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Monday, February 2, 2015

Speaker: The Honourable Andrew Scheer

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HOUSE OF COMMONS

Monday, February 2, 2015

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

• (1105)

[*English*]

RAIL SERVICE

Hon. Mark Eyking (Sydney—Victoria, Lib.) moved:

That, in the opinion of the House, the government should take steps to provide an increased level of rail service throughout Canada by: (a) recognizing that an increase in rail service and capacity is essential to the livelihood of Canadian agriculture; (b) recognizing that the ongoing review of the Canada Transportation Act provides an opportunity to rebalance the system and improve capacity and service; (c) making sure that all sections of the industry convene, with their own operational ideas, to increase effectiveness and efficiency of our transportation system...; (d) recognizing that changes to legislation are needed to address the imbalance of power along the logistics chain; and (e) making sure that all stakeholders work together to build a world class transportation system, including effective legislation and regulations.

He said, Mr. Speaker, on the domestic front, last winter we were faced with a severe crisis within our agriculture sector to effectively recognize the interests of producers and the struggle to get their record crop to market. Harvests across the prairie provinces, the world's top canola producer and second-largest exporter of wheat, jumped 14%, to a record 90 million metric tonnes, as reported by the government.

To put it simply, the system failed farmers last year, and it failed them badly. There is a responsibility throughout the logistic chain—the railroads, the grain companies—and then we had the cold weather to boot.

However, if the system failed, then we must asked ourselves, “Who designed the system? Who put it in place? Who set it up for failure? Who imposed \$8 billion in costs and losses to prairie farmers?” The answer to that question is the current Conservative government. This disastrous system, the one that has failed so badly, is the one that was designed and implemented over the past three years of this current government.

Now, the current Canada Transportation Act review could not be more timely. The winter of 2013-14 saw a transportation crisis that impeded the growth and credibility of our export economy. Real hardship was experienced by farmers due to the failures of the system. For both the producers and the consumers of Canadian grain,

our transportation system could not be relied upon. Shippers had to place car orders and had no idea when those orders would be fulfilled.

Of all our Canadian exports, more than 50% are reliant upon rail, and more than 70% of those exports go right to the United States. As Canada grows, the country needs a rail system to evolve, matching these trends.

In 2009, Canadian trade exports were valued at \$367 billion. By 2013, they went to \$479 billion, 75% of which went to the United States. When we look at 2013-14, it displayed a system that failed to adapt to the growth, especially in western Canada.

The 2012-13 grain harvest, considered a once-in-a-lifetime crop, was topped again in the following year. The farmers are getting better out west; they are getting better varieties and growing more crops, and the world needs those crops. Canadian exports of oil by rail are up over 160,000 barrels per day, from 50,000 barrels in 2012.

As Canada's economy continues to grow, our transportation system needs not only to grow alongside it, but to improve as well. A system as complicated as Canada's transportation system needs to be built upon the spirit of co-operation. The number of stakeholders and the demand on the system is going to continue to grow, which is good. It is good for the people out west; it is good for all of Canada, and it is good for the people who need our products around the world.

The Canadian Wheat Board had a variety of functions in the system. Some of them were set out in legislation, such as the single-desk seller function. Some of its functions simply developed by way of the evolution of the grain system in western Canada. It became a safeguard of the system, helping to direct traffic and providing some overall coordination.

When the Conservatives came in and made the decision to eliminate the single desk, what was going to replace that system? It was their policy decision to make, as a government.

• (1110)

That ship has sailed; it is over, and there was nothing put in its place to help that coordination and to get things going. We saw ships waiting in Vancouver harbour last year that had to turn around and go to other countries to buy grain.

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However, Liberals do not believe that they thoroughly considered the collateral damage here, and some of the collateral damage was the total elimination of any coordinating function, oversight function, and an ability to try to use limited assets in the most cost-effective, business-like fashion. That is what is missing in this system now. It is not an issue at the moment of a single-selling desk. That is not what we are here to talk about. It is about an issue of absolute chaos in an uncoordinated system and a lack of synchronization. That is what is happening, with nothing to fill it.

Rail transportation is a very complex system. One has to get the grain from the right delivery point to the right terminal on to the right boat to the right customer in an appropriate amount of time. That did not happen last year. It happened late, and as I stated, there were billions of dollars lost by farmers out west. A very intricate and complex number of parts have to work together to make this happen. What we have seen over the past year is the Conservatives' inability to bring proper coordination to the system. They have not made the best use of our limited assets in the most cost-effective way so that we do not have a colossal mix-up. We need a smoothly functioning system that will get the most money for farmers because their product is delivered at the right place and at the right time.

In November 2013, just when the farmers were finishing their grain harvest—and they were very optimistic, as it was a great harvest and they had customers—I had the opportunity to take an agriculture outreach tour throughout western Canada to meet with farmers and identify areas that are important in my role as agriculture and agri-food critic. After visiting various farmers in Manitoba, Saskatchewan, and Alberta, even early in the fall months it was evident that our grain handling system in Canada was not providing the capability to meet industry demands.

Along with the member from Winnipeg, we witnessed first-hand the mounds of grain that were piled right to the rafters. The bins were full at the McRae's farm, at St. Andrews, in Manitoba. He was optimistic at that time, but throughout the winter things changed for him. The situation became worse.

Initially the minister suggested cash advance payments—I wonder what good that is if their crop is not moving—and a working group to look into the disaster. As the months were going by and they were losing more money, it was too little and too late. Ships remained idle in Vancouver, resulting in millions of dollars in demurrage charges and on-farm operating debts being unpaid. Grain prices were dropping, and farmers were losing that window to sell their crop.

That all came as a direct result of the Conservatives' Fair Rail Freight Service Act, Bill C-52, introduced in the House before 2012. They had the opportunity. It was supposed to rectify the imbalance in market power between the farmers and railroads. The Conservatives took the Wheat Board out and had an opportunity to put something else in its place, and they did not. Bill C-52, an act to amend the Canada Transportation Act, was a great opportunity. We could have had a real rail act then. There were recommendations made, and we would not have had the \$8 billion loss that we had to deal with.

In the continued spirit of an open and fair market, a need exists for an oversight to ensure that complaints against parties can be addressed in an appropriate manner. There is a strong need for the ability for shippers to seek solutions to problems arising during their

interactions with the railroads. In order to effectively address issues that occur in the fulfilment of service level agreements, the complaint mechanism must allow not only for shippers to seek arbitration efficiently and fairly, but also for each party to be on equal footing. That is very important. Everybody has to be on equal footing to make this system work because everybody is accountable.

During the passage of Bill C-52, the Coalition of Rail Shippers made several recommendations, which we in the Liberal Party supported. However, none of those resolutions were passed back in 2012.

• (1115)

Many prairie groups agreed that the legislation needed to be amended to make it easier to hit the railroad companies with fines over transportation bottlenecks. If it had stuck then, the railroads might have complied with it last year.

This eventually brought forward Bill C-30, which was the bill we dealt with just last year, an act to amend the Canada Grain Act and the Canada Transportation Act and to provide for other measures. That was introduced by the government in March of 2013. The measures being imposed will expire in another year's time.

As I said, there is no long-term solution for the farmers. The government is putting Band-Aids on as we go along. There is no long-term solution that will keep the same situation from happening again and again. The crops are going to continue to do well, they are going to get bigger, and there is no solution.

Many agronomists and public servants at the agriculture department have said that these harvests are only going to get bigger and better, which is great, but we have to get those crops to the Asian markets especially and to the United States. The bill does not attempt to find a long-term solution for farmers.

The fact that the measures will expire demonstrates yet again that the Conservatives see this as a political short-term issue, while in reality, this is a structural issue farmers are faced with. The problem could very well resurface at the next harvest.

This year, as bad as it was, there are still bottlenecks, and it is not working well. Farmers are still shipping grain that was produced the year before, and last year was just an average year.

The minister has brought forward pieces of legislation that seem to be reacting to the issue rather than leading the way, on the agriculture front, on a long-term solution. It seems that members only have a chance to debate agriculture-related bills in the House when something is going wrong. There is no long-term vision. When something happens, then it is brought to the House. It seems that this is what happens every time.

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The most recent grain transportation crisis is a prime example. The government waited months and months before acting. Then it scrambled together a bill that could help farmers get their grain moving. The government only acts when it needs to, and it delays action as much as possible, because it is all politically driven.

Farm lobby groups in Saskatchewan and Manitoba say that fines levied against Canada's two largest railroads stemming from the provisions in Bill C-30 do not reflect the damage caused when the companies failed to transport the minimum required grain volumes last year. The railroads are going to be fined, but even if they get the money from the railroads, it will go to the government. It will not pay the farmers who are losing money while the crops are stored in their buildings or bins.

Norm Hall is president of the Agricultural Producers Association of Saskatchewan. He represents a lot of farmers in Saskatchewan. He says that farmers are frustrated about the fallout from months of railway backlogs following last year's bumper grain crop. He stated:

"There's also some relief that the federal government did step forward, but there's still frustration. The one thing that bothers us most about this is that fine, that money, goes to government [instead of the farmers who are losing the money]. It in no way goes to those that were hurt...be it the producers or the grain companies."

He also said that the fines are a drop in the bucket for the railways. He is a representative of the farmers in Saskatchewan.

Also, Doug Chorney, who represents many producers in Manitoba and is head of Keystone Agricultural Producers in Manitoba, said there needs to be a way to compensate shipping companies and farmers who are adversely affected by rail delays. He stated:

A fine of such [a] small amount really doesn't reflect the kind of damage poor service is impacting on shippers and farmers. We've always had challenges with reliable and adequate service from railways because of different planning issues, not always because of capacity. We do have fundamental challenges in terms of making sure we have a system that's well-co-ordinated.we can't be left to wait months and months for rail service.

In March 2014, the Minister of Transport said fines against rail companies could total up to \$100,000 a day. What happened? She came out with \$100,000 a week. That is a big change, from \$100,000 to \$100,000 a week.

● (1120)

To wrap up, what the government has done is not working for farmers. It is not working for customers around the world who need our grain so badly. We should have a long-term plan, and that is why I am bringing this motion forward.

Mr. Earl Dreeshen (Red Deer, CPC): Mr. Speaker, I listened with great interest to the member.

In the agriculture committee, we have had so many discussions. I thought the member had gotten over his \$8-billion loss, recognizing the fact that there was hedging and there were issues that were not real. This was an issue I thought the member had figured out.

The member mentioned the cash advance payments and asked what good they are if the grain is not moving. That is exactly why they are there. It is so that when the grain is not moving, they are able to get some money in to pay bills. It allows them to have that buffer so they can reach into markets when it is better for them.

If the member feels that the cash advance payments program is not worthwhile, does this mean that the Liberals would eliminate such a program if they were ever to come to power?

Hon. Mark Eyking: Mr. Speaker, I felt sorry for the member for Red Deer in committee. He is a farmer, and he could feel the pain of all the farmers. He knew what they were going through, but he had to take the lead from the minister.

The \$8 billion is a true number. That money was lost. The member talks about the cash advance payments. We had a motion in the last bill to increase the cash advance payments. What do the cash advances pay? It is money they have to pay back. It is only a loan. It is no good if the grain is sitting there and losing value.

We believe in cash advance payments, if the system is working. We have no problem with cash advance payments, but they do not help the grain move. A cash advance payment does not move the grain.

Mr. Murray Rankin (Victoria, NDP): Mr. Speaker, I listened with interest to my friend from Sydney—Victoria. I congratulate him on a motion that we will certainly be supporting as the official opposition.

When the member uses words like “disastrous system”, “absolute chaos”, and “real hardship”, we concur entirely. Again, I would thank the member for this important motion.

He mentioned in his remarks that he wished to put shippers and the railways on an equal footing. I would like to ask whether the member would agree that better enforcement of surface level agreements requires a better explanation of terms in Bill C-30, such as adequate and suitable “service obligations”. The terms are too ambiguous in our view. We need language to clarify rights and obligations. Would the member agree?

Hon. Mark Eyking: Mr. Speaker, I would totally agree with the member.

I have to commend the NDP members. They worked hard with us in committee to get this straightened out. We put together amendments, and not one of those amendments from the opposition was accepted. These amendments came from farmers.

I have to commend the NDP for working with us on this. I believe that there has to be more accountability to be on an equal footing. If we look at our supply management system, there is accountability for whoever is buying a product and whoever is selling a product. People are on an equal footing.

That is not the situation with the grain farmers out west.

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Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, I want to commend my colleague from Sydney—Victoria for his remarks. This is an extremely important motion. The member has really touched on some fundamental points.

I want to ask him about a few things.

It is important for Canadians to remember, first of all, that the government has had five ministers of transportation in nine years. I think that speaks volumes to the level of commitment and follow-through by a single minister during this time and during this government.

The second thing I would like to say is that there really is a crisis in transportation. We are seeing it in the transportation of grain. We are seeing it in the transportation of passengers. We are seeing it in the transportation of oil. There has not been a serious adult conversation led by the federal government.

As my colleague rightly points out, it has been sort of ice floe to ice floe, crisis by crisis. Can the member help us understand why our counterparts in the United States and Mexico, for example, are not facing the same government-made crisis?

• (1125)

Hon. Mark Eyking: Mr. Speaker, the member made another point that is very important.

I am the agriculture critic, so I am pushing for this change for the farmers. However, the western economy depends on the rail system, whether it for potash, coal, or oil. They all rely on the rail system. Really, they should not have to be competing with each other or leaving one behind.

The member is right, the system is working better in the United States. They have regulations in the United States that have to be followed. We do not have those here.

It all boils down to when we lost the Wheat Board, and there was an opportunity at that time for the government to come in with another system that would make everyone accountable and have everything move well. It can happen, but we have to have the cars, and we have to have everyone dealing with it.

Right now what we have is corridors going from east to west with the railroads, and we are leaving a whole big opportunity. The United States and Mexico are selling our products down there with no hopper cars going that way.

Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC): Mr. Speaker, it is a pleasure to rise today. I would like to wish everyone a happy Groundhog Day. I am kind of disappointed that you do not have your Warton Willie tie on today, Mr. Speaker, but I do.

I would like to thank the member for Sydney—Victoria for his motion. I know my colleague across the way as a fellow farmer and someone who cares for agriculture. I am a little surprised that he brought something forward in a motion and not a private member's bill. However, I am happy to be able to speak to it.

I rise today to outline the critical role the rail sector plays in Canada and to highlight the importance of the rail transportation system to Canada's overall economic success. I know that all

members of the House support our efforts to ensure that the system is working effectively for Canadians.

Canada's railways, led by Canadian National, Canadian Pacific, and a number of short lines, are vital to our success as a global economic competitor, as a partner in the North American economy, and as a community that stretches from coast to coast to coast.

As we know, the first trans-Canada rail system was completed on November 7, 1885. It was a system that was central to the development of our country then, and its importance has only increased over time. Today we have one of the largest rail networks in the world, with more than 46,000 kilometres of track. Canadians and Canadian businesses depend on rail to transport goods to market efficiently and safely, and move goods they do. In 2012, our railways moved 337 million tonnes of goods.

In particular, railways play a vital role in moving our bulk commodities, such as minerals, oil and gas, agricultural goods, and forest products, to locations across North America and to port positions for export overseas.

The railways play an equally important role in moving imported goods, on which Canadians and Canadian businesses rely, from ports in B.C., Halifax, and Montreal to various locations across Canada. It is because of all of this that we must ensure that the rail system in Canada continues to operate as efficiently, effectively, and reliably as possible.

Allow me to provide members with some specifics. In 2013, Canadian railways moved 16.4% of Canada's exports and 8.5% of its imports, when measured by value. This includes \$30 billion in automobiles, \$10.6 billion in chemical products, \$9.5 billion in forest products, \$8.2 billion in metals, and \$3.5 billion in agriculture and food products.

While the system works effectively most of the time, situations do arise, as they do in any industry, that require prompt and effective government intervention. In that regard, last winter, the government took decisive action to respond to rail transportation challenges that emerged, particularly on the prairies. We did this in support of farmers and to address the impact these challenges were having on our reputation as a global supplier of grain and on our economy overall. We all know that there were a number of factors that led to that decision last year, including one of the worst winters in memory.

The actions the government took required railways to move minimum amounts of grain, ensured that shippers in Alberta, Saskatchewan, and Manitoba had competitive rail transportation options, better-defined operational terms in service level agreements, allowed shippers to use the level of service provision in the Canada Transportation Act to seek compensation for any expenses they incurred as a result of the railways' failure to meet their service obligations, and required railways to provide additional information to Transport Canada to enhance monitoring of the rail-based supply chain. As a result, I am pleased to report to the House that this winter, the transportation of grain is progressing well.

This government understands that the key to good transportation policy is to understand emerging trends and to respond appropriately. We have taken action in recent years to improve competitiveness and to expand transparency in the rail transportation system. For example, the Fair Rail Freight Service Act, which received Royal Assent on June 26, 2013, creates a strong incentive for shippers and railways to negotiate service agreements commercially.

• (1130)

Likewise, our enhancements to the grain monitoring program and our enhanced support for supply chain stakeholders' collaboration were designed to improve supply chain performance over the longer term.

As the Minister of Transport has said, Canada's transportation system is crucial for our government's goals to create jobs, promote growth, and support families and communities. I would like to take this opportunity to welcome the minister back to the House and wish her all the best of health.

While we know that the actions we have taken in recent years have strengthened our transportation system and our economic future, we have not rested on these past successes. Indeed, last June the Minister of Transport launched a statutory review of the Canada Transportation Act. She appointed six eminent Canadians to lead this arm's-length review, with the Hon. David L. Emerson leading the review and with five advisers representing a broad range of transportation perspectives and industry experience in various regions of the country ably supporting him. I understand that their work is well under way.

Let me reaffirm that our government regularly reviews its policies and regulations to ensure they serve Canada's current and future needs.

This review provides us with a unique opportunity to consider how the national transportation system can best be leveraged to support Canada's continuing economic growth. It reaffirms the government's commitment to meeting the transportation challenges and opportunities of the next decade in a sustainable manner.

The chair will be guided by the terms of reference established by the minister, which determine the scope for the review, including provisions of the act that are relevant to the transportation of grain by rail and more broadly to the rail-based supply chain for all commodities. This will take into account the broader goal of a commercially based, market-driven multi-modal transportation system that delivers the best possible service in support of economic growth and prosperity.

The review panel's work, which will involve engagement and advice from all interested parties and produce a report for the Minister of Transport by the end of the year, will play an important role in informing any government action to further strengthen the safety, efficiency, and competitiveness of Canada's transportation system.

This is a valuable process, one that we do not want to pre-empt or prejudice. I think it is important to underscore that the panel's work will benefit from extensive input from all interested stakeholders, and we are confident that it will strike the right balance between the needs of the users of the transportation system and those of the

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providers, while striving to support the broad goals of a safe, efficient, competitive, and sustainable transportation system in Canada.

Let me repeat that this government has taken decisive action to respond to challenges in the transportation system in the past, including a series of measures just months ago that are proving effective in dealing with recent challenges in the grain transportation system. Let me also assure the House that our government will continue to take whatever action is necessary to respond to challenges and support an effective transportation system in whatever form is most appropriate—legislation, collaboration, or any other means that produces results.

We remain fully committed to ensuring that the transportation system serves the needs of Canadians and fully supports the economy for the benefit of all Canadians.

In closing, I want to thank the member for Sydney—Victoria. As I said earlier, I know he sincerely supports anything that benefits agriculture, but at the same time I have to ask him to recognize the good work that has been done in the agriculture industry, which we both have been involved in for years. It changes and evolves all the time. This government has to do the best that we can to change with that evolution. I think our record speaks for itself. I will continue to work with him and other members of the committee in the future, and I can stand here and say that the minister will as well.

• (1135)

Mr. Murray Rankin (Victoria, NDP): Mr. Speaker, I will say at the outset that the official opposition will be speaking strongly in support of the motion entered today by the member for Sydney—Victoria.

The motion talks about the need to identify increased rail capacity, rebalance the system, and make sure all sections of the industry are convened. We take that to mean that the farmers will be sitting at the table and be strongly involved in enforcing service level agreements and ensuring fair access and adequate compensation for farmers.

It is pretty obvious that it is time to get the railways moving. There is not the level of sophistication and coordination that is needed within our system. It is “absolute chaos”, to use the term used by the hon. member, and we really need to get back to it. It is costing our farmers billions of dollars.

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It is no secret. We can ask any farmer what needs to be done, and there are five things. One, we have to increase pressure on rail companies, including through implementing and enforcing rail performance standards, which I will be talking about. Two, we have to ensure that export and vessel information is accessible to producers, and that mandatory price reporting is available throughout the grain supply chain. Three, we have to make sure that grain producers have fair access to rail infrastructure in order to move their products wherever they are. Four, there has to be a full costing review of producer rail service in Canada. Five, we have to develop a strategy for future rail service that accounts for the kind of sustained agricultural growth we have seen in the last few years.

I talked about enforcement. We heard the member for Bruce—Grey—Owen Sound talk about the weather as if the cold weather last year was some sort of excuse. He is quoted as saying:

I noticed the cold weather did not stop them from moving thousands of additional carloads of oil.

Obviously that has been fine. He went on to say he does not blame them, stating:

The first duty of any company president is to maximize profit for his shareholders, and that's what the railways are doing. They can make more money hauling oil than grain, and so that will continue to be their priority. ... If I were a railway president, I would probably do that same.

We had a start with an order in council a couple of years ago that talked about administrative monetary penalties of \$100,000 a day. How many of those were issued? Zero. Then, in Bill C-30, the law was changed to contemplate administrative penalties of \$100,000 a week, but there was still no action.

In the words of my colleague for Welland, the excellent agriculture critic for the New Democratic Party:

You need a big stick to get their attention. But the fines were supposed to be levied by the day, and the government obviously lost its nerve and made the fines weekly. Their big stick is actually a twig.

That, of course, is the point. The government is not serious about enforcing the rules. The Conservatives huff and puff, go from crisis to crisis, lurch here, lurch there, but when it comes to coordinated action, there is not the kind of single-desk action that we used to have when we had the Canada Wheat Board. It is not longer here. It is every farmer for himself or herself, and that seems to be the way the current government believes our precious grain industry should be treated.

I live on the west coast. Every day in Plumper Sound, I see sometimes 40 ships sitting for months waiting and indirectly costing farmers a lot of money. They are waiting for deliveries that never arrive and end up turning around and going back. This is no way to run a railroad, to use the hackneyed phrase, and it is certainly no way to run a sophisticated modern grain delivery service.

We have had record crops, but here is the irony: people cannot sell it. It sits and rots in grain elevators. Individual farmers have to come up with money to store the grain because they cannot get it to market. They are what are called in economic terms “captive shippers”. They really have nowhere to send it. They often have only one of two monopolies, CP or CN, and they are not able to meet the minimum volume requirements under the Fair Rail for Grain Farmers Act.

● (1140)

Again, there are no penalties if there is any problem in doing what the minister has said they should do, which is to increase volume. Penalties are lowered, and there is no enforcement. That seems to be the way that the government has dealt with this crisis on our prairies.

The NDP fought for certain amendments, but those amendments were ignored. The hon. member for Sydney—Victoria made the same observation. We fought together, and the amendments were ignored. We fought to have real consideration for farmers' interests included in the emergency legislation, the so-called order in council, such as establishing a system of mandatory reporting for the price of grain throughout the transportation system at specified points along the delivery chain. That was not allowed. We fought for the requirement for all corridors to receive equitable service. That was not allowed.

We fought to ensure that all producers in all affected regions were consulted about the regulations, but no. We fought for the requirement that the government work with the provinces to develop and implement a plan for open access running rights to ensure effective competition in the rail service, but no. We fought for the requirement of a moratorium on the closure or delisting of producer car sites and for increasing fines and directing those revenues to compensation programs for producers. That was not allowed.

We also have serious problems with service level agreements. I would like to cite Senator Mercer, from the other place, who talked about the importance of addressing this service level agreement issue head-on in Bill C-30. He said:

Bill C-30 really does not do a lot to establish or enhance existing service-level agreements between shippers and the railways. All it actually does is permit the Canadian Transportation Agency to regulate elements in those negotiated service-level agreements.

Many stakeholders agree that the amendments were needed to clearly define “service”. What do the words “adequate” and “suitable” mean? What does the phrase “service obligation” mean? Obviously, they are too ambiguous to have any meaning. They are too subjective. Therefore, we need language that clearly defines the rights and obligations of all parties. They need to be nailed down. That is something that is clearly needed if we are going to get anywhere in nailing down these service level agreements that are so critical.

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As I said in my remarks earlier, in the past the Canadian Wheat Board gave farmers a dependable place, a single desk that was involved in this marketing. Now, it is every farmer for himself or herself. As was pointed out by several of the stakeholders, a lot of farmers just do not have the time or the interest to sit around at night figuring out the market. They used to have someone to do that, but now, of course, the coordination function that was performed by the Canadian Wheat Board has been lost.

This lack of coordination is a problem, as my hon. friend mentioned. It means that we leave ships in dock or sitting out there in Plumper Sound. The port terminals are competing with each other for handling. There is no coordination of the kind that we used to have. That means that they are grabbing rail shipping capacity and having grain delivered without considering the demand.

There have been enormous increases in the amount of oil shipped by train, but the problem is that increased oil shipment creates a lack of capacity for grain producers. It is obvious to everyone, but the lack of coordination is equally obvious, and the need for action is urgent.

