford in purchasing a home and are keen to sign the mortgage. In the meantime, both lose their jobs and their financial situation totally changes. The current government would walk right in there and sign the mortgage anyway.

We are living in a turbulent time. The conditions surrounding CETA have changed dramatically. Canada's trade position with respect to the United States is in the process of potentially changing. There is a lot of uncertainty. It seems like a bad time to jump into a trade deal that we do not even know Europe is going to agree to.

Why is it that the government and the member feel it is so urgent to sign this deal when we do not even know the context in which we are signing it?

**Mrs. Bernadette Jordan:** Madam Speaker, I thank the hon. member for his comments, even if I do not agree with him. First—

**Mr. Daniel Blaikie:** You don't agree that Britain is leaving the European Union?

**Some hon. members:** Oh, oh!

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** I would remind the member for Elmwood—Transcona that he had the opportunity to ask the question and the respect was provided to him. I expect him to ensure that the member who has the floor has that respect as well.

The hon. member for South Shore—St. Margarets.

**Mrs. Bernadette Jordan:** Thank you, Madam Speaker. To further comment on this point, as my colleague mentioned earlier, 58% is still a huge area of trade. With Brexit, I do not think we can close the door on that 58%.

I know for my riding of South Shore—St. Margarets, opening up those trade deals for lobsters, wines, Christmas trees is going to be beneficial to my riding. The right thing to do is to sign this agreement.

*Government Orders*

**Mr. Arnold Viersen:** Madam Speaker, to that exact point, I was up earlier asking the member about the TPP. The Liberals have been fairly clear that they are not supporting TPP because the Americans are not supporting it. Yet, on this deal, they are saying that it is totally fine that Britain may be pulling out of it at some time in the future.

I wonder if I could get a bit of clarity. If it is good for the goose, is it good for the gander, so to speak?

**Mrs. Bernadette Jordan:** Madam Speaker, 58% of the EU is still a trade worth having. We are not talking about the same type of thing. CETA is going to be very beneficial to the people in Atlantic Canada and to the people in my riding of South Shore—St. Margarets.

**Mr. John Nater (Perth—Wellington, CPC):** Madam Speaker, it is an honour to rise in the House to debate Bill C-30, an act to implement the Comprehensive Economic and Trade Agreement between Canada and the European Union and its Member States and to provide for certain other measures.

CETA is one of the largest trade deals our country has undertaken since the North American Free Trade Agreement some 20 years ago. CETA is the result of many years of hard work by a number of key players, including key stakeholders, farm groups, agricultural groups, our trade negotiators, and certainly a number of public servants, but also by the hon. member for Abbotsford.

I am honoured to sit in a caucus with the member for Abbotsford. I have much respect for the gentleman for him bringing about such an important trade deal as CETA. I am very honoured to be speaking in favour of this trade deal. Thanks to the hard work of our previous Conservative government, CETA will have not only great benefits for the businesses and agricultural industry in my riding of Perth—Wellington, but in ridings and in communities across Canada as well.

International trade is absolutely essential to a country and to an economy like Canada. Investing our time and resources in international trade deals helps create wealth and reduce poverty in some developing nations as well.

When new trade agreements are negotiated, there are often those who will complain about different aspects of the deal, who will say that we are trading away Canadian sovereignty. People oppose the deal for one reason or another, but we always hear these voices. Thirty years ago, when the former Mulroney government was negotiating the Canada-U.S. trade agreement, we were told that Canada was signing away our sovereignty, that Canada would be a branch plant of the United States. Here we are 30 years later, celebrating the great success of the Canada-U.S. trade agreement, which was later supplemented by the NAFTA agreement. Our standard of living is as high as it has ever been and we are a strong and independent nation. In large part, this is due to the great trade deals that have been negotiated by previous governments.

•(1615)

[*Translation*]

These agreements can have a huge impact on our national economy. In order to avoid the negative impact of reducing tariffs, we must study free trade agreements very carefully in terms of the effects they will have on each sector of the economy. That is what we

did with CETA. This agreement was not hastily put together; it is the result of years of consultations and negotiations.

CETA is the next great step in the development of Canada's economy. Our country has considerable resources. However, it is sparsely populated. With our small population, our domestic market cannot maintain our high standard of living. We must expand our global markets. If we want to continue creating jobs in the 21st century, we have to create more opportunities for selling our goods, resources, and technology on foreign markets.

Canadian companies are counting on trade with the United States to secure their growth and job creation. When the economic recession of 2008 hit, it became more evident that Canada had to expand its trade options.

The former Conservative government made excellent progress in response to this urgent need by establishing new bilateral trade agreements with other countries and negotiating important trade agreements such as CETA and the TPP. I was therefore relieved to learn that the current government is implementing CETA. Unfortunately, we do not know what it will do with the TPP. However, on this side of the House, we are very proud to support it.

[*English*]

In an uncertain world of unfortunate protectionist rhetoric, CETA has become more important now than ever. Our exporters simply cannot afford to lose global market access. If we expect our economy to grow into the 21st century, we must have access to the European market.

CETA expands Canada's access to 28 European nations, consisting of 500 million people and a total gross domestic product of \$17 trillion. To put that in contrast, the gross domestic product of Canada is only \$1.6 trillion. CETA would bring down the tariff walls that block access to Canadian goods in Europe and Canadian businesses would gain special access to the world's largest market for imports. By ratifying CETA, we give advantage to Canadian farmers, farm families, and manufacturers.

The local economy in my riding of Perth—Wellington is built on agriculture. I am very proud to be the son, grandson, and son-in-law of farmers in my riding. I am proud to support so many hard-working farm families that dedicate their lives to feeding our nation and feeding the world.

For communities, like mine in Perth—Wellington, to survive and prosper, we need expanded markets. CETA would eliminate tariffs on Canadian food products as they were imported into Europe. It would eliminate tariffs of up to 9% on fresh apples, 12% on cherries, 7.7% on flour, and 5.1% on sweet corn. CETA would also establish high duty-free tariff rate quotas for beef and pork to be phased in over the next five years.

*Government Orders*

I will share a couple of important figures with members.

In 2015, total exports of beef from Canada were \$2.2 billion and for pork, \$3.4 billion. This is a significant export market that Canada can embrace. We have some of the greatest farmers, especially in the pork and beef industry, in the world and we can harness that great potential. This is also all the more important today as farmers, especially in Ontario, are facing an uncertain future as they deal with the rising costs of production, especially as these are further increased by the implementation of carbon pricing in Ontario and nationally as well.

I want to say a bit about the dairy industry.

As hon. members may know, the great riding of Perth—Wellington has more dairy farmers and dairy farms than any other riding in the country. I am very proud of our dairy industry and I am very proud to represent so many farm families in my riding that dedicate their lives to producing high-quality Canadian milk. Contrary to the fears that often get presented when international trade deals are being negotiated, the three pillars of supply management have been protected, as they were protected in the TPP deal as well. Producer pricing, production discipline, and import control have all been protected in both the TPP and the CETA negotiations. Canadian consumers will be able to drink delicious Canadian milk. As the son-in-law of retired dairy farmers, I will continue to enjoy drinking a good cold glass of Canadian milk.

I might take this opportunity as well to say how proud I am of some of the cheese makers in my riding. The small communities in Perth—Wellington are quickly developing a name for creating some of the greatest new cheese products now happening in Canada. We have a number of small cheese processors that are doing some great work. I am proud of those local cheese makers who do such great work.

The CETA deal would create up to 80,000 new jobs in Canada. Putting that in perspective, that is 80,000 families that would have an individual in that family who has a job. That is 80,000 families that might be able to buy their first homes. That is 80,000 families that might be able to put their kids in that sporting activity, whether it is hockey or soccer, which they may not have been able to do before if those jobs did not exist. This would have upward of a \$12 billion increase to the Canadian economy. That is as much as \$1,000 per average Canadian family. This is an exceptionally important trade deal that we as Canadians ought to embrace and as members of Parliament ought to embrace and support as we go forward with these negotiations.

Finally, in 2015, agriculture and agrifood in Ontario alone exported \$775 million worth of farm products and agricultural products to the European Union alone. This is a massive market that we as Canadians must embrace.

CETA is not only good for the Canadian economy, it is absolutely essential for our growth and continued prosperity. Protectionism is not the right path for Canada, and I will be voting to support and to ratify the CETA deal.

• (1620)

**Mr. Erin Weir (Regina—Lewvan, NDP):** Madam Speaker, my colleague said that CETA would create 80,000 jobs, and I would like

to question that statistic. My understanding is that it is based on a study that assumed full employment, and therefore that CETA would not create any jobs or affect employment either way. Based on these unrealistic assumptions, it came up with a dollar value of increases in trade and then worked back from that to say that this was equivalent to 80,000 jobs.

Therefore, would my colleague withdraw this claim of 80,000 jobs, or does he have another explanation as to how he arrived at it?

**Mr. John Nater:** Madam Speaker, I am very pleased to address this point raised by my colleague from Regina—Lewvan.

Let us be very clear. International trade is good for our economy. It does create jobs. That is why I am so proud to endorse this trade deal.

In my riding of Perth—Wellington, I can point to a number of manufacturing industries, a number of food processors, and a number of agricultural groups that can directly point to examples of where increasing trade, increasing our markets, whether it is in the European Union or the countries involved in the trans-Pacific partnership, can expand our markets.

I have one particular manufacturing facility in my riding that has probably tripled in size in the last number of years. It is now exporting to a number of different countries worldwide, south of the border, and down into Mexico. I am proud to support those job creators in my riding who are driving our local economy, and that is thanks to some of the trade deals we have negotiated in the past number of years.

**Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Madam Speaker, I want to pick up on one of the comments by the member. He talked about cheese. In Manitoba we have Bothwell cheese. I would argue that it is the best cheese in the world.

There are many industries in every region of the country that benefit when Canada is able to expand trade corridors. With this legislation passed, and hopefully with the type of support we would like to see from European countries, we will see more Bothwell cheese, among many other products and services, going to Europe, thereby creating the tens of thousands of jobs that no doubt would follow.

We appreciate the work of the former government in bringing it as far as it did. We were able to advance it to the point that we now have the bill before us. This is a win-win. There might be some industries that will find it difficult, and as much as possible, many other industries will benefit immensely. At the end of the day, Canada's middle class will win from this agreement. Would he not agree?

• (1625)

**Mr. John Nater:** Yes, Madam Speaker, Canada's middle class will benefit from this trade deal.

*Government Orders*

I want to thank the hon. member for bringing up a number of points. Perhaps I could invite him to bring some Bothwell cheese, and I will bring in some cheese from Shepherd Gourmet Dairy or Stonetown Artisan Cheese as well. We will have a bit of wine and cheese perhaps. Maybe the member for Niagara Falls would bring some wine as well. We can certainly embrace the number of great products in our ridings.

I heard the member speak last week. He brought up the pork industry in Manitoba, which I know is also extremely important to his province, as it is to my province. That is one particular industry that has had some ups and downs over a number of years.

As the son of pig farmers, my family lived through the 1998 downturn in the pork industry. Having this expansion in markets is absolutely essential to a number of different industries we have spoken about today in the House and in previous debates on important trade deals.

**Mr. Sukh Dhaliwal (Surrey—Newton, Lib.):** Madam Speaker, as we are speaking on European free trade, I would like to mention Loreto Peschisolido, who was born in Italy on December 11, 1932 and migrated to Canada in 1951. He went from being a tomato picker, to a painter, to an entrepreneur, to a fashion designer. Mr. Loreto Peschisolido, sadly, passed away on February 2, 2017. Today, along with the member for Surrey Centre, I was able to attend his funeral.

I would like to extend my sincere, heartfelt condolences to his lovely wife, Margherita, and his son, the hon. member for Steveston—Richmond East. Our thoughts and prayers are with the Peschisolido family.

I rise today to speak to Bill C-30, more motivated than in any past remarks on this bill. As we all have seen over the past year, there is a great deal of rhetoric from across the globe that has emerged. It is rhetoric that speaks supportively of isolationism, protectionism, and an abandonment of treaties and international bodies that foster co-operation and collaboration.

Of particular concern to me, and many others in this House, is this new support for what is currently being described as economic nationalism. There is a belief among supporters of this new wave of protectionism that looking inward is somehow better for citizens of any country that adopts this kind of approach.

In the face of these kinds of arguments, it must be emphasized that the comprehensive economic and trade agreement, otherwise known as CETA, signed between Canada and the European Union member states, represents a new model for the world of what is possible in a well-planned, fair, and comprehensive trading relationship. More importantly, this is an agreement that is good for Canadians because of one simple concept: opportunity.

The numbers behind CETA are very exciting. There are 28 European Union member states, with a combined population of 500 million people and a collective GDP of more than \$19 trillion. Simply put, Canada has spent many years negotiating access to the world's largest single market. Once again, the data is very promising. According to a joint report released by both Canada and the EU, CETA is estimated to increase the value of bilateral trade by 22.9%.

The report also finds that it will increase Canada's annual GDP by \$13 billion.

With so many ready to demonize international trade as a political strategy, we in Canada have a different vantage point. As a trading nation, the elimination of trade barriers represents job growth, not job loss. Businesses of all sizes and dozens of industries will have more opportunity than ever.

The list of business interests that will benefit from CETA is as diverse as it is long. From aerospace to agriculture, CETA has addressed long-standing and very specific trade barriers and tackled them directly. To sell our products and services abroad, due to preferential market access, in British Columbia we are actively looking for new markets for our products and services. Currently, the EU is B.C.'s fifth-largest export destination and our province's fourth-largest trading partner.

• (1630)

The elimination of tariffs as a result of CETA would be a massive competitive advantage for British Columbia's businesses. To put this in perspective, 98% of the EU's tariffs, representing over 9,000 individual measures, will now be transitioned to a duty-free environment. The regulatory obstacles that kept the EU at bay for many Canadian businesses that wanted to expand across the Atlantic Ocean are now gone. For our natural resources, aquaculture, information and communication technologies, and cutting-edge medical research breakthroughs, Europe is a frontier that is untapped and ripe with potential.

For B.C.'s services businesses, where 76% of our total GDP is generated and more than 1.7 million British Columbians are employed, there are also new opportunities on the horizon. As an example, the procurement market in the EU, which Canadian companies would now have access to through CETA, is estimated to be worth about \$3.3 trillion annually. This is a monumental figure for which to plan out a potential new future as a business.

Canada has taken seven years to craft an agreement that protects public services and ensures continued control over environmental, labour, health care, and safety standards. It protects our public health care system, maintains the sovereignty of our government to draft laws and regulations, and of course, guarantees complete transparency.

Unlike the stories of average citizens being forgotten and ignored in trade agreement negotiations, I can say, as a member of the Standing Committee on International Trade, that my colleagues on all sides and I listened to Canadians to ensure that all individuals, groups, and organizations that would be impacted by free trade had the opportunity to have their voices heard and carefully considered.

*Government Orders*

For a country of Canada's geographic size, with such a small population, trade is at the heart of our economic success. While the federal government and the individual provincial governments are increasingly working on taking down trade barriers within our own country, our domestic marketplace cannot sustain the growth we aspire to and require. In CETA, we have established a new standard for how a comprehensive and wide-ranging trade agreement can benefit both sides while also respecting national interests and populations.

I am proud of the work our standing committee and the former minister of trade, the present Minister of Foreign Affairs, have accomplished since we started work on this deal. Today we are the verge of a new dawn for international relations between Canada and Europe.

I want to conclude by sharing my belief that trade in the world we live in goes far beyond the metric of dollars and cents. I believe that when nations come together for mutual benefit and with respect for one another's specific interests, diplomacy at its finest can result. International relationships have always been something Canada has prided itself on, with our openness and understanding, our history of forging alliances rather than enemies, and our ability to grow our economy into one of the largest in the world, in spite of our unique challenges of size and population density.

I strongly encourage every member in the House to vote in favour of Bill C-30 and open the wealth of opportunities that lie in front of us.

• (1635)

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Madam Speaker, I will not get into any kind of cheese debate. It is very dangerous when among regional politicians as to everyone's proper and extreme defence of their own local cheese production, but I will say, some of the cheeses in northwestern B.C. are just out of this world and quite fantastic. It was a little cheesy of me to do that, was it not? I apologize to the House.

Madam Speaker, during question period, I became quite animated at one point and I made an accusation of a look on the Prime Minister's face. I seek to withdraw that comment. In the heat of our debates, we should always be tough on the issues but try to remove ourselves from some of the personal invectives that sometimes happen.

I have a question for my friend across the way. We have looked through this deal very closely and I have two specific points.

Speaking of dairy production and cheese, we know from the Dairy Association of Canada that we will lose just shy of 20,000 tonnes of dairy production in this country every year. That is according to the people who make dairy products in Canada. That should be a concern.

Even more specifically to his constituents back home, many of whom rely on medicines, specifically generics, we have heard from the generic drug association in Canada that this will cost Canadian consumers an extra \$116 million a year, at least, in increased drug costs, because it will take so much longer to clear the patents before the drugs become generics. Very specifically for the constituents the member talks about in terms of opportunity, where exactly is the

government planning to compensate Canadians for the more than \$100 million in extra drug costs that are going to be on their family bills each and every year once this deal is signed?

**Mr. Sukh Dhaliwal:** Madam Speaker, first of all, I would like to commend the hon. member for Skeena—Bulkley Valley for being very professional and standing in the House and withdrawing his comments.

I can assure members of the House that the Minister of Agriculture and Agri-Food and the Minister of Health want to make sure that those two issues which the member raised are addressed and Canadians have the best health care possible in the world and on a very affordable basis. That is the goal of the health minister. Also the agriculture minister will make sure that supply management is protected in Canada.

• (1640)

**Mr. Nathan Cullen:** Madam Speaker, I appreciate my friend's, I suppose assurances, that Canadians will be protected, yet there were very specific issues raised both by the dairy industry, with research, and the pharmaceutical industry, with research, to show that this is what the CETA with Europe will imply. Take away the fact that the deal was constructed with the United Kingdom as part of it, and it has withdrawn, and the government has not altered course a moment. Two pretty important industries to Canadians, those of the milk supply, the dairy manufacturers, as well as the generic pharmaceutical industry, have come forward to government, testified at committee, and said that these two parts of the deal are of concern.

I do not think my friend is going to answer their specific concerns, but investor-state protection, the notion of Canada being sued by companies when Canada makes laws to protect our environment, workers' rights, or whatnot, Canada historically is one of the most sued countries in the world. We are successfully sued against by other countries because of some of the trade deals that we have signed. It seems that we are repeating the same problem again and the Liberals are just putting on blinkers and not paying attention. On that side of things, can the member give us any specific assurances that Canada will not continue to be sued for passing Canadian laws protecting Canadians?

**Mr. Sukh Dhaliwal:** Madam Speaker, as I mentioned in my speech earlier, in this agreement we will maintain our sovereignty and the government will also be able to draft laws and regulations that will not cause issues like the member for Skeena—Bulkley Valley has raised.

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** 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 London—Fanshawe, Democratic Reform; the hon. member for Calgary Nose Hill, Immigration, Refugees and Citizenship; and the hon. member for Beauport—Limoilou, Port of Québec.

**Hon. Diane Finley (Haldimand—Norfolk, CPC):** Madam Speaker, I am honoured today to stand to speak to Bill C-30, an act to implement the comprehensive economic and trade agreement between Canada and the European Union, otherwise known as CETA.

*Government Orders*

This is a historic agreement, so I would first like to take this opportunity to thank my Conservative colleagues, the hon. member for Abbotsford, the hon. member for Battlefords—Lloydminster, and of course, the Right Hon. Stephen Harper, for all of their hard work and dedication in making this become a reality. Without their steadfast commitment to increasing Canada's economic productivity, driving our country's prosperity, and creating good-paying jobs for Canadians, we would not be discussing this trade agreement today, so I thank them.

When the previous Conservative government had the privilege of being elected in 2006, Canada had trade agreements with less than five countries. It was our party that understood the importance of trade and the economic benefits that it produces. As a result, Conservatives fought to increase the number to over 50, signing 46 new trade agreements, and opening up new markets for Canadian companies to have access all over the world.

Canada has always been a trading country. Right now, trade makes up 70% of our country's GDP, and one in five Canadian jobs depends on it. Needless to say, our economy depends on having this open, secure access to foreign markets to trade our Canadian products, and in a rapidly more global economy, our companies will need even more favourable access if they are to thrive.

With 28 member states, the EU represents 500 million people and annual economic activity of almost \$20 trillion. This makes the EU the world's largest economy. It is also the world's largest importing market for goods. In fact, the EU's annual imports alone are worth more than Canada's entire GDP, making the EU market a lucrative place to do business.

As the largest market in the world, Canadian companies deserve an opportunity to sell their products and services to and in those countries. The previous Conservative government recognized early on that this part of the world would provide a great opportunity for Canadian businesses to expand and succeed, and I would like to thank the Liberals for continuing with this important work. However, with the recent waves of protectionist sentiment and the Prime Minister's willingness to renegotiate our most vital of trade agreements with one of our largest trading partners, the U.S., it is crucial now more than ever that we get it right.

Ontario in particular stands to benefit significantly from preferential access to the EU market. The EU is already Ontario's second largest export destination and second largest trading partner. Once in force, CETA would eliminate tariffs on almost all of Ontario's exports and provide access to new market opportunities in the EU. CETA would also provide Ontario exporters with a competitive advantage over exporters from other countries that do not have a free trade agreement with the EU.

In my beautiful riding of Haldimand—Norfolk, agriculture is a very important part of the local economy. When many people think of my area, agriculture is the first industry to come to mind, but there are many other industries, including manufacturing, that are crucial components of what makes the community function. Once CETA comes into force, nearly 100% of all EU tariff lines on non-agricultural products would be duty-free, along with close to 94% of all EU tariff lines on agricultural products.

●(1645)

Many of the businesses in my area currently export to the United States, so naturally, the talks around negotiating and renegotiating NAFTA are making many of these business owners nervous and, indeed, uncertain about their future. On the positive side, CETA would open a huge new potential for many of these businesses and they would be able to ship their products to the EU, in many cases tariff-free. CETA is an important opportunity to provide constituents in my riding with perhaps a little peace of mind during these uncertain times, providing them with potential new markets and a customer base that would continue to bring in economic benefits to Haldimand—Norfolk.

In fact, studies have shown that a trade agreement with the EU could bring a 20% boost in bilateral trade and a \$12-billion annual increase to Canada's economy. This is the equivalent of adding \$1,000 to the average Canadian family's income, or almost 80,000 new jobs to the Canadian economy. In Haldimand—Norfolk, that means a possible \$3 million coming into our small communities. What is more, the agreement would also establish greater transparency in the EU services market, resulting in better, more secure, and more predictable market access.

I do, however, have some points that I would like to emphasize, and I hope that the Liberals will keep these in mind as they enter into the final stages of this deal.

The first is that the Liberal government must honour commitments that were made to vital sectors of our economy. These include the agricultural supply management arena, as well as commitments made to the Province of Newfoundland and Labrador in terms of the CETA fisheries investment fund.

The second is that, as my Conservative colleague from Central Okanagan—Similkameen—Nicola has previously mentioned, I too hope that the Liberal government will work hard to assist small businesses looking to enter into these new international markets. As he pointed out, many of these businesses simply do not have in house the resources necessary to navigate these new trade waters in a way that would benefit their company and help them succeed. Most companies in my riding of Haldimand—Norfolk are small businesses, and I know that they would welcome any assistance.

I support CETA and I look forward to the opportunities that it would create for my riding, for southwestern Ontario, and indeed for all of Ontario and Canada. The fact is that many businesses in Ontario in particular and in my riding of Haldimand—Norfolk are hurting. They need to see some light at the end of the tunnel. With rising hydro costs and increasing Liberal taxes, many of them are struggling to survive. They need more opportunities to get their products and their services to market, to make a living, to provide for their families, and CETA would do just that.

*Government Orders*

This trade agreement would also establish trading relationships beyond North America, provide economic prosperity for Canada, and help create well-paying jobs for Canadians. As CETA approaches its final implementation, our party will continue to hold the Liberal government to account and ensure that Canadians reap the benefits and the rewards of free trade.

• (1650)

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Madam Speaker, I listened to my colleague with interest.

Evidence should be the basis of whether the trade deals as constructed by Liberals and Conservatives in the past are working out for Canadians. The member mentioned how her constituency is hurting and needs that sense of hope.

Through NAFTA and some of these other trade deals that have been invoked, the Canadian economy has actually lost just shy of half a million manufacturing jobs. As the member would well know, the announcement of a mere 1,000 or 500 manufacturing jobs in any one of our ridings would be a huge celebration because they are hard to get. It took two generations in fact to build up that manufacturing base in the country, and in my part of the world that includes things like sawmills and other added value to our natural resources. If that loss of jobs has been the result of the current trade deals that we have, the only argument the Liberals and Conservatives could possibly make is that things would have been worse somehow, yet that is not the case.

In this and many other trade deals, we simply ask the government to look solely through the lens of what the Canadian consumer and the Canadian worker need to see in the trade deals, and that is protection of Canadian interests. We see in this, from pharmaceuticals to milk marketing and all of the rest, a further degrading of the ability of Canadians to manufacture our goods and to add value to our natural wealth. I do not know why they continue down this same path when the evidence is so overwhelmingly bad.

**Hon. Diane Finley:** Madam Speaker, as I mentioned in my opening remarks, my region of Haldimand—Norfolk has indeed benefited from NAFTA.

We have a lot of small companies that do a lot of exporting. I did say that most of our exports are to the United States, because of the favourable treatment that Canada has with the United States in terms of tariffs and the thin border.

What is concerning, though, is a loss of jobs, particularly in southern Ontario. Just a week or so ago we heard of 600 jobs lost at the Ingersoll CAMI plant. I do not think we can blame that on NAFTA, because there are a lot of other factors at play. Particularly in Ontario, we are seeing a rapid decline in manufacturing jobs because of the high cost of doing business in Ontario, the skyrocketing hydro prices that are forcing families to choose between buying food and paying the utility bills. That is one of the key things I am hearing from my local manufacturers that could in fact be the single biggest determinant of their future.

**Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Madam Speaker, I want to pick up on a different point. The member made reference to how the Conservative government started the ball rolling on this particular agreement. We acknowledge that

Canadians have benefited immensely by that. We are glad that between the two governments we are ultimately at the stage where we are today.

However, it is also important for us to recognize, as the member mentioned, how the Government of Canada can support expanding markets for our small- and medium-sized businesses in terms of exporting. We recognize not only different governments, the provincial and municipal governments, that all get involved, but there are also other organizations. We can talk about the chambers of commerce. I know Yes! Winnipeg it is a great company that advocates for expansion opportunities.

We all have a role. The national government has a leadership role in all of this, but would the hon. member not agree that there is a lot more to it to ensure that our businesses are maximizing the benefits for all Canadians by getting out into the world?

• (1655)

**Hon. Diane Finley:** Madam Speaker, as a Conservative, I have always been a proponent for smaller government, less government, less intrusive government. To that point, I believe there are a number of organizations that can and indeed should and probably will be helping small businesses take advantage of these new export opportunities.

That said, I do believe the government has a leadership role in making sure that all of the information that is necessary is available to these groups, to the producers and service providers that are trying to export. I know under the previous Conservative government, the minister of agriculture brought in programs that were directly supporting agricultural and agrifood exports. He was able to open new markets for many of our agricultural producers. He took them with him to open the doors, to introduce those producers to new customers, potential new clients. Many of them, and I am thinking of the ginseng industry in Haldimand—Norfolk, benefited significantly from those opportunities. Once taught, they never forgot, and they are succeeding.

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Madam Speaker, I am proud to rise in the House to speak to the bill that would implement CETA and to speak about the ideology of trade that is being promoted by the Liberal government, not the facts of trade but an ideology of trade.

The Prime Minister has become the world's great last free trader. He pumps the idea that if we keep opening the ability of corporations to move wherever they want then we will all benefit with CETA. He is already putting up trial balloons of what is going to be on the table with the Trump government over NAFTA and the government of course is looking toward the TPP.

*Government Orders*

Let us look at this in terms of simple economics. Economics should be like an ecosystem. In a healthy ecosystem, there are broad and defined levels of support and abilities, whether it is a small manufacturer or an individual business up the food chain. Our Prime Minister believes that if we look after those at the top of the food chain somehow everyone will benefit. He is the last and the ultimate promoter of the trickle-down economics theory, which is why I want to talk about his ideology of trade.

Earlier today we were told by a Liberal that this is about allowing little farmers in Nova Scotia to sell blueberries in Europe, which is a ridiculous side issue, but it is not nearly as ridiculous as the member for University—Rosedale, who said on CBC that this is about mukluks. She gave indigenous mukluks from Winnipeg to the European Commissioner for Trade because this is about allowing little mukluk manufacturers to trade internationally. That would be really ridiculous if it not for the Liberal government, which believes everyone is as dumb as a selfie photo message. That is not what trade agreements are about.