When I look at the people who have spoken on this matter, and they are legion all across the prairies. Doug Chorney, the president of Manitoba's Keystone Agricultural Producers, said that the backlogs could be blamed on "abysmal service" by Canada's two major railways. Mr. Paterson points out that those railways are now often controlled by foreign interests. Some 73% of the shares of CP are American-owned. The two men shaping CP's recent history are CEO Hunter Harrison and activist shareholder Bill Ackman. Both are American. CN Rail is roughly half Canadian-owned and half American-owned.

That inadequate service is something we have all seen. It is great to have free trade, but if we cannot get the product to market, it is of no value.

We salute the member for bringing forth this important motion today. We need to get on with it and get our grain moving.

• (1145)

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, this debate is the furthest from hypothetical debates we could find.

I want commend my colleague, the member for Sydney—Victoria, for bringing forward his motion, which is extremely important. He is a very active advocate for agricultural producers and for agribusiness. He viscerally understands the role and the purpose of Canada's agricultural sector in a larger economic context, a theme I will come back to in a few moments.

I want to go back to first principles for listeners, readers or people watching this debate. Let us collectively recall that Canada's railroads were built chiefly with the leadership of government and that they had a unique foundational role to play in helping to kick start our economy and underpin this post-modern economy in which we now live. In fact, rail is indispensable to Canada's economic success. That is woven into the fabric of the specifics that my colleague from Sydney—Victoria wants to see examined in his important motion; what we see with respect to the government and how it interfaces with the transportation sector and its responsibility for transportation.

First, governments have an obligation always to get the big things right, the things on which Canadians count. One of the chief responsibilities of a federal government is transportation, which includes transportation policy, regulation, enforcement and so on.

We have seen an increase in agricultural production, in natural resource exploitation, the transportation of oil by rail and stability, if not a slight increase, in passenger rail transportation across Canada. The government knows this. In fact, for almost a decade now it has watched this growth. However, as my colleague from Sydney—Victoria pointed out, we have seen the government reacting in knee-jerk fashion. It is almost as if it is jumping from one ice floe crisis to another ice floe crisis, depending on the crisis of the week, month or year. It is so much so that now our rail system is in flux.

Our rail system is in crisis. We have ships waiting off the west coast of Canada for our grain, our agricultural products and sometimes for other natural resources. We have seen a massive 1,200% increase in the transportation of oil by rail. The government has known this for almost a decade. We have seen a crisis emerge in passenger rail services in the country. There have been complaints from all over northern Quebec, from Sarnia, Sault Ste. Marie and so many other smaller parts of Canada that are witnessing a decline in service, frequency and availability. On all fronts, we have a problem.

What has the government's reaction been to this problem in almost a decade? Its first reaction was to appoint five transportation ministers in less than nine years. No minister can take on a portfolio like Transport Canada seriously and commit the time and effort that is required to improve the transportation system by flitting in and out, either heading up, down or out of cabinet. This is what we have seen with a succession of cabinet ministers.

• (1150)

One of the things I have noticed in my time as the transportation critic for the Liberal Party of Canada is a proximity relationship between the regulated railways sector and the regulator at Transport Canada. This has deeply concerned me. This relationship, in my view, and I do not say this lightly, between Transport Canada, its minister, its staff, its good officials and the regulated sector of the railway is too close. It is too cosy. It is almost too integrated, and we have seen this as we have studied the safety management systems that apply as much to the transportation of grain as they do to the transportation of oil.

The facts are, as I mentioned, there have been five ministers in nine years. There has been an Auditor General's report, which can only be described as scathing. Over a four-year period, the Auditor General ferreted through what was happening at Transport Canada and came back with some incredibly problematic and troubling findings, thing likes in a four-year period, the government had not had Via Rail, with its millions and millions of rail passengers a year, audited by a qualified inspector for its safety management system.

In the entire rail sector, only 25% of all the audits that were supposed to have been done, planned by the government, were in fact done. It does not increase our confidence in rail safety, particularly in response to and after the terrible tragedy of Lac-Mégantic in Quebec.

Private Members' Business

As my colleague pointed out on penalty provisions, the minister was buttonholed last week by media. On camera, the minister said that the government would have to see whether it would impose a fine and how much it would be. Agriculture producers and shippers have to know. The government has said that it will be \$100,000 a day in fines. Now it has said that it will not be \$100,000 a day, but \$100,000 a week. It actually is not \$100,000 a week either. It is full of discretion. The minister will decide, when she feels like it, or whoever the next minister is, whether the railway company should be fined. I do not know on what grounds or on what basis, because the criteria is not clear.

The fines do not go to the shippers. They do not go to those who have been affected by the choices made by the railways or the constraints imposed on the railways. The fines are paid to the government, not to the shippers who have liquidated damages, with crops and yields and grain sitting in storage waiting to get on to ships that are moored off the coast of B.C. It makes no sense, but these are the kinds of changes and actions the government has brought in, again in a very ad hoc way, dealing with a bottlenecked railway system.

Prairie provinces are the world's top canola producing region. It is incredible what our agricultural producers have done, the efficiency, the environmental sensitivity, the quality of the grain. We are the second largest exporter of wheat, up 14% to record 81 million metric tonne levels in a short number of years.

The Liberal Party of Canada thinks that with the relationship between the regulator and the regulated, the railways companies being regulated, it appears as if the railways are now picking and choosing, based on profit margins, what they will or will not essentially ship. Some volume standards have been brought to bear, but even these do not deal with the crisis that is in play.

To recap, our shippers are captive. They have no competitive commercial alternatives, no legal recourse when the system fails. The threatened fines have no real impact. They are no substitutes for liquidated damages for the affected shippers. The government has brought in an order to move certain minimum volumes of grain, which expired in November 2014, and is making it up again as it goes along.

We need this motion. We need a comprehensive examination of the rail transportation system to get it right and get it better. We owe it to Canadians, to our future, to our economy and we really owe it to the future success of Canada.

• (1155)

Mr. Earl Dreeshen (Red Deer, CPC): Mr. Speaker, it is a pleasure to stand here today to speak to the motion.

Since the motion addresses agriculture, I would like to recognize my much older brother Alan on his Groundhog Day birthday as well as his outstanding career as a rancher, grain farmer and businessman. He was my first farming partner from a time long ago when we were both teenagers.

Last year, Canada's 60,000 grain producers exported some 40 million tonnes of world-class grain products worth over \$20 billion. That is important for agriculture because it represents about half of all agriculture and food exports, but it is also important for

Canadians who live in cities. A strong agriculture and food sector drives one in eight jobs in our country and almost 7% of our gross domestic product.

Canadian grain farmers depend on exports to sell 70% of their wheat, 75% of their pulse crops and 85% of their canola. That is why the rail service is so critical to Canada's hard-working grain farmers.

Regarding today's motion, our government has taken steps to address each of the five points, namely: recognizing that improved rail service is essential to farmers' livelihoods; recognizing that the ongoing review of the Canada Transportation Act will provide an opportunity for improvements; the need for all stakeholders to sit down together; the need to correct the imbalance of power along the chain; and ensuring government and industry work together. We have addressed these points and we continue to do so. Let me elaborate.

We recognize our rail service is essential to the livelihood of Canadian farmers. Likewise, we have moved to address the imbalance of power along the logistics chain.

Canadian farmers pay over \$1 billion to move regulated grain by rail. On the prairies, grain travels an average of 1,400 kilometres to reach a port position. Our farmers and our economy depend on efficient, effective and reliable rail service to move those crops off the farm to our valued customers in Canada and around the world. That is why a year ago our government took action when our farmers were facing the prospect of moving a record crop.

First, we introduced an order in council mandating the railways to move a minimum volume of one million tonnes of grain a week, backed by penalties. Two weeks later we introduced Bill C-30.

The Fair Rail for Grain Farmers Act has put into law clear and achievable solutions to ensure grain and other commodities get to market in a predictable and timely way. The act amended the Canada Transportation Act to include the authority to set volume requirements in order to mandate that certain grain volumes be moved. The legislation also gives us the ongoing flexibility to monitor and adjust volume requirements as needed. The act also created the regulatory authority to enable the Canadian Transportation Agency to extend inter-switching distances for all commodities on the prairies.

Bill C-30 amended the Canada Grain Act to strengthen contracts between producers and shippers. The amendment will provide the Canadian Grain Commission with the authority to regulate grain contracts between farmers and grain elevators.

Bill C-30 also enacted regulatory power to add greater specificity to service level agreements as requested by all shippers.

Private Members' Business

In addition, we required additional, timelier and more detailed data from the railways to increase the transparency of railway, port and terminal performance across the supply chain.

In August, the regulations came into force and we renewed the minimum volumes to ensure continued movement through the fall.

In December, we did the same, while committing to increased monitoring throughout the winter months.

These measures are concrete and comprehensive and they have been delivered. The grain is moving faster than last year and faster than the five-year average.

Speaking to the second point of the motion regarding the review of the Canada Transportation Act, this process was up and running in the summer. We accelerated the review by a full year to focus on long-term structural issues affecting all rail transport, including grains.

A discussion paper was released in September for industry comment. Since then, the CTA review panel has been busy throughout the fall and winter, meeting with a number of stakeholders to get a clear picture of the challenges facing the western Canadian grain handling and transportation system.

We will continue to bring the whole value chain together to manage future challenges and create a rail supply chain that has greater capacity, predictability and accountability for the industry and, most important, for our global customers.

● (1200)

As far as urging industry to work together to improve the system is concerned, we have delivered on that as well. We have established a number of opportunities to bring together all the players to develop solutions for the longer term. We have also formed the Crop Logistics Working Group, bringing the entire industry together to focus on the performance of the supply chain for all crops in this new and exciting marketing freedom environment.

We moved forward on recommendations from the working group around performance measurement and government support, with a \$3 million industry-government investment in a study on supply chain improvements. We also launched the commodity supply chain table, with stakeholders from the agricultural, forestry, chemical, and petroleum industries, as well as railways, ports, grain elevators, and shipowners. The group is exploring solutions to the challenges facing Canada's rail-based supply chain. Together, these initiatives will ensure that Canada's grain industry can to shape a strong logistics system for the future, one that responds to the needs of the Canadian grain sector.

However, we are not stopping there. This government has an overall plan to create a modern and competitive grain industry that will open up new opportunities for farmers in the 21st century. The cornerstone of our reform is marketing freedom. This landmark legislation restored to farmers a basic business freedom they had been denied for 69 years, the freedom to sell the crop they paid to grow to the buyer of their choice, the same freedom that helped create the canola and pulse industries, which made them juggernauts of Canada's farm economy over the past two decades. The overwhelming majority of western grain farmers have embraced

the opportunities opened up by marketing freedom, which allows them to make decisions at the speed of business.

In the post-monopoly era, Canadian wheat is finding new customers in Asia, Africa, and South America, where sales of Canadian wheat in 2013 and 2014 surpassed the previous five-year averages. Meanwhile, instead of one buyer for farmers' wheat, there are now dozens of grain companies competing for their crops, as we saw with the deregulation in Australia. Since marketing freedom came into force, the number of grain dealers licensed by the Canadian Grain Commission has risen significantly.

In December, we took another key step for Canada's grain industry when we introduced Bill C-48, the modernization of Canada's grain industry act. This proposed legislation builds on major reforms we made to the Canada Grain Act in 2012. It would modernize the regulatory framework for the grain industry to reflect current practices. It would enhance producer protection and grain quality and safety assurance. Enforcement of the act's provisions would be improved and less burdensome. Efficiencies would be realized in producer protection. This proposed legislation would benefit producers, the grain industry, and all Canadians in a big way.

Trade is also critical to the competitiveness of Canada's grain industry. Internationally, we have continued our aggressive trade agenda by pursuing free trade agreements and ensuring a science-based approach to trade issues, like low-level presence of genetically modified crops. We have concluded major agreements with 38 countries, including the European Union and South Korea, opening up key markets for our producers and processors.

Once the trade agreement with the EU is fully implemented, our grain farmers will have virtually tariff-free access to half a billion consumers from Italy to Scandinavia. To give traction to these trade agreements, the Minister of Agriculture and Agri-Food continues to travel with industry for face-to-face meetings with our customers in key markets. These missions help to promote the qualities of Canadian grains to every corner of the world, while bringing back valuable feedback from our customers to ensure that our grains continue to command a premium in the world.

Business of Supply

The other key element in our grain modernization plan is innovation. We are keeping our wheat producers on the leading edge of innovation through investments in the wheat genome and disease-resistant varieties. That includes the national wheat improvement cluster. We have matched funds, bringing in investment up to \$25 million. We have dealt with the Western Grain Research Foundation, again bringing all of these things together to help our farmers.

In conclusion, the future is bright for Canada's grain industry. The Food and Agriculture Organization estimates that over the next 35 years, farmers will need to increase their annual production of cereals by a billion tonnes. To meet the world-class demand, they need a world-class transportation system. This government remains committed to ensuring that Canada does, indeed, have a world-class transportation system.

• (1205)

The Acting Speaker (Mr. Barry Devolin): The time provided for the consideration of private members' business has now expired and the order is dropped to the bottom of the order of precedence on the order paper.

GOVERNMENT ORDERS

[English]

BUSINESS OF SUPPLY

OPPOSITION MOTION—NEWFOUNDLAND AND LABRADOR FISHERIES INVESTMENT FUND

Mr. Ryan Cleary (St. John's South—Mount Pearl, NDP) moved:

That, in the opinion of the House, the federal government must respect its promise to Newfoundland and Labrador of \$400 million for development and renewal, based on a 70/30 federal/provincial cost-share model, through the province's Fisheries Investment Fund, in exchange for lifting minimum processing requirements as part of the Canada-European Union Comprehensive Economic and Trade Agreement.

He said: Mr. Speaker, it is no small feat for Newfoundland and Labrador to seize the country's attention, the national spotlight. It is no small feat to turn the eyes of all of Canada to the eastern-most province, even though we are the youngest province, the coolest province, and the most beautiful province. It is no small feat for our issues, our agenda, to capture the national or international stage. It is no small feat because we are a small province, with just over half a million people, about the size of Hamilton or Quebec City. We only have 7 members of Parliament out of what will soon be 338 members of Parliament across the country.

How do we do it? We do it with flair, Newfoundland and Labrador flair. We do it with confidence, a confidence that comes from incredible pride of place. We do it with drive. We do it with determination. We do it with fight. It is always a fight for Newfoundland and Labrador. We are always having to punch above our weight.

Former federal Liberal cabinet minister Brian Tobin seized the country's attention, the world's attention, by firing a shot across the bow of a Spanish trawler during the turbot wars of the 1990s. Tobin took the 16-storey long illegal net that the Spanish trawler had been

dragging on the floor of the Grand Banks, with mesh so undersized it could catch fish the size of someone's palm, and hung it from a crane on the New York city waterfront near the United Nations. Point taken.

This is the 20th anniversary of the turbot war and our fisheries are still in shambles, in a state of perpetual crisis. Not much came from Tobin's theatrics, besides the theatrics themselves and his becoming premier.

Another former premier, Danny Williams, made another point, another national statement, when he removed Canadian flags from the front of all provincial government buildings back in 2004. The move turned heads across the country. There were gasps of outrage from one coast to the next coast to the next. Danny removed the maple leaf in retaliation for the actions of the Conservative Prime Minister. The Prime Minister had reneged on a promise to honour a deal excluding offshore resource revenues, oil revenues, from the equalization formula. Danny Williams went to war. He accused the Prime Minister of betraying Newfoundland and Labrador. He called the Prime Minister a fraud. He questioned the Prime Minister's character, and said that the Prime Minister could not be trusted. Danny Williams launched the ABC campaign, anybody but Conservative, during the 2008 federal election. Not a single Conservative MP, not one, was elected from Newfoundland and Labrador.

There are times that we in Newfoundland and Labrador do not feel like we belong or are welcome in this Confederation. There are times when we feel that we are not important, that we are expendable even, and not high on the national agenda.

That brings us to today. The Prime Minister is accused yet again of betraying Newfoundland and Labrador, betraying the Progressive Conservative Government of Newfoundland and Labrador, reneging on a deal or engaging in a doublecross, breaking a promise and failing to honour an agreement.

It certainly looks that way. The facts point in the direction of a betrayal. That seems to be a trend with the Prime Minister, the same Prime Minister who once said that Atlantic Canada had a culture of defeat. The actions of this Prime Minister towards Newfoundland and Labrador, to put it mildly, do not foster warmth and trust.

• (1210)

The federal Conservative brand back home is dirt. The Prime Minister's surname is almost a swear word. It is a bad word; it is not repeated in public. However, there is still time for the current Prime Minister and his government to do the right thing by Newfoundland and Labrador for a change. There is still time for the current Prime Minister to keep his word to the Province of Newfoundland and Labrador. More than that, there is time for the Prime Minister to help position Newfoundland and Labrador for that elusive success with our fisheries. There is still time for the current Prime Minister to abandon his defeatist attitude toward Atlantic Canada.

Business of Supply

The motion centres on the Canada-European Union free trade deal, CETA, the comprehensive economic and trade agreement. Unlike any other province, Newfoundland and Labrador was asked to give something up. To make the trade deal happen, the current Conservative government asked my province to surrender its most fundamental fisheries policy, called “minimum processing requirements”. Those requirements protect fish plant jobs on land by ensuring that fish caught off our shores is processed in fish plants on our shores.

The Newfoundland and Labrador government thought long and hard about what it wanted in exchange for surrendering those minimum processing requirements, and the current Conservative government asked the province to think outside the box. In the end, the two levels of government decided to create a \$400 million fisheries investment fund: \$280 million was to come from the current Conservative government, and the remaining \$120 million was to come from the provincial government, the Government of Newfoundland and Labrador.

Correspondence from the current government clearly outlines that the fisheries fund was for a transitional program to address development and renewal in the seafood industry.

The opposition motion before the House today calls upon the Conservative government to respect and honour its commitment to Newfoundland and Labrador, a deal that was first struck in June 2013. There was no grey area. It was clearly a deal between two levels of government.

Former Progressive Conservative Premier Kathy Dunderdale held a news conference in October 2013 to announce details of the agreement it had struck with the federal Conservative government. The current government did not say a peep about the agreement, about the \$400 million fisheries fund. It did not raise a single objection, not one. Not one word was said in objection to anything announced by the Newfoundland and Labrador government for 17 months. There were 17 months for the current Conservative government to raise a single objection to any of the points announced by the Progressive Conservative government of Newfoundland and Labrador. Not a word was said, not a whisper.

I even posed a question on the order paper last April that asked the President of the Treasury Board for details of the fisheries fund, including the purpose and any stipulations on the funding. In response, the treasury board president refused to answer, applying the Privacy Act on the grounds that the information was a “confidence of cabinet”.

I clearly asked if there were stipulations on the funding, and the Conservatives refused to answer. Why? Why did they do that? Why did they wait almost a year and a half to raise a single objection to the details announced by the Newfoundland and Labrador government? Why did they wait almost a year and a half to change the terms of the deal? Was it to keep Newfoundland and Labrador quiet? Was it to shut up the province until the CETA deal was done? It certainly appears that way.

The Conservatives now say that the fisheries fund was only created to compensate for losses from the removal of minimum processing requirements. In other words, the province must now

show direct losses before it is compensated from the fisheries fund. However, that was not the deal. That is an excuse. I see that as the Prime Minister essentially giving Newfoundland and Labrador the finger.

• (1215)

The Conservatives now say that their \$280 contribution is not a blank cheque. The Minister of Justice even had the gall a few weeks ago to visit St. John's and criticize Newfoundland and Labrador for wanting a “slush fund”. That is the same minister who used a military search and rescue helicopter for a taxi from a fishing lodge on the Gander River. That minister has no credibility.

Another Conservative told me that the province was after yet another handout, a welfare cheque. He said that to my face. He only said it once, and he was dead wrong. We want the ability to stand on our own. We want the ability to do for ourselves.

If the \$400-million fisheries fund is for compensation for losses as a result of CETA, why is the Province of Newfoundland and Labrador kicking in \$120 million of its own money? Is it to compensate itself? That makes no sense. Why was ACOA tasked with administering the fund? If the \$400 million was straight-up compensation, why go through the Atlantic Canada Opportunities Agency? Pay the province. Pay the companies directly.

Another point is that it could be another five years before minimum processing requirements are officially eliminated as part of CETA. According to Conservative rationale, that means five years before Newfoundland and Labrador would receive any funds to help it with the marketing and development needed to capitalize on the 500-million people in the EU market. Again, that makes no sense. It is not smart. It does not add up. The transition fund was for us to capitalize on the EU trade deal. It was to position ourselves, to position the fishery for renewal for maximum benefit. We cannot do that with the Conservative double-cross.

The former Progressive Conservative government, under Kathy Dunderdale, held a news conference in 2013, which I mentioned earlier, to announce the deal with the federal Conservatives: the elimination of minimum processing requirements for a \$400-million fisheries fund. The PCs were criticized because there were no federal Conservatives in the room. At the same time, the federal Conservatives held a Canada–EU summit reception in September. They spent more than \$160,000 on that reception, when the final trade deal has yet to be ratified by the European Union nations.

The deal to surrender minimum processing requirements for a \$400-million fisheries fund has been lauded by all quarters in the Newfoundland and Labrador fishing industry. The union likes it, and industry is on side, and the Province of Newfoundland and Labrador is behind it. The most obvious benefit of the trade deal is duty-free access to the world's most lucrative fish and seafood market, which imports more than \$25 billion in products annually. That is more than \$25 billion a year, and make no mistake, we want a piece of that market.

Business of Supply

CETA would eliminate 95% of all fish and seafood tariffs when the deal comes into force, with all remaining tariffs going to zero within three, five, or seven years. Again, the elimination of tariffs is seen as a great thing for our fishing industry. Everybody is in favour, on all sides, but there are still voices of concern.

There are voices of concern from the offshore oil industry that oil companies would no longer have to charter Canadian-flagged vessels with Canadian crews. Instead, the concern is that CETA would open up the shipping industry so foreign-flagged vessels could operate in Canadian waters. These are foreign vessels with much lower working standards and salaries than Canadian ships.

Likewise, there is concern in some quarters of Newfoundland and Labrador that CETA would allow foreign ownership of Canadian fish quotas. Of course, that can happen right now. There is also concern that foreign trawlers with lower-paid foreign fishing crews would be chartered to catch Canadian fish and sail them to the European Union for processing.

● (1220)

Could there come a day when the fish off of our shores is not caught or processed by Canadians? That is a question that I have been asked. It is a concern that has been raised. What is the answer?

I will now say a few words about the Liberals. The CETA deal was barely out of the mouth of the Prime Minister when the leader of the Liberal Party of Canada jumped to his feet in the House to endorse it. The Liberal leader had not read the deal; the wording was not out then. He did not know the terms for Newfoundland and Labrador either. Would anyone buy a car or house without reading the contract or the fine print? The answer is no. A person who did that would be irresponsible. However, the Liberals supported the deal without even reading it. That is shameful.

Now the Liberal leader has written a letter to the Premier of Newfoundland and Labrador in support of the \$400-million fisheries fund. That is all well and good. Newfoundland and Labrador is being nailed to the wall, and the Liberal leader blindly trusted the Prime Minister. Here was this monster trade deal, and, at the most, the Liberal leader gave it all of 10 seconds of consideration.

As it stands, the collapse in world oil prices is slamming Newfoundland and Labrador from both ends. To the east, revenues from the province's oil play on the Grand Banks are down substantially, to the point that this year's provincial deficit is pegged at \$916 million. That is a deficit of almost \$1 billion for a small province with just over a half million people. To the west, thousands of layoffs in the Alberta oil sands will have a devastating impact on our migratory workforce. Thousands of Newfoundlanders and Labradorians travel west, every day, month, year, for work in the oil sands. Alberta oil money has been propping up our fishing outports for years. The fishery has not returned since the early 1990s when the northern cod moratorium was introduced. It has not returned even close to its historic days, and that is because of federal mismanagement.

The problem with the Progressive Conservative government is the same as with the federal Conservative government. To our peril, it has been focused solely on the oil industry. I have called it economic tunnel vision. Diversification to renewable resources is critical. For

example, fish is key. Oil and gas will run out. That is an absolute given; it is a certainty. If not managed under the current Conservative government but managed properly for a change, and if given a chance to reproduce, fish will be around forever.

Of all the things I can say with absolute certainty about the Prime Minister, I will say this: He is not stupid. He is the first person to praise the benefits and opportunities of this latest free trade deal, and so he should. It is his government that is bringing it in. Surely the Prime Minister can see the direct benefit of Newfoundland and Labrador using the \$400-million fisheries fund to poise itself for tariff-free access to the European Union market, to prepare in terms of marketing and industry renewal.

Unlike any other province, Newfoundland and Labrador is giving up minimum processing requirements. We are surrendering a constitutional right over our greatest industry and resource. We are the only province that has been asked to surrender anything. My province made a deal in good faith with a Conservative government, and a Conservative Prime Minister, who has been accused of betrayal before. As the saying goes, "Fool me once, shame on you. Fool me twice, shame on me." Newfoundland and Labrador should perhaps be ashamed of itself for putting faith in the Conservative government.

I am again appealing to the Prime Minister to surrender his defeatist attitude toward Atlantic Canada, surrender his war on Newfoundland and Labrador, to stand by his word, do the honourable and right thing for Canada and Newfoundland and Labrador. I ask that he honour his promise and stand by his word.

● (1225)

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I appreciate the member's comments; I do not necessarily agree with everything he said.