If trade agreements were to allow for the development of small businesses and allow them to grow larger then that would be good trade, but we are seeing trade agreements that the government does not want to talk about that are protecting those at the top of the food chain. That is where trade agreements have to be discussed and challenged. For example, under the Liberal government we see once again complete support for the investor-state provisions. We have seen investor-state provisions being used time and time again to limit the tools of local and regional governments to respond to economic issues.

We were told when free trade first came in that it would make us citizens of the world, that we would all be able to travel and do things and we would not be bound by our local economies. Many of our regions have become orphaned economies because trade agreements have taken away their ability to respond in times of crisis. That is when government needs to get involved in the economy. Let me give the House an example involving the provincial Liberals, the Kathleen Wynne government, the same forces that are behind the Prime Minister. For anyone who is not in Ontario, be warned. This is not going to end well.

In 2013, the Wynne government decided to show that it was ready for free trade by opening up local rural school bus contracts to international investors. My region is a large rural area and it had little mom-and-pop operations that had maybe two or three buses that serviced rural schools in both the francophone school board and the anglophone school board. Suddenly these little operations had to compete against a large European consortium that underbid every single one of them and put them all out of business. Some people were rehired as bus drivers for this large European consortium. We were told those sacrifices were important because trade is important. As G.K. Chesterton talked about the horrible mysticism of money, the false mysticism of trade, we had to sacrifice all of these small school bus operations for the bigger vision of trade. How would that benefit us? It would not.

The investor-state provisions maintain those on the fact that we are giving up on the pharmaceuticals. That is supposed to help us so we can sell mukluks. It will cost us. Up to \$2.8 billion a year will be

downloaded to individual consumers on the cost of pharmaceuticals. That is all-important because it is for the ideology of trade.

The attack on the dairy sector is a crucial issue because we are talking about family farms. We are talking about regional farming economies that have a proven pattern of success that are giving up market share.

● (1700)

At least the Harper government was willing to compensate for the impacts because it knew those impacts would be great. However, what we get from the present government instead of actual money on the table is the Bobby McFerrin school of economics, which says, “Don't worry. Be happy. We have a prime minister who will do push-ups for you in Brooklyn and your farm sector will somehow compete.” We know that is not true.

The Liberals are more than willing to sacrifice individual jobs. We see zero words from the Prime Minister over the Chinese steel dumping that shut down Sault Ste. Marie and is crushing Hamilton.

Why are they not speaking up? Because, in the interest of trade with China, it is okay that it destroys our steel sector.

The Prime Minister, after holding his private billion-dollar fundraisers with Chinese billionaires, decided to open up for review a project about allowing the Chinese government to buy a Canadian tech company that even the Harper government opposed. Why would we sell out our tech sector? It is for the greater vision of trade. It will benefit us all.

We see that as soon as Donald Trump came into power, he started talking about opening up NAFTA. He had not even noticed Canada existed. The Prime Minister said, “Brilliant. We'll come to the negotiating table and reopen the negotiations with you.”

If we are going to negotiate a deal, we do not hold up our ace cards and show where they are in our hand; but, no, they have already started to talk about bringing in Brian Mulroney to give the Prime Minister advice. God help us. What does Brian Mulroney say? Brian Mulroney says, “Hey, we've got to get rid of supply management.”

If we are not going to send a message that this is going to be on the table, who are they representing? They are not representing us.

We are going to have the Prime Minister bring Brian Mulroney in, and he is already posting bubbles about what we are going to give up.

When it comes to international trade, the Prime Minister is like a rube at a country fair. He thinks he knows where those dollars are going to land in the little shells, but he is setting us up for failure.

We have seen him say nothing about softwood. We have lost so many forestry jobs because of softwood. We have seen him say nothing about the fact that if the United States is going to stand up for its interests, we have to stand up for ours. Yet the Prime Minister has already opened the door to putting these on the table.



*Government Orders*

Why is that? It is because his notion of economics that he studied at school is that as long as we keep allowing trade to move back and forth, we will all benefit. However, we are seeing now where 60% in urban areas are in short-term contracts.

Where is this middle class the Liberals keep talking about? We hear them all the time, and it is very insidious language they use. They talk about the middle class and those wanting to join it as though they are offering a long-term vision of development when they are not, because they continually favour those at the top of the food chain.

What do I mean by that? Look at their tax break for the middle class and working people. If people make \$23 an hour or less, they get zero; but if they make 50 or 100 bucks an hour, they get full bang. I guess the Prime Minister grew up in a different middle class than I did. Most of the middle-class people I know, who are just trying to get into the middle class and 23 bucks an hour, could use a break, rather than the ministers of cabinet and bankers.

This is the false ideology of their economics. Yet they have the nerve and the gall to say they are doing it to sell blueberries, that they are here for the mukluks, that they are there for the little Joe on the street, with his mom-and-pop corner operation, that is why we are signing these international agreements, and that is false.

If we are going to talk trade, then let us talk about trade that is in Canada's interest, about ensuring that our pharmaceutical costs are not going to go through the roof to sell that out, about investor-state provisions that are based on a clear, coherent rule of law and not just a backroom deal that undermines the ability of local and regional governments and provincial governments to make the decisions that they have a right to make. This is about what trade needs to be.

Unfortunately with the trickle-down Prime Minister, we know what is happening to the people on the bottom, and we are seeing it again, and again, and again.

I will finally conclude by saying that the one honest statement by the Liberals made today is they thanked the Conservatives for leading the way because they really appreciated the road map that was laid out by the Conservative policies and they are just trying to faithfully follow it.

● (1705)

I do not agree with the Conservatives much, but what I do like about them is that at least they give it to us straight in the face. They tell us where they stand. They do not try to hug us and act like Teletubbies when they are delivering what they are delivering.

At least the Liberals had the decency to thank the Conservatives for this economic travesty that they continue to perpetrate on the Canadian—

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** Order. The Parliamentary Secretary to the Leader of the Government.

**Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Madam Speaker, in wanting to be consistent, we recognize we can go back right from the 1960s with Auto Pact to today when we are debating CETA, and New Democrats have always opposed trade agreements. Let that be very clear. They would argue that they

supported Korea. When they were the official opposition in hopes of being in government, they did I believe vote in favour of the Korea trade agreement, but that was an anomaly.

Once again, it is difficult to listen to a New Democrat when we know they will oppose trade agreements. They do not have the same confidence that we have as a Liberal government in Canada's middle class and the abilities of our workers. They indeed can compete and get their products and services abroad, which will create the jobs.

I call upon the member's wisdom to explain to the House why he felt that the Korean trade agreement was worthy enough to vote for, but this agreement, and virtually every other agreement, is not. I think Canadians should try to understand why New Democrats were gung-ho on Korea, but they do not understand the benefits of the European Union agreement.

**Mr. Charlie Angus:** Madam Speaker, I thank my poor colleague. Not only did the Liberals have to take all of the economic notebooks from the Conservatives, they had to take their talking points from them too. They do not have an original idea in their heads.

When they want to change the subject, they have to use those two important words about the middle class: how they are fighting for the middle class, and about how we should have confidence in the middle class. When the Prime Minister set up his exclusive cash-for-access deals with Chinese billionaires and he got caught, he said he was doing it for the middle class. When they are selling arms to the House of Saud and are asked how they can morally stand by that, they say they are doing it for the middle class.

The Liberals have to stop hiding behind the middle class when they have undermined them. Their trade policies are undermining them. They have not stood up for one job in this country. They have never stood up. At least we got straight answers from the Conservatives once in a while. They have to do a little better.

**Mr. Brian Masse (Windsor West, NDP):** Madam Speaker, what is happening now as trade negotiations go on is who we have sent. Brian Mulroney is part of it. Here we have a former prime minister who basically took cash. He did take cash. It is okay to take cash as a bribe—but apparently it is not okay to give the bribe—from an arms manufacturing dealer, and he is now sent off to do that emergency negotiation.

Where this is really germane is that labour and environmental standards are in part of an agreement. That is the problem with NAFTA and Trump right now; it is that they are seeing environment, and in particular labour, as a subsidy to Mexico. That is particularly the crux of our problem. I ask my colleague to expand on that.

In relation to CETA, if this is the type of negotiations we are going to send for our number one trading partner, what potentially do we have in store? The European deal we have is still not concluded, and we will have to have further negotiations because our partners in this have moved on, on a number of things, including investor state.

*Government Orders*

• (1710)

**Mr. Charlie Angus:** Madam Speaker, being from a border community, my hon. colleague knows how important it is that we get this right. So much of our economy is tied to trade with the United States. The Prime Minister gets it into his head to announce, “Hey we would love to renegotiate NAFTA; come look at us.” That was not very bright.

Then it was, “We don’t really know how to do this so we will hire Brian Mulroney to do it for us.” That is when we already know that beef is being put on the table; when we know softwood lumber is being put on the table. Brian Mulroney goes public and says, “Hey, we will have to put supply management, the dairy sector, on the table too.” Gee, Donald Trump thanks him a lot.

I ask the Liberals whether this is how they do trade negotiations. They bring in Brian Mulroney and let him do some air brushes in the sky about what else he thinks we should put on the table. Or, is he acting on behalf of the government that has already undermined supply management in the CETA negotiations, and it is just planning to continue it in negotiations with Trump?

**Mr. Todd Doherty (Cariboo—Prince George, CPC):** Madam Speaker, before I go to my speech today, I want to give credit where credit is due. I know that many members on both sides of the House have recognized our member of Parliament for Abbotsford, the former minister of trade, who did considerable work getting this piece of legislation, this trade agreement, further than it had been previously, for all of the hard work that he has done with respect to that. I know he is at home right now. He should not be listening, but if he is listening—

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** The member knows full well that he cannot say who is and is not in the House. Therefore, I want to redirect him to his speech.

**Mr. Todd Doherty:** Madam Speaker, I withdraw my comment. I want to give credit to the hon. member for Abbotsford for all of the hard work that he did in getting this trade agreement, and many others, passed in that time.

In times of uncertainty, as we are seeing today, it is ever more important to do whatever we can to ensure that Canadians are employed, and that Canadian producers have markets in which to trade their goods.

Although I am not quite sure of the time frame, we are now without a softwood lumber agreement. Over the last week, while attending the BC Premier’s Natural Resources Forum with an hon. colleague from another opposition party, I learned that over 140 communities in British Columbia are forest-dependent. That means that the importance of a softwood lumber agreement should be of the utmost concern for the current government. However, we saw in the latest mandate letter of the Minister of Foreign Affairs that softwood lumber or the TPP were not mentioned once.

International trade agreements generate increased economy activity. They drive prosperity and job creation. As well, they foster greater co-operation between our democratic allies.

Canada should always strive to maximize the benefits we have as a free trading nation. One in five jobs in Canada today is directly linked to our exports. The need to establish trading relationships

beyond North America is critically important, especially when we hear the increasing protectionist dialogue from our number one trading partner south of the border. I was just pulling off some figures, and the U.S. is our number one trading partner, with over \$769 million in trade. We now have more uncertain times, especially when, within minutes of the president-elect being elected, our Prime Minister offered to renegotiate NAFTA.

These increasing times of uncertainty speak volumes. We, the 338 members of Parliament, need to do everything we can to be the voice of Canadians when we are in our ridings and continue to hear the concerns of our constituents, our manufacturers, our lumber producers, and our farmers that the government needs to be focused on Canadian jobs and industry.

The EU is British Columbia’s fifth-largest export destination.

I will take a bit of time to talk about our beautiful province of British Columbia. We have one of the best economies. It is probably one of the top economies in the country. In strong part, that is due to the investments that our former Conservative government undertook. Through the negotiation and movement of over 40 trade agreements, plus the investments made in our ports, airports, and transportation networks, which are so vital to get our goods and services to market, and also through the pragmatic views of our air policies and our bilaterals, because with trade agreements what also comes willingly along the way are enhanced and strengthened familial and tourism opportunities, B.C. stands to benefit significantly from preferential access to the EU market.

Adjacent to my riding in Skeena—Bulkley Valley, we have the Port of Prince Rupert, which is the closest and fastest marine port to Asia. It is a port that allows us a competitive advantage because our goods arrive one day to two days closer to Asia, and faster than from any other west coast port. That port was an investment in marketing made by our Conservative government. It means that the products shipped from North America arrive at their destination more quickly, using less fuel, and are subject to less risk.

• (1715)

We also have the fastest and greenest road and rail networks to the U.S. Midwest markets running right through our region. The Prince George Airport, my former airport, has one of the longest runways in Canada, and it is equidistant between Europe and Asia.

These are just a few of the competitive trade advantages that are in my province and riding alone.

Port Metro Vancouver is North America’s most diversified port. It trades \$75 billion in goods in over 160 trading economies. I bring this up because trade is good. Canada’s economy is predicated on the availability of markets, access to markets, and being able to get our goods to market.

*Government Orders*

CETA would be good for our agricultural groups as well. My riding of Cariboo—Prince George was built off the backs of traditional industries, such as forestry and farming. The beef and dairy farmers who wake up every morning before sunup and who are hard at work long after sundown would benefit from this agreement.

CETA would open up a market of approximately 500 million consumers for our dairy and cattle producers, beef producers, and our agrifood industry that are looking for those new markets. We are already starting to see our number one market, the U.S. market, bring up the COOL legislation and the dispute that we have had.

We have to do whatever we can to not put all of our eggs in one basket. We need to diversify our economies, which would give some assurances to our communities in rural Canada that our government has the best interests of Canadians at heart and is doing everything to protect Canada now and into the future.

We have such an opportunity here with our fish exporters as well. The seafood industry has gone through many transitions and faces uncertain times. When CETA comes into force, almost 98% of EU tariff lines for fish and seafood products will be duty-free. In seven years, 100% of products will be duty-free, which is hugely important.

The EU is the world's largest importer of fish and seafood products. The current EU tariffs for fish and seafood average 11% and can be as high as 25%. Those would be eliminated. We can think about what this is going to do for those hard-hit marine and coastal communities that depend on forestry and fishing for their livelihoods.

CETA is a great agreement. It has been touted as a gold-plated agreement. It is something that all sides should agree on. When this moves forward, we will be doing everything in our power to support it. CETA, in a nutshell, is a good-news story.

I agree with my colleagues down the way that there are things we need to be aware of. As we move forward, we have to go into these agreements with eyes wide open, always protecting Canadian jobs, Canadian industry, and Canadians as a whole.

• (1720)

**Mr. Ziad Aboultaif (Edmonton Manning, CPC):** Madam Speaker, my colleague made a wonderful speech and provided much detail. Trade agreements are always a gateway to job creation and economic prosperity.

Could the hon. member comment on how difficult job creation would be without trade agreements? Also, would the opportunities be limited or not?

**Mr. Todd Doherty:** Madam Speaker, I will go back to a conversation I had with a third grader at Hickson elementary school a little while ago. He was asking about trade agreements. I told him to pretend he manufactured widgets, but he was only allowed to sell those widgets in Hickson. When I asked him what the population of Hickson was, he gave me a number, and I said that was only a couple of thousand people he would be able to sell to in a lifetime. I said to imagine if he had the ability to sell those widgets in Quesnel, Prince George, Williams Lake, Vanderhoof, and all the great communities in my riding of Cariboo—Prince George. He could sell thousands. I told him he would probably have to employ more people to build

them, and he said that, yes, he would. Being able to open markets for our Canadian products is important.

I agree with our friends down the way that we should be doing everything to make sure that we are protecting jobs and the labour side of it, but we have to have access to those markets so that we can build our Canadian economy. We do not have enough within Canada, as we heard earlier, to live up to the high lifestyle that we as Canadians enjoy. We need to have access to other markets.

**Mr. Brian Masse (Windsor West, NDP):** Madam Speaker, my question is in regard to human rights and labour, and whether they should be part of the agreement or a side agreement.

Here is the problem we have had with many of our side agreements, whether with Jordan or other countries with which we have had problems. I will use a term that has been used here, and that is widgets. Often, we have signed trade agreements, where 10-year-olds are making widgets in those countries and selling them back to our country. There is no enforcement to prevent these 10-year-olds from making widgets because we do not have labour as part of that deal.

Does my colleague believe labour and environment should be enforceable, meaning inclusive in trade agreements? Ironically, that is what Mr. Trump is asking of Mexico and Canada right now.

**Mr. Todd Doherty:** Madam Speaker, I had the incredible opportunity to represent Canada on the world stage in pursuit of trade and economic development. I visited some areas of other countries where we toured plants that had deplorable work conditions. I also brought international developers over to Canada. I am going to stand up for our government and our provincial governments as well. When companies are interested in doing business, we never sacrifice our laws and morals when it comes to doing deals with other countries. We ensure they are following the law of the land here and abroad.

• (1725)

[*Translation*]

**Mrs. Eva Nassif (Vimy, Lib.):** Madam Speaker, in my riding, Vimy, many small and medium-sized businesses rely on international trade.

Does the hon. member across the way not think that international trade is important for stimulating the economy across Canada?

[*English*]

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** I just want to remind members at the other end of the chamber that the House is in session and there is some debate going on. I would just ask the members on the Liberal side to please keep it down a bit.

The hon. member for Cariboo—Prince George.

*Government Orders*

**Mr. Todd Doherty:** Madam Speaker, clearly, my hon. colleague did not hear my speech. I am a huge proponent for trade. A lot of the work we have done over the years with trade missions and development was indeed to bring Canadian businesses, small and medium enterprises, abroad so we could promote them and build their businesses.

Our government did an incredible job in providing tools and mechanisms. Whether it was our trade commission offices, or EDC, or Canada Export, our government did an incredible job to ensure that small and medium enterprises had the tools to not only compete but thrive in the international market.

**Ms. Cheryl Hardcastle (Windsor—Tecumseh, NDP):** Madam Speaker, I am grateful to rise once again in the House to speak to Bill C-30.

These trade agreements have the potential to cause great damage to communities and to whole regions, as our experience with NAFTA has clearly demonstrated. We, in the NDP, believe that they should be undertaken with scrupulous attention to all potential consequences.

I am more than a little disappointed. The NDP had proposed a number of well-reasoned and good faith amendments to CETA, amendments that would have gone a long way to fix the major problems in the bill, amendments that were not just sought after by us but by a broad swath of labour and civil society groups throughout Canada and the European Union, and they were all rejected.

We had amendments on limiting CETA's controversial investment chapter so corporations could not sue the country that made a decision or action in its own best interests in the name of corporate profit, rejecting the increased threshold for mandatory foreign takeover reviews, and limiting changes to Canada's cabotage rules. Cabotage, by the way, is the transport of goods or passengers between two places in the same country by a transport operator from another country.

We also called for an economic impact analysis of CETA and an analysis of the impact of CETA on pharmaceutical drug costs. Sadly, in what has become a recurring pattern with the government, there was little to no debate on our amendments and, as I noted, they were all rejected. It appears that the government's election platform commitments to fair, open, and transparent government have gone the way of electoral reform.

As the government prepares to renegotiate sections of NAFTA with the new administration in the U.S., it is important that it does not rush into another deal before we have been able to study the changes that will soon occur to our agreement with our American cousins, as it is arguably one of the more important trade agreements to which Canada has been a party.

More important, I and all New Democrats continue to be seriously concerned about the ways in which these agreements hamstringing the ability of future governments to establish important social programs. The hamstringing to which I refer is what American pundit, Thomas Friedman, once termed, a couple of decades back, as the "golden straitjacket". It is very entertaining to me that a previous speaker, an hon. colleague from another party, mentioned the gold-plated

agreement. I want to talk about the golden straitjacket with some irony here.

The golden straitjacket is supposed to work like this. As our country puts on the Golden Straitjacket, two things are supposed to happen: our economy grows and our politics shrink. It is a straitjacket because it narrows considerably the parameters of the government's future political and economic policy options. It is golden, presumably, due to the economic benefits which would then follow.

However, flash forward a couple of decades and we see clearly that these supposed benefits were a little more than oversold. In fact, to say that the benefits of NAFTA were unevenly distributed is to engage in cruel understatement. Some sectors of the economy benefited, and others were devastated.

Members could ask anyone in my riding of Windsor—Tecumseh, the people of Hamilton or Oshawa, Ontario. We have absolutely no evidence that the economic gains of CETA will be distributed any more equitably than were those of NAFTA. In fact, CETA is likely to make it all the more difficult for future governments to address the very inequalities that we can feel certain will result from this agreement.

CETA will increase the pressures to privatize most government services. That is because the multinational corporate and financial interests, in whose interests this agreement was negotiated, view most government services not as fundamental provisions without which our lives and economy would suffer, but as potential revenue streams, as potential markets in which to make lots of money.

● (1730)

CETA can be rightly construed as part of what was an aggressive wave of trade deals designed to undermine the rights of Canadian governments to legislate public health policy if it threatened investor profit. Under these conditions, the likelihood of a national pharmacare plan becomes substantially more difficult, if not impossible. Such a plan could be viewed as a direct infringement on corporate rights and counterintuitive to the purpose of health care policies that put people first.

In keeping with putting people first and to maximize our resources in our universal health care system, a national pharmacare program has long been the priority of the NDP. Just about everyone who has ever seriously looked at this issue will know that there is broad agreement among researchers that a universal public drug program, with an evidence-based list of reimbursed drugs, a clear and transparent budget, and a strong ability to negotiate fair drug prices, would improve the health of Canadians. It would significantly lower the social cost of drugs and could be achieved with relatively small initial outlays by governments.

*Government Orders*

It is an idea that is a long time coming. A prescription drug coverage program was recommended as the next step way back in 1964 by the Royal Commission on Health Services. Canada has the fastest-rising drug costs per capita among OECD countries and is the only country in the world with a public medicare system that does not have a pharmacare program.

It is estimated that changes to patent protection for pharmaceutical drugs as a result of trade agreements could cost our public health care system anywhere between \$850 million to \$1.65 billion every year, according to the Council of Canadians. At approximately \$900 a person, Canadian drug costs are already the second highest in the OECD, second only to the United States. Countries like Australia, New Zealand, the United Kingdom, France, and Sweden have all had some form of universal public drug coverage that results in lower costs, as well as lower drug cost growth rates. Consumption of drugs in these countries is equal or greater than in Canada, but expenditure is much lower.

Countries with pharmacare programs are able to suppress the inflation of drug prices, which directly result in people paying less for their medications. A true universal pharmacare program shows feasibility, sustainability, and effectiveness. Universal pharmacare programs in other countries currently are more advantageous in terms of costs than both private or public drug insurance plans in Canada.

Our current fragmented system means higher drug costs for everyone and huge profits for big pharma. Canada has a total of 19 publicly funded drug plans, 10 provincial, three territorial, and six federal. Eligibility, coverage, and benefit payment schemes vary in each of these programs. Again, the Council of Canadians makes the excellent point that one's postal code or socio-economic status should not dictate if one receives necessary medication, but in some provinces only people on social assistance, seniors, or those suffering from certain diseases are covered, while in other provinces people are covered based on an income assessment.

It is long past time for federal leadership on this issue. The proponents of a national pharmacare plan have won every argument. By every rational criteria, it is the smart thing to do.

Therefore, why does Canada not have a national pharmacare plan? I suspect that on this issue, like so many others, the Liberals will not venture such a thing without total buy-in from industry. Let us be as clear as we can on this. The pharmaceutical industry will never support a national pharmacare plan.

In fact, the industry is moving in the other direction. The pharmaceutical industry lobbied heavily for changes to intellectual property rules for pharmaceuticals under CETA and, as we can guess, got them. These changes are expected to increase drug costs by more than \$850 million annually. Yet leading environmental, labour, and civil society organizations in Canada also lobbied for changes, changes which, as I mentioned earlier, were similar to those proposed by the NDP. Apparently, the Liberals did not find their arguments convincing.

● (1735)

The priorities of a government are laid bare, not through its public statements but through its actions. Insofar as CETA is concerned, one has to ask, "On whose behalf does our government work?"

**Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.):** Mr. Speaker, I listened intently to the member's speech, which was thoughtful and well structured.

I have a comment. I have been, like many members here, studying this issue for many years. Of course, I too was concerned about dispute tribunals, that they could usurp the sovereignty of nations and so on. However, as I looked into the matter, it became clear that even without dispute tribunals, companies can take national governments to court through the domestic legal system if they feel there have been arbitrary measures that have had the effect of expropriating their interests. Many people probably believe that if we did not have these tribunals, all would be well. However, there is a court system, and companies can choose to go through the court system.

Also, these trade agreements do not prevent countries from applying health, occupational, and environmental rules, laws, and regulations. It is just that they must be scientifically based.

I would like to maybe get some perspective from the member on those two comments.

**Ms. Cheryl Hardcastle:** Mr. Speaker, with all due respect, my hon. colleague's arguments are ones that have been made in the past when people are making excuses in bringing forward these corporate interests. Why are we making this easier for them? If we have systems in place now that are serving the purpose, why do we then need a trade agreement like this? We are facilitating something that is not in the best interests of our country.

In order for us to proceed on meaningful fair trade, we have to look at innovation; we have to look at that fair and competing policy everywhere. We are putting corporate profit seeking before sovereignty. That is what it ultimately comes down to.

We have plenty of time to be exploring meaningful ways that we can address this, but we are not. We are rushing through with this program basically as patsies.

*Government Orders*

What we can do is follow the lead of some of the European Union membership that have inspired us to take a good hard look at why we are sacrificing sectors like our dairy industry. Why are we sacrificing supply management? Instead of saying we have to make this easier, and “These exist now, if companies feel strongly”, it is almost saying that we do not have the energy to argue for our well-being and sovereign rights. That does not feel right to me when we are positioning ourselves on those kinds of arguments.

CETA is something that can be reconstructed meaningfully so that we are in non-zero-sum games and win-win situations.

● (1740)

**Mr. Randy Hoback (Prince Albert, CPC):** Mr. Speaker, I am not surprised at the member's comments in regard to CETA, or any other trade agreement. The only trade agreement that the New Democrats ever did support was one with Korea. I think they thought it was North Korea, and that is why they were in favour of it. There should be no surprise on this side or the other side of the House that the NDP would be against this.

The reality is that I cannot understand the New Democrats' logic. They talk about all these things that they want to do. They want to build the economy and the middle class so they have jobs and growth. They talk about all this stuff. I guess they know that they will never be seriously considered for government. When they were the opposition party and the South Korea trade deal went through, they thought they had a chance to maybe one day be in government. Then all of a sudden they showed up on the trade file. Now they know they will never have a chance to be in government, so they have retreated to where they have normally been, and that is basically anti-trade, anti-development, anti-growth. Anything that is positive, they are anti.

I ask this to the member. Why should we take her seriously now on the trade deal of CETA? Why should we listen to what she has to say when the New Democrats have not been constructive in anything in regard to trade in the past?

**Ms. Cheryl Hardcastle:** Mr. Speaker, I do not know why I should take the hon. member's question seriously if all he can come up with are cheap and repeated jokes about what the NDP actually stands for.

If people were informed, they would look at our platforms. They would look at the Vanguard economists who are the ones who have developed the arguments that we have taken into our platform. We are the ones who have decided that we are going to speak up on behalf of good and effective fair trade. It is quite alarming that those economists—

**The Assistant Deputy Speaker (Mr. Anthony Rota):** Resuming debate. The hon. member for Saanich—Gulf Islands.

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Mr. Speaker, it is an honour to rise again in this place to speak to the concerns I have about Bill C-30, legislation to enact the comprehensive economic and trade agreement between Canada and the European Union.

There are a number of fallacies that have come up in the debate today, and I will try to address those. They relate, by the way, to the investor-state provisions, which I believe to be the key and most unacceptable part of the trade agreement. However, I want to make

sure I do not skip over the other concerns that have been raised by many in Canada and in the European Union.

One is that this trade agreement will absolutely make pharmaceutical drugs cost more in Canada. There is no question about this. By giving greater patent protection, it will postpone the moment when drugs go to generic form, when they become much more affordable. The estimates are that it will increase the cost of pharmaceutical drugs anywhere between \$800 million and \$1.6 billion.

Let me give the reasons why. This is what the comprehensive economic and trade agreement commits to and that Bill C-30 would implement. It would commit Canada to creating a new system of patent term restoration that would delay the entry of generic medicines by up to two years. It would lock in Canada's current terms of data protection, making it difficult or impossible for future governments to reverse them, and it would implement a new right of appeal under the patent linkage system that would create further delays for the entry of generics.