I would like to express to residents of Newfoundland and Labrador that the leader of the Liberal Party's passion for the province is very strong, second to no others. He is a strong national figure who recognizes the importance of agreements. That is why we are supporting what the NDP is putting forward today. We recognize that when a national government enters into an agreement that there is an obligation for the government to fulfill that agreement, so there is a sense of betrayal here.

I am a bit concerned about the manner in which the member started his speech. Canadians care for and have a strong passion for Newfoundland and Labrador's place in Canada. It is a political party with a particular leader that is perhaps offending Newfoundlanders and Labradorians today. However, the overwhelming feeling across the country is that we are a strong united country and that Newfoundland and Labrador is second to no other province in Canada.

Mr. Ryan Cleary: Mr. Speaker, I do not think that Newfoundlanders and Labradorians always feel welcome in this Confederation. We often feel like the screws are being put to our province.

However, I will give a little lesson on how to pronounce Newfoundland: “Newfoundland understand; understand Newfoundland”. If the member practises that a few times, he will have the pronunciation down pat.

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I listened with great interest to my hon. colleague's passion. I remember when the cod fishery collapsed because of years of federal mismanagement. The cod fishery was one of the reasons that Canada as a nation was founded. It was this incredible resource that brought so many Europeans over here, who created settlements on Newfoundland and Labrador.

One of the agreements when Newfoundland and Labrador signed on with the federal government was that it would be better within Confederation, that there would be a quid pro quo with the province.

The loss of the cod fisheries was a symbol of federal mismanagement. Therefore, I understand the deep suspicion that the people of Newfoundland and Labrador have when an international trade agreement is being brought forward and it is being asked to give up some of the sovereignty it has wanted to maintain over its fisheries in order to be part of an international agreement. It has to be able to trust that the federal government is going to make sure that the agreement works on its behalf, not just on behalf of anybody in the Conservative Party, but on behalf of the people of Newfoundland and Labrador.

I am very concerned by this backtracking. We saw how Danny Williams stood up. We saw the movement of “anything but Conservative”. We know that Conservatives cannot be trusted in the Maritimes, just like they cannot be trusted anywhere else.

What does my hon. colleague think about a government that is reneging on a deal that sends symbolic concerns to the people of Newfoundland and Labrador?

• (1230)

Mr. Ryan Cleary: Mr. Speaker, I remember, in 1992, when the then Conservative government of Brian Mulroney shut down the northern cod fishery. I was the fisheries reporter with the daily newspaper in St. John's, Newfoundland and Labrador, and I was there on the day, in that hotel room in downtown St. John's, when Crosbie shut down the fishery. I was there when the fishermen from Petty Harbour, Newfoundland tried to break into the room. They were pissed off because Crosbie did not make the announcement to their faces. He did it in another room, and it was televised to the room where the fishermen were.

The hon. member brings up the word “trust”. There is no trust. When Danny Williams was premier, the Prime Minister made a promise to Newfoundland and Labrador about equalization, about resource revenues, but he did not follow through. This is the second example of a promise made and a promise not kept. How can we in Newfoundland and Labrador trust a prime minister and a government who do not live up to a promise? My sons watched CBC. They watched his speech and asked me why the government does not live up to its promises, which they have to live up to when they make promises. I do not know the answer to that question.

The Acting Speaker (Mr. Barry Devolin): Just before we go to more questions, I would ask all hon. members to be careful of their language and to use parliamentary language in the House.

Business of Supply

Questions and comments, the hon. member for Saint-Lambert.

[*Translation*]

Mrs. Sadia Groguhé (Saint-Lambert, NDP): Mr. Speaker, I would like to begin by thanking my colleague for his speech and congratulating him. He is an honourable representative and a credit to his province.

The Conservatives made a promise to Newfoundland and Labrador, and they have to keep that promise. As my colleague said, even a child knows what a promise is and how important it is to keep promises. My colleague talked about how important the fishery is and the impact of breaking that promise on a province's economy.

Can my colleague go into a little more detail about the economic consequences of breaking that promise? I figure it must be disastrous.

[*English*]

Mr. Ryan Cleary: Mr. Speaker, I mentioned in my speech that Newfoundland and Labrador is being hit from two ends when it comes to the downturn in the price of oil. We are being hit from the western end in that literally thousands of workers from Newfoundland and Labrador travel back and forth to Alberta for work. The average salary of each of those workers is \$100,000 a year, and it comes back to Newfoundland and Labrador. Then from the eastern end, off the east coast of Newfoundland, from the offshore on the Grand Banks of Newfoundland, our revenues from our oil industry are down severely. The Newfoundland and Labrador government faces a deficit this year alone of \$916 million, almost \$1 billion, in a small province of just over a half million people. We need to diversify. The country needs to diversify.

In answer to the hon. member's question, that \$400 million fund would be used by the Newfoundland and Labrador government to position itself to capitalize on and to seize the business opportunity of the opening of the 500-million-person European Union market. If we do not have that, it means we do not capitalize. If we do not have that, it means we do not diversify. If we do not have it, it means the Conservative government has failed Newfoundland and Labrador—again.

• (1235)

Hon. Rob Moore (Minister of State (Atlantic Canada Opportunities Agency), CPC): Mr. Speaker, the member spoke about all the benefits the Canada-European Union trade agreement would bring to his home province. I agree.

I need to quote from the chair of the St. John's Board of Trade, who said:

The CETA agreement provides significant opportunity for our members to do business with the affluent 500 million customers in Europe.

The problem is that the hon. member and his party did not support the agreement, an agreement that would bring untold benefits to the industry and people of his home province. Now he has brought forward this opposition day motion that will further create problems when it comes to the agreement

Business of Supply

Why does the hon. member not get on board and support this agreement that, in his own words, benefits his home province?

Mr. Ryan Cleary: Mr. Speaker, I do not know what to say. I shake my head. The hon. member knows that is not true. He knows it beyond the shadow of a doubt. The New Democratic Party of Canada has yet to take a stand on the CETA agreement. He knows that. We did not say yes immediately, like the Liberals; we wanted to read the text. We are still speaking with groups right across the country about how they feel about the wording of an agreement that would be in place for perpetuity. We are taking our time with that.

The minister knows that statement is not true. He knows it is not true.

Hon. Rob Moore (Minister of State (Atlantic Canada Opportunities Agency), CPC): Mr. Speaker, I guess I hit a nerve with that last question, but I think that it is time to take a stand. It is time to take a stand in favour of the people of Newfoundland and Labrador. It is time to take a stand in favour of industry, exporters, and the people who rely on the fisheries in Newfoundland and Labrador.

The Canada-European Union trade agreement will have untold benefits for the people of Newfoundland and Labrador, and indeed all Canadians. Anything that is done to undermine this agreement will be to the detriment of those people who stand to benefit.

I am very pleased to rise today to speak to our Conservative government's historic trade agreement with the European Union and the benefits that the agreement will bring for hard-working Canadians, particularly the people of Newfoundland and Labrador.

First of all, the Canada-EU trade agreement will greatly benefit Newfoundland and Labrador's fish and seafood sector. Secondly, CETA has tremendous support from Newfoundland and Labrador's business leaders, and the NDP knows this. Finally, our government remains committed to investing up to \$280 million in a cost-shared fund shared 70:30 for up to \$400 million to compensate Newfoundland and Labrador for any loss incurred due to the removal of minimum processing requirements.

CETA is a historic accomplishment. It will benefit hard-working Newfoundlanders and Labradorians, and indeed all Canadians across all trade-related sectors of our economy. In particular, in the case of Newfoundland and Labrador, the fish and seafood sector will benefit.

Newfoundland and Labrador was founded on the fishery. For over 500 years, the province worked to perfect the art of doing business with European fish traders. I am certain that my Newfoundland and Labrador colleagues across the floor are very well versed on the economic importance of the province's historic and current relationship with the European Union. I am also certain that they are very aware that Newfoundland and Labrador's fishery continues to face challenges distinct from minimum processing requirements and the conversation that we are focused on here today. These include declines in shellfish stocks and other challenges related to competing in the global marketplace.

I am sure that my Newfoundland and Labrador colleagues will agree that the focus must now be on the future of those relationships and on addressing those challenges. The focus must be on building

those historic connections and that industrial intelligence to take full advantage of all that the Canada-European Union trade agreement has to offer Newfoundland and Labrador.

Newfoundlanders and Labradorians stand to benefit significantly from this preferred access to the European Union. The EU is already the province's second-largest export destination and second-largest trading partner. In 2013, Newfoundland and Labrador's fish and seafood industry was valued at \$1.1 billion. In 2013, its fish exports to the EU were valued at \$116.5 million. Given that the EU is the world's largest fish and seafood market, with over 500 million customers and \$18 trillion in economic activity, CETA represents a lucrative opportunity for the people of Newfoundland and Labrador.

That said, fish and seafood products destined for the EU, such as shrimp, snow crab, cod, and scallops face stubbornly high tariffs at an average of 11%, with some as high as 25%. On the first day that CETA comes into force, almost 96% of those tariffs will be eliminated, and seven years later, 100% of these tariffs will be eliminated. In fact, CETA will eliminate tariffs on almost all of Newfoundland and Labrador's key exports to the EU, and it will permanently lock in the duty-free access currently received by goods in the mineral and petroleum sectors.

Exporters will also benefit from other CETA provisions that will improve conditions for exports. There are provisions, for example, that will ease regulatory barriers and ensure more transparent rules for market access. The elimination of tariffs and the creation of new value-added and branded products, combined with new marketing development opportunities, could result in an estimated additional \$100 million in revenue annually to the fish and seafood industry, according to the Newfoundland and Labrador Department of Fisheries and Aquaculture.

● (1240)

The benefits of CETA are crystal clear even to the NDP, apparently: increased sales, more jobs, higher wages, and greater long-term prosperity. Why would any provincial government want to delay or threaten that access for their local companies? Why, indeed, would any federal party want to delay that access to their constituents?

Let us make no mistake: those companies, those people, those workers stand to benefit greatly from the CETA deal. This is why many have come forward to state their support for this historic agreement.

Business of Supply

Some stakeholders have referred to CETA as a game changer. Others have spoken of CETA's potential to facilitate market diversification and allow our seafood products to compete on a level playing field in the world's single largest integrated market. The business leaders in Newfoundland and Labrador understand the transformative power of the Canada-European Union trade agreement, and they understand that this government is committed to ensuring that Canadians from coast to coast to coast benefit from the deal. Indeed, all Canadians will benefit from this deal.

This is the best access the EU has ever granted a trading partner, and Newfoundland and Labrador companies are eager to take full and fair advantage of this new access. The leaders of Newfoundland and Labrador's business community, both within and outside the fish and seafood sector, have spoken publicly of their support for CETA. I will recap some of their words for members as well as for all those who are listening in on this debate.

The Association of Seafood Producers from Newfoundland and Labrador has stated on the record that:

For too many of our products, we are kept from being competitive because of the high tariffs the EU placed on our seafood products. It's a remarkable achievement, the elimination of all EU tariffs on fish and seafood in a single leap. The EU is our backyard. ... We're closer to many parts of Europe, geographically and historically, than many markets in the U.S.

It is a historic deal.

The Newfoundland and Labrador Employers' Council agrees, saying:

The agreement reached between Canada and the European Union demonstrates great growth in the province. Businesses that are having difficulty surviving in the current marketplace will see increased opportunities as the province begins to compete on a global scale.

The vice-president of the Canadian Manufacturers and Exporters, Newfoundland and Labrador, adds his voice:

A trade agreement with the EU would give manufacturers and exporters...the ability to diversify their sales...increase their presence in Europe at a time when they are looking for new market opportunities....

The St. John's Board of Trade, an organization that is the voice of business and an advocate for sustained economic prosperity in Newfoundland and Labrador, stated in a news release that:

CETA is one of the most significant trade deals ever negotiated for Canadian business, including businesses right here in St. John's.

The chairman and CEO of a private sector fish enterprise sums it up perfectly. Bill Barry of Barry Group said:

I think it's a tremendous initiative. I think the free trade deal with the EU is something almost everybody in the fishing industry had hoped for years.

As members can see, CETA is very important to the future and prosperity of this country and of Newfoundland and Labrador's fish and seafood industry. It is critical for the Government of Newfoundland and Labrador to come back to the negotiating table to work this out for the benefit of hard-working men and women who stand to benefit greatly from this trade agreement.

The Government of Canada has committed to invest up to \$280 million in a cost-shared initiative in Newfoundland and Labrador to compensate for negative impacts caused by the removal of minimum processing requirements on fish and seafood destined for the EU market. As we have stated time and time again, we remain

committed to working out the details of the minimum processing requirements fund with the Government of Newfoundland and Labrador, but I will step back a bit to clarify MPRs for the benefit of my colleagues on both sides of the House.

Newfoundland and Labrador legislation states that minimum processing requirements, or MPRs, apply to all fish intended for sale outside of the province. Fish exported from the province must be processed to a minimum requirement as outlined by the provincial government.

● (1245)

During CETA negotiations, the European Union requested unrestricted access to Canadian fishery sources, requiring Newfoundland and Labrador to give up their minimum processing requirements. At that time, Newfoundland and Labrador raised significant concerns that the removal of MPRs would impact their fisheries sector. In line with dairy and in line with pharmaceuticals, we were prepared to offer a compensation package of up to \$280 million for losses in a 70-30 federal-provincial cost-shared fund totalling up to \$400 million.

Our government remains fully committed to investing up to \$280 million to compensate Newfoundland and Labrador for losses caused by the removal of MPRs, and we are committed to working with the government of Newfoundland and Labrador to work out a transition initiative that would address priorities such as compensation for displaced workers, research and development, and innovation.

However, this fund was always intended to compensate Newfoundland and Labrador for losses as a result of the removal of MPRs. It was never intended to be a blank cheque. In fact, a review of the documents disclosed publicly by the Province of Newfoundland and Labrador clearly demonstrate the position of the Government of Canada as it relates to this fund. I repeat: this initiative is intended to help Newfoundland and Labrador transition from the removal of MPRs. Our investment of up to \$280 million is intended to compensate that province for the negative impact of that removal and to ensure that the benefits of CETA accrue to all Canadians.

Let me revisit the state of Newfoundland and Labrador's fish and seafood sector for a moment. The fish processing sector, which has particular importance to rural economies, has been dramatically reduced in size and character since the early nineties. Rationalization has been extensive, from a high of nearly 214 processing plants in 1989 to 86 in 2013. The number of seafood sector employees now stands at approximately 18,000. That industry continues to face challenges, with declining shellfish stocks and changing consumer expectations, and these challenges are real.

CETA represents a tremendous potential to mitigate those challenges. Industries facing such intense pressure to transform and modernize have never in history had the opportunity and benefit afforded by CETA to help them do exactly that.

Business of Supply

Our government understands that the Newfoundland and Labrador fish and seafood sector will be impacted by the removal of MPRs, and that is why we have committed to this fund. We also understand that the Newfoundland and Labrador fish and seafood sector is on the brink of realizing something the industry has wanted for many years. Because of CETA, the Newfoundland and Labrador fish and seafood sector will have unprecedented tariff-free access to lucrative new markets and countless opportunities to grow, to modernize, and to compete. CETA, for the Newfoundland and Labrador fish and seafood sector, means opportunity. We know it, my esteem colleagues across the floor know it, and the leaders in Newfoundland and Labrador's business community know it.

As I have said in the past and here again today, our government remains steadfast in our commitment to getting back to the table and working out the details of the MPR fund with the government of Newfoundland and Labrador. We are ready when it is ready.

• (1250)

Mr. Ryan Cleary (St. John's South—Mount Pearl, NDP): Mr. Speaker, we agree on most of the points the minister just outlined. The benefits, for example, are absolutely undeniable. The seafood market in the European Union is worth \$25 billion a year, and we want a piece of that. It is also undeniable that the fishing industry, the Fish, Food and Allied Workers Union, and the Progressive Conservative government of Newfoundland and Labrador all want in to CETA. That is not the question. That is not why this debate is happening right now. The minister did not address why the motion is before the House.

I have two questions.

The former Progressive Conservative government of Kathy Dunderdale in Newfoundland and Labrador announced details of what this fisheries fund of \$400 million, with \$280 million from the federal government and \$180 million from the provincial government, would be used for. Her government announced details more than a year ago, but this Conservative government did not raise a word of objection about what the Progressive Conservative government of Newfoundland and Labrador said the fund would be used for. It was not to be used for losses. The government did not have to demonstrate losses. This was about transition, renewal, and industry development.

Why did the Conservative government wait more than a year to raise an objection to the way the PC government of Newfoundland and Labrador framed this? If this fund is all about losses, why is the Newfoundland and Labrador—

The Acting Speaker (Mr. Barry Devolin): Order. The hon. Minister of State for Atlantic Canada Opportunities Agency.

Hon. Rob Moore: Mr. Speaker, we cannot have it both ways. The hon. member, in his speech, extolled some of the virtues of the Canada-European Union trade agreement and the benefits his home province of Newfoundland and Labrador will have by having unfettered access to 500 million customers. Quite frankly, I cannot think of a province that would benefit any more than his home province.

To be very clear, Premier Dunderdale at the time said that there was a need for a compensation fund, and that is something we have agreed to. We have agreed to a fund, with the federal share being up

to \$280 million, on a 70-30 cost-shared basis. No one in the House truly believes that there can be a compensation fund where there is no evidence provided of any impact or losses.

We are being very flexible with the province. We are saying that we can work together in a number of ways on this initiative. However, the hon. member knows, and all members know, that to have compensation, there must be a measurable impact, and those are the details we are committed to working out with the province.

• (1255)

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, I thank the hon. member and the member for St. John's South—Mount Pearl for the concern about the comprehensive economic trade agreement and its impact on Newfoundland and Labrador.

Whenever the minister of state spoke about what Newfoundlanders know about Europeans' interest in our markets, I was thinking about the European dragnets that so decimated the cod stocks. There is a lot that Newfoundlanders will remember about our relations with Europe in the fishery.

However, in this case, we had a commitment from the current administration for proper compensation. I find it surprising that the Conservative administration is no longer willing to keep its promise to the Premier of Newfoundland and Labrador, and I ask it to reconsider.

Hon. Rob Moore: Mr. Speaker, I do not believe that everyone in this place is on the same page when it comes to the benefits, because the hon. member for St. John's South—Mount Pearl said that Newfoundlanders do not have a position. They do not know where they stand on this agreement. We know where we stand on an agreement that is historic and that is recognized by Canadians, industry, workers, and employers as bringing tremendous benefits to the people of Newfoundland and Labrador as well as to all Canadians. We know where we stand on that. We have also agreed that in the case of Newfoundland and Labrador giving up minimum processing requirements, we will be there to work with it to compensate for any impacts.

Our position is quite clear and consistent with other sectors, like pharmaceuticals and dairy, two other sectors where compensation is being offered. There must be evidence based on the impact before compensation can flow, and I think all people recognize that this is appropriate.

Business of Supply

Hon. Michelle Rempel (Minister of State (Western Economic Diversification), CPC): Mr. Speaker, it is my understanding that the original agreement with the province on this particular issue was that the fund would provide compensation for potential losses associated with the removal of the MPRs. As my colleague alluded to, there has been some very positive stakeholder feedback. Derek Butler, of the Association of Seafood Producers, talked about how the reduction of these tariffs in one fell swoop would potentially create more markets and economic gain for the industry.

The motion before the House today says, “the federal government must respect its promise to Newfoundland and Labrador of \$400 million for development and renewal”. I am wondering if my colleague can re-emphasize the difference between the wording of this motion and the reality of the agreement with the province.

With regard to development and renewal, I would ask him to speak to the impact of his department and the investments our federal government has made through ACOA on the diversification of the Atlantic economy and on this particular sector.

Hon. Rob Moore: Mr. Speaker, indeed, our government, through the Atlantic Canada Opportunities Agency, is working steadfastly with our provincial partners, with businesses, and with other stakeholders on improving market access and on improving the type of innovation that is needed for the next step for these companies. As a matter of fact, it is dealing very directly with businesses in Atlantic Canada on how they can benefit from some of the major initiatives by our government, such as CETA and our shipbuilding program. There are tremendous benefits for Atlantic Canada that we, through ACOA, are making sure our local businesses can leverage.

I have a stack of letters and press releases from employers, the St. John's Board of Trade, seafood processors, Canadian manufacturers, and exporters, all of them calling on the Province of Newfoundland and Labrador to come to the table to work out the details of this fund with us, because they know the tremendous benefit of the Canada-European Union trade agreement to their province.

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, I think a lot of the issues my fellow colleague has raised with regard to the CETA agreement and Newfoundland and Labrador and the impact have to do with trust, the relationship, and the sharing of the knowledge of where the benefits will be for Newfoundland and Labrador.

If Newfoundland and Labrador has taken the position that it would not support this because the benefits are negative in other areas, is there not an opportunity for further conversation, recognizing the importance of having Newfoundland and Labrador as part of all of this?

We recognize the benefits in some other areas, but when there are clearly other areas that are giving it difficulty, do you not think it would be advisable to sit down at the table with the premier?

• (1300)

The Acting Speaker (Mr. Barry Devolin): Before I go to the minister, I once again remind the member to address the Chair. She is not a newcomer to this place. It is not optional behaviour. It is in fact required.

The hon. Minister of State.

Hon. Rob Moore: Mr. Speaker, I would say absolutely that we are encouraging the province to come to the table with us.

This is an historic opportunity. We have talked today already about some of the benefits to the seafood and fish sector, manufacturers, and exporters in Newfoundland and Labrador and about the benefits that can accrue to that province.

We also know the hurdles when it comes to access to the European Union. I mentioned some of the tariffs of over 10%, including some as high as over 20%, on the very exports we want to make to that very important market of over 500 million people.

It is in everyone's interest that we come together to finalize this fund that will be to the benefit of Newfoundland and Labrador, a fund that will protect the seafood industry from any potential negative impacts for having given up minimum processing requirements, and indeed, to move forward on an agreement that will benefit all of us as Canadians.

[*Translation*]

Ms. Chrystia Freeland (Toronto Centre, Lib.): Mr. Speaker, thank you for giving me the opportunity to join this important debate.

Newfoundland and Labrador's support for CETA hinged to a significant degree on the Government of Canada's promise to help the industry adjust to the recent removal of minimum processing requirements. That promise should have been kept. CETA will eliminate trade barriers and boost free trade between Canada and the European Union. It will also create opportunities for the middle class.

The Liberal Party of Canada supports free trade because it will open markets to Canadian goods and services, grow export-oriented businesses, create jobs and provide choice and lower prices to Canadian consumers.

Unfortunately, the Conservatives negotiated this agreement without holding a proper public debate. As a result, the government did not adequately address concerns about sectors that could suffer because of CETA, particularly the sector that employs fish plant workers in Newfoundland and Labrador. The removal of minimum processing requirements is definitely a huge concern for the people of Newfoundland and Labrador. The province's support hinged to a significant degree on the federal government's promise to help the industry adjust to this new reality. That promise should be kept.

I would also like to quote my colleague, the member for Saint-Laurent—Cartier, who talked about this matter last week:

However esoteric federal-provincial relationships might appear to many Canadians, all Canadians want their leaders, especially their Prime Minister, to be trustworthy.

This is very important. I would like to thank my colleagues, especially the francophone members, for listening to my bad French, and I hope it was understandable.

Business of Supply

• (1305)

[English]

Now I will continue in English. I thank my francophone colleagues for tolerating my efforts. It is important for us to try, as practice will make perfect.

As my colleague has already suggested in her line of questioning, what is at stake here are some very fundamental issues that go right to the heart of the terrible way the government is conducting itself. I would like to focus on two in particular, and they are the fact that so often, and not just when it comes to trade but it comes to economic policy in general and foreign policy, the government talks big but does not deliver. The government's rhetoric is not matched by execution. One way to put it is that it is obverse of the usual advice, that one should speak softly and carry a big stick. Today's Government of Canada speaks loudly and carries a small stick, particularly when it comes to executing it.

This CETA deal is a perfect example of that. I have lost count of the number of official announcements we have had of this deal being concluded. I have lost count of the amount of taxpayer money that has been spent to celebrate the conclusion of this deal and yet the deal, manifestly, is not there.

What is more, with each passing week, some new real obstacle, some new hurdle, which the government had to overcome and should have overcome before all of these glorious announcements, manifests itself. This conflict between the federal government and Newfoundland and Labrador is just the latest example.

The second thing I would like to emphasize is something I spoke about a bit earlier when citing my colleague. This dispute speaks so profoundly to way in which the government has failed at one of the essential tasks of statesmanship, and that is relationship building, relationship building with the provinces, one of the central jobs of Ottawa, and relationship building with our partners in the world.

I have a somewhat homey metaphor. I am a mother and I have three kids. Nowadays in classrooms kids do not sit in desks by themselves; the desks are put together in a group. Modern pedagogy understands that the way to accomplish big jobs in the world is through teamwork. Therefore, my 10-year-old daughter sits around a group of tables with other kids. She is already being taught that teamwork is essential. That lesson seems to be lost on the other side of the House.

It is not just in elementary school. During the winter break, I had the privilege of visiting the University of Windsor and seeing its magnificent new engineering department. In its beautiful modern new lecture halls, the students do not sit in seats one by one separated from one another; they sit grouped around tables. Again, teamwork is the key to success in the modern economy. This is an approach that the government is either unable to carry out, or simply does not understand how essential it is.