If this trade agreement is in the interest of big pharma, the pharmaceutical industry, which I would have to mention is an economic sector that does not need a handout, can we accept that the prescription drug business, the pharmaceutical industry globally, does very well for itself and does not necessarily do well for those who need life-saving drugs?

This relates to the debates we have had in this place about the need for pharmacare and a national pharmacare program. It is even in the mandate letter to our Minister of Health to pursue bulk purchasing of prescription drugs to try to bring down the price to the level we could get if we had a national pharmacare plan, when all prescription medication could be purchased centrally to try to drive down the cost.

The reality is that the single largest growing cost within our health care system is the cost of prescription drugs. I want to reference the hard work of my hon. colleague from Oakville, Terrence Young, who lost his seat in the last election. His daughter died from taking a drug, as prescribed by her physician. Her name was Vanessa, and in the last Parliament, we passed Vanessa's Law.

It is very clear that the drug industry charges more than what it costs to produce a drug, because it can. This is the last sector on Earth we should be wanting to give yet more advantages to make the price of drugs go higher.

At the same time, litigation relating to pharmaceuticals, the notice of compliance proceedings dealing with full patent infringement, has been termed by *Canadian Lawyer* magazine as streamlining litigation, again, to the benefit of the pharmaceutical industry. It has a very effective lobby. Hats off to the pharmaceutical industry in Europe and in Canada for getting its own way under this agreement, but that does not mean it is in the interests of Canadians.

*Government Orders*

I am also very concerned, as is the Green Party, about the protection of procurement. This has to do with the rights of municipalities and other government sectors to say that they want the right to choose where they procure their products. They want to say that it is okay to preference their local suppliers. That will not be possible under CETA.

We also know that the way this agreement is structured around intellectual property leaves a lot to be desired and does not adequately protect Canadian companies in the large, more predatory global marketplace.

Getting to the misconceptions, one was, I thought, rather unexpected in this debate. Just to put it to rest, I heard a number of Conservative MPs use this debate on the comprehensive economic and trade agreement with the European Union to rail against having a carbon price. This was a very unusual place to make that argument, since the European Union has carbon prices. Why, in a debate on CETA, would we hear distorted arguments about the economic impact of putting a carbon price in place? It is rather the contrary. If Canada does not put a carbon price in place, we might find ourselves at the other end of discriminatory tariffs brought forward by the European Union, because they have done so, and they want trading partners to do so as well.

• (1745)

Other fallacies have to do with the way in which we characterize investor-state dispute resolution. It is very important that we distinguish and differentiate between terms of trade agreements to resolve disputes over trade. We have those in NAFTA. We have those in CETA. We have those at the WTO. When there is a dispute over a tariff or an alleged subsidy, there is a dispute process that resolves trade disputes. The investor-state provisions are not those. Investor-state provisions have nothing to do with resolving trade disputes. That may seem counterintuitive, but let me back up. Trade dispute mechanisms within treaties are state-to-state. If Canada has a problem with Belgium, or Poland has a problem with Canada, the investor-state dispute resolution is entirely different.

If we go ahead with CETA, it would give a Polish company the right to sue Canada if any government, state, provincial, municipal, first nations, or a court decision, made a decision that interfered with that corporation's expectation of profits. Therefore, it is not state to state, as it would be in a trade dispute. It is corporation to government.

Let us use a real life example from my home province. The people of Kamloops, B.C. are busy fighting a proposal for a large open pit mine within the town limits. It is called the Ajax mine. It is being proposed by a Polish state-owned enterprise. Kamloops is a mining community with other mines. It is not as if it is against mines, but the majority of people in Kamloops do not want an open pit mine in the town limits. If CETA is not in place and the Government of British Columbia decides it will not go ahead with an open pit mine, that is the end of the story. B.C. can make a decision and Kamloops can make a decision. However, with CETA in place, it would not be the end of the story. The Polish mining company, Ajax mine, could do what Bilcon from New Jersey did under chapter 11 of NAFTA. When its open pit mine on Digby Neck, Nova Scotia, was turned down by the Conservative government of Nova Scotia and the

Conservative government federally, under the previous environment minister, John Baird, Bilcon went for a secret tribunal under chapter 11 of NAFTA and sued us for \$300 million. Did it allege we were wrong on the science? No. Did it say this was a secret protectionist move to protect trade in Canada? No. It just said it did not think the environmental assessment process was fair to it.

Ajax, the Polish mining company, would have the right to bring secret arbitration cases. The one thing that is different under CETA is the process would not be a secret. There would be an investment court. However, there would be no room at the table to have litigants representing the public interest. No environmental group would be allowed before the so-called investment court to argue this was a reasonable decision that our government made.

Therefore, the presence of these agreements really needs to be much better understood, investor-state agreements, the chapter 11s or sometimes called FIPA, the foreign investor protection agreement, such as the one Prime Minister Harper secretly passed in cabinet, which binds Canada to the year 2045, so the People's Republic of China has the right to sue Canada and we cannot get out of it until 2045.

These agreements need to be better understood as fundamentally corrosive to democracy. They do not belong in trade treaties. They have nothing to do with advancing trade. They are all about reducing the power of sovereign government and increasing the power of transnational corporations. That is why I will be voting against Bill C-30.

• (1750)

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

Mr. Speaker, the member made reference to a company overseas being able to make a statement of claim against an entity in Canada. Could she comment on the reciprocal to that, a company in Canada and the rights it would have as a result of this agreement?

**Ms. Elizabeth May:** Mr. Speaker, this is an open question. In essence, there would be reciprocity but for one thing. This provision is still so controversial within the European Union, it is going to the European Court of Justice. We do not know if it will be ruled to be *ultra vires* of the European Union to put such a provision in its treaty. However, we know from the state of Wallonia within Belgium that the EU has now accepted the notion that individual countries within the European Union can opt out. Therefore, will it be reciprocal? I think the answer to that has to be, it depends.

*Government Orders*

If a Canadian corporation loses money in the state of Wallonia, I do not think they are going to be able to rely on something such that a Polish company brings an action against Canada. By the way, although the actions may have been provincial, municipal, or federal, the litigation is always against the federal government. Our federal government has paid out millions of dollars under previous investor-state resolution decisions for things where we did not do a single thing wrong, or that were protectionist or against the science. We just cost a foreign corporation money.

**Mr. Ziad Aboultaif (Edmonton Manning, CPC):** Mr. Speaker, I know the hon. member spoke about the impact on the pharmaceutical industry, the cost of drugs, or the investor-state provision. This is on the negative side. I would appreciate if she could highlight some of the positive items of CETA. In fairness to the discussion here, it would be nice if we could hear about the positive side of CETA from the hon. member.

• (1755)

**Ms. Elizabeth May:** Mr. Speaker, it should be clear by now that I think the negatives outweigh the positives, but opening up trade with the European Union is an important balance. This is one of the things that gets overlooked in these debates as well. We certainly already have the General Agreement on Tariffs and Trade, and after the Uruguay round, the creation of the World Trade Organization means that the protectionist measures that people railed against in the call for free trade are already gone. In that sense, we already have free trade with the individual states within the European Union, because protectionist measures that are unjustified are already prohibited under the General Agreement on Tariffs and Trade.

However, opening up more connection to the European Union is certainly wise. We know that with regard to our traditional best trading partner south of the border, that its executive is at the moment in the hands of an unpredictable, reckless, and potentially damaging partner. We hope we can steer through that. We hope we can navigate that. However, trade with the European Union is going to be important.

**Mr. Gord Johns (Courtenay—Alberni, NDP):** Mr. Speaker, I want to thank the leader of the Green Party, the member for Saanich—Gulf Islands, for bringing up some very valid concerns around CETA. One thing she did not touch on very much was that this will be the first time that foreign-owned vessels and foreign crews will be allowed to transport goods between Canadian ports, and it will open up domestic dredging contracts to foreign suppliers.

In my riding and in my community, we have a company called G & N Towing, which is named after the founders, Gale and Neil Botting. Their son, Gord, now runs that business, and his sons crew that boat. It is a family business where they have local knowledge. They employ people from Esowista, Opitsaht, Tofino, local communities. These jobs are critical to the lifeline of our coastal communities. Local knowledge not only saves lives, but it protects the environment. It is very important that we protect local jobs.

Does the member share our concern around the lack of analysis and the economic impact of taking away these jobs from coastal British Columbians and coastal people, coast to coast?

**Ms. Elizabeth May:** Mr. Speaker, I thank my friend from Courtenay—Alberni, because I meant to mention the Coasting Trade Act. It is not one of the features that people hear about a lot under

CETA. Starting on page 75, we find out that foreign ships, for the first time, will be exempt if they are within the European Union. They will be exempt from getting a licence, and it also affects dredging and other activities that take place in our coastal regions.

As a former Atlantic Canadian, I am very curious about the position of Saint Pierre and Miquelon. We have French islands off the coast of Newfoundland. I can see that it would very easily be the case that foreign shippers registering in Saint Pierre would say, okay now we are European and we do not have to be screened.

As far as I can see, there is no analysis from any entity within the Government of Canada on the impacts on coastal jobs in Atlantic and Pacific Canada from changes to the Coasting Trade Act. By the way, I meant to mention before the House committee on trade that the civil servants testifying on patent protection said that they had not had time to study that economic impact.

**Mr. Jamie Schmale (Haliburton—Kawartha Lakes—Brock, CPC):** Mr. Speaker, I rise today to speak to Bill C-30, an act that would implement the comprehensive economic and trade agreement between Canada and the European Union and its member states and to provide for certain other measures.

I would like to begin by thanking my hon. colleagues, the member for Battlefords—Lloydminster and the member for Abbotsford, for their past and current work on this important file.

Bill C-30 is a continuation of our previous government's ambitious trade agenda and I am pleased to see that the current Liberal government is continuing to push for CETA.

Bill C-30 would implement the comprehensive economic and trade agreement, or CETA, between Canada and the European Union and its member states. The Canada-EU trade agreement is our country's biggest bilateral trade initiative since NAFTA. Including the 28 member states, the EU represents the world's largest single market for an investor and trader with over 500 million people and annual economic activity of almost \$20 trillion.

When CETA comes into force Canada will be one of the few countries in the world to have guaranteed preferential access to the world's two largest economies, the United States and the European Union. This is a historic deal which would benefit Canadians from coast to coast. It would ensure that Canadians and Canadian businesses are in a strong position as we move forward to an increasingly globalized world.



*Government Orders*

Most members would agree that Canada is a trading nation. Without trade, thousands, if not millions, of Canadians would lose their jobs. It is therefore crucial that we continue to expand access for Canadians and Canadian businesses to international markets, like this agreement would do. Canada needs to maximize the benefits. We are a free trading nation and we need to establish trading relationships beyond North America. That is exactly what CETA would accomplish.

As CETA approaches final implementation, we will continue to hold the government to account and ensure that Canadians reap the rewards of free trade not only with the EU, but also through other significant trade deals.

The Liberal government must also honour commitments made to vital sectors of our economy, specifically to the supply-managed dairy industry as well as commitments made to the Province of Newfoundland and Labrador in terms of the CETA fisheries investment fund.

Now let us talk about the benefits of this deal.

The EU is the world's largest economy. It is also the world's largest importing market for goods. The EU's annual imports alone are worth more than Canada's GDP.

A joint Canada-EU study that supported the launch of negotiations concluded that a trade agreement with the EU could bring a 20% boost in bilateral trade and a \$12-billion annual increase to Canada's economy, the economic equivalent of adding \$1,000 to the average Canadian family's income, or almost 80,000 new jobs to the Canadian economy.

When CETA comes into force, nearly 100% of all EU tariff lines of non-agricultural products will be duty-free along with close to 94% of all EU tariff lines of agricultural products.

This agreement would also give Canadian service suppliers, which employ more than 13.8 million Canadians and account for 70% of Canada's total GDP, the best market access the EU has ever granted to any of its free trade agreement partners. It would establish greater transparency in the EU services market, resulting in better, more secure, and more predictable market access.

The agreement would also provide Canadian and EU investors with greater certainty, stability, transparency, and protection for their investments. Our preferential access to the EU would attract investments into Canada from the U.S., and EU investors would look to Canada as the gateway to NAFTA.

The agreement would also give Canadian suppliers of goods and services secure and preferential access to the world's largest procurement market. The EU's \$3.3 trillion government procurement market would provide them with significant new export opportunities. The agreement would also expand and secure opportunities for Canadian firms to supply their goods and services to the EU's 28 member states and thousands of regional and local government entities.

Our previous government worked tirelessly to sign trade deals right across the globe, agreements with Korea, Ukraine, Honduras, Panama, Jordan, Colombia, Peru, and the TPP nations, just to name a few. I am pleased to see a continuation of the previous government's

work on this file, and I hope that the Liberal government will continue to advance Canadian trade interests abroad.

During this discussion on international trade agreements, it is crucial that we take into consideration the recent comments by the new President of the United States on the renegotiation of NAFTA.

● (1800)

Trade with the United States is our most important relationship. Nine million American jobs depend on trade with Canada, and we have added 4.7 million new jobs to our economy since NAFTA came into force. With \$2 billion in trade crossing our border every day, Canadians are worried about their jobs, and rightfully so. We need to ensure that the Prime Minister has a plan to protect high-paying jobs that are created in Canada as a result of NAFTA, including 550,000 auto sector jobs and 400,000 forestry jobs. There are also well over 210,000 aerospace jobs. We need a deal that is in the best interests of Canada.

I am now going to talk specifically about some of the benefits and opportunities for my home province and my constituents. The EU is Ontario's second-largest export destination and its second-largest trading partner. Once CETA is in force, it would eliminate tariffs on almost all of Ontario's exports, including 98% of EU tariff lines on Canadian goods becoming duty free for major Ontario exports, including metals and mineral products, manufactured goods, chemicals, and plastics. It would also provide our exporters with a competitive advantage over exporters from other countries that do not have a free trade agreement with the EU.

Being an Ontario member, we also want to thank the provincial Liberals because Ontario needs all the advantages it can get based on the current situation.

This agreement would give us access to a vast market for Canadian goods, as I have said before. It would benefit many sectors across our economy, including my riding, specifically in agriculture. In the agricultural and agri-food sectors, which I touched on before, CETA would make almost 94% of EU tariff lines on Canadian goods duty free. It would rise to 95% once all the phase-outs are complete.

This would include preferential, duty-free access for a specified amount of Canadian beef, pork, and bison. This is one of the largest industries in my riding. It provides employment and economic opportunities to many of the small communities in my area. Ensuring an advantageous position for our farmers and other sectors will help to ensure the long-term economic growth and prosperity for all Canadians.

*Government Orders*

As I mentioned, many people in my riding and across this country are concerned about their future, and rightfully so, with the cost of doing business in Ontario being sky high, and now with the increased taxes due to the provincial and federal Liberals. Many Canadians are struggling to get by. I am hopeful that this deal is signed and that the Liberal government's intention is to continue to build on the previous government's strong record of international trade. We are a trading nation, and we need to continue to increase market access for Canadian businesses and products.

I would like to thank all the men and women who have worked for years to get this agreement negotiated, drafted, and now before us here in the House of Commons. I look forward to questions from my colleagues.

• (1805)

**Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, as the former minister of international trade commented, in Canada, in the department, we have some of the most able-minded individuals in the world to talk and negotiate on our behalf in regard to getting trade agreements. There is a great deal of confidence in this agreement that Canada will benefit immensely.

It also means, as was pointed out earlier today, that there is a role for the national government and other agencies. I made reference to Yes! Winnipeg as an economic development group, promoting my own city. Whether it is the national government, provinces, or chambers of commerce, we all have a role to play in terms of the promotion of our small and medium-sized businesses, whether it is widgets or services, and in getting the message out about the export opportunities.

We need to take a holistic approach to make sure that our communities, small and large, rural and urban, are in fact aggressive on that international selling scheme and so forth.

I wonder if my colleague across the way would comment on just how important it is that we recognize there are many organizations, private, non-profit, and government, that have a role to play in making sure we maximize the benefits of this agreement.

**Mr. Jamie Schmale:** Mr. Speaker, I agree with the parliamentary secretary wholeheartedly. Policies that restrict competition are to the detriment of Canadian firms and their workers. Free trade agreements like CETA, as I have said before, are opening new markets for Canadian products and companies. They also force them to compete against firms, countries, and whatnot across the world, and that makes for good competition.

We all know, when we talk about agricultural products, that Canada has the best quality in the world, and we know there is demand for this product, especially in my riding that has a lot of beef. Manufacturers are looking for new markets and they are seeing the demand. As the middle class grows in other countries, especially in the Asian countries, they want Canadian beef and Canadian products. I focus on beef because there is a lot of beef in my riding, but we could name anything we have and it is the envy of the world.

Therefore, by opening up new markets, continuing to look for new opportunities is a win-win for everyone.

• (1810)

**Mr. Gord Johns (Courtenay—Alberni, NDP):** Mr. Speaker, we hear so much about trade. I keep hearing the words “free trade” or “free traders”. It is an ideology that everything is for free, and it makes me nervous. I feel like I am in a used car lot, where someone is trying to sell me a \$40,000 car and it is almost free. The person says I will be given \$2,000 if I buy the car. That is how people feel in my community.

Port Alberni had the highest median income in the 1950s, 1960s, and 1970s. Right now, it has the highest unemployment rate on Vancouver Island. What comes with that? It comes with high poverty, high suicide rates, and high teenage pregnancy. We did something wrong when we made the trade deals in the past, because coastal communities are being left out.

I want to ask the member this. What are we going to do differently in this trade deal, instead of just giving away our jobs and resources for free? How are we going to build up communities in the right way? That is what the NDP wants. We are for trade. We are for fair trade and we are for fairly protecting our communities and resources.

**Mr. Jamie Schmale:** Mr. Speaker, I disagree with the member from the NDP. We are not giving away anything. In fact, we are growing our market. We are going to have access to 500 million potential new customers who will want our products and services.

I should point out that the member across the way is treating exports as good and imports as bad for the economy. He is ignoring the importance that this has on raising the living standard of our country. Much more than the exports, import competition lowers prices and allows us to be more competitive. Therefore, I disagree with his comments of trade being doom and gloom. There are a number of benefits, especially one of the largest markets in the world and 500 potential new customers.

I invite the hon. member to look at that and some of the benefits.

**Hon. Peter Kent (Thornhill, CPC):** Mr. Speaker, I am delighted to rise in support of Bill C-30, an act to implement the comprehensive economic and trade agreement between Canada and the European Union and its member states and to provide for certain other measures.

As we approach the end of today's debate, may I be permitted to address the tremendous opportunities and benefits in the bill by first reflecting on the way I watched Canada change, develop, and prosper as a result of trade and unavoidable globalization in my lifetime.

As the product of an offshore union myself, I have no real memory of arriving at Pier 21 in Halifax, a babe in my mother's arms, aboard a Red Cross hospital ship from England near the end of the Second World War. In fact, my first real trade-related memories as a child here in Ottawa in the late 1940s involved the exciting arrival of Christmas oranges in our house, the mandarin oranges that arrived every year in those early years from Japan.

*Government Orders*

By the time I began elementary school, our family had moved to Medicine Hat, Alberta. My dad had been transferred from the *Ottawa Citizen* to become editorial page editor of the *Medicine Hat News*. Our food back then was local. Milk, butter, eggs, cheese, meat, and bread came from farms, butchers, and bakers barely a couple of hours away from our house, much of it delivered to our home by horse-drawn wagons. Just in passing, I was regularly detailed to collect horse droppings for our home vegetable garden, where today, of course, there is an abundance of off-the-shelf retail fertilizers.

Our shoes and clothes in the 1940s and early 1950s came mostly from Ontario and Quebec. It is worth remembering, of course, that the Canadian shoe industry was started originally by an investment made by Jean Talon in Quebec in 1688. It developed over the centuries before and after Confederation, but after peaking in 1972, the Canadian-made shoe industry went downhill because of the arrival of less expensive, cheaper foreign imports, even despite government efforts in that day to slow the tide with import tariffs.

Our T-shirts and our underwear back in the 1950s came from a great Conservative firm in Nova Scotia. I loved my Stanfield's unshrinkable, drop-bottom long underwear when winters were longer and colder than they are today, and in those days, almost all of our cars came from Detroit or the Canadian branch plants of Detroit.

By the mid-1950s, Canada's auto industry was booming with new plants, new facilities, increased employment, and the surge in export sales as Canadian manufacturers took advantage of the fact that European makers were still recovering from the war.

My dad, who was a prudent, penny-wise newspaper man, never bought a new car, but he always bought North American, carrying our growing family around southern Alberta, first in a second-hand 1947 Chevy sedan and then in another very well-used 1954 Pontiac.

While I was studying at the naval dockyard in Esquimalt in 1960 listening to the hit tunes of those days, Percy Faith's *Theme from a Summer Place* and Sinatra's *High Hopes*, I remember seeing the decommissioned World War II cruiser, HMCS *Ontario* being prepared to be towed to Japan for scrap. I have little doubt that some of the recycled steel from the "Big O" came back to Canada a few years later, perhaps in the form of the first Japanese auto import, the Datsun Fairlady I remember, and of course the very first Honda Civic.

As a young journalist covering Expo '67 in Montreal, I remember the record crowds of foreign visitors and heads of government, and the excitement and the talk everywhere of the many doors being opened to Canada to global trade opportunities. Those doors did eventually open, although the big trade agreements, as we know, took somewhat longer to be achieved.

I remember as a young foreign correspondent in London, England, in the early 1970s, the political debate leading up to the referendum that saw the United Kingdom join the European common market. That was followed eventually by the Maastricht agreement and the creation of the European Union, the United Kingdom's opt-out clause, and so forth.

● (1815)

Britons benefited from that trade agreement, but as we all know too well, the European integration progress went a little further than British voters would accept, leading to the Brexit referendum outcome last year.

Today we face new challenges, and we have seen new challenges for the U.K., for the European Union, coincidentally for the United States, for our NAFTA partners, and pretty well all of our global trading partners, which brings me to the legislation before us today.

Certainly on our side of the House, and I know on the government side, we cannot say too often that this landmark agreement is the result of years of hard work, especially by our world-class trade negotiators, who did the heavy lifting for a succession of ministers and governments.

We in the official opposition welcome the opportunity to bring this deal into force and to recognize the work of successive trade ministers, including, most recently, the member for Abbotsford and the member for University—Rosedale. I will come back to that in just a moment.

We believe passionately, in the official opposition, that Canada should strive to maximize the benefits we have as a free-trading nation and that CETA will establish trading relationships far beyond North America. Again, we cannot say too often for our listeners at home that the 28 member states of the EU represents 500 million people, and annual economic activity of almost \$20 trillion. The EU is the world's largest economy and also the world's largest import market for goods. The EU's annual imports alone are worth more than Canada's total GDP.

I spent the morning with the EU delegation to Ottawa. It was interesting to catch up with the representatives of the 28 members of the EU on the ratification process. I was delighted to remark to the representative of the government of Latvia that our foreign affairs committee is just back from an eastern European tour visiting Ukraine, Kazakhstan, Poland, and Latvia and to have been told by the ministers in the Latvian government that they are rushing to try to be the first member of the EU to formally ratify the agreement. They are urging us to ratify and enable implementation of the act.

I would like to say that I was very impressed a couple of months ago by the very gracious acknowledgement by the minister of trade, now the Minister of Foreign Affairs, of the hard work of her predecessor, the member for Abbotsford, in developing and advancing the CETA file in his time. Not all of my Liberal colleagues have been as generous.

*Government Orders*

If I could conclude on a positive note, and in the context of that spectacular Super Bowl victory last night, I would suggest that the member for Abbotsford might be seen as the Tom Brady character, moving the ball against great odds to the brink of victory. Again, with the greatest respect, the former minister of trade, now the foreign affairs minister, might be seen as James White, in overtime, two yards to go, plowing through the defence to carry the ball into the end zone to win the day.

In closing, CETA is a great deal for Canada. It is a great deal for Europe. I have no hesitation in committing my vote to bring this agreement into force.

• (1820)

[*Translation*]

**Mrs. Eva Nassif (Vimy, Lib.):** Mr. Speaker, I thank the hon. member for Thornhill for his passionate speech.

In his view, how will CETA help Canada create jobs and stimulate the economy? Could he explain the economic spinoffs that this agreement will produce in Canada?

[*English*]

**Hon. Peter Kent:** Mr. Speaker, as a member of Parliament from Ontario, this agreement would eliminate virtually 98% of the tariffs on Ontario manufactured goods and services. It would open up a trading market to the largest economy in the world, the EU, for our natural resources, manufactured products, and services. It has guarantees.

My only caution is that we, on the opposition side, hope the government will ensure that those sectors of the Canadian economy most impacted by opening our markets to European exports will respect the promises it has made to guarantee those sectors are eased in through a period of adjustment. I am thinking now of the supply management sector primarily, but the other sectors as well that will have some challenges as they adapt to this new reality.

**Mr. Erin Weir (Regina—Lewvan, NDP):** Mr. Speaker, the member for Thornhill presented the European Union as a massive export market for Canada. However, in 2015, Canada sold only \$22 billion of exports to the EU, if we exclude the United Kingdom, which is in the process of leaving that organization. Meanwhile, we imported \$52 billion worth of merchandise from what is left of the European Union.

If we were to amplify those trade flows on a bilateral basis, we would have an even larger trade deficit, hence an even greater loss of Canadian jobs. Therefore, I wonder if the member for Thornhill is relying on some sort of Tom Brady-style comeback to overturn this trade deficit.

**Hon. Peter Kent:** Mr. Speaker, although I certainly disagree with the member's modifier of only \$22 billion, we have to recognize there are certain vagaries and unpredictabilities about the global economy, the direction of global trade, and of advantages and disadvantages. The resource sector is going through a particularly bad patch now. Certainly, on the foreign affairs committee's recent visit to Europe, we found a great welcoming and recognition that Canadian products and services would soon be entering their markets, as well as pleas that the agreement ensure an equal and fair

playing field of opportunities, both for our side and for our European partners' side.

• (1825)

**Mr. Randy Hoback (Prince Albert, CPC):** Mr. Speaker, it is great to be able to ask my colleague a question. I really enjoyed his history lesson. I cannot believe the 39-year old has that much knowledge about history. However, I want to use that advantage and that wisdom wisely today to talk about the fact that, historically, when we looked at the first free trade agreements, when we look at NAFTA and agreements like that, there were all these naysayers who said that we would lose our wine sector. For example, I remember that the B.C. wine industry would disappear off the map and it would never survive.

I would like the member to comment on how many times we have heard the NDP and other parties talk about how trade is so horrible, that it will basically ruin Canada, and on what we have heard in today's debate.

**Hon. Peter Kent:** Mr. Speaker, Canada, along with every trading country in the world, has to adapt to today's globalization and trading realities.

I have a framed mallet in the den of our house that my grandfather used as a harness maker. I am not sure that he made buggy whips, but he was a harness maker, and he adapted to that trade and reality before he died. Those of our economic sectors that are challenged by globalization must do that today, and government must assist them.

**The Assistant Deputy Speaker (Mr. Anthony Rota):** Is the House ready for the question?

**Some hon. members:** Question.

[*Translation*]

**The Assistant Deputy Speaker (Mr. Anthony Rota):** The question is on Motion No. 2. A vote on this motion also applies to Motions Nos. 3 to 53.

[*English*]

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 nays have it.

*And five or more members having risen:*

**Mr. Kevin Lamoureux:** Mr. Speaker, I ask that the vote on the motion be deferred to Tuesday, February 7, at the expiry of the time provided for oral questions.

*Adjournment Proceedings*

**The Assistant Deputy Speaker (Mr. Anthony Rota):** The vote will be deferred to Tuesday, February 7 after oral questions.

---

## ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[*English*]

### DEMOCRATIC REFORM

**Ms. Irene Mathysen (London—Fanshawe, NDP):** Mr. Speaker, last October I asked the Minister of Democratic Institutions about promises that she and her government made to Canadians. Now, we find ourselves in a new year and, sadly, with a whole new set of broken promises. I am extremely disappointed that the Liberals have chosen to ignore Canadians and back away from their commitment on democratic reform.

The promise to Canadians was very clear. Sixteen months ago on the election trail, our future Prime Minister stated that his party would make every vote count; and on numerous occasions, more than 1,800 in fact, claimed that a Liberal government would be committed to ensuring that the 2015 election would be the last federal election using first past the post. That was a clear promise, a clear commitment, one for which many Canadians voted. As recently as last October, the Prime Minister restated his support for electoral reform, describing it as “a commitment we made in our election that I continue to be deeply committed to”.

I am starting to wonder if members of the governing party actually understand what the word “commitment” means. It is truly disheartening for Canadians to have watched the Prime Minister and his Minister of Democratic Institutions slowly but surely redefine, weaken, water down, and then back away from their commitment to a fair election process.