It is particularly important when it comes to trade. Trade, after all, is about partnerships and relationships. We see the breakdown here when it comes to the relationship between the federal government and Labrador and Newfoundland, but that is far from the only trade relationship that has been dangerously eroded. It is shocking to me to note that in fact our biggest trade and economic relationship, what

should be the bedrock international relationship for any Canadian government, the relationship with the United States, has also fallen prey to this my way or the highway bullying approach of the government. We see the evidence of that failure at relationship building and statesmanship in issues like the fact that the Keystone pipeline has not been approved, that it has become a huge and contentious issue in U.S. politics and that there is a huge fight over the port at Prince Rupert.

This unnecessary fight between the federal government and Newfoundland and Labrador is really just a manifestation of a broader failure on many fronts and of these two very characteristic flaws of the government.

What is particularly troubling to me and my colleagues is that the support of Newfoundland and Labrador for CETA was earned in part by a promise from the Government of Canada to help the industry adjust to the abolition of minimum processing requirements. Is it not elementary that a government should honour its promises? Sadly, that is not what we are seeing.

I would like to quote some comments from representatives of Newfoundland and Labrador. In the St. John's newspaper, *The Telegram*, Minister Darin King said that if it could not get a deal with Ottawa with the Minister of International Trade, Newfoundland and Labrador planned to take this dispute over the head of the Canadian government to Brussels. Here is what he said to *The Telegram*:

Our plan would be to go into the EU — Brussels — and meet with member states and members of the union to outline our position and to seek support from them... We want a resolution. We want to put this to bed because we recognize that CETA is good for the country and good for our province, and we want to put this deal to bed and move forward and get on with things.

• (1310)

Imagine how Canada would look, how ridiculous our international position would appear, if we had warring Canadian factions travelling to Brussels to present contradictory positions.

That is not how a well-managed country is run. That is not the way we get a good deal from our counterparties. This is particularly dangerous. This dispute flaring up within our own family, in public, in the House, comes at a particularly dangerous moment. As I sure members know, at this moment, the CETA deal, which we strongly support and believe is really important to the Canadian economy, is facing new objections and pressures from some of the key European Union players. There have been voices raised against it in France and, particularly, in Germany. At a time when support is fraying, this is not a time for us to fail to get our ducks in a row at home and to fail to have unity, to break promises within the Canadian families. I am disappointed to say that this is what is happening.

Trade deals are an area where, like so much economic policy, timing matters and delaying costs people real money. This is not an issue where the government has the luxury of fighting interpersonal battles or ideological battles. To delay is to take money out of the pockets of hard-working Canadians. We have had a very clear and stark example of that reality very recently, and that is in our trade with South Korea.

Business of Supply

The United States, the EU and even Australia got to a trade deal with Korea ahead of us. We are delighted that a deal has finally been done, but because of that delay during that period, Canadian exporters lost 30% of market share. Experts calculate that this was a loss of about \$8 billion. That is a lot of money, which simply through delay, was effectively taken out of the pockets of hard-working Canadian business people. We really need to focus on timing. We need to get beyond the rhetoric and get this deal done, not have fighting at home.

I am getting increasingly concerned about CETA. Last week, I met with many business people whose businesses depend directly upon this deal getting done. They are worried that we have not completed the deal, despite multiple announcements.

There is a very real reason to be worried. If we cannot resolve our disputes at home and get the deal done, it will be in real jeopardy.

As members know, the United States is now negotiating its own trade deal with Europe. This is a huge political issue in Europe, indeed, an issue which raises concerns at a much higher, much more emotional level than the deal with Canada. It is essential for us to get our deal done, to get it signed, to get it out the door before the debate around the negotiations with the U.S. really becomes a central political focus in Europe.

It is also essential for us to get this done, to resolve our disputes at home, because the EU negotiators will not have time for us forever. They will not be able to focus on internal Canadian squabbles forever, on possible visits this month from officials from Newfoundland and Labrador to Brussels. Their focus will be shifting to the U.S. deal. It is absolutely incumbent upon the government to resolve this dispute and to get the deal done.

Why does the Liberal Party feel so strongly about the importance of trade, of getting deals done, of getting access to market for Canadian producers? Eighty per cent of our economy is dependent, directly or indirectly, upon trade. That is huge. Our dependence on having effective relationships and effective access to international markets is particularly great today. As 2015 has dawned, we have seen a global economy looking much less rosy than we were hearing from the other side of the House all last year.

• (1315)

We are entering a global economic environment of unexpectedly falling commodity prices, including low oil prices, which is a very serious issue for the Canadian economy, as everyone from the Bank of Canada to TD have said. There is another really big issue out there that is shadowing our economy. It is the issue of what Larry Summers, the former secretary of the U.S. Treasury, likes to call “secular stagnation”. This is the idea that the western industrialized economies might currently be stuck in a period of low growth.

I am very sad to say that because of the short-sighted ideological thinking of the government, because of its all-eggs-in-one-basket play in the oil sector, Canada is unprepared for these rocky international waters. At a time like this, more than ever we simply cannot afford to be fighting amongst ourselves, to have these embarrassing unprofessional fights between a provincial government and the federal one over a trade deal that we desperately need to conclude. We need to get it done. It is really not acceptable, in fact it

is incredibly dangerous, for our country to be stalled in this space with Newfoundland and Labrador's really objecting and talking about a trust betrayed.

I would like to tell the House what some of the leaders from Newfoundland and Labrador, in their own words, had to say. Premier Paul Davis said, “We’re at a crossroads where the federal government has changed the rules.”

That, to me, goes to the heart of the issue here, that in the midst of this incredibly important, much bally-hooed, and incredibly complex deal that is central to our economy, the government dropped the ball on this key federal-provincial relationship and had the temerity to change the rules half way through. That is not statesmanship. That is not grown-up management of a country, of an economy, and of a trade negotiation.

Darin King, Newfoundland and Labrador's business minister, said, “The federal government’s failure to honour the terms of this fund is jeopardizing CETA for all industries, economic sectors, and indeed all Canadian and European Union citizens.”

He had it exactly right. We all want this deal done. The government had the privilege of negotiating the deal not just with the EU, but also with our Canadian provincial partners. It has simply dropped the ball. It is being accused by its partners of failing in what is a key duty of a federal government, to be trustworthy and to keep its word.

Finally, I want to quote the intergovernmental affairs minister, Keith Hutchings, who said:

We've got to be able to hold fast to those items that we negotiated. It's a much bigger issue. Once we go down that road of giving the authority to the federal government and saying, “Well, you can negotiate something, but once it gets to the final stages you can pull back and say no, that's fine.” As a government we can't approve of that.

What is really at stake here is probably the most fundamental issue of leadership and governance. That is integrity. It is trust. The real issue is the economy is at stake. A trade deal is at stake. Even more crucially, the government's ability to be trusted by Canadians is at stake. That is why I am delighted we have the opportunity to debate this in the House today. I hope the government will see the light.

• (1320)

Mr. Ryan Cleary (St. John's South—Mount Pearl, NDP): Mr. Speaker, the hon. member made a very good point about relationship-building. Of course, the Conservative government has no relationship with Newfoundland and Labrador, but then, two betrayals do not make for a good relationship.

This dispute comes down to two sides of the story. On the one hand, the Province of Newfoundland and Labrador said that the fisheries fund was all about transition, development, and renewal. That is what the \$400 million fund was for. That is the province's take on this.

Business of Supply

The federal Conservatives say that this fisheries fund is compensation for losses as a result of the province's giving up minimum processing requirements. In other words, it is compensation for losses incurred by giving up this major fisheries policy. This is a \$400 million fund and if the Conservatives are right, the fund is to compensate for losses. The Conservatives are contributing \$280 million and the provincial government is contributing \$120 million.

Why would the Government of Newfoundland and Labrador contribute \$120 million to a fund to compensate itself? Does that itself not raise questions about the Conservatives' side of the story?

Ms. Chrystia Freeland: Mr. Speaker, the hon. member has an important point. I very much agree with him that this hits the fundamental issue of trust and transparency.

A lot of our discussion today feels as if it were some kind of cheap detective novel or divorce case, a he-said versus she-said issue, as we parse exactly what the email did and did not contain and what the intentions of the different parties were. That is not the way a healthy federation works. There should not be this sort of fight between a federal government and the provinces if the government has a good, healthy, trust-based relationships with them. This is essential for Canada to function.

Mr. James Lunney (Nanaimo—Alberni, CPC): Mr. Speaker, I would like to quote Sharon Horan, 2014 chair of the St. John's Board of Trade, who stated:

The CETA agreement provides significant opportunity for our members to do business with the affluent 500 million consumers in Europe. CETA is one of the most significant trade deals ever negotiated for Canadian business, including businesses right here in St. John's.

Therefore, there is no negative impact at the present time. As everyone knows, the deal has not been concluded. Most of the impact from CETA would be positive and any negative impact would be compensated.

Does the member encourage or support the Government of Newfoundland and Labrador coming to the table to negotiate whatever its concerns and differences are so that the compensation can be delivered as it is intended when the time is appropriate?

Ms. Chrystia Freeland: Mr. Speaker, with all due respect, the quote cited by the hon. member misses the point. There is no dispute between the federal government and Newfoundland and Labrador about the overall benefits of CETA. Indeed, there is no dispute between the party opposite and my own about the overall benefits of CETA. We believe that it is essential for Canada to have a trade deal with the European Union. Our only disappointment is that there seem to be a lot more announcements and big, expensive parties than actual done deals.

When it comes to the conduct of the Province of Newfoundland and Labrador, my concern is that we are hearing from the elected representatives of that province in the clearest most direct and most aggrieved terms that they feel betrayed by the federal government. I think the people who need to come to the table today and fix this relationship are the members opposite and the federal government.

• (1325)

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Mr. Speaker, I noticed that the hon. member brought up the situation in Prince Rupert, which it turns out is an extremely complicated situation.

There is the fact that Alaska is leasing the port. It is also complicated by the fact that there is the potential for different suppliers of steel for this port. Another element is the fact we are talking about a local labour force that would be called upon to build the port. The last factor is that cruise ships can bypass that port if need be.

We saw the government react rather quickly and aggressively to the news that buy American was going to apply there. However, given the complexity of the situation, should Canada and the government not have entered into some fairly sophisticated discussions with the players on this issue? Why do we have an embassy if it cannot engage governors and legislators to solve these problems?

Ms. Chrystia Freeland: Mr. Speaker, I thank my hon. colleague for his excellent question. As many in the House know, he has a long-standing and deep interest and expertise in all of Canada's waterways.

I raised the issue of Prince Rupert precisely because it is symptomatic of the high-handed, my-way-or-the-highway conduct of the current government, which we are again seeing manifested in this dispute with Newfoundland and Labrador. As my hon. colleague rightly points out, we have an excellent diplomatic service and an excellent ambassador in the United States. However, his hands are tied because the only message he is allowed to deliver is, "We're going to do it my way." That kind of behaviour, those kinds of ideological blinders, and that kind of rhetoric is not working in our relationship with the United States and, I am sad to say, it is not working in Ottawa's relationship with the provinces. It is time for a change.

[*Translation*]

Ms. Paulina Ayala (Honoré-Mercier, NDP): Mr. Speaker, this is not the first time that the people of Newfoundland and Labrador have been told one thing and then something else ultimately ends up happening. Indeed, the Liberal government also failed to respect another agreement, the Atlantic accord, which had been announced in the fall of 2004.

I want to review the messages that the people of Newfoundland and Labrador have been hearing. In October 2013, the Minister of State for the Atlantic Canada Opportunities Agency talked about a transitional program worth \$400 million that would support the development and renewal of the fish and seafood sectors, as well as provide support for the workers. Everyone in Newfoundland was pleased. However, at the end of October 2014, the message changed. Now Newfoundland and Labrador has to prove to the federal government that eliminating the minimum processing requirements harmed the province. Originally, the government was talking about a transition initiative, and now the province has to prove that it suffered losses.

I wonder whether my colleague could use that example to explain to us why the provinces cannot trust this Conservative government, since it does not keep its word or the promises it makes to them. The provinces are an important, crucial part of Canadian federalism. This might well weaken the relationship between the federal government and the provinces.

Business of Supply

[English]

Ms. Chrystia Freeland: Mr. Speaker, the history that my hon. colleague cites has provided ample proof of why Canada's provinces today do not feel they have a counterparty in Ottawa that wants to work with them, that wants to co-operate with them, and even whose written word can be trusted.

It is absurd and embarrassing that we in the House are reduced to parsing emails and letters between a province and the federal government to try to prove what exactly was meant. That shows a complete breakdown of the relationship.

That relationship is the core of what we are talking about today. It is a duty of the federal Government of Canada to have good, productive, effective relationships with the provinces, particularly when it comes to presenting a united Canadian front and negotiating trade deals. I am sorry to say that the government has failed in doing that.

• (1330)

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, before I begin, I would like to make the Chair aware that I will be splitting my time with my hon. friend from Halifax, who gave me such a rousing and warm welcome here. That is how we work on the New Democratic side.

This is an important debate. Many Canadians watching may be wondering why this debate may be relevant to them if they do not live in Newfoundland. As somebody who comes from the complete opposite side of the country, from Skeena—Bulkley Valley in the northwest of beautiful British Columbia, I can say very clearly that there is a pattern and a pathology within the Conservative government that worries us greatly. It is something that we have seen before, and we have great compassion and understanding for our friends in Newfoundland, who negotiated in good faith with the government over an important principle with respect to CETA, the agreement that the government has been compacting with the European Union. Even when we get an agreement with the Conservatives in black and white and the Prime Minister utters support in very basic and understandable terms, as was the case here, that agreement may not hold water when it is time to actually come forward and honour it.

In this particular case of with the European trade agreement, a principle held out by Newfoundland was that there would be a compensatory fund of \$400 million established by the federal government to offset some of the damages that would be inflicted upon the people of Newfoundland, in particular with respect to their minimum processing requirements. It had been a long-standing policy and practice of the Newfoundland government to protect the processing of fish products in Newfoundland.

For those who do not know or who find it hard imagine, this is an incredibly important and integral of the Newfoundland economy. It is worth as much as \$1.1 billion per year to Newfoundland. That is important, because it allows for the diversification of the economy to not solely rely on things like non-renewable energy, such as oil. That is important in the Newfoundland economy. It is so important that Newfoundland said that it was contingent on its agreeing to the broader CETA negotiations. It was Europe that asked the Canadian government to get Newfoundland to take away this minimum

processing requirement that fish had to be processed within Newfoundland.

Newfoundland, recognizing that there were some broader benefits to its broader economy and to the Canadian economy, said yes, but let us set aside this \$400 million. The Conservatives in Ottawa agreed, and as soon as they had that deal inked, they started to crab walk a little. They said that there might be a fund, but now that they had secured Newfoundland's support and the train had left the station, they were going to change some of the conditions of how the fund would be used such that Newfoundland would now have to go about the arduous process of proving damages.

Who would prove those damages and to what level? It would be the Conservatives here in Ottawa who would decide for Newfoundland.

We have seen this before, particularly in the more remote or rural parts of our economy and our country when it comes to resources and revenue from resources. I am looking at my friend from the north, from the western Arctic, who has seen the government renege on provinces before when it comes to resources. In the west we have seen it time and time again. Newfoundland has seen it twice now just in recent history.

In the 2007 budget, there was a black-and-white commitment from the Conservatives. I will read it out for them, in case they have forgotten their own words. When it came to non-renewable natural resources, they would exclude those calculations when making any payments to the provinces. Way back in 2006, the Conservatives said that they would:

Work to achieve with the provinces permanent changes to the equalization formula which would ensure that non-renewable natural resource revenue is removed from the equalization formula to encourage economic growth. We will ensure that no province is adversely affected from changes to the equalization formula.

That is pretty black and white. That is pretty clear.

In the 2007 budget, just a few months after making this promise to Canadians, and particularly Newfoundlanders, the Conservatives reneged on that promise. That then caused a reaction from the then premier, Danny Williams, who said Newfoundlanders had been betrayed yet again by Ottawa and ran his ABC, or “anything but Conservatives”, campaign. It was broadly effective, and it is kind of catching on in the country.

• (1335)

Certainly where I live in B.C., ABC is suddenly having a certain resonance with British Columbians, who say that these guys cannot be trusted even when they make their promises in black and white. Newfoundland showed up to say that the Conservatives would not change the equalization formula and would exclude natural resources from any of those calculations because they said they would; then the 2007 budget showed up and the Conservatives were shown to be liars.

That is a strong word that we do not often get to use here, because we have to be able to prove it. When we compare the 2007 budget to the 2006 promise that was made by this Prime Minister, we see that the Conservatives reneged on this promise, reversed it, and suddenly put non-renewable natural resources into the formula. We see that he was not telling the truth and was lying to Newfoundlanders.

Business of Supply

We see it here again in an area that is very sensitive and very important to Newfoundlanders, the processing of fish in Newfoundland. A very clear promise was made by the chief of staff to the minister who was negotiating this deal as to what this fund was to be used for. It was to be a transitional fund.

Then we see the crab walk begin, with the Minister of Justice from the east coast saying that we did not create a “slush fund”, as he calls it. There goes the transitional worker fund. Now the Conservatives want to refer to it as a slush fund, because that would be a bad thing that would be helping out Newfoundland communities that got hit by impacts from the CETA agreement.

Then the Prime Minister's office very recently issued a statement saying that the government did not want to give Newfoundlanders and Labradorians a blank cheque. Oh, goodness. The very agreement that Conservatives made with those people is now being referred to a slush fund and a blank cheque.

Thank goodness for the New Democrat members for St. John's South—Mount Pearl and St. John's East, who are standing up for the interests of Newfoundlanders and Labradorians here in the House of Commons, opposed to the few Conservative colleagues left on the island. They are standing up and saying that Newfoundland deserves basic signs of respect from the Conservatives, as opposed to just breaking their promises so easily.

I guess that is what happens to a government when it sits in office for nine long years. It gets easier and easier to make a promise and break a promise, to say to Newfoundland and Labrador, “Here it is in black and white. We promise you can vote for us. Newfoundland can support this trade agreement with Europe, knowing there is going to be a \$400 million transition fund.” Then, when it comes time to cough it up and actually come through on that promise, the Conservatives do the happy Conservative dance and say, “No, no, we did not mean a transition fund for communities. We did not want to give Newfoundland a blank cheque.” This was according to the Prime Minister's Office. It was the Minister of Justice who seemed to think this would constitute a slush fund.

Again, let us remember what this is all about. This is understanding that trade deals as complex as what is going between Canada and Europe will benefit some industries and have a negative impact on others. This is understood by the government of the day and the negotiators. It is understood by both sides that there are advantages and disadvantages in every trade deal.

This is why New Democrats wanted to see the text of the deal before issuing blank support in the way the Liberals did, because the devil is in those details. We broadly support trade initiatives with our European allies, free democratic countries that draw from a well of values and histories similar to Canada's. We know the importance of trade and diversifying that trade, while making sure that trade happens in terms and interests that benefit this country, because it is Canadian interests that we represent here in this House of Commons.

That is broadly speaking. I come from British Columbia, but I can stand up for my friends in Newfoundland and Labrador, as they have stood up for us in times past, to say that they deserve to have the promises made to them by the federal government honoured. When a province or territory in this country gets a black-and-white promise

from the government of the day, regardless of the party that happens to be in power, is it so radical to ask that the promise be kept?

We saw that in 2006 and 2007 with the Conservative government. When it came time to honour the deal, the promise it had made to the people of Newfoundland to not include non-renewables, Conservatives were only too happy to break that promise and to change the formula to make it more difficult for Newfoundland and Labrador.

Now we see it again. Newfoundland was able to offer its support contingent upon this \$400 million fund being there to help people transition, because it knew it was taking away a policy that had helped many communities for many years. Now the Conservatives are suddenly changing their tune, saying the promise was never made. Well, that is not the understanding of Newfoundland. I trust the people in Newfoundland and Labrador to interpret what that promise was, what it meant, and what it is still today.

Shame on Conservatives for so happily and easily lying and renegeing on a promise to the people of Newfoundland and Labrador—again.

● (1340)

Mr. James Lunney: Mr. Speaker, numerous times the member referred to “lying” on the part of the government. I think that is unparliamentary. It is out of order. There are disagreements on written contracts, and the member is saying that the contracts actually should be the way people feel about them, not the way they are actually worded.

I ask the member to withdraw those remarks. They are unparliamentary.

The Acting Speaker (Mr. Barry Devolin): The hon. member is correct in that there is parliamentary and unparliamentary language. The word “lying” is not acceptable in this place, and I think all hon. members know that.

Questions and comments, the hon. member for St. John's South—Mount Pearl.

Mr. Ryan Cleary (St. John's South—Mount Pearl, NDP): Mr. Speaker, I thank the hon. member from British Columbia for the excellent speech. He made some good points, but his main point is that this is the second time that the federal Conservatives have disrespected my province of Newfoundland and Labrador.

I do not know if the word “betrayed” is against parliamentary decorum, but people back home in Newfoundland and Labrador would categorize what has happened here as a betrayal.

The first betrayal, as pointed out by the member from British Columbia, was in 2006. It was on a promise from the current Conservative government to remove non-renewable natural resource revenue from the equalization formula. That promise was made, but that promise was not kept, as the member so rightly pointed out.

The second time is right now. The Province of Newfoundland and Labrador gave up MPRs for a transition fund for development and renewal, and according to the documentation, that is clear.

Business of Supply

The hon. member has been in this House for some years and knows his way around. My question for him is simple. Why does he think that the current Conservative government has betrayed Newfoundland and Labrador for a second time? Why?

Mr. Nathan Cullen: Mr. Speaker, I think “betrayal” is okay in terms of our discourse here, especially when we watch betrayal happen.

I can only imagine that the Conservatives think it is okay to betray Newfoundland and Labrador because they can get away with it, either because the people there may not be paying attention to what is happening, which is a mistake, or because they just do not matter to the Conservatives' particular machinations. They are interested in other things.

My hon. colleagues across the way took umbrage with the language and tone that I was using. Their sensibilities were harmed. Here is an easy way to get away with being called such difficult words, as you have said, Mr. Speaker, as “liar”. The way that one—

The Acting Speaker (Mr. Barry Devolin): Order. The member will take his seat.

The Chair recognizes that it is an important matter that is being debated this morning and that it raises emotions, but I would like to leave all hon. members with two thoughts.

First of all, the inadvertent use of unparliamentary language is usually brought to the member's attention. Accidents happen from time to time.

However, if the Chair believes that members are deliberately using non-parliamentary language, that is a different matter. If a member uses a word that is unparliamentary, that does not give them licence to subsequently make passing reference to that word. That is essentially being critical of the Chair's ruling, as opposed to their colleagues'.

I would go back to the hon. member for a quick answer to the question. I would ask him to refrain from using words that he well knows are not acceptable in this place.

Mr. Nathan Cullen: Mr. Speaker, I believe one can refer to a “mistruth” being spoken. I believe that has been considered parliamentary language in recent Speaker rulings.

If one wishes to avoid being accused of misspeaking the truth, then one should avoid misspeaking the truth. To my Conservative colleagues across the way, if they are concerned and their feelings are hurt by being accused—not by me, but by the people of Newfoundland and the Conservative premier of Newfoundland—of having misspoken the truth, then my advice to my Conservative colleagues is to misspeak the truth to the people of Newfoundland. That would avoid the whole mess in the first place.

• (1345)

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, the official opposition has forgotten another instance in which the federal Conservatives really caused the Government of Newfoundland and Labrador significant harm, and that was in its use of chapter 11 under NAFTA when AbitibiBowater brought a charge against Newfoundland and Labrador for an interpretation of the contract under which it had been doing business in the province. That

contract dated from 1905. It was a 99-year lease that kept getting extended. I studied it when I was writing books about forestry policy in Canada.

Newfoundland and Labrador had every right under the contract to say that when AbitibiBowater vacated the province, the company had no right to sell off hydroelectric assets and other assets it had gained only through this quite ancient contract. The Prime Minister berated Danny Williams and paid out \$130 million from the consolidated revenue fund of the people of Canada to AbitibiBowater. In other words, Newfoundland and Labrador's interests were not protected. They were gutted by the interpretation of chapter 11 of NAFTA, which brings us to the competence of this economic and trade agreement, which by the way—

The Acting Speaker (Mr. Barry Devolin): Order. The hon. member for Skeena—Bulkley Valley.

Mr. Nathan Cullen: Mr. Speaker, I do not have enough time to properly lay out the number of times the people of Newfoundland and Labrador have been betrayed by the Conservative government. We do not have enough time today to outline all of the different articles in which the Conservatives have found themselves offline and offside of the interests of the people of Newfoundland.

My friend raised a recent example in which \$130 million was offered up to AbitibiBowater and the Prime Minister had the audacity to chastise the Premier of Newfoundland for standing up for the interests of the people of Newfoundland and Labrador. For a government to sit in Ottawa like the Conservatives do and berate provincial leaders, as they do time and time again, for simply doing their jobs is beyond frustration and beyond betrayal. It is perhaps a matter of other words that I shall not use in this place.

Ms. Megan Leslie (Halifax, NDP): Mr. Speaker, before I launch into the substance of the motion, I would like to take a moment to talk about the sponsor of the motion, the member for St. John's South—Mount Pearl.

We met in 2010, before the last election. I was with the member for St. John's East, another strong and passionate advocate for Newfoundland and Labrador. We were in St. John's together attending round tables about different issues in the community. He was not yet the member for St. John's South—Mount Pearl, but he was there as a member of the community attending these round tables. I was really impressed by how engaged he was with the community and the issues it was facing and how committed he was to Newfoundlanders and Labradorians.

As we all know, he was elected in 2011. I have had the pleasure of serving in the NDP caucus with him since then. He has also been the chair of the Atlantic caucus for the NDP, so I have got to know him quite well here on the Hill and know him to be a strong voice for Newfoundlanders and Labradorians. I have had a chance to visit both Newfoundland and Labrador with this member and am still impressed with his work in community and the way he works alongside the member for St. John's East, the way the two of them work together, to bring these important issues from the community to this place, to the House of Commons, because that is the point.

Business of Supply

There are 308 of us across this country and we are supposed to bring these issues that our communities are facing to the House of Commons for Parliament to work on, no matter how uncomfortable the issues are.

Today, I am standing and debating another example of this member's work. It is a great motion that stands up for Newfoundlanders and Labradorians. I am proud to debate it as a Nova Scotian, because we do pay attention to what goes on around Atlantic Canada. We have been following this issue quite closely, because Nova Scotians are quite familiar with the levels of betrayal by the federal government as well. We do have experience with that.

Newfoundland and Labrador was promised a \$400 million fishery fund by our federal government. That is not chump change but a substantial amount of money for a transition, and now we see the Conservative government reneging on that deal, to the point where the Conservative Premier of Newfoundland and Labrador, Paul Davis, has said:

It really solidifies that you can't trust the federal government, you can't trust [the current Conservative] government.... We bargained in good faith. We believed we had an agreement in place, that we had a deal set.

Those are pretty strong words for a premier to come out and say against a government, against the federal government and against the Prime Minister. What is the solution? It is exactly in this motion. This is what the NDP is asking for: We want the federal government to live up to the commitments it has made, plain and simple. It is pretty simple, but pretty elegant, and I think only fair. We want the federal government to commit its share of the \$400 million fisheries fund that would allow the development and renewal of the fishing industry in Newfoundland and Labrador. It is pretty straightforward.

In Atlantic Canada we do follow what is going on in different provinces. I read in the news in mid-January that Newfoundland and Labrador had suspended its support for CETA, the trade agreement, and all trade agreements currently being negotiated with the federal government. I wondered what these headlines meant. What was going on? I read the articles, and I saw that Newfoundland and Labrador's business minister, Darin King, had said:

The Federal Government's failure to honour the terms of this fund is jeopardizing CETA for all industries, economic sectors, and indeed all Canadian and European Union citizens.

There was another quote by him where he also talked about the failure to honour a deal. Those are strong words to say that a government is failing to honour a deal.

We go back to the premier's quote. He talked about how Newfoundland and Labrador had bargained in good faith with the federal government. Now we see that bargain is not being lived up to, that the federal government was not bargaining in good faith after all, because the terms of the agreement have been switched right before our very eyes.

● (1350)

The member for Skeena—Bulkley Valley talked about how, after the deal had been struck, the Conservative government started to crab walk. Perhaps that is a good metaphor for the issue of minimum processing requirements. Another one is the bait and switch, to say one thing and switch it out for something else. There are some good fisheries metaphors. Unfortunately, they are not very funny. It is not

hard to believe that there has been a bait and switch or a crab walk because I find the Conservatives to be masters of the bait and switch.

There are other policies where we have seen this too. For example, they promised child care spaces. They ran on a platform where they would create child care spaces. How many have they created? They have created zero. It is not just the Conservatives. It is the Liberals too. They promised child care year after year they were in government. They had majorities, they had minorities, they had it all. How many child care spaces did they create? They did not live up to that promise either, did they?

Tom Walkom, a reporter for the *Toronto Star*, did a piece about child care, including the NDP's proposal for \$15-a-day child care. The title of his article is "National child care—the promise that's never kept". It is time for the government to start keeping its promises, like the promise of a cap and trade system to bring down our greenhouse gas emissions. Now Conservatives sit on the other side of the House and demonize a price on carbon. It is like this big, scary bogey monster that is under the bed, that is going to take everyone's money and eat their children, when it was actually part of their platform to have a cap and trade system.

They promised oil and gas regulations. New Democrats have been asking questions in the House about those, including where the regulations are. I have gotten answers from various ministers over the years that, "Hold your horses, we are trying to get it right. We are perfecting it." Then this fall, the Prime Minister said it would be crazy to regulate the oil and gas sector. If that is not a crab walk or a bait and switch, I do not know what is.

Speaking of bait and switch, how about the change in the age of retirement from 65 to 67? I do not remember any discussion of that during the last election campaign. Usually if a party has a major policy announcement, it lays it out in a campaign document. It has a platform that it runs on and says to voters, "This is my offer to you and I ask you to accept that these are the things the party will do." I do not remember that offer or the Conservatives saying, "And we're going to raise the age of retirement." They did not campaign on that, and yet those years have been taken away.

As I said, people in Nova Scotia pay close attention to what is going on in Atlantic Canada. They share in each other's successes and in each other's struggles. This is just the latest struggle.

The member for St. John's South—Mount Pearl, who introduced this motion, set up a briefing for NDP members so we could better understand the issue, have our questions answered, and know exactly what was going on. He did a good job of spelling things out really clearly for us. I am proud to be able to stand here and say what the NDP is asking for.

Statements by Members

STATEMENTS BY MEMBERS

[English]

BLACK HISTORY MONTH

We believe that a deal is a deal. We believe that the Conservatives made a promise to Newfoundland and Labrador and need to keep their word. New Democrats have been clear that we support signing a trade agreement with the European Union if it is a good deal for Canada. I do not know if that question has been answered yet. It is a huge document. I think there are 40 chapters to this trade deal. New Democrats are going over it and taking the time to get it right, but we know this one aspect, this broken deal with Newfoundland and Labrador, is unfair. It is not the deal that was struck. As the premier said, the province bargained in good faith and that is now being taken away.

We all know that the fishery supports good, middle-class jobs in Newfoundland and Labrador and that the government needs to protect those jobs and build a fishery of the future, not just leave it to chance. It is too important to be left to chance. Time and time again, the Liberals and Conservatives have gone to Newfoundland and Labrador, cap in hand, only to turn around and betray it once they got what they wanted from Newfoundland and Labrador. All Canadians deserve a government that respects ordinary Canadians. We deserve a government that will work with provinces to create jobs and get things done.

In the NDP briefing to try to understand this issue, it was unbelievable reading the headlines and thinking this was happening, but it really is. What went on is laid out.

● (1355)

We know the Province of Newfoundland and Labrador has a long-standing system of minimum processing requirements. This is specifically designed to protect its fish processing industry. This system requires that a portion of the fish landed in Newfoundland and Labrador must be processed in this province. This makes good sense. It is creating and protecting jobs, good middle-class jobs, at home. However, it is potentially under threat when we are looking at trade agreements. We have seen some of the unexpected consequences of NAFTA. We want to ensure that does not happen when it comes to CETA as well, the European Union agreement.

The deal was that the EU asked for Newfoundland to lift its minimum processing requirements, the fund about which I talked. The federal government came forward and said that it would set a 70/30 federal-provincial cost formula to help with the transition of these fisheries workers, that this was only fair. It was actually called a “transition fund”.

Now the government is renegeing on that, saying that damages have to be shown, which is unfair. This is not the deal that was struck. That is not a transition; that is damages. There is a big difference between laying out the money for a just transition for workers to transition versus having damages and coming in after the fact. That is more like a court system.

As my time is up, I am eager to answer questions.

The Acting Speaker (Mr. Barry Devolin): As the member has had a very generous 10 minutes for her speech and given that the time for government orders has expired, questions for the hon. member for Halifax will take place after question period.

Mr. Wladyslaw Lizon (Mississauga East—Cooksville, CPC): Mr. Speaker, February is recognized as Black History Month. Black African and Caribbean communities can be traced back to Canada's origins. Throughout February we honour the legacy of black Canadians who have helped make Canada the culturally, diverse and prosperous country that it is today.

Harriet Tubman, who led hundreds of slaves to freedom in Canada along the Underground Railroad, and Lincoln Alexander, Canada's first black member of Parliament, are examples of great black Canadians in our history.

I extend a special thanks to thousands of black Canadian soldiers who bravely serve and have served throughout our proud military history.

I was very honoured to attend celebrations of Black History Month yesterday at Praise Cathedral Worship Centre in Mississauga. Many thanks to Bishop Lennox Walker and his team for a wonderful event filled with music, singing and great stories.

I encourage all Canadians to learn more about the stories and experiences of black Canadians.

* * *

● (1400)

NEW DEMOCRATIC PARTY OF CANADA

Ms. Irene Mathyssen (London—Fanshawe, NDP): Mr. Speaker, if Candlemas Day is bright and clear, there will be two winters in the year. Yes, today is Groundhog Day and despite the flawed prognostications of lesser rodents like Punxsutawney Phil and Shubenacadie Sam, Ontario's Wiarton Willie did not see his shadow at sunrise this morning. Yes, we are going to have an early spring. All the more reason for all of us on both sides of the House to roll up our sleeves, work together for Canadians, ensure they are able to stay warm during the cold winters and have something stored away for hibernation.

The New Democrats support measures to make life affordable for all Canadians and create the conditions for all Canadian seniors to retire with dignity and comfort.

I am sure we can agree that these are values that Wiarton Willie would support. Would it not be lovely if the next time he popped his head out of his den he found a New Democratic government at the helm, working for equality, dignity and fairness for Canadians from coast to coast? We will see Willie next year.

*Statements by Members***PARLIAMENTARY ART CONTEST**

Ms. Roxanne James (Scarborough Centre, CPC): Mr. Speaker, I am pleased to rise in the House and congratulate the winners of my fourth annual Parliamentary Art Contest. As an artist myself, I was inspired to see so many excellent submissions and an abundance of talent in Scarborough Centre. Selecting the final winners actually proved to be quite difficult.

The work of these young artists is now on display in my constituency office as well as showcased throughout my 2015 parliamentary calendar.

I invite all members to join me in congratulating the following up and coming young artists of Scarborough Centre: Arisa, age 12; Leah, age 11; Denise, age 11; Jasmine, age 9; Christian, age 8; Mehreen, age 8; Janice, age 7; and the youngest artist, Santhami, age 6.

I am extremely proud of these young artists and I encourage them to continue with their creativity.

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INTERNATIONAL DEVELOPMENT

Ms. Kirsty Duncan (Etobicoke North, Lib.): Mr. Speaker, I rise today to celebrate international development and development practitioners who work to make this world a better place.

The year 2015 promises to be transformative with the international community coming together to set a new global development agenda with opportunities for achieving gender equality and the empowerment of women, a universal climate agreement and a 10-year plan to make the world safer from natural hazards.

As we work toward these goals, let us not forget the people of the Central African Republic, Iraq, South Sudan and Syria. Let us commit to doing all we can to protect civilians, end human suffering and support peace, and let us help West Africa become more resilient as countries recover from Ebola.

This week serves as a reminder that the poorest and most fragile countries still need our assistance and that together we can eliminate extreme poverty.

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H.R. LASH

Mr. Bryan Hayes (Sault Ste. Marie, CPC): Mr. Speaker, before the House today I would like to recognize an incredible business in my riding. Four generations of the Lash family have owned H.R. Lash, a fashionable clothing boutique, specializing in men's wear. Established in 1914, H.R. Lash has survived two world wars, the Great Depression and a couple of recessions.

H.R. Lash is one of Sault Ste. Marie's oldest and most beloved shops, carrying both imported fashions and Canadian made products. The customer service at H.R. Lash is bar none. From tuxedo fittings to its extensive collection of Canada Goose jackets, patrons can always find new, trending or popular fashions at H.R. Lash Men's Wear.

The dedication of the Lash family to serving Sault Ste. Marie is why H.R. Lash has been able to continue such a long history and upstanding legacy. On behalf of the Government of Canada, congratulations to the Lash family as it begins its next 100 years.

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● (1405)

HEART MONTH

Mr. Murray Rankin (Victoria, NDP): Mr. Speaker, I rise today because February is Heart Month and because Canadians everywhere have been touched by heart disease and stroke.

According to a 2014 report produced by the Heart and Stroke Foundation, nine in ten Canadians have one or more factors for heart disease, such as physical inactivity or high blood pressure. Every 10 minutes, a Canadian suffers a stroke.

The report also warns us of future challenges. Strokes are becoming more common in people under the age of 70, and treatment has become more complex since patients increasingly have other chronic conditions.

Like many Canadians, I have lost a family member to heart disease and stroke. My mother died of a stroke, and the impact of this disease on her and our family was profound.

I have seen first-hand the need for research and advocacy. Advancements in research and health care have helped more Canadians survive. Encouraging children to eat better and have fun with physical activity will make a tremendous difference in years to come.

I ask the House to join me in encouraging Canadians to participate in Heart Month and in applauding the vital work being undertaken by the Heart and Stroke Foundation of Canada.

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LIEUTENANT GOVERNOR'S WINTER FESTIVAL

Mr. Larry Maguire (Brandon—Souris, CPC): Mr. Speaker, it is with great pleasure that I congratulate the volunteers and organizers who once again put on a successful Lieutenant Governor's Winter Festival in Brandon this past weekend.

Even with frigid prairie temperatures, thousands of west Manitoba residents visited the pavilions and dined on traditional dishes, such as Ukrainian homemade perogies, Irish stew and Honduran tacos.

Our winter festival brings the entire community together to celebrate in our rich and diverse cultural heritage. We must never forget Canada is a land of immigrants. From the prairie settler who ploughed the virgin soil to our recently arrived Canadians, many who are small-business owners and flourishing entrepreneurs, we as a people are more united than ever. We embrace our diversity and we remain a country of hope and an example of unity to the world.

As we continue our work here in the people's House of Commons, let us renew our enthusiasm and strive to make Canada the most inclusive and welcoming country in the world.

*Statements by Members***LOCAL MEDIA**

Mr. Dan Albas (Okanagan—Coquihalla, CPC): Mr. Speaker, I am certain that all members of the House recognize the importance of local media in our home communities. While there is often much speculation around the changing face of local journalism, including the loss of some media publications, it is important to recognize the contributions of long-term career journalists who work daily to cover the news.

One such reporter is John Moorhouse from the *Penticton Herald* who later this week will retire after 26 years of reporting on local events in the south Okanagan. As a former Penticton city councillor and now as the member of Parliament for Okanagan—Coquihalla, I would like to thank John for his many years of service in keeping his community better informed.

* * *

[Translation]

BLACK HISTORY MONTH

Mrs. Sadia Groguhé (Saint-Lambert, NDP): Mr. Speaker, Black History Month is an opportunity for us to reflect on the contribution that people of African and Caribbean origin make to the history of Canada and the world.

This year is the 50th anniversary of the assassination of Malcolm X, an emblem of the affirmation of Blacks on the social and political scene. He showed us the power of civic engagement, leading by example and by his words, “A man who stands for nothing will fall for anything, so, stand for something.”

I am proud to acknowledge the remarkable members of the community who stand up and get involved day after day to make things happen. Some of those community members will be honoured in Montreal throughout this month.

There is Lydie Olga Ntap, who founded Canada's first women's museum, in Longueuil. There is also Beбето Lonsili, an artist activist, who promotes African culture in Montreal and throughout Quebec. I am also thinking of Adelle Blackett, who devotes her time and energy to defending human rights and labour rights.

There are so many inspiring examples. There are so many people, who, in their own way, are building a Canada of inclusion and equality, a Canada that reflects who we are and a Canada that brings us together.

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[English]

PUBLIC SAFETY

Mr. Joe Daniel (Don Valley East, CPC): Mr. Speaker, last week the Liberal member for York West suggested that if ISIL was coming here, it was because the Prime Minister put us in that position.

Jihadist terrorism is not a future possibility; it is a present reality. Our government has never hesitated to call jihadist terrorism what it is. Just as we are not afraid to condemn it, we are not afraid to confront it. That is why our government committed the Canadian Armed Forces to the broad international coalition against the so-called Islamic State.

Extreme jihadists have declared war on us, on all free people, on Canada specifically. Pretending it is not so is not going to make it go away. That may be the Liberal way, but it is not the Canadian way. In defending his MP's remark, the Liberal leader has demonstrated that he and his party do not have what it takes to stand up for Canadians and to stand up against violent extremism.

We will continue to condemn these actions and stand with our allies in this fight against terrorism.

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● (1410)

LEON KATZ

Mr. Paul Dewar (Ottawa Centre, NDP): Mr. Speaker, Leon Katz was a pioneer. Trained as an engineer, Leon invented technologies that revolutionized the practice of medicine in Canada, including Canada's first heart-lung pump for open heart surgery and Canada's first fetal heart monitor. Later in his career, Leon worked for Health Canada. His team's discovery of hazards in blood collection led to international recalls of tainted equipment and saved countless lives.

He was recognized for his contributions to medicine, science, and technology with the Order of Canada and the Order of Ontario.

Leon Katz was a devoted father, grandfather, and husband, a proud member of the Jewish community, and an engaged citizen here in Ottawa. He passed away last month, shortly after his 90th birthday.

Leon Katz remains an inspiration for all of us, including his daughter, Floralove Katz, herself a recipient of the Governor General's Caring Canadian Award. She is in Parliament today.

I know that all members will join me in thanking him for his service to our country.

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TAXATION

Mr. Jay Aspin (Nipissing—Timiskaming, CPC): Mr. Speaker, our government pledged that we would balance the federal budget. Now we are in a position to help Canadian families balance theirs. That is why our family tax cut will give 100% of families with kids an average of more than \$1,100 per year to spend on their priorities. Partnered with the expansion of the universal child care benefits, families in Nipissing—Timiskaming and across Canada will receive nearly \$2,000 per year for every child under six, and \$720 per year for every child between six and seventeen.

The Liberals and the NDP have said that they would take this money away from moms and dads to pay for their expensive and burdensome programs through big government. We will not let that happen.

The Liberal leader seems content to push a typical Liberal tax-and-debt agenda at the expense of Canadian families. Only our Conservative government can be trusted to keep their money where it belongs: in their pockets.

Oral Questions

[Translation]

BLACK HISTORY MONTH

Mr. Emmanuel Dubourg (Bourassa, Lib.): Mr. Speaker and dear colleagues, I have the honour to rise in the House today to draw attention to the launch of Black History Month.

I would like to congratulate the round table on Black History Month, which does an excellent job in Montreal of identifying Canadians of black ancestry, of all ages, who make an outstanding contribution to Quebec society through their accomplishments, such as the 2015 laureates, whom I congratulate.

This year, the theme for their programming is inspired by a quote from Malcolm X.

[English]

He said that a man who stands for nothing will fall for anything, so stand for something.

Let us be inspired by this, on the Hill and in our ridings. I invite all Canadians from coast to coast to celebrate the important contributions of black Canadians to our national heritage.

Together, we all make the tremendous diversity that is the strength and pride of the country we love.

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[Translation]

PUBLIC SAFETY

Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC): Mr. Speaker, last week, the Liberal member for York West said that our government's stand against jihadi terrorism both at home and abroad had warranted the threat of attacks on Canada.

We will not apologize for taking a strong stand against the barbaric actions of jihadi terrorists. ISIL's crimes are a very real and present reality. No Canadian government should ever stand on the sidelines while our allies act to deny terrorists a safe haven, an international base, from which they can plot violence against us. As our Prime Minister has said, this is not the Canadian way.

Our government has made it clear that we will not stand idly by while ISIL continues to threaten our values of liberty, democracy and the rule of law.

The Liberal leader stood by his MP's comments.

Violent jihadi terrorists stand opposed to everything about our society and our values. We should actively condemn these actions, not try to justify them.

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[English]

THE ECONOMY

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, this morning, one of Canada's most trusted rodent prognosticators stuck his nose out of his burrow and declared that 2015 will usher in an early spring for Canadians. Tell that to Windsorites, now digging out of 36 centimetres of snow.

Along with Willie, New Democrats are optimistic that a brighter future is in store for Canada in 2015. After all, we have put forward practical plans for manufacturing, small businesses, the federal minimum wage, and child care, things that will mean money in the pockets of middle-class families.

After a decade of Ottawa Conservatives, families have been working harder but falling further behind. However, hope is on its way. Canadians are ready to replace the Prime Minister and start to repair the damage he has done. Our leader is a principled leader, fighting for the middle class, and he has the experience to replace the Prime Minister.

In 2015, he will do just that.

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● (1415)

TAXATION

Mr. Corneliu Chisu (Pickering—Scarborough East, CPC): Mr. Speaker, our family tax cut plan benefits 100% of families across Canada. People in my riding of Pickering—Scarborough East know that they can count on our government to stay true to our promise of keeping taxes low and putting money back into the pockets of hard-working middle-class families.

The vast majority of these benefits will flow to low and middle-income families, and we have put an average of \$1,100 back into their bank accounts.

Both the Liberals and the NDP want to see this money back in the hands of bureaucrats, with the Liberal leader even saying that he would take these benefits away from Canadians.

Moms and dads do not need to be told how to spend their money. They can count on our government to keep their hard-earned money in their pockets and can trust us to keep it that way.

ORAL QUESTIONS

[Translation]

INTERGOVERNMENTAL AFFAIRS

Hon. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, the provincial premiers are asking for a renewed relationship with the federal government.

They want to stimulate investment and create jobs. Instead, the Finance Minister insulted them and the Prime Minister was a no-show.

Could our Prime Minister, who is always absent from discussions with the provinces, tell us why he refuses to talk with the partners in Confederation?

Mr. Paul Calandra (Parliamentary Secretary to the Prime Minister and for Intergovernmental Affairs, CPC): Mr. Speaker, the Prime Minister has met with his provincial and territorial partners more than 300 times, as have this government's ministers.

I encourage the NDP to do the same with their colleagues. If they need a little help, we are here to help them.

Oral Questions

Hon. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, it is quite simple.

Zero and 300 are two different things. I know that he has some trouble with numbers in general, but this time it should be a little simpler. Zero is the number of meetings that the Prime Minister has attended with the Council of the Federation.

Why does the Prime Minister systematically snub these meetings? This is his 10th year in power. Why has he not yet attended a single meeting of the Council of the Federation?

[*English*]

Mr. Paul Calandra (Parliamentary Secretary to the Prime Minister and for Intergovernmental Affairs, CPC): Mr. Speaker, as I said, the Prime Minister has had over 300 contacts with his provincial and territorial partners. We worked together with our provincial partners to bring in one of Canada's biggest and most effective stimulus programs in Canadian history.

We make no apologies for the fact that we are bringing forward a balanced budget plan that will grow the economy while keeping taxes down for families. That is in contrast to the NDP that would raise taxes, run big deficits, and leave that as a legacy for our kids. We will fight that every step of the way.

Hon. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, while we are probing the depths of the Conservatives' inability to answer anything, perhaps the Prime Minister could tell us this. Why did he send out his Minister of Finance last week when the premiers of the provinces were asking for a renewed relationship with the federal government? Why did the Prime Minister choose to send out his finance minister to insult the premiers of the provinces? If the Prime Minister refuses to answer, perhaps his finance minister will.

Mr. Paul Calandra (Parliamentary Secretary to the Prime Minister and for Intergovernmental Affairs, CPC): Mr. Speaker, the provinces have asked for a low-tax agenda, and that is what our government is bringing forward. The provinces asked for assistance for manufacturing. We did that with new measures that have seen our Canadian economy grow. We have created over 1.2 million jobs since the depths of the recession. We are moving in the right direction. In contrast to the NDP and Liberal opposition who would raise taxes on Canadians, we are lowering taxes. They would take away the universal child care benefit. We are actually increasing that benefit.

We are going in the right direction, and we are going to fight the NDP and Liberals who would raise taxes and increase debt for generations to come. We will not have that agenda.

* * *

•(1420)

[*Translation*]

PUBLIC SAFETY

Ms. Rosane Doré Lefebvre (Alfred-Pellan, NDP): Mr. Speaker, to form, the Minister of Public Safety flatly dismissed any notion of civilian oversight for CSIS activities while getting ready to give CSIS considerably more power. He seems to think all that stuff is just useless red tape.

Now we have a better understanding of why the Conservatives eliminated one of the two CSIS oversight mechanisms.

Why did the minister reject the idea of making sure that CSIS protects Canadians' security and freedom?

Hon. Steven Blaney (Minister of Public Safety and Emergency Preparedness, CPC): Mr. Speaker, on the contrary, I can assure my colleague that all threat reduction activities will be covered by the Security Intelligence Review Committee. This is an independent body with the credibility and expertise to do the job. There will be no political interference. When it comes to security, there has to be a certain level of expertise, and that is what the review committee provides.

[*English*]

Hon. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, the public security minister has said that it is simple red tape if we have increased oversight of security matters. If we are going to be giving increased and enhanced powers, the public has a right to better oversight. Why does the minister call that red tape? Does he consider protecting Canadians' rights to be red tape?

Hon. Steven Blaney (Minister of Public Safety and Emergency Preparedness, CPC): Mr. Speaker, once again, I can assure the member that the Security Intelligence Review Committee will cover all activities that CSIS will be mandated by this Parliament to accomplish.

SIRC is an established, well-recognized, expert committee that has the knowledge to do intelligence security. I hope, when we talk about national security, we can get the support of the opposition, and tonight the member can stand up and support Canadians and vote for the protection of Canada from terrorists bill.

* * *

THE ECONOMY

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, Canada's latest GDP numbers show that the economy is not just slow, it is actually shrinking.

This Prime Minister has the worst economic growth record since the dirty thirties. Job creation figures for 2014 have been slashed by one-third. Now, with energy investments, exports, and jobs all down, the Bank of Canada says the situation is unambiguously negative.

Instead of spending \$12 billion on a tax break for the wealthy, which is expensive and unfair, as Jim Flaherty said, will the government devote that funding to community infrastructure for new jobs and growth?