Breaking this promise, this commitment, does more damage to our democratic system than the Prime Minister is willing to admit. It tarnishes the credibility of all MPs in this House. It tells Canadians that politicians are only interested in getting elected and will say anything to make that happen. It starts to pick away at the fabric of our democracy and we begin to see that fabric unravel as people lose trust in the political system. Making promises they never intended to keep further disenfranchises those who came out in droves to vote for change. People believed the Liberal Party actually wanted to create change. They were sold a bill of goods and now are left with the status quo and a lack of trust in the political system. This is a betrayal of every Canadian who voted to change the electoral system, as well as of every Canadian who voted to do politics differently. The unvarnished truth is that rather than fixing our broken electoral system so it benefits every Canadian, the Liberals are keeping the current system because it benefits them.

We are also left wondering what the next broken promise will be. Clearly, commitments and promises are meaningless to the Prime Minister. I wonder if the next broken promise will be in regard to pensions for our veterans. This was a key election promise just like democratic reform. It made it into the minister's mandate letter, just

like democratic reform. Yet here we are in 2017 with no promised pension, and veterans back in court fighting the government on the sacred obligation our government owes to the men and women who serve this great country.

Therefore I want to ask the parliamentary secretary across the aisle from me today if the government intends to keep the promises and commitments it made to Canadians. Are there any other promises the Liberals intend to break? What are they? What else do the Liberals intend to simply walk away from after abandoning their commitment to electoral reform?

● (1830)

**Mr. Andy Fillmore (Parliamentary Secretary to the Minister of Democratic Institutions, Lib.):** Mr. Speaker, I am thankful for the opportunity to speak to the issue raised by the member for London—Fanshawe back in October, which is why we are here this evening. That is the issue of non-resident Canadian citizens voting in federal elections. I would like to start by saying that this government is firmly supportive of enhancing electoral participation of all kinds.

The right to vote is a fundamental democratic right, enshrined in section 3 of the Canadian Charter of Rights and Freedoms. The constitutional enshrinement of this right reflects the centrality of voting in our democratic system, as well as its essential link to Canadian citizenship. The charter protects and promotes the right of each citizen to play a meaningful role in the political life of our country. As Chief Justice McLachlin stated in the Saskatchewan Electoral Boundaries reference, “the Canadian tradition as one of evolutionary democracy moving in [gradual] steps toward the goal of universal suffrage...”

The special voting rules in the Canada Elections Act, which set out how non-resident Canadian citizens may vote, constitute one such step. Before 1993, the only non-resident Canadians who were able to vote in federal elections were generally members of the Canadian Forces and the federal public service. The special voting rules marked a watershed moment in the enfranchisement of non-resident citizens. Introduced in 1993, the rules extended, for the first time, voting to non-resident citizens who did not fall under the two exceptional categories.

At the time, after much debate in this place, Parliament saw fit to impose three limitations on non-resident voting: namely, first, a requirement of prior residence in Canada; second, a requirement that the non-resident elector have resided outside of Canada for fewer than five years, with certain exceptions; and, third, the requirement that the elector intended to resume ordinary residence in Canada at some point in the future.

*Adjournment Proceedings*

After the latter two limits were challenged in July 2015, the Ontario Court of Appeal held that the five-year cut-off and the requirement of an intent to return constituted reasonable limitations on the right to vote under section 1 of the charter. That judgment has been appealed to the Supreme Court of Canada. On October 20, the Attorney General of Canada filed her factum defending the right of Parliament to make the choice that it did in 1993 as being within the bounds of constitutionality.

The Minister of Democratic Institutions is firmly committed to enhancing the participation by Canadians in the electoral process. That is why we have just introduced Bill C-33, legislation that, if passed, will enable electors who have lived for more than five consecutive years outside of Canada to vote, and electors will not need to state their intent to return.

The government believes that Canadian democracy should be inclusive and in tune with the realities of an increasingly interconnected world. I look forward to the hon. member's contribution to the discussion when we debate Bill C-33 in this House.

• (1835)

**Ms. Irene Mathysen:** Yes, Mr. Speaker, democracy should be inclusive.

Let us look at the facts. Two-thirds of Canadians voted in the last election for parties promising electoral reform. During the committee hearings, almost 90% of expert testimony and 80% of public testimony called for the government to adopt a proportional voting system.

When they launched their own extremely biased and poorly designed online survey, Liberals never even asked Canadians what system they wanted. Today, reports have surfaced that the Liberals spent nearly \$4.1 million consulting Canadians on electoral reform. I wonder if they had any intention of implementing it in the first place.

It amazes me that the promise to strengthen our democratic institutions has gone from a clear commitment to the trash bin in just over a year. Why is the Liberal government so afraid of democracy?

**Mr. Andy Fillmore:** Mr. Speaker, I want to be very clear. This government fundamentally believes that more Canadians should have the ability to vote. We are committed to enhancing participation by Canadians in the democratic process, as evidenced in the updated mandate letter for the Minister of Democratic Institutions.

I certainly appreciate the member opposite's commitment to this issue. Coming back to the reason we are having this discussion this evening, I will again say that we have tabled legislation in this House that, if passed, would enable more than a million new electors living abroad to vote.

We appreciate that many non-resident citizens care deeply about voting in Canadian federal elections. I, and many others in this House, look forward to debating Bill C-33.

IMMIGRATION, REFUGEES AND CITIZENSHIP

**Hon. Michelle Rempel (Calgary Nose Hill, CPC):** Mr. Speaker, I have been on my feet many times in this place talking about the plight of the Yazidi people of northern Iraq and surrounding regions. They are probably some of the most persecuted people in the world.

They face extreme persecution at the hands of extremists in the religious majority in the area. They are undisputed survivors of genocide, and the international community has a lot of work to do, when we say "never again", in actually applying it to these people.

The government committed four months ago to assist Yazidi victims of genocide with a broad range of services. This does not just mean resettling refugees. Canada has a horrendous track record in identifying and bringing Yazidis to Canada. In fact, the government has brought none through the government-assisted program, in spite of the fact that it claims to welcome refugees.

It means that we need to ensure that we are supporting these people in terms of recovery from the atrocities they and their families have been through. It means aid to the region, support for rebuilding infrastructure, and asking the tough questions about what Canada's role is in the fight to contain ISIS, given that their homelands are not secure or safe.

The government, frankly, has shown a lack of compassion to these people, as has the international community.

I stood in the House and asked a very simple question: Has the government contacted any NGOs? There are many NGOs doing excellent work in this area. I asked if it had contacted NGOs to help identify Yazidi refugees to come to Canada, and I got no response. It was actually quite shameful.

Right now, NGOs have identified displaced persons in Iraq, as well as in refugee camps in Turkey, who could be here, basically with the stroke of the minister's pen. Yet the government refuses to work through these groups. Why? It is because it wants to rely solely on the UN to refer refugees to Canada. It uses the line, "We do not use religion to prioritize refugees to come to Canada", yet it is exactly these people's religion that is causing them to be the most persecuted and vulnerable people in the world. They, in turn, require our support.

The government has this dichotomy. It is passing the buck to the UN and refusing to take action. It is like it only wants the glory and the photo op with other refugees. It is not servicing the most vulnerable. It is not supporting these people.

The reason it is so important for the government to identify which NGOs they are working with is that it shows the international community that what the UN is doing to help these people is not good enough. The international community needs to send a message to the UN that these people are not safe in refugee camps and that they are not being put on referral lists to come to countries like Canada, the U.S., and Australia. In fact, many Yazidi people have actually said that the UN is actively discriminating against them by giving them appointment dates that are years and years in the future.

My question is very simple. With dozens of NGOs working in this area internationally, which NGOs has the minister and the government contacted to ensure that Yazidi refugees, both in Iraq and out, are being identified for sponsorship to Canada?

• (1840)

[Translation]

**Mr. Serge Cormier (Parliamentary Secretary to the Minister of Immigration, Refugees and Citizenship, Lib.):** Mr. Speaker, I am pleased to rise for the first time as parliamentary secretary to the Minister of Immigration, Refugees and Citizenship.

[English]

I look forward to working with the new minister in his new role. He is doing an awesome job so far. I also look forward to working with members of the committee, especially the member for Calgary Nose Hill. I know she is doing great work in committee, and I look forward to working with her.

[Translation]

Canadians are united with people the world over in deploring the murderous acts of Daesh. Millions of people have been driven from their homes and persecuted for their ethnic affiliation or sexual orientation.

[English]

Canada has been a key contributor in the international effort to address the crisis. Since November 4, 2015, we have welcomed nearly 40,000 Syrian refugees.

[Translation]

I am pleased that all the parties are working together to help the vulnerable victims of Daesh, including the Yazidi population, as evidenced by the unanimous support for the proposal to bring Yazidis to Canada within 120 days, by February 22.

[English]

It is important to know that bringing to Canada internally displaced people as opposed to refugees is something that we do only in very exceptional circumstances. This is one of those circumstances.

[Translation]

We are committed to meeting that 120-day deadline, but it is also important to take the time to do things right and ensure that we have in place settlement supports, welcoming communities, interpreters, and plans to meet the psychological and social needs of the people we are welcoming. That is why, as the outgoing minister said in response to the initial question, we have worked very hard to design a two-part plan. We are bringing in people who live outside Iraq, in Turkey and Lebanon, and, at the same time, we are identifying women and their families who live in Iraq.

[English]

The department is also working closely with welcoming communities to ensure that settlement supports are in place and available to individuals upon their arrival.

[Translation]

We know that we need to make sure that these victims are protected from Daesh, but because the region is still so unstable, it is extremely challenging to identify and interview these people and get them out of Iraq while ensuring the safety of our immigration

### *Adjournment Proceedings*

officers, members of the Yazidi community, and other vulnerable groups.

When we prepare operational plans, our priority is the safety of individuals, staff, and partners. It also takes considerable resources to process the files of difficult-to-access populations.

• (1845)

[English]

That said, the Government of Canada is looking at ways to respond to the challenge in northern Iraq. IRCC officials recently completed a third visit to the region.

[Translation]

Over the course of the three trips, they interviewed a large number of Syrian refugees, as well as some internally displaced persons, and met with key partners in order to collect as much information as possible about the situation on the ground.

The desire to help those in need and to protect them is a longstanding Canadian tradition that is alive and well. We hope to continue to be global leaders, but there is no miracle solution for these problems.

[English]

We continue to work with our partners in the region to respond to the various challenges of resettling this vulnerable population in northern Iraq, and we will communicate on our progress as soon as it is appropriate.

**Hon. Michelle Rempel:** Mr. Speaker, we just got a preview of what the government's response is going to be later this month when it fails to do anything material for the Yazidi people, in spite of the lip service it has paid this. The talking points are, "We can't work fast enough" and "This isn't easy". When the government said during the campaign that bringing in 25,000 Syrian refugees was just a matter of political will, it was just a matter of political will. Of course it is not easy, but it is the right thing to do.

I asked the member a very simple question. I know he is new in the role, but the talking points he just gave should give him pause for thought and some shame.

It is not easy, but there are people on the ground who know what they are doing. There are NGOs that are well positioned. Why is the government not working with these people? I met with dozens of them today and they all said that they had had no calls from the government. Who is the government working with? Is it just working through a woefully inadequate UN? How many Yazidis will the government be bringing to Canada?

[Translation]

**Mr. Serge Cormier:** Mr. Speaker, as I said earlier, we are very pleased that all parties are working together to help the vulnerable victims of Daesh, which include the Yazidi, as shown by the unanimous support for the proposal to bring these Yazidi to Canada within 120 days, or by February 22, 2017.

[English]

We are committed to meeting this 120-day timeline, but it is equally important to take the necessary time to do this right.

*Adjournment Proceedings*

[Translation]

That is why we are working very actively on developing a two-pronged plan, as I mentioned earlier. The department is also working closely with host communities to ensure that settlement supports are in place and available to individuals upon their arrival.

[English]

Again, we will communicate our progress as soon as it is appropriate.

[Translation]

## PORT OF QUÉBEC

**Mr. Alupa Clarke (Beauport—Limoulu, CPC):** Mr. Speaker, thank you for giving me the floor this evening. I am glad to have the opportunity to address my colleague from Ville-Marie—Le Sud-Ouest—Île-des-Soeurs for the first time.

This evening, I would like to talk about the Port of Québec, an extremely important port and the oldest one in Canada. It is more than four centuries old and part of Quebec City's very foundation.

The Port of Québec has reached a turning point. If it does not look to the future, focus on development, and expand its operations, then, sadly, it will soon die.

Three projects are under way. Beauport 2020 is of utmost importance. L'Anse au Foulon is an extension of Samuel-De Champlain Boulevard. During the election campaign, there was a promise to invest \$12 million in it. The Louise Basin is another Port of Québec site with plans for development.

During its first year in power, the Liberal government did not have much to say about those projects. It was silent on the subject of l'Anse au Foulon, the Louise Basin, and Beauport 2020. There was nothing about Beauport 2020 in the throne speech or in the budget, and not much talk about it in general other than brief mentions by the Minister of Transport during his infrequent stops in Quebec City.

Beauport 2020 is vital to helping the Port of Québec remain competitive internationally and in North America. This project is also important to maintaining 8,000 direct and indirect jobs in the greater Quebec City area. Among other things, Beauport 2020 includes plans to double the area of the port's wharves. It is important because investments tied to this project will make it possible to complete significant repairs to the port facilities so that the Port of Québec can remain competitive in North America.

The environmental assessment is well under way. We are currently at the public hearing stage. Social licence will not be a problem, I am quite sure, because the port authorities are doing a good job. There has been constant dialogue between the Canadian Environmental Assessment Agency and the Port of Québec. The agency has given the green light for public hearings to begin. By July 1, Canada Day, the Minister of Environment and Climate Change should receive a positive report from the Canadian Environmental Assessment Agency. I am confident that she will receive a positive report for this project. The Government of Quebec and municipal authorities all support this project. The Liberal Government of Canada has also said that it supports the project. However, it has been very tight-lipped about it for the past year.

My question is very simple. One month before the election, the Conservative government confirmed that there was a \$60 million envelope for the Port of Québec's Beauport 2020 project. The Minister of Transport repeatedly stated that he would honour the previous Conservative government's commitment in due course. My question is for the parliamentary secretary. Is this \$60 million envelope, which was allocated by the Conservative government, still available? Is this amount still on the books? Other than saying that the government supports the Beauport 2020 project, can the government tell us whether this envelope exists and is still available today?