Hon. Jason Kenney (Minister of Employment and Social Development and Minister for Multiculturalism, CPC): Mr. Speaker, the hon. member is completely wrong, and he knows it, about that figure. He is also wrong, as the Liberal Party always has been, about taxes.

Oral Questions

This government believes that allowing families to keep more of what they earn helps economic growth and helps job creation. The record is clear, which is why Canada has had one of the best economic growth records in the developed world since the global economic downturn and one of the best job creation records, with over 1.2 million net new jobs created.

If we followed the Liberal plan, with higher taxes, reckless spending, more deficits, and a growing debt, we would go in the wrong direction. We will not do that.

* * *

PUBLIC SAFETY

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, the finance department says it is the right direction.

With respect to Canada's security agencies, the Minister of Public Safety and Emergency Preparedness spent the weekend trashing the notion of better oversight as just red tape. Let us remember, this is the government that had the great judgement to appoint Arthur Porter, now in a Panama jail, to head up the Security Intelligence Review Committee. They have left other SIRC vacancies open for years.

Every single one of our allies with whom we share intelligence has a parliamentary or congressional oversight mechanism. If it is right for the U.S., the U.K., New Zealand, and Australia, why is it wrong for Canada?

[Translation]

Hon. Steven Blaney (Minister of Public Safety and Emergency Preparedness, CPC): Mr. Speaker, I am sure that my colleague will join me in congratulating Mr. Holloway, a respectable Canadian and former law dean, who has joined the Security Intelligence Review Committee.

We have an outstanding Canadian model, a body that has been in place for 30 years, that ensures continuity in terms of reporting and oversight of the Canadian Security Intelligence Service, and that has world-renowned expertise, knowledge and credibility. I salute their work and I urge the member to support the work of the committee, which, as we all know, is accountable to Parliament.

• (1425)

Hon. Dominic LeBlanc (Beauséjour, Lib.): Mr. Speaker, the Conservative government refuses to introduce a robust system of parliamentary oversight to make sure that our security agencies are working properly. In fact, it even described this oversight as useless red tape, and yet all of our closest allies have such a system in place.

Can the government explain why it considers this oversight to be wasteful, when our allies see it as an essential part of keeping people safe?

Hon. Steven Blaney (Minister of Public Safety and Emergency Preparedness, CPC): Mr. Speaker, Canadians can be very proud of the oversight body we have, whose specific task is to oversee the activities of the Canadian Security Intelligence Service. If the bill passes, that body will be mandated to oversee all the new powers that will be granted to CSIS, which has been providing an important service to Canadians for 30 years.

The review committee is a Canadian model that is the envy of the world. I am very proud of the work that it does, and I know I can count on it to continue overseeing CSIS activities.

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INTERGOVERNMENTAL AFFAIRS

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, at the Council of the Federation, the provincial premiers were unanimous: the federal government must do its part for the country's infrastructure and to stimulate the economy.

Jean-Marc Fournier, from Quebec, summed up the opinion of the provinces quite well. Revenues are shared fifty-fifty, but two thirds of the expenses fall to the provinces. In fact, the federal government must do its part to create jobs and to modernize our infrastructure.

Why is the government insisting on allowing the economy and the job market to slip in this way?

Hon. Denis Lebel (Minister of Infrastructure, Communities and Intergovernmental Affairs and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, the preamble to the question is completely false.

The Conservative government is the biggest champion of infrastructure in the history of Canada. We delivered the largest and longest infrastructure plan in the country's history.

I would remind my colleague that 95% of the country's infrastructure belongs to the municipalities and the provinces, of which we are major partners.

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FARMLAND

Ms. Mylène Freeman (Argenteuil—Papineau—Mirabel, NDP): Mr. Speaker, at a time when the number of job losses across the country keeps going up, the government is hurting the farmers in my region.

In 2004, the Conservatives promised the Sainte-Scholastique-Mirabel UPA that they would return the farmland that was expropriated by the Trudeau government.

Will the Minister of Transport keep the promise made by her Prime Minister a decade ago and ensure that the farmland that was taken away from the farmers is returned to the farmers?

[English]

Hon. Lisa Raitt (Minister of Transport, CPC): Mr. Speaker, we are very pleased with the progress we have been making with respect to this file. We take it very seriously. Of course we are working with all stakeholders. In fact, it was last year that we were able to get all the stakeholders together in a room, including the members of Parliament who represent the affected areas, to ensure that we are listening to stakeholders in terms of what they would like to see happen.

Of course, Transport Canada's role is to make sure everything is done in a safe and responsible manner, and we will continue to do so.

Oral Questions

[Translation]

EMPLOYMENT INSURANCE

Mr. Robert Aubin (Trois-Rivières, NDP): Mr. Speaker, unfortunately it is a well-known fact that fewer and fewer unemployed workers have access to the employment insurance program as a result of successive Liberal and Conservative cuts.

Many of the 17,000 employees put out of work by Target will not have access to employment insurance because they have not accumulated enough hours to qualify. Tighter rules also have a significant impact on the economy of many communities.

As the number of job losses and bankruptcies increases, why do the Conservatives continue to raid the employment insurance fund instead of helping unemployed workers?

Hon. Jason Kenney (Minister of Employment and Social Development and Minister for Multiculturalism, CPC): Mr. Speaker, unfortunately, the hon. member is absolutely wrong.

On the contrary, we continue to ensure that employment insurance is accessible to those who need it and have worked for a certain period of time.

In fact, 86% of workers who pay into employment insurance have access to the program, which means that the vast majority of those who paid premiums qualify for and receive benefits.

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• (1430)

INFRASTRUCTURE

Ms. Marjolaine Boutin-Sweet (Hochelaga, NDP): Mr. Speaker, with respect to infrastructure, two-thirds of the costs are shouldered by the provinces and municipalities, while the federal government cashes in half the taxes collected.

The NDP has an urban plan that would allow all levels of government to work together to kick-start employment and modernize our infrastructure. It is about time that the minister get with it.

Why are the Conservatives unable to work with the provinces and municipalities to address Canadians' needs?

Hon. Denis Lebel (Minister of Infrastructure, Communities and Intergovernmental Affairs and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, as I said before, and the math is even more compelling, 95% of infrastructure belongs to municipalities and the provinces, which only shoulder two-thirds of the cost.

This means that we are their partner and that we are very involved. The Government of Canada recently announced an additional \$5 billion for federal infrastructure.

I invite municipalities and, above all, the provinces to continue following our lead and looking after their infrastructure.

[English]

Ms. Peggy Nash (Parkdale—High Park, NDP): No, no, Mr. Speaker, let us get the math right: two-thirds of the funds for infrastructure are spent by provinces and municipalities, but they only receive half the tax revenues.

Infrastructure keeps our cities safe and functioning, and it drives the economy. The funding cuts by both Conservative and Liberal governments have left our cities badly in need of investment, and now we have a minister from Toronto who says that it would be crazy to improve infrastructure.

Does the minister really believe that Torontonians deserve nothing better than gridlock and crumbling infrastructure?

Hon. Denis Lebel (Minister of Infrastructure, Communities and Intergovernmental Affairs and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, our government has introduced the largest and longest infrastructure plan in Canadian history, with \$75 billion in public infrastructure over the next decade, including \$53 billion in the new Building Canada fund for provinces, territories, and municipalities. The Prime Minister has recently announced new infrastructure funding to deal with federal infrastructure. We encourage provinces to do the same in regard to their infrastructure.

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EMPLOYMENT

Ms. Peggy Nash (Parkdale—High Park, NDP): Well, Mr. Speaker, the sad truth is that there is nothing now for transit, but billions to hand out to Canada's richest families.

Conservatives have ignored our growing infrastructure deficit, and they are trying to also ignore mounting job losses, but the retail closures continue: Mexx, 95 stores; Jones New York, 36 stores; Sony, 14 stores; Target, 133 stores, and that is just in January 2015.

This is what happens when they have no jobs plan and they fail to stand up for workers.

What is the minister going to do about it? Will he delay the budget even more?

Hon. Jason Kenney (Minister of Employment and Social Development and Minister for Multiculturalism, CPC): Mr. Speaker, our jobs plan has resulted in one of the best employment records in the developed world since the global downturn. I will give the House a couple of examples: 500,000 apprenticeship grants that we have delivered, totalling over \$700 million; the apprenticeship job creation tax credit; the tradespersons' tools tax credit; supporting Red Seal harmonization across the country; the new job bank; job alerts; micro-loans for foreign-trained professionals so they can get their credentials recognized; the targeted initiative for older workers; enhancements in aboriginal training programs, and on and on.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): The only thing the government's job alerts say to Canadians, Mr. Speaker, is that there are no jobs for them to get, and those guys want to give themselves a pat on the back.

Oral Questions

Middle-class Canadian families are working harder and harder and falling further and further behind. Under Conservative mismanagement, the Canadian economy actually shrank in November, and this on top of record high youth unemployment, at twice the national average, and 1.3 million Canadians still out of work.

New Democrats propose to help small businesses; the Conservatives propose to help with a \$2-billion tax cut to the richest 15% of Canadian families. We propose to help manufacturers, and the Conservatives want to argue about the 400,000 manufacturing jobs that have disappeared under their watch.

Why is it that just when the economy needs action, the Conservative finance minister and his budget are not anywhere to be found?

Hon. James Moore (Minister of Industry, CPC): Mr. Speaker, here is what economist Jack Mintz has said about the NDP's economic policies. He said that the NDP's policies mean that businesses "get hit with higher taxes", and their policies tend to keep businesses smaller, with regard to small business.

On the plan the NDP leader put forward in the fall of last year, Dan Kelly, of the Canadian Federation of Independent Business, said the NDP leader's plan for the economy is "dumb" and "anti-small business". He has it exactly right. He understands that this Conservative government is going in the right direction to support the expansion of manufacturing, to protect small business, and to keep the economy going in the right direction.

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●(1435)

INTERGOVERNMENTAL AFFAIRS

Mr. Ryan Cleary (St. John's South—Mount Pearl, NDP): Mr. Speaker, the Prime Minister thinks Atlantic Canadians have a defeatist attitude, but if he thinks New Democrats are going to stop fighting for Newfoundland and Labrador, he has another thing coming.

We know the promise the government made. There are documents to prove it. I have put a motion on the floor calling for the Conservatives to honour that promise. Will the Conservatives stand in their places and honour the promise they made, or will they once again betray Newfoundland and Labrador?

Hon. Rob Moore (Minister of State (Atlantic Canada Opportunities Agency), CPC): Mr. Speaker, I was in this place two hours ago when the hon. member stood on his feet and said that his party does not know where it stands yet on the Canada-European Union trade agreement, an agreement that will benefit his province immensely. The province of Newfoundland and Labrador recognizes that CETA is of huge benefit to the province as well as to the fisheries.

Our government remains committed to a fund with Newfoundland and Labrador for transition, but we will not have a fund that will be a blank cheque that could be used to disadvantage other provinces.

Mr. Don Davies (Vancouver Kingsway, NDP): Mr. Speaker, the Conservatives are breaking their clear commitment, creating confusion for our EU partners and jeopardizing CETA. That is no way to conduct trade policy in Canada.

If the Minister of International Trade does not think Newfoundland and Labrador should get a transition fund, he should not have agreed to it, but he did agree, and an email from his chief of staff and the facts prove it.

How can we believe any promise the Conservatives have made to any province if they are willing to deny the promise they made to the people of Newfoundland and Labrador?

Hon. Rob Moore (Minister of State (Atlantic Canada Opportunities Agency), CPC): Mr. Speaker, as I just said, our government remains committed to working out the details of the minimum processing requirements fund with the government of Newfoundland and Labrador. We remain open to this transition initiative, but this fund was never intended to be a blank cheque that could be used to disadvantage the other Atlantic provinces.

The hon. member needs to consult with industry and consult with the province and realize that this agreement is of immense benefit to the people of Newfoundland and Labrador.

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INFRASTRUCTURE

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, infrastructure supports our economy, and the Conservative government has failed to support our infrastructure. Let me give a real example. The percentage of roads listed in good condition in the city of Winnipeg has dropped to below 60%. It is at 58.6%, which is down by almost 7%. We need a government that is committed to investing in Canada's infrastructure.

Why is the government ignoring the need for infrastructure in the city of Winnipeg and other communities across Canada, which denies economic opportunity and hope for the future?

Hon. Denis Lebel (Minister of Infrastructure, Communities and Intergovernmental Affairs and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, we know from the past that the Liberals want to manage everything in Ottawa, on behalf of everybody. We do not manage the city on behalf of the city council. We work with it and support it.

In Canada, provinces, territories, and municipalities own 95% of public infrastructure. That fact did not stop us. As proof, we have put forward the largest and longest infrastructure plan: \$75 billion over the next decade. It is quite a contrast with the Liberal years.

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, Canada needs jobs and growth now.

Statistics Canada tells us that in fact 65,000 fewer jobs were created last year than it previously reported. Our economic growth has not just stalled, it actually went into reverse last month, with a shrinking GDP.

Smart infrastructure creates jobs and growth today, and it builds a stronger economy to create more jobs and growth in the future.

Why have the Conservatives, during this period of slow growth, cut the Building Canada fund by almost 90% for the next two years, back-end loading the next real increase to 2017?

Oral Questions

Hon. Denis Lebel (Minister of Infrastructure, Communities and Intergovernmental Affairs and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Again, Mr. Speaker, that is false. What he said is false.

Important project work, estimated at more than \$5 billion in total project costs, has already been identified for funding in the new Building Canada plan. We continue to deliver. We continue to support in partnership. However, 95% of infrastructure is owned by the municipalities and the provinces. They are investing two-thirds. We are there to support them.

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, with a stalled economy, a weak jobs market, and low bond yields, now is the perfect time to invest in Canada's infrastructure. Everyone, from David Dodge, to the IMF, to mayors across Canada, is telling the current government that now is the right time to invest in infrastructure.

However, on Friday, when the premiers actually called for more federal investment in infrastructure, the finance minister called them "oblivious". Does the minister think that the IMF, David Dodge, and Canada's mayors are also oblivious?

• (1440)

Hon. Denis Lebel (Minister of Infrastructure, Communities and Intergovernmental Affairs and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, since we have been in government, we have invested strongly in the infrastructure of this country: the new Building Canada plan and all of the components, for \$75 billion. All of the components of the Building Canada plan are available for transit. They can apply for any part of that.

I know when I was mayor, the Liberals massively cut federal transfers. They did not have infrastructure programs. That is the Liberal way. We will never go there.

* * *

[*Translation*]

THE ENVIRONMENT

Ms. Megan Leslie (Halifax, NDP): Mr. Speaker, according to a secret report, the government knows very little about the toxic effects of the oil sands on our lakes and rivers. More research is needed on the effect oil has on the aquatic environment.

However, the Conservatives have made cuts to funding for research, they abandoned the experimental lakes and they cut funding for the Maurice Lamontagne Institute. Why are the Conservatives playing games with Canadians' safety and their environment?

[*English*]

Mr. Randy Kamp (Parliamentary Secretary to the Minister of Fisheries and Oceans, CPC): Mr. Speaker, I can assure the member that the responsible development of our energy resources is integral to Canada's economy. Oil and gas is an area of considerable study as we seek to broaden our scientific knowledge of the field. Through our responsible resource development plan, we are enhancing our world-class tanker safety system, but we are also doing additional

scientific research on petroleum products to broaden our understanding of how these substances behave in a marine environment.

Ms. Megan Leslie (Halifax, NDP): Mr. Speaker, a federal report reveals huge gaps in the handling of oil sands bitumen spills. Nobody, not the National Energy Board, Environment Canada, or Fisheries and Oceans, knows how to deal with a bitumen spill properly. In the Arctic, the problem is even worse, yet the Conservatives continue to pretend that nothing is wrong.

The Prime Minister has gutted environmental laws and cut funding to that very research. When will they stop cutting the research that would help us to deal with these spills?

Hon. Leona Aglukkaq (Minister of the Environment, Minister of the Canadian Northern Economic Development Agency and Minister for the Arctic Council, CPC): Mr. Speaker, our government has made responsible resource development a priority. We have made significant investments and progress since we launched the joint implementation panel for the oil sands monitoring with Alberta. More areas are being monitored. There is more frequent sampling, and more contaminants are being examined. This is a transparent public process which has some of Canada's top scientists involved. Our government will continue to support Canadian jobs while protecting the environment.

* * *

RAIL TRANSPORTATION

Mr. Hoang Mai (Brossard—La Prairie, NDP): Mr. Speaker, CP Rail is using office workers to drive and load trains. We are talking about trains that could be a mile and a half long, with hundreds of cars and dangerous goods going through our cities. This is a huge safety concern.

Does the minister approve of CP Rail's method? Does she think it is safe and appropriate?

Hon. Lisa Raitt (Minister of Transport, CPC): Mr. Speaker, Transport Canada's role is to ensure that there is a minimum qualification standard for locomotive engineers. We expect that CP and CN will train to those standards to ensure the safety of the operation of these trains. It is up to CP and CN to ensure that they are training to the acceptable standards needed for driving these heavy pieces of machinery. I expect that they will do so. However, if they do not, we will indeed inspect and ensure that they do this in an appropriate manner.

Mr. Hoang Mai (Brossard—La Prairie, NDP): Mr. Speaker, keeping Canadians safe should be the government's top priority.

Oral Questions

[Translation]

CP Rail is using office workers to drive trains, which may be transporting hazardous materials through our cities.

The government has learned absolutely nothing from its past mistakes. In 2007, CN was blamed for a train accident caused by lack of training for its staff. A manager was driving the train.

Does the minister realize that this poses a serious threat to public safety?

• (1445)

[English]

Hon. Lisa Raitt (Minister of Transport, CPC): Mr. Speaker, perhaps the member is referring to the possibility that there will be some strike action at CP in the coming weeks. In cases where there is strike action, it is important for the House to note that Transport Canada will increase its field monitoring on these locomotives for this very purpose, to ensure that the people who are driving the trains are qualified to do so and that they are doing so safely.

We are on it. Transport Canada officials and inspectors are aware of what is going on. They are in contact with these rail companies on a daily basis to ensure that our trains travel safely in this country.

* * *

NATIONAL DEFENCE

Mr. Robert Sopuck (Dauphin—Swan River—Marquette, CPC): Mr. Speaker, Canada continues to stand in solidarity with the people of Ukraine in the face of clear Russian military aggression. This is precisely why we have made significant contributions to NATO's Ukrainian assurance measures. Canadian fighter jets have conducted Baltic air policing. The HMCS *Fredericton* is assigned to NATO's standing Maritime task force, and Canadian Armed Forces personnel have conducted training exercises in eastern Europe.

Can the Parliamentary Secretary to the Minister of National Defence provide the House with an update on the latest actions that our government is taking to show Canada's support for Ukraine?

Mr. James Bezan (Parliamentary Secretary to the Minister of National Defence, CPC): Mr. Speaker, I want to thank the member for Dauphin—Swan River—Marquette for his continued support for the people of Ukraine. I am pleased to announce that today Canada will join the United States-Ukraine joint commission on defence reform and bilateral co-operation. This will significantly improve Canada's ability to provide assistance to the Ukrainian armed forces. Together, we will increase the capacity of the Ukraine security forces to defend Ukraine's territorial integrity.

In the face of this unacceptable Russian military aggression, Canada will do its part to support Ukraine, its sovereign territory, and the people of Ukraine.

* * *

[Translation]

LABOUR

Ms. Nycole Turmel (Hull—Aylmer, NDP): Mr. Speaker, the Supreme Court just struck down a law that prevented Saskatchewan

public servants from striking. The court reiterated that the right to strike is protected by the Constitution and that the government cannot arbitrarily expand the scope of what constitutes essential services.

Will the Conservatives acknowledge this decision and amend Bill C-4, which drastically restricts the right to strike and labour relations in the public service?

[English]

Hon. K. Kellie Leitch (Minister of Labour and Minister of Status of Women, CPC): Mr. Speaker, the decision rendered by the Supreme Court last Friday focused on essential services legislation governing Saskatchewan's public sector employees. As such, it does not directly deal with the federal labour legislation. Our government is reviewing this decision. We will be moving forward in the future. However, as I said, this is about the public sector in Saskatchewan.

Ms. Nycole Turmel (Hull—Aylmer, NDP): Mr. Speaker, on Friday the Supreme Court recognized that the right to strike is protected under the Constitution. The Conservatives have shown a blatant disregard for the right to strike, even stripping it from federal workers with Bill C-4. That deal is nearly identical to the Saskatchewan law that the Supreme Court just ruled is not constitutional. Will the minister sit down with the unions and come up with an agreement, or will he waste tax dollars fighting to protect an unconstitutional law?

Hon. K. Kellie Leitch (Minister of Labour and Minister of Status of Women, CPC): Mr. Speaker, I meet regularly with both employees and employers. I receive their input on a wide range of subject matters. I am quite happy to say, yet again, as I mentioned earlier, that the Supreme Court came forward with its ruling. It is focused specifically with respect to Saskatchewan's public sector union. We are reviewing it. As I say, I will continue to work with both the employers and employees in the labour sector to make sure that we have a productive Canadian economy.

* * *

[Translation]

ABORIGINAL AFFAIRS

Ms. Niki Ashton (Churchill, NDP): Mr. Speaker, this government has also abandoned aboriginal communities. Aboriginal people continue to face deplorable living conditions. They are often living in poorly insulated, overcrowded houses with no clean drinking water.

Departmental statistics show that nearly 25% of aboriginal children live in poverty in Canada, a G7 country. That is unacceptable.

What is the government waiting for? When will it finally take action?

Hon. Bernard Valcourt (Minister of Aboriginal Affairs and Northern Development, CPC): Mr. Speaker, the government works every day and every week with its aboriginal partners across the country to address the challenges that are present in many of these communities.

Oral Questions

We know that the NDP measures the government's effort based on the tax dollars that have been invested. If we use that as our yardstick, we can see that since 2006, investments to improve life in aboriginal communities have increased significantly.

• (1450)

[English]

Ms. Niki Ashton (Churchill, NDP): Mr. Speaker, I am talking about levels of child poverty that are unprecedented in our country. This country is having an unprecedented conversation about systemic racism, and the only one that is not part of it is the federal government.

Internal reports from AANDC last week showed that first nations in Manitoba have the most challenging living conditions. People love their communities. They love where they come from, and they want to be part of making these places better, but they agree that conditions must change. Under the government, access to education, housing, and economic opportunities are below other first nations, and, of course, non-first nation communities.

Will the minister step up, acknowledge the systemic discrimination, and be part of the solution?

Hon. Bernard Valcourt (Minister of Aboriginal Affairs and Northern Development, CPC): Mr. Speaker, as I have said before, our government believes that aboriginal people should have the same quality of life and the same opportunities as other Canadians. That is why we continue to take action and move forward on key priorities.

Since 2006, our investment in housing, for example, just in Manitoba, has resulted in the construction of more than 1,800 new homes. We have committed significant funds to Manitoba's water and waste water infrastructure. We have also made investments in education and job training, and we will continue that.

* * *

PERSONS WITH DISABILITIES

Hon. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, the Conservative government is cynically trying to balance its budget by holding back money that is allocated to Canadians with disabilities. In previous years, almost every penny allocated to the enabling accessibility fund was spent, but last year the government lapsed more than a third of that budget. More shocking is where this small amount of money is going; almost three-quarters of the money is spent in Conservative-held ridings.

Will the government stop playing politics with some of Canada's most vulnerable people?

Hon. Candice Bergen (Minister of State (Social Development), CPC): Mr. Speaker, we are very proud of the enabling accessibility fund. We have funded over 1,800 projects across the country. Of course, projects need to actually be applied for in order to receive the funding, and the ridings and regions that have received funding are in direct proportion to the applications they have submitted.

We look forward to applications coming in from every corner of the country, from every riding, and to continuing to fund the enabling accessibility fund for people with disabilities.

[Translation]

Hon. Stéphane Dion (Saint-Laurent—Cartierville, Lib.): Mr. Speaker, Quebec received only 7% of the funding available to renovate buildings to make them accessible to people with disabilities. Why did Quebec receive only 7%?

Is it because the Conservatives are allocating two-thirds or more of this funding to Conservative ridings, which are few and far between in Quebec? Is it because the Conservatives are neglecting Quebec? Is it because the Quebec ministers are asleep at the wheel? Is it for all of the above reasons?

[English]

Hon. Candice Bergen (Minister of State (Social Development), CPC): Mr. Speaker, the proportion of funds that were allocated to projects are consistent with the applications received.

Let me give an example. In Ontario that particular year, there were a total of 1,092 applications received. In Quebec there were 206.

I would encourage all members to let their constituents, their community places know about the enabling accessibility fund. We are continuing to fund these projects, but I would encourage them to let their ridings know. Whatever their province they are from, those members of Parliament should help their community places know about our enabling accessibility fund.

* * *

NATIONAL DEFENCE

Mr. Randall Garrison (Esquimalt—Juan de Fuca, NDP): Mr. Speaker, emails released to the *Ottawa Citizen* today show that on the day of the shooting on Parliament Hill in October, Canadian military leaders were saying that the event presented a “strategic opportunity” to affirm Canada's participation in the war in Iraq.

Subsequently, senior officials expressed the desire to appear alongside Ottawa Police at a press conference the next day.

These are emotional times for all, but would the government agree that describing the events on Parliament Hill as a strategic opportunity is regrettable?

Mr. James Bezan (Parliamentary Secretary to the Minister of National Defence, CPC): Mr. Speaker, as we have said right from the start, we are in a battle with ISIL and the terrorists. They were the ones who declared war on Canada and her allies. We will continue to confront them head on.

I am proud of the job our Canadian Armed Forces are doing in Operation Impact. Whether it is the air task force or our special operations forces, they are aiding, assisting and providing the advice that is required by the Iraqi security forces and the Kurdish peshmerga.

Oral Questions

● (1455)

[Translation]

Ms. Éleine Michaud (Portneuf—Jacques-Cartier, NDP): Mr. Speaker, according to an email exchange obtained by the *Ottawa Citizen*, one of the Prime Minister's military advisers described the October 22 attacks in Ottawa as “a strategic opportunity” to affirm the purpose of the Canadian military mission in Iraq.

Does it seem normal to the government that on the day of the attacks in Ottawa, people in the Langevin Block were thinking about scoring political points and justifying the war in Iraq rather than focusing exclusively on the safety of Canadians?

[English]

Mr. James Bezan (Parliamentary Secretary to the Minister of National Defence, CPC): Mr. Speaker, I know the NDP is opposed to protecting the innocent people of Iraq who have been brutalized and terrorized by ISIL. We will continue to work with our Iraqi security forces and our allies in this coalition to defeat ISIL, and ensure it is not able to bring its brand of terrorism to us in Canada.

* * *

PUBLIC SAFETY

Mr. Phil McColeman (Brant, CPC): Mr. Speaker, terrorism is one of the greatest threats facing society today. These barbarians from the so-called Islamic State despise the Canadian values of equality and prosperity.

Our Conservative Government has taken strong action to meet this challenge by joining our allies in military action to degrade and destroy the threat they pose, and by giving our security agencies the tools they need to keep Canadians safe.

Could the Minister of Public Safety and Emergency Preparedness please update the House on legislative measures to combat the terrorist threat?

Hon. Steven Blaney (Minister of Public Safety and Emergency Preparedness, CPC): Mr. Speaker, the international jihadi movement has declared war on Canada. Canadians are being targeted by jihadi terrorists simply because these terrorists hate our society and the values it represents, our values.

Jihadi terrorism is not a UN right. It is a criminal act. That is why, under the leadership of this government, we put forward the Combating Terrorism Act more than a year ago with no support from the NDP.

We are ready to revoke passports. We are ready to take action like removing dual citizenship to protect Canadians. There is no support from the NDP. We are standing up to protect Canadians.

* * *

VETERANS AFFAIRS

Ms. Joyce Murray (Vancouver Quadra, Lib.): Mr. Speaker, the new Minister of Veterans Affairs tabled a progress report on government changes to the new veterans charter. It was so lacking, he slipped it out on a Friday night.

He still does not address the benefit clawbacks for the most severely disabled, the unfairness of the lump sum payout, case-

worker overloading, nor the unequal treatment of reservists. His solution for the lack of help for spouses of veterans with severe PTSD, like Jeny Migneault, is an online app.

These problems were identified years ago. How much longer will the minister make our injured forces members and our veterans wait?

Mr. Pierre Lemieux (Parliamentary Secretary to the Minister of Veterans Affairs, CPC): Mr. Speaker, MPs from all parties on the Standing Committee on Veterans Affairs worked together cohesively and they made a number of constructive recommendations. One of these recommendations was that the government update the committee on January 30, and that is exactly what the minister did.

He released a six-page letter in which he outlined the progress the government was making on recommendations. I am running out of time, but I will list one of them. One of the recommendations was to extend psychological counselling to the families of veterans.

On December 1, 2014, we extended the number of psychological counselling sessions available to family members of veterans.

Ms. Jinny Jogindera Sims (Newton—North Delta, NDP): Mr. Speaker, there has been a lot of Conservative talk about safety, but not a single cent of new resources for the police.

A year ago, the NDP proposed a common sense Surrey accord that would put more police on our streets. A year later, violent crime in my community is up and the only response from Conservatives has been more cuts to the RCMP.

When will the Conservatives keep their promise to put more police on Surrey streets?

Hon. Steven Blaney (Minister of Public Safety and Emergency Preparedness, CPC): Mr. Speaker, over the course of the years we have increased the budget of our police by seven times, and seven times we did not get support from the opposition.

The real question is this. When will police officers get real money from the opposition instead of empty talk? They can count on us to provide the resources they need.

* * *

● (1500)

HEALTH

Mr. John Carmichael (Don Valley West, CPC): Mr. Speaker, last week we heard reports of a marijuana home grow op located right beside a school in Markham. Parents are outraged that their kids keep coming home from school stinking of pot, yet this grow op continues to be allowed because the courts are standing in the way of our government's efforts to stop old Liberal programs that allowed grow ops.

Routine Proceedings

Could the Minister of Health please update the House on our government's efforts to shut down these dangerous grow ops and protect families?

Hon. Rona Ambrose (Minister of Health, CPC): Mr. Speaker, it is for these very reasons that we have made tough new laws ending home grow ops for marijuana. Unfortunately, we are battling the courts with the delay.

However, as health minister, I am absolutely appalled that the Liberal leader actually has defended these home grow ops and continues to advocate for mass legalization of marijuana. When we legalize something, we normalize it and when we normalize it, the message to kids is that it is okay. It is not okay for kids to smoke marijuana. It is harmful for their health, and we will be the government that will continue to protect the health of kids.

* * *

[Translation]

REGIONAL DEVELOPMENT

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ): Mr. Speaker, over the weekend, the Conseil du patronat du Québec gave us lesson on how to lose touch with the regions. I should point out that the federal government has brought in austerity measures, such as the latest EI reforms, which have spurred the rural and regional exodus.

Do the Prime Minister and his minister not think that it is time to implement measures, such as the ones the Bloc Québécois has proposed, to target the regions and help create jobs, develop our communities and help these regions prosper?

Hon. Denis Lebel (Minister of Infrastructure, Communities and Intergovernmental Affairs and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, Canada's economic action plan for the regions of Quebec is present in all regions of Quebec. We are carrying out projects all across Quebec, by partnering with and supporting proponents. We are obviously aware of what was said by the Conseil du patronat du Québec, but Mr. Dorval has backtracked a little.

We believe we must continue to support economic development in every region of Canada and Quebec.

* * *

[English]

PUBLIC SAFETY

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, I want to make it very clear that I completely agree with every word in today's *Globe and Mail* editorial. I think every MP should read it.

This Parliament must not allow the Conservatives to turn CSIS into a secret police force. The words that are found in the definition of activities that affect the security of Canadians are so overly broad that I believe they could apply to almost anything.

Despite the inclusion of saying that it does not apply to lawful protest, would the minister tell us if this will apply to non-violent civil disobedience, such as that against pipelines?

Hon. Steven Blaney (Minister of Public Safety and Emergency Preparedness, CPC): Mr. Speaker, we live in a society of right. Any

violence is going against the Criminal Code. Terrorism is a criminal act and those who go against the Criminal Code will meet the full force of the law. That is the country I live in and I love.

* * *

[Translation]

HOUSING

Mrs. Maria Mourani (Ahuntsic, Ind.): Mr. Speaker, on January 8, members of RAPSIM, a social services organization, confirmed that the HPS's new focus on the Housing First approach will be a major step backward when it comes to preventing and reducing homelessness.

Several organizations in my riding are concerned that Accès-Soir, a unique front-line service in north Montreal, will suffer because of this new focus.

Does the Minister of Employment and Social Development understand that homelessness is a complex phenomenon calling for a range of interventions, including prevention?

[English]

Hon. Candice Bergen (Minister of State (Social Development), CPC): Mr. Speaker, what the evidence has shown is that Housing First is the best way to eliminate and to help end homelessness. What we have done with our HPS is allowed flexibility so that some of the funding would go toward Housing First but there would be some funding available for the more traditional ways to address homelessness.

We believe that is the best way to use this money. As we have spent over \$600 million to fight homelessness, we want it to be evidence based at the same time as allowing flexibility for different parts of the country to address homelessness as they see fit.

* * *

PRESENCE IN GALLERY

The Speaker: I would like to draw to the attention of hon. members the presence in the gallery of the Hon. Mike Nixon, Minister of Health and Social Services and Minister responsible for the Workers' Compensation Health and Safety Board for Yukon.

Some hon. members: Hear, hear!

ROUTINE PROCEEDINGS

● (1505)

[English]

CRIMINAL CODE

Mr. Mark Warawa (Langley, CPC) moved for leave to introduce Bill C-652, An Act to amend the Criminal Code (vehicular homicide).

Routine Proceedings

He said: Mr. Speaker, I am honoured to introduce Cassandra's law on behalf of Canadians who have had a loved one killed by an impaired or drunk driver. I want to thank the member for Winnipeg South Centre for her important support on this issue and for her hard work.

One thousand Canadians are killed every year by people who chose to drive while they were drunk or impaired, instead of taking a bus or a taxi. Impaired driving is the number one cause of criminal death in Canada every year. Families and friends are devastated, and their lives are torn apart when this happens.

In 2011, 22-year-old Cassandra Kaulius was tragically killed by a drunk driver. Her family joined others who have also lost loved ones to impaired drivers in creating an organization called Families for Justice. Nearly 90,000 Canadians have signed petitions calling for changes to the Criminal Code.

Kassandra's law would do one thing that Families for Justice and tens of thousands of Canadians are calling for, which is to call this terrible crime what it really is: vehicular homicide.

(Motions deemed adopted, bill read the first time and printed)

* * *

PETITIONS

DEMENTIA

Ms. Irene Mathysen (London—Fanshawe, NDP): Mr. Speaker, I have a petition from constituents who wish draw the attention of the Minister of Health and the House of Commons to the fact that the federal government does not have but needs a national strategy for dementia and for the care of persons afflicted with Alzheimer's and other dementia-related diseases.

The petitioners call on the Minister of Health and the House of Commons to pass Bill C-356, standing in the name of the MP for Nickel Belt, and to indeed move ahead on a comprehensive national plan to address all aspects of Alzheimer's disease and related dementias.

IMPAIRED DRIVING

Mr. Robert Sopuck (Dauphin—Swan River—Marquette, CPC): Mr. Speaker, I rise today to present two petitions to the House.

The first set of petitions calls on the government to update impaired driving laws.

FIREARMS LEGISLATION

Mr. Robert Sopuck (Dauphin—Swan River—Marquette, CPC): Mr. Speaker, the second set of petitions is from hundreds more Canadians who are petitioning our government to pass the common sense firearms licensing act. These Canadians understand the importance of updating Canada's firearms laws to ensure the way of life of Canada's hunters, anglers, and trappers is respected while keeping Canada's communities safe.

AUTISM SPECTRUM DISORDERS

Ms. Kirsty Duncan (Etobicoke North, Lib.): Mr. Speaker, I present several petitions regarding autism spectrum disorders, or ASDs, which affect one person in 88. These disorders are

characterized by social and communication challenges and a pattern of repetitive behaviours and interests. They are lifelong, affect development and life experience, and exert emotional and financial pressures on families.

The petitioners call on the government to work with the provinces and territories and stakeholders to develop a pan-Canadian strategy for autism spectrum disorder.

SEX SELECTION

Mr. Mark Warawa (Langley, CPC): Mr. Speaker, this petition highlights the fact that CBC did a documentary revealing that parents were going to ultrasound clinics to determine the sex of an unborn child. If it was a girl, the pregnancy was being ended. "It's a girl" is the deadliest description in Canada. Ninety-two per cent of Canadians believe that sex selection is wrong and should be made illegal. Right now, over 200 million girls are missing in the world.

• (1510)

[Translation]

CANADA POST

Hon. Dominic LeBlanc (Beauséjour, Lib.): Mr. Speaker, I have the honour to present a petition signed by hundreds of New Brunswickers, primarily from southeastern New Brunswick, which includes the City of Dieppe and the Moncton area.

They condemn the government's cuts to Canada Post. Many of them live in rural and remote regions and are seniors. They are concerned that service cuts mean that mail will no longer be delivered to their homes. They are asking the government to reverse its bad decision about the postal service.

[English]

INTERNATIONAL DEVELOPMENT

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, it is my honour to rise today to present a petition from residents of Saanich—Gulf Islands who are calling on the government to revisit a commitment that Canada once made. The commitment was designed by Lester Pearson, our former Prime Minister, when he was working with a UN body, and it is a commitment to give 0.7% of our GDP to assist the poorest of the poor around the world.

THE ENVIRONMENT

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, my second petition calls for the reinstatement of a wonderful program for energy retrofits to greatly improve energy efficiency and to save Canadian consumers money.

This was a wonderful program that has since been cancelled. The petitioners are from Saanich—Gulf Islands.

FISHERIES AND OCEANS

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Mr. Speaker, many of the residents of the town of Change Islands in my riding are deeply concerned about the community wharf, which is inoperable for commercial reasons.

Business of Supply

The residents want to harvest seafood products, and unfortunately the wharf is not in a state in which it can be improved right now. I have since learned that the Department of Fisheries and Oceans has made some improvements. We hope they can go further.

These signatures are from people in the community and in surrounding communities as far away as Gander, who want immediate action to be taken.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Mr. Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mr. Bruce Stanton): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

BUSINESS OF SUPPLY

OPPOSITION MOTION—NEWFOUNDLAND AND LABRADOR FISHERIES INVESTMENT FUND

The House resumed consideration of the motion.

The Acting Speaker (Mr. Bruce Stanton): When the House last took up the question, the hon. member for Halifax had not started the five minutes for questions and comments, so we are going to go to that now.

Questions and comments. The hon. member for Winnipeg North.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I appreciated the many comments the member made prior to question period getting under way.

One of the things I want to emphasize and maybe get the member to provide some further comment on is just how important it is that there be a relationship of respect between our Prime Minister and our premiers.

We have seen a general lack of that in regard to the commitment coming from the Prime Minister's Office to work with the different premiers. A good example of that is that no first ministers meeting has been initiated by the Prime Minister.

That said, my question for the member is very specific. In her comments, the member referred to a commitment that was given to the Province of Newfoundland and Labrador and to how poorly it reflects on the national government when it looks as though the Prime Minister is trying to renege on a previous commitment to a province. Could the member comment further?

Ms. Megan Leslie (Halifax, NDP): Mr. Speaker, the member's question was about renegeing on a deal. The Premier of Newfoundland and Labrador is saying it is very clear to him that we cannot trust this Prime Minister. That is what happens with the bait and switch we were talking about earlier: there can be no trust.

My colleague from Winnipeg North talked about how important it is that provinces and the federal government work together. He rightly brings up the first ministers meeting; I would bring up the Council of the Federation.

In 2010 premiers from every single province got together and had a news conference to announce that they wanted to engage in the bulk purchase of prescription drugs. With bulk purchasing they could save money, up to \$1 billion a year. It was historic. They were all around the table.

What has happened on that issue? Nothing, because there is no leadership. Who is going to lead? Is it going to be Newfoundland or Ontario or Quebec? It should be the federal government, but the federal government is not there at the table. This is a perfect role that a federal government could and should play.

• (1515)

Mr. Ryan Cleary (St. John's South—Mount Pearl, NDP): Mr. Speaker, the motion we are debating calls on the Conservative government to honour a promise made to Newfoundland and Labrador on the Canada-EU trade deal.

The Conservative government, under this Prime Minister, broke that promise. The member for Halifax described what happened as bait and switch, which I thought was a little better than what another hon. colleague said when he described it as a crab walk.

Why does the member think that the Conservative government has betrayed Newfoundland and Labrador a second time? Why does the Conservative government keep betraying my province?

Ms. Megan Leslie: Mr. Speaker, I thank my colleague for his question and I thank him for his excellent work in bringing this motion forward. The fact that we are having this debate today, taking control of the House and dedicating it to fairness to Newfoundland and Labrador, speaks volumes.

Some people might say that Newfoundland and Labrador is small. It has seven MPs. The Conservatives have done their political calculations and they have figured out that they do not need Newfoundland and Labrador in order to win the election. Some people are cynical in that way.

However, I do not think that this is the case. I think that the Prime Minister takes delight in stuff like this, in breaking promises. I really do. We have seen broken promises, whether they were about child care or the Atlantic accord, over and over again. It is the Conservatives' modus operandi. It is really just about breaking promises and wanting to feel like the big man on campus. It is a bully mentality, and it is unfair. We expect more from the government.

Mr. Gerald Keddy (Parliamentary Secretary to the Minister of Agriculture, to the Minister of National Revenue and for the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, this is going to be an interesting debate. I watched it this morning, and I would like to ask the member a simple question.

Business of Supply

Some \$280 million has been put on the table by the federal government if Newfoundland's fish and seafood industry can show losses from getting rid of their minimum processing standards. Meanwhile, the Provinces of Nova Scotia, New Brunswick, and P.E.I. are all saying that if Newfoundland gets a special deal, they want the same thing.

Is the hon. member willing to see Newfoundland get a special deal at the expense of the seafood industry in Nova Scotia?

Ms. Megan Leslie: Mr. Speaker, the first thing I would say is that no other province has minimum processing requirements, so the starting point is a false one. We cannot ask that question, because minimum processing requirements do not exist anywhere else.

I have heard the member and others in the House on the Conservative side stand up and say that it is a lot of money and that we are asking for money all over the place. In that case, they should not make the deal if they cannot afford it. Do not make the deal and then break the deal and renege on it.

All we are asking for is transparency and accountability. If the federal government says that this is the way it is going to be, we expect it to really be that way. Do not make the deal if you cannot uphold it.

Mr. Gerald Keddy (Parliamentary Secretary to the Minister of Agriculture, to the Minister of National Revenue and for the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, this is going to be an interesting debate today, because the member for Halifax just said that we should not make a deal. Well, the deal was made and the deal was clear, and it is quite the contrary to what the Province of Newfoundland is trying to say, that it is something besides what it was.

I participated in a number of those stakeholder meetings, with the industry in Newfoundland and the rest of Atlantic Canada and the unions. It was all very clear what was being discussed. In my mind, there was nothing untoward, nothing secret.

The Government of Canada agreed to put a fund in place if Newfoundland and Labrador showed losses, because the agreement was getting rid of their minimum processing standards. The reality is that the industry and many of the fishermen in Newfoundland and Labrador want the deal and saw the merit in getting rid of the MPRs. They looked at this as an opportunity to do that and, if Newfoundland and Labrador lost money, the federal government would backstop it up to a maximum amount. That was the deal.

As for what the NDP members are talking about here today, I have no idea. That part of the \$400 million would be from the Province of Newfoundland is the only way I can figure it, because the federal government never put \$400 million on the table.

There are a number of issues here, and let us take the politics out of them. Let us look at the trade agreement, CETA, for what it is worth. Never mine the posturing. Never mind picking a fight with the federal government to maybe give oneself a better chance at re-election in the provincial government. Quite frankly, everyone in this place can be guilty of that. I think we have seen movie before, and that is exactly what is going on in this case.

I want to talk a little about CETA, but before I get to the gist of my speech, there are a number of issues that need to be put on the table and, frankly, that need to be clearly understood by the public who out there listening.

The NDP members already said that they are not supporting CETA. Now they want a part of CETA that was never agreed, and then they are still going to vote against it. I am confounded. I really cannot figure that one out. The Liberals are saying that they will support the motion and are also going to support CETA. The provincial premiers outside of Newfoundland and Atlantic Canada are saying that if we give a special deal to Newfoundland, we have to give them a special deal too.

The reality is that Newfoundland has a particular and special system. It has minimum processing standards in place, with a guarantee that a certain amount of the fish and seafood are to be processed on the island of Newfoundland and in Labrador. It made good sense maybe 30 or 40 years ago, but in today's economy, in today's world market, not so much.

The industry and fishermen saw this as an opportunity to move away from the MPRs. We cannot defend them at the WTO and quite frankly, if we are challenged at the WTO, we will lose that challenge. Therefore, everyone wins here if we stick to the original agreement.

I want to drill down on the MPRs a little more. I listened to the NDP talk about the minimum processing standard as if there were one. There is not one minimum processing standard at all. There are 25 minimum processing standards. They are different for the different species. Arctic char, dogfish, salmon, shark, swordfish, trout, and tuna only have to be gutted. That is a long way from completely processed.

There are other minimum processing standards, such as for billfish, hagfish, and smelt. There is blackback flounder. There is capelin and mackerel. Those are three more categories. There is clam, cockle, periwinkle, and quahog, as another category. Some are frozen and packaged whole. Some are whole packaged. Some are solid and packed in a carton not to exceed 110 kilograms.

There are 25 minimum processing standards. It is not that every piece of fish that comes ashore on the island of Newfoundland and on Labrador gets processed into a fish stick. It is far, far from it, because that is what the industry demands today.

• (1520)

We have a modern, dynamic seafood industry in Atlantic Canada. We can compete with anyone in the world. It is a valuable industry.

Business of Supply

Today, Newfoundland is paying an 18% to 20% tariff on cooked and peeled shrimp. That is something it has been trying to get rid of for a long time. We have been totally unsuccessful in getting rid of that. It will go down to zero in this agreement. In 2006, cooked and peeled shrimp was worth \$124 million. Today, that shrimp bloom is down a little bit because the cod, its predator, is coming back. The shrimp is disappearing but is still worth \$91 million. If we take 20% off of that and give it to the processors and the fishermen, it is a win-win situation for the Province of Newfoundland and Labrador. Shellfish was worth \$134 million in 2006. Today, it is down a bit because the cod, a big predator, is coming back. However, it is still worth \$98 million. That is almost \$20 million that would go back into the pockets of Newfoundlanders and Labradorians. That is 8% on lobster and a high of 20% on other products. It is straight down the line with respect to cod, mackerel, and other groundfish. Therefore, we have a seafood total that was somewhere in the neighbourhood just shy \$200 million in 2007, \$173 million in 2006, and \$104 million today. Over \$20 million would go back to the Province of Newfoundland and Labrador.

If we want to look at the background of this, as I said before, this is a contentious issue with the WTO. It is a restrictive trade barrier that would be difficult to defend. At the very best, if Newfoundland and Labrador want to keep it in place, the federal government and the Province of Newfoundland and Labrador would probably pay through the nose to do that.

In the meantime, we have the best trade agreement that we have ever signed with any country anywhere in the world on the table. Now, is not the time to fight amongst ourselves. Now is the time to reach common ground. We already reached common ground with the Province of Newfoundland. We put a package in place for the fish and seafood industry in Newfoundland. That package would allow the provincial government in Newfoundland to get rid of the MPRs. If it were to suffer losses because of that we would be there to help backstop it. That was the agreement. There was never an agreement to say that it had a blank cheque to give it an advantage over the rest of the seafood industry in Canada. It would not make sense for the federal government to do that, nor would it make sense for the Province of Newfoundland and Labrador to even ask for it. What it did ask for and what was negotiated and settled on was a fund to backstop it if it were to lose money. That is not that much different from the agreement we had with the dairy industry in Quebec. If it were to lose money, then we would help backstop it. That was the agreement. Anything else is pure fantasy on the part of the NDP.

I want to talk a bit about CETA. It is all about creating jobs and opportunities for Canadians in every region of the country. We know that at this time our economy depends more than ever on global markets. Canada is an exporting country and we need to participate in that global supply chain. Trade and investment are the twin engines of growth for the global economy. Our prosperity requires expansion beyond our own borders into new markets for economic opportunities that will serve to grow Canada's exports and investments.

• (1525)

The Canada-European Union comprehensive economic and trade agreement, CETA, will make a significant positive contribution to

Canada's economy by opening markets for Canadian businesses and creating jobs for hard-working Canadians across the country.

The success of the Canadian economy is increasingly linked to our trade with other countries and the ability to sell our goods in other markets and integrate our industry into global supply chains. This has made Canada more prosperous and allowed Canadians to enjoy a higher standard of living, with more and higher paying jobs than would be possible if we relied only on our internal market.

In fact, more than 60% of our GDP is directly related to trade and nearly \$1 out of every \$2 of Canadian manufacturing output is sold outside the country, over 50%. CETA is a major win. We should all be celebrating this new opportunity that will be created by unlocking the world's largest integrated market. For example, in 2012, the EU's imports were worth \$2.3 trillion, far surpassing Canada's GDP of \$1.8 trillion. Canadian exporters of goods and services will also benefit from the lucrative European government procurement market that alone is worth \$3.3 trillion annually.

I want to talk about the services opportunity here for Newfoundland and Labrador, as 49% of Newfoundland's income is derived from the service industry. Here we have an opportunity to work on a level playing field and participate in a \$2.3 trillion import and service market in the EU, which I will talk more about later. Is Newfoundland and Labrador going to pass that up? I do not think that would be a good idea at all.

CETA will provide new access to the EU market of over half a billion of the world's most sophisticated, affluent customers. It will also provide a competitive advantage for Canadian businesses over other exporters, including those from the United States. Once the agreement is implemented, Canada will be the only G7 country in the world with preferential access to both of the world's two largest markets, making Canada the envy of the trading world, as our exporters will have preferred access to both the \$16 trillion U.S. economy and the \$18 trillion economy of the European Union. That is a golden opportunity for Canada.

A joint Canada-EU study that supported the launch of negotiations concluded that the agreement would raise our GDP by \$12 billion annually, add \$1,000 to the average Canadian family income, and create almost 80,000 new jobs for Canadians.

The government's approach to CETA has been unprecedented in its openness. The negotiations were the most transparent and collaborative in Canadian history, which explains why Canadians from coast to coast have also hailed CETA as a landmark achievement for the country. Negotiations were open and we did deal directly with the provinces, who were at the table during the negotiations. If anything affected any individual province in this country, they had the opportunity to speak up about it. While the provinces did represent the municipalities, the Minister of International Trade also had regular briefings with municipal leaders across this country.