• (1850)

**Mr. Marc Miller (Parliamentary Secretary to the Minister of Infrastructure and Communities, Lib.):** Mr. Speaker, I would like to thank the member for Beauport—Limoulu for his comments and involvement in the Port of Québec file and the project he mentioned.

The Government of Canada knows that infrastructure provides opportunities and can change lives. It helps people get to work and get their children to school. It can lift families out of poverty. It can help businesses grow. Infrastructure helps build better communities and strengthen Canada.

[English]

In budget 2016, we launched the first phase of our infrastructure plan, and we did not waste any time rolling it out. We signed bilateral agreements with all provinces and territories, and approved more than 1,200 projects, 65% of which are already under way.

On July 5, the Governments of Canada and Quebec signed the Canada-Quebec agreement on the public transit infrastructure fund and the clean water and waste water fund. Together, these funds will provide municipalities in Quebec with nearly \$1.3 billion in federal funding for projects across the province.

To date, we have approved over \$730 million to 57 projects. We look forward to announcing more projects with the province in the coming months.

[Translation]

With these investments, we will ensure that all Quebecers have access to modern infrastructure, including to help shorten their daily commute and optimize their work-life balance, while encouraging job creation, especially for the middle class.

Our government is committed to making transformative investments in infrastructure and, as my colleague the hon. Minister of Finance announced on November 1, we will be providing more than \$180 billion for infrastructure over 12 years.

These investments will address key areas such as public transit, green and social infrastructure, transportation infrastructure that supports trade, and rural and northern communities.



*Adjournment Proceedings*

The government has received the Port of Québec's proposed Beauport 2020 Phase 1 project for funding consideration. This funding is subject to all applicable program terms and conditions. A federal environmental assessment review was required before this project could be approved and the previous government was well aware of that when it promised funding just before the election campaign. The assessment, led by the Canadian Environmental Assessment Agency, is currently underway.

Infrastructure Canada will continue the project review once the environmental assessment is complete. We are pleased to provide funding consideration to projects such as the Beauport 2020 Phase 1 project.

We will continue to work with our counterparts in Quebec, the hon. member for Beauport—Limouilou of course, as well as municipal representatives to deliver on our shared infrastructure priorities.

•(1855)

**Mr. Alupa Clarke:** Mr. Speaker, I thank my colleague for his answer.

I understand that this is the first phase and that the government needs to conduct an assessment. That being said, when the member mentioned that the federal government has approved 57 infrastructure projects in Quebec, I could not help but notice that there does not seem to be anything for Quebec City.

What about the third link? The Liberal minister for the region, who says that he is not the minister for the region, has not said anything about it. No solution has been proposed regarding the Quebec Bridge, nor have we heard anything about the bus rapid transit system, a key project of the Quebec City mayor.

I understand the importance of government procedures, but regardless of what steps the government needs to take in relation to Beauport 2020, I would like to know whether the \$60-million envelope is still there. That is what port authorities, the Government of Quebec, the mayor of Quebec City, and my constituents want to know.

**Mr. Marc Miller:** Mr. Speaker, the member for Beauport—Limouilou said that the federal government is not funding any projects in the Quebec City area, but that is not true. In fact, the government is funding several. The member need only check our website to confirm it.

[*English*]

The Government of Canada recognizes that investments in vital national trade and transportation infrastructure like the port of Quebec project will help create long-term economic growth in the province of Quebec, as well as to the rest of Canada.

[*Translation*]

We are currently developing an infrastructure plan that will allow us to invest a total of more than \$180 billion in federal funding over 12 years. We have signed agreements with all the provinces and territories to provide them with federal funding for phase 1 of our plan, and more than \$245 million has been approved so far in Quebec.

We will continue to work with Canada's provinces, territories, and municipalities to help strengthen our communities.

[*English*]

We look forward to continuing to work with our proponents to make investments like the port of Quebec Beauport 2020 project a reality.

[*Translation*]

**The Assistant Deputy Speaker (Mr. Anthony Rota):** The motion to adjourn the House is now deemed to have been adopted.

[*English*]

Accordingly the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6:58 p.m.)

---



# CONTENTS

Monday, February 6, 2017

## PRIVATE MEMBERS' BUSINESS

### Income Tax Act

Bill C-274. Second reading .....	8471
Mr. Généreux .....	8471
Ms. Trudel .....	8472
Mr. Dubourg .....	8473
Mr. Gourde .....	8474
Mr. Aubin .....	8475
Ms. Petitpas Taylor .....	8476
Mr. Johns .....	8477
Mr. Caron .....	8478
Division on motion deferred .....	8479

## GOVERNMENT ORDERS

### Canada-European Union Comprehensive Economic and Trade Agreement Implementation Act

Bill C-30. Report Stage .....	8479
Mr. Graham .....	8479
Mr. Lamoureux .....	8479
Ms. Dhillon .....	8479
Mr. Weir .....	8480
Mr. Simms .....	8481
Mr. Angus .....	8481
Mr. Eyking .....	8481
Mr. Hoback .....	8483
Mr. Angus .....	8484
Mr. Shipley .....	8484
Mr. Simms .....	8485
Mr. Masse (Windsor West) .....	8485
Mr. Ehsassi .....	8486
Mr. Hoback .....	8487
Mr. Johns .....	8487
Ms. May (Saanich—Gulf Islands) .....	8488
Mr. Genuis .....	8488
Mr. Lamoureux .....	8489
Mr. Johns .....	8490
Ms. May (Saanich—Gulf Islands) .....	8490
Mr. Poissant .....	8490
Mr. Hoback .....	8491
Mr. Johns .....	8492
Mr. Lamoureux .....	8492
Mr. Fonseca .....	8492
Mr. Johns .....	8494
Mr. Genuis .....	8494
Ms. May (Saanich—Gulf Islands) .....	8494

## STATEMENTS BY MEMBERS

### Queen Elizabeth II

Mr. Boissonnault .....	8495
------------------------	------

### Virden, Manitoba

Mr. Maguire .....	8495
-------------------	------

### Volunteerism

Mrs. Jordan .....	8495
-------------------	------

### Hobiye Celebration

Ms. Kwan .....	8495
----------------	------

### Teacher Appreciation Week

Mr. Scarpaleggia .....	8495
------------------------	------

### Journalism

Mrs. McLeod (Kamloops—Thompson—Cariboo) .....	8496
---	------

### International Development Week

Mrs. Caesar-Chavannes .....	8496
-----------------------------	------

### New Brunswick Ice Storm

Mr. Cormier .....	8496
-------------------	------

### Human Rights

Mr. Genuis .....	8496
------------------	------

### Canadian School Counselling Week

Mr. Jowhari .....	8497
-------------------	------

### Yukon

Mr. Bagnell .....	8497
-------------------	------

### Human Trafficking

Mr. Sweet .....	8497
-----------------	------

### Inuit Youth

Mr. Schiefke .....	8497
--------------------	------

### Middle Class

Mr. Angus .....	8498
-----------------	------

### Human Rights

Mr. Carrie .....	8498
------------------	------

### Black History Month

Mr. Fergus .....	8498
------------------	------

## ORAL QUESTIONS

### Status of Women

Ms. Ambrose .....	8498
Mr. Trudeau .....	8498

### The Economy

Ms. Ambrose .....	8498
Mr. Trudeau .....	8499
Ms. Ambrose .....	8499
Mr. Trudeau .....	8499
Mr. Lebel .....	8499
Mr. Trudeau .....	8499

### Softwood Lumber

Mr. Lebel .....	8499
Mr. Trudeau .....	8499

### Democratic Reform

Mr. Cullen .....	8499
Mr. Trudeau .....	8499
Mr. Cullen .....	8500

Mr. Trudeau .....	8500	<b>Public Services and Procurement</b>	
Mr. Boulerice .....	8500	Mr. Weir .....	8505
Mr. Trudeau .....	8500	Ms. Foote .....	8505
Mr. Boulerice .....	8500	<b>Public Safety</b>	
Mr. Trudeau .....	8500	Ms. Rempel .....	8505
<b>Taxation</b>		Mr. Goodale .....	8505
Mr. Poilievre .....	8500	Ms. Rempel .....	8505
Mr. Morneau .....	8501	Mr. Goodale .....	8505
Mr. Poilievre .....	8501	<b>Foreign Affairs</b>	
Mr. Morneau .....	8501	Mr. Kent .....	8505
Mr. Deltell .....	8501	Mr. Alghabra .....	8506
Mr. Morneau .....	8501	<b>Infrastructure</b>	
Mr. Deltell .....	8501	Mr. Breton .....	8506
Mr. Morneau .....	8501	Mr. Sohi .....	8506
<b>Infrastructure</b>		<b>Indigenous Affairs</b>	
Ms. Watts .....	8501	Mrs. McLeod (Kamloops—Thompson—Cariboo) .....	8506
Mr. Sohi .....	8501	Ms. Bennett .....	8506
Mr. Rayes .....	8502	<b>Persons with Disabilities</b>	
Mr. Sohi .....	8502	Ms. Hardcastle .....	8506
<b>International Trade</b>		Ms. Qualtrough .....	8506
Ms. Ramsey .....	8502	<b>Immigration, Refugees and Citizenship</b>	
Mr. MacAulay .....	8502	Ms. Damoff .....	8506
Ms. Brosseau .....	8502	Mr. Hussen .....	8506
Mr. MacAulay .....	8502	<b>Finance</b>	
<b>Agriculture and Agri-food</b>		Mr. Richards .....	8507
Mr. Anderson .....	8502	Mr. Morneau .....	8507
Mr. MacAulay .....	8502	<b>Quebec</b>	
<b>Government Appointments</b>		Mr. Fortin .....	8507
Mr. Anderson .....	8502	Ms. Joly .....	8507
Mr. MacAulay .....	8503	Mr. Thériault .....	8507
Mr. Cooper .....	8503	Ms. Joly .....	8507
Ms. Wilson-Raybould .....	8503	<b>Health</b>	
Mr. Gourde .....	8503	Mr. Fortin .....	8507
Ms. Chagger .....	8503	Mrs. Philpott .....	8507
<b>Health</b>		<b>Presence in Gallery</b>	
Ms. Sansoucy .....	8503	The Speaker .....	8507
Mrs. Philpott .....	8503		
Mr. Rankin .....	8503		
Mrs. Philpott .....	8503		
<b>Public Safety</b>			
Mr. Baylis .....	8503		
Mr. Goodale .....	8504		
<b>National Defence</b>			
Mr. Bezan .....	8504		
Mr. Rioux .....	8504		
Mr. Paul-Hus .....	8504		
Mr. Rioux .....	8504		
Mr. Bezan .....	8504		
Mr. Rioux .....	8504		
Mr. Paul-Hus .....	8504		
Mr. Rioux .....	8504		
<b>Youth</b>			
Ms. Quach .....	8505		
Mr. Cuzner .....	8505		
		<b>ROUTINE PROCEEDINGS</b>	
		<b>Committees of the House</b>	
		<b>Procedure and House Affairs</b>	
		Mr. Bagnell .....	8508
		Mr. Bagnell .....	8508
		Motion for concurrence .....	8508
		(Motion agreed to) .....	8508
		<b>Petitions</b>	
		<b>Human Rights</b>	
		Mr. Blaikie .....	8508
		<b>Housing</b>	
		Ms. May (Saanich—Gulf Islands) .....	8508
		<b>Labelling of Food</b>	
		Ms. May (Saanich—Gulf Islands) .....	8508
		<b>Physician-Assisted Death</b>	
		Mr. Rankin .....	8508

<b>Democratic Reform</b>	
Mr. Rankin .....	8508
<b>150th Anniversary of Confederation</b>	
Mr. Van Loan .....	8508
<b>Language Training</b>	
Mr. Albas .....	8509
<b>Questions on the Order Paper</b>	
Mr. Lamoureux .....	8509

### GOVERNMENT ORDERS

<b>Canada-European Union Comprehensive Economic and Trade Agreement Implementation Act</b>	
Bill C-30. Report stage .....	8509
Mrs. Gallant .....	8509
Mr. Lamoureux .....	8510
Mr. Masse (Windsor West) .....	8511
Ms. Murray .....	8511
Mr. Johns .....	8513
Mr. Viersen .....	8513
Mr. Dhaliwal .....	8513
Mr. Masse (Windsor West) .....	8513
Mr. Lamoureux .....	8515
Mr. Viersen .....	8515
Mr. Johns .....	8515
Mrs. Jordan .....	8516
Mr. Viersen .....	8517
Mr. Blaikie .....	8517
Mr. Nater .....	8518
Mr. Weir .....	8519
Mr. Lamoureux .....	8519
Mr. Dhaliwal .....	8520
Mr. Cullen .....	8521
Ms. Finley .....	8521
Mr. Cullen .....	8523

Mr. Lamoureux .....	8523
Mr. Angus .....	8523
Mr. Lamoureux .....	8525
Mr. Masse (Windsor West) .....	8525
Mr. Doherty .....	8526
Mr. Aboultaif .....	8527
Mr. Masse (Windsor West) .....	8527
Mrs. Nassif .....	8527
Ms. Hardcastle .....	8528
Mr. Scarpaleggia .....	8529
Mr. Hoback .....	8530
Ms. May (Saanich—Gulf Islands) .....	8530
Mr. Lamoureux .....	8531
Mr. Aboultaif .....	8532
Mr. Johns .....	8532
Mr. Schmale .....	8532
Mr. Lamoureux .....	8534
Mr. Johns .....	8534
Mr. Kent .....	8534
Mrs. Nassif .....	8536
Mr. Weir .....	8536
Mr. Hoback .....	8536
Division on Motion No. 2 deferred .....	8537

### ADJOURNMENT PROCEEDINGS

<b>Democratic Reform</b>	
Ms. Mathysen .....	8537
Mr. Fillmore .....	8537
<b>Immigration, Refugees and Citizenship</b>	
Ms. Rempel .....	8538
Mr. Cormier .....	8539
<b>Port of Québec</b>	
Mr. Clarke .....	8540
Mr. Miller (Ville-Marie—Le Sud-Ouest—Île-des-Soeurs) .....	8540

Published under the authority of the Speaker of  
the House of Commons

---

### SPEAKER'S PERMISSION

---

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

---

Also available on the Parliament of Canada Web Site at the following address: <http://www.parl.gc.ca>

Publié en conformité de l'autorité  
du Président de la Chambre des communes

---

### PERMISSION DU PRÉSIDENT

---

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

---

Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante : <http://www.parl.gc.ca>