Business of Supply

In short, is this a good deal? It is not just a good deal; it is a great deal. This is a fantastic deal. Let us look at some parts of it. First, with respect to trade in goods, we are all familiar with the richness and diversity of our primary sectors, but we also know that manufacturing, including obvious sectors like the automotive, chemicals, and plastic industries, touches every part of the economy.

There are also significant manufacturing interests within the primary sectors, such as agri-food, forest products, fish and seafood, and metal fabrications, to name just a few. CETA will provide benefits for all of these manufacturing sub-sectors and for every hard-working Canadian employed in them.

● (1530)

For example, on the day CETA comes into force, 98% of all EU tariff lines will be duty-free, ensuring that Canadian goods can compete on a level playing field in the world's largest and most sophisticated single market.

Mr. Speaker, I see that you are holding your hand up for five minutes, and I have way more than five minutes of speech, but I will try to conclude in the time I have.

What is this about? This is primarily about tariff elimination. It is secondarily about non-discriminatory treatment of Canadian products in the EU and parameters aimed at limiting the use of other import-export restrictions. For example, CETA contains provisions that will commit governments to pursue policies that are transparent, clear, and fair and that will minimize the costs for our respective business communities. The agreement will also provide for favourable rules of origin that are consistent with Canada's established value chains and that will more easily allow Canadian goods to qualify for duty-free treatment in the EU.

If we look at agriculture and agri-food products, 93.6% of the EU's agricultural tariff lines will be eliminated immediately on the day of implementation under CETA, rising to 95% after seven years. That is a remarkable achievement.

Do members know what tariff-free access for agriculture products is in the EU today? Maybe the NDP should take a look. Maybe it should listen. It is 18%. It will rise from 18% to 95%, and to 93% immediately. Let us be clear. We accomplished all of this while keeping in tact the three key pillars of supply management and without changes to the current level of EU access for poultry and eggs.

Again, this is unprecedented access. If we compare Canada's position to the rest of the agri-food countries of the world, such as Australia and the United States, here we are with preferential access, primarily against the United States, which will not have tariff-free access on the day we conclude CETA. Quite frankly, they will have a very difficult job concluding a CETA-like agreement, because they will have a very difficult job getting sub-national procurement in place with the system they have and the powers the individual states have.

We have reached an agreement on genetically modified crops, which had formally been a non-tariff trade barrier. These discussions will be anchored on the principle of regulatory co-operation, promoting an efficient science-based approval process and minimizing the adverse trade impacts of regulatory practices.

In the time I have left, I want to get back to the gist of this debate today and the fish and seafood sector. In my part of the world, in southwestern Nova Scotia, it is absolutely the most important sector of the economy. There is a lot of manufacturing as well. We have a pretty diverse economy in the part of the world I live in, but the fish and seafood sector is extremely important.

On fish and seafood, CETA will eliminate 100% of the EU's tariff lines, some as high as 25%, on Canadian seafood, 96% of which will be eliminated on the agreement's entry into force. Again, this is an even better agreement than we were able to get for agriculture, and we got an outstanding agreement for agriculture. This significant new access to the EU's fish and seafood markets led some stakeholders to refer to CETA as a game-changer for the Canadian fisheries.

Others have also stressed the benefits of CETA to the Canadian fish and seafood producers, indicating that CETA would increase shrimp and lobster exports. Shrimp exports, as well as lobster, are extremely important to Newfoundland and Labrador. Certainly lobster, in my part of the world, is an extremely important export to the EU. For fresh lobster being shipped out of Nova Scotia to the EU market, we are paying 8%. It is nearly 10%. That will be money gained. That money will go back to the processors, and a portion of it will go back to the producers, the fishermen themselves.

● (1535)

It will increase shrimp and lobster exports, facilitating the fisheries sector market diversification strategy and allowing Canadian seafood products to compete on a level playing field in the world's single largest integrated market and the world's largest fish and seafood market. It goes on and on for the automotive sector, the forestry sector, and the regions of Canada.

This is a great agreement, and it is one the province of Newfoundland and Labrador needs to be a player in. It should not be standing on the sidelines. It needs to take advantage of this, and I certainly hope the NDP will change its mind on this motion today and support CETA when it comes before the House.

Mr. Dennis Bevington (Northwest Territories, NDP): Mr. Speaker, at some point in my colleague's speech, which was a good speech and which I listened to in its entirety, he seemed to lose the focus of the question today, which is about the nature of an agreement made between two governments in this country. He said it was a fantasy of the NDP that there was some problem with this agreement. That is not the case. Obviously, the government of Newfoundland, the party that is aggravated by this action of the federal government, is the one that has brought this into focus at this time.

Business of Supply

We have entered into a debate to talk about an agreement between governments in this country. My colleague has spent his time extolling the virtues of a particular free trade agreement, which really does not enter into the basic question being asked, which is why the government reneged on its deal with the government of Newfoundland and Labrador on the arrangement they had made to deal with the problems that were going to come to the fishing industry through this trade deal.

● (1540)

Mr. Gerald Keddy: Mr. Speaker, I appreciate the fact that the hon. member listened to at least part of my speech, but he obviously missed the beginning, when I addressed the question in some detail, even to the point of stating that I participated in a number of the stakeholder discussions at the time as parliamentary secretary to the minister for international trade. I can say that from the industry, the fishermen, and the unions as well, although the unions were being very careful, there was support to move away from the minimum processing standard in the province of Newfoundland and Labrador.

An agreement was reached that should Newfoundland and Labrador, because it is getting rid of the minimum processing standard, lose money in the fishery, there would be a fishery renewal fund, quarterbacked by the federal government and cost-shared with the province. The reality is that Newfoundland is going to make money by getting rid of a 20% tariff on its most important seafood products. It is going to have more money coming in, it is not going to lose money, and it is going to be more competitive, because it will have gotten rid of the trade-restrictive minimum processing standard.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Mr. Speaker, my hon. colleague pointed out the tariff reductions, which are fine, and Liberals agree with that. However, as the member for Northwest Territories pointed out, the gist of this debate is that a negotiation took place between two entities within this country, one national, one sub-national, Canada and Newfoundland and Labrador.

I would like to point something out to the member, though, that I noticed from the very beginning. He said that this is an exercise in posturing. He said we have seen this movie before. I have seen this movie before, and he starred in it. Here is what happened.

In November 2004, that gentleman sat down here in opposition and argued vehemently, called it a crime, that then Prime Minister Paul Martin could not, wait for it, make a special deal with Nova Scotia, because it deserved it, because it negotiated, and the prime minister of the day broke his promise. That is what he said then about a special deal. Today he talks about no special deals.

I was wondering if he could comment on that, plus the fact that during the release, Newfoundland and Labrador said this was all about new marketing initiatives, fisheries research, and \$400 million. It was not up to \$400 million. It was \$400 million. Why were they so wrong?

Mr. Gerald Keddy: Mr. Speaker, I can only repeat what I said before, and I was pretty clear in what I said the first time. I was not wrong.

I remember the Nova Scotia-Newfoundland offshore accord. I remember the sticky situation Newfoundland found itself in during that debate. What happened then was that it was great politics to pick

a fight with the federal government. The reality was that Newfoundland was becoming a have province, and good for them. I hope it continues. I would like to see oil prices stabilize for our own economy in western Canada, especially, and for Newfoundland and Labrador and Nova Scotia.

That debate was about the fact that the agreement had changed slightly, because Newfoundland was no longer a have-not province. Again, I congratulate Newfoundland on that. That is what that debate was about.

This debate is about a clear agreement we made with Newfoundland and Labrador, with no questions asked. We are going to keep our part of that agreement. We have never backed away from it. If Newfoundland and Labrador is to lose money because it gets rid of its minimum processing standards, we will be there to help backstop that.

● (1545)

Hon. Rob Moore (Minister of State (Atlantic Canada Opportunities Agency), CPC): Mr. Speaker, I listened to my hon. friend's speech with much interest. I have a question relating to the past question.

When we look at the documentation the Province of Newfoundland and Labrador has released, every single piece of correspondence from the federal government, when referencing this fund, says up to \$400 million, cost-shared on a 70-30 basis. That is important. We have been consistent on that throughout.

I have in my hand letters from the St. John's Board of Trade, the Newfoundland and Labrador Employers' Council, and the Seafood Processors of Newfoundland and Labrador, and I could go on, all of them asking that we not throw out the baby with the bathwater. This agreement means too much to the province of Newfoundland and Labrador, and CETA will benefit the industry and the people immensely.

I wonder if the hon. member could remind us of some of the benefits of this agreement for the people of Newfoundland and Labrador.

Mr. Gerald Keddy: The benefits are tremendous, Mr. Speaker.

In the fish and seafood sector, there will be a reduction of 18% in the tariff on cooked and peeled shrimp, a reduction of 6% on frozen lobster, a reduction of 8% on live lobster, a reduction of up to 25% on cod loins going into the European market, and a reduction in the tariff on snow crab. That is only the fish and seafood sector. All our primary industries, including the forestry sector, stand to gain.

Most importantly, and quite frankly overlooked entirely by the province of Newfoundland and Labrador and by most of the provinces, P.E.I. being a good example, is the services sector. The services sector is a strong sector in Newfoundland. Almost 50% of Newfoundland's GDP is in the services sector. It will have open access to the EU services marketplace. It will be able to bid on that. It will have qualifications for our technicians and engineers.

Business of Supply

There will be open trade between Canada and the EU, not just in goods but in people. The opportunities that will arise from that alone are worth a fortune.

The list goes on and on.

Mrs. Carol Hughes (Algoma—Manitoulin—Kapuskasing, NDP): Mr. Speaker, the federal government says one thing and then turns around and says something else. It is all about smoke and mirrors. The Conservative government cannot be trusted.

As far as what the premier of Newfoundland has said, I will refer to an article in the St. John's *Telegram* on December 12. These are the exact words of the premier: "They're moving the goalposts. They've moved them so far that the fund is going to be unreachable."

The province thought it was negotiating with the federal government in good faith, only to be fooled again by a government that continues to ignore the needs of the provinces.

The Conservatives are saying that there is a motion before the House only because of the NDP's position. It is not our position. We are bringing the concerns of Newfoundland and Labrador forward, because nobody else is willing to do that except for the NDP. We believe that a deal is a deal.

Will the government abide by the rules of engagement it initially put in place? Will it ensure that Newfoundland and Labrador gets the funding it so rightly deserves?

Mr. Gerald Keddy: Mr. Speaker, I can only say it so many times, and we have been very clear. The Minister of State for Atlantic Canada Opportunities Agency has been very clear. The Minister of International Trade has been very clear. Absolutely, on the agreement to which we agreed with the Province of Newfoundland on the backstop for the fisheries industry and seafood sector, if minimum processing standards cause a loss to the province, we will be there. That was the agreement.

The member talked about \$400 million. A portion of that would be from the federal government and cost shared with the province, but here is the rub. The NDP members have said from the get-go, long before they even had a chance to look at the draft agreement, that they will not support CETA. However, they want to support this one part, but they still will vote against the agreement. That puts the member for St. John's South—Mount Pearl in a very tight situation.

• (1550)

Ms. Jinny Jogindera Sims (Newton—North Delta, NDP): Mr. Speaker, first, let me make it crystal clear. At no time have I heard my colleagues on this side of the House, including our critic, say that we categorically reject CETA. What they did say, which is what any wise parliamentarian would do, was that we wanted to look at the wording. We want to see what is in the deal, to consult with Canadians and engage in getting input. Only after we have done that will we support or reject it. We are not like other parties that without seeing a bill would say that it is great and that they will support it, then live to regret it at a different time.

The more my colleagues across the way try to change the channel by giving information that is very clearly misleading does the House and parliamentarians a huge disservice. We are here today to debate a broken promise, a betrayal. A deal was made.

Let me make it clear that the premier of Newfoundland and Labrador asked our leader for help. It is a beautiful province, by the way. If people ever have a chance to visit it, they should. Not only is the province beautiful and the people are great, but the seafood is amazing. Our leader was asked to take up this issue in the House and to hold the government to account for the commitments it has made. That is why we are debating this today.

I forgot to tell you, Mr. Speaker, that I will be splitting my time with my esteemed colleague, the member for Dartmouth—Cole Harbour.

I want to start off with a quote from Paul Davis, the Conservative premier of Newfoundland and Labrador. He said:

It really solidifies that you can't trust the federal government, you can't trust Stephen Harper's government... We bargained in good faith. We believed that we had an agreement in place, that we had a deal set.

He is saying loud and clear and very explicitly, with no reading between the lines, that he does not trust the government, that he does not trust the Prime Minister and that he feels very betrayed.

Governments lose their credibility when they break their commitments. However, why am I surprised? I have been in the House since 2011. Over and over again the government has broken its commitments.

There is one that is very important in my riding. A recently released report noted that crime was on the rise. Not only that, but we have a very low level of policing compared to other jurisdictions around us. The government made a commitment to add X number of RCMP officers to the force. It has failed to do that. If I were to stand here and list all the promises it has broken, I would run out of time. I think all my colleagues would run out of time.

There are also the commitments we made to our veterans, who are also feeling very betrayed. There are the commitments we have made to those who lose their jobs and who pay into a fund in good faith, thinking EI will be available for them when they are out of work. However, due to the taking of the money from the EI fund, first by the Liberals and then by colleagues across the way, and then changing the rules, they now find that the rules are so hard they cannot even access the support they need.

Just today, the minister had to respond in the House about a fund to create access for those with disabilities. The fund has been underutilized by billions of dollars. It appears that a vast majority of that funding is going into Conservative held ridings. Surely this is not the way we want to run a country.

Business of Supply

•(1555)

I also want to take this opportunity to say that this feeling of betrayal runs very deep in my riding. I was at a rally on Saturday held by truckers who had been laid off. They were given notice summarily that they would no longer be given entry into the port. Some of these truckers have 20 to 28 years of experience driving into that port. Their families and children were there and it was heartbreaking because they could not understand how this happened. It was only last year when they signed a deal. They did not realize, and were not told at the time, that the deal had some hidden components and some other output that would lead to a massive number of layoffs of people trying to make a living. That is unconscionable.

I saw the little children. I talked to either the drivers or their wives, and learned their stories of betrayal. They feel betrayed by the federal and provincial governments. This is being treated like a hot potato, being passed from one level of government to the other to the port. Those drivers want a solution.

Today, I also appeal to Minister Raitt, because I know how thoughtful she is, to do some kind of an intervention—

The Acting Speaker (Mr. Bruce Stanton): Order, please. I ordinarily would not stop the member on one such instance, but in fact there have been two instances where the hon. member may have strayed into using another hon. member's name as opposed to their positions. I would remind the hon. member.

Ms. Jinny Jogindera Sims: Thank you, Mr. Speaker, and once again I do apologize. I am so delighted to see the Minister of Transport back in the House. Because of that, I got a little carried away. I have a great deal of respect for the minister and I know she has been through a difficult time.

I am going to appeal to the minister to intervene here. I believe the federal government has a role in this as it is a port issue. We have massive unemployment happening all around us and we need to address it. We need to have some answers for the drivers who have given good loyal service, but there is no transparency. They went to work and received a letter to say their licences ended on Monday. That is it. They were told not to turn up for work. That is just not good enough.

We are seeing more and more good jobs disappearing. We have to remember that the fisheries industry is very important along our coastlines. The fisheries support good, middle-class jobs in Newfoundland and Labrador. The government needs to protect jobs and build a fishery of the future. The government needs to live up to that commitment. I am appealing to the goodness in colleagues across the way because I know it is there and I know they want to do the right thing.

If we made a promise and commitment that we would invest in the fisheries and in new technologies to deal with the fisheries, then we should do it. Let us not turn this into “they love CETA more, we love CETA less, or they do not like free trade agreements” because that does not add dignity to the debate. In order to have dignified debate, let us deal with the fundamental premise that I am sure we have all taught our children, and that is to tell the truth. When people make a promises, they should keep them. When the federal and provincial

governments start to break promises, what kind of an example do we set for the country and for our children?

We are all elected officials and there are some things we know are right. What is right is that when we make a promise, we keep it. The people of Newfoundland and Labrador deserve to have that promise kept.

•(1600)

Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC): Mr. Speaker, I have had the privilege to hear some good debate from both sides here today. We heard one side; then the other. I think the essence of the question is the European free trade agreement, which, when it becomes a reality, would eliminate tariffs. There is much talk about whether the government would compensate an industry if it were to suffer from the free trade agreement.

Few people know that in my riding of Chatham-Kent—Essex, we have the largest freshwater fishing port in the world, where we also do some fish-processing. One of the things that I hear repeatedly from the fish processors is, “We can't get people to do the job.”

I want to lay this question out. The member may not have the answer but perhaps someone from the caucus would be able to give me an answer. Does she have the same situation there? Are they having a tough time getting people to work in these fish-processing plants?

Second, does it not stand to reason that the reduction of those tariffs, which in some cases are 20%, would make the fish-processing plants much more competitive and enable them to pay their workers more money and, subsequently, increase employment on the island?

Ms. Jinny Jogindera Sims: Mr. Speaker, all I know is that in the riding I live in, Newton—North Delta, more and more people are losing decent-paying jobs.

If we do have work shortages, we have always been able to address them through our robust immigration policies, which, as we know, have been broken under the current government and are now being turned into a mixed hodgepodge that no one really seems to understand.

The other thing that is very important to realize is that fisheries is not just about fishing, processing, and selling what we catch. It is also about good stewardship so that we have sustainable fisheries. I think the kind of deal that was made would allow for the renewal of the fishing industry in Newfoundland and Labrador. We cannot lose sight of that. I think this is where the federal government does have a role to play.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Mr. Speaker, if you would allow me for just a second, I want to answer the question he posed. Now, the hon. member for Newton—North Delta is right, as well, in the fact that we are reinvigorating and growing the industry, which may alleviate any suffering from the removal of the minimum processing requirements.

Business of Supply

However, to his question about getting workers for these particular plants, I would just say very succinctly that he is right on target, but wide of the mark. I say so because the fund would have given us the opportunity to market species in a way that we did not have before. Therefore, the new realities realized by the processing industry can be dealt with if, and I say “if”, this money is available, \$280 million from the feds and \$120 million from the province. Therein lies the essence of the issue.

Again, the free trade itself would provide some of these opportunities via reduced tariffs, but this particular deal that we talk about today, however, casts a different light on this, because the opportunity I mentioned has been squelched somewhat.

To my friend who talked about the other provinces, I appreciate that she talked about the fact that we could be here all day on a litany of broken promises. That is a valid point, but I would like for her to talk about not only the breaking of promises, but also the fact there is a product that is shown in the window and by the time we get to the cash register, the deal has changed.

● (1605)

Ms. Jinny Jogindera Sims: Mr. Speaker, I want to thank my colleague for his very visual question. Being a teacher, I like those kinds of visual questions of seeing the shiny product. Newfoundland and Labrador was shown a shiny product, and then it was also told, “Along with that shiny product, you’re going to have access to this fund”, but it now finds that it does not have access to that fund and the shiny product is not as shiny as it used to be.

This is a government that was so desperate to get a majority that it made all kinds of commitments. It committed to being more accountable and transparent. However, I have never seen a Parliament that is so stymied, a Parliament where debate is shut down so quickly and where, as a new parliamentarian, I feel I do not get the opportunity to express what is going on in my riding.

Mr. Robert Chisholm (Dartmouth—Cole Harbour, NDP): Mr. Speaker, it is my pleasure to dip my toe into this debate for a few moments. It is an important issue. I also want to commend the mover of the motion, the MP for St. John’s South—Mount Pearl.

As members are aware, the motion calls on the federal government to respect its promise to Newfoundland and Labrador of \$400 million for development and renewal, based on a 70/30 split, through the province’s fishery investment fund in exchange for lifting minimum processing requirements as part of the Canada-European Union comprehensive economic and trade agreement.

Why this is so important and was brought forward by the member is that the Province of Nova Scotia, under the undertaking of the federal government, has a piece of legislation within its provincial jurisdiction with respect to mandatory minimum processing requirements that has some influence over the processing of fish, as in Newfoundland and Labrador, so that the fish are not scooped out of the ocean and then processed either on these factory freezer trawlers or shipped over to Europe or somewhere else. Newfoundland and Labrador have held onto this legislation because it does create jobs in many communities, outports and otherwise, throughout Newfoundland and Labrador. It is an important economic driver in that province, and it is probably unique. Quebec also has a similar

requirement, but it is not as closely adhered to in that province as it is in Newfoundland and Labrador.

When CETA was being negotiated, the European community demanded that Canada get rid of this particular legislation in Newfoundland and Labrador, which would somehow give a province within our jurisdiction preference. Of course, the Europeans wanted the product that was caught on our shores, if they could manage it, to simply go to Europe and be processed there. That was what the thinking was.

However, it is curious that when the European community began to engage with Canada in negotiation of this trade deal, it knew how Canada was set up and that it was a federation. The Europeans knew how many powers Canada’s provinces had and they wanted to have the provinces at the table, or at least close enough to the table that if they signed off on various provisions with the federal government they would also have the agreement of the provinces. This was one of the issues.

There were matters with respect to the dairy industry and supply management, which affected the provinces, and there was the European community’s attempt to extend patent protection by another number of years, which would have added a billion dollars in costs to this country and many hundreds of millions of dollars to some provinces. Just on those three items alone, it was important for the European community to have the provinces at the table.

However, in some of these instances, the populations in those provinces were concerned. They were concerned about the impact of giving up minimum processing requirements in Newfoundland and Labrador. Many provinces became increasingly concerned about the impact on their health budgets as a result of the extension of the patent legislation. The dairy industry in some provinces, particularly in Quebec as it related to cheese and other milk products, was also concerned and began to pressure the government.

● (1610)

I certainly have had the opportunity to talk to a number of provincial officials about these very items and we have heard these issues talked about in the House. In order for the federal government to tie down this deal on those issues, it gave assurances to the provinces. In the case of extending the patent legislation—which would potentially increase the cost of pharmaceuticals—it said to the provinces, “Don’t worry, we don’t believe that to be the case, but if it is the case, we’ve got your back. We’ll backstop you. If there are increased costs due to the impact of extending the patent legislation, we will make sure we cover that off.” For some provinces, Nova Scotia was one, Ontario and Quebec were two others, they got those assurances from the federal government and agreed that they would allow this to go forward.

In the dairy industry assurances were also given. I have spoken to people in the dairy industry and various officials in the provinces, and again the federal government gave assurances to the industry and the provinces that they would be compensated. In the case of Newfoundland and Labrador, the policy of having minimum processing requirements have been around for maybe 30 years or more. Those exist in an industry that generated \$1.1 billion in production value in 2013 and provided direct employment to more than 18,000 people, mainly in rural parts of the province.

Business of Supply

The restrictions on minimum processing requirements are extremely important to the province and are held to by people in the industry, municipal officials, and others in various communities throughout Newfoundland and Labrador. When the Province of Newfoundland and Labrador understood this was on the table, that the federal government was going to be negotiating it away, there was quite an outcry. There was quite an outcry because it is fair to say that the fishing industry in Newfoundland and Labrador, particularly as it relates to the cod fishery, has been experiencing some problems. The stocks have been rebounding, but people are concerned that if the government gives away those rights and abolishes that legislation now, when stocks return and greater processing is required, there will no longer be any requirement that fishing companies bring their products onshore to be processed.

There was quite an uproar about it and the government said very clearly to provincial officials, “Don't worry, we are going to contribute to a \$400 million fund to the tune of 70% in order to make sure that you are properly compensated for any impacts that may arise as a result of losing that legislation with respect to minimum processing.” That was the deal. I heard it. I was part of the trade committee that was in Halifax and heard witnesses from Atlantic Canada, and that was the understanding that people in the industry had. It was very clearly communicated by the government and provincial officials that this was negotiated on behalf of the Conservative government of Newfoundland and Labrador to make sure that part of the deal was checked off with respect to CETA. It was understood that the federal government would kick 70% of \$400 million into a fund to make sure that it dealt with the adjustment caused by losing this legislation.

• (1615)

That is the issue. That is why the motion is so important. We call on the government to stand by its promises and to stand by its provinces.

Hon. Lawrence MacAulay (Cardigan, Lib.): Mr. Speaker, I thank my hon. colleague from Dartmouth—Cole Harbour for his important words. I would like to ask him a couple of questions.

Does the member feel that the Government of Canada very much needed or wanted the support of Newfoundland, and that is why it indicated it would take part in this \$400 million deal whereby \$280 million would come from the federal government and \$120 million from the province? I understand the minimum processing requirement and how important it would be for the province, but in order to give that up, there had to be some compensation in place.

As I understand the announcement that was made in 2013, the premier indicated that this was for development and renewal as well as for displacement. Now the terminology has changed, and I believe this is a dangerous way for the Government of Canada to negotiate with the provinces. Also, there is no way that the Government of Canada does not have the money, because over the last number of years, DFO has returned approximately \$1 billion to the Treasury Board.

Mr. Robert Chisholm: Mr. Speaker, I appreciate that question from my colleague. He is someone who knows a great deal about the fishery in Atlantic Canada. He knows as well as I do just how important the minimum processing requirement was in Newfoundland and Labrador.

As I said before, there is no question that the groundfish fishery is in a bit of a slow period. However, people recognize that if the industry comes back, which they fully expect it to because the cod stocks are improving, they want to be sure that the minimum processing requirement is there. I do not think there is any question that the federal government believed that in order to nail this deal down, it had to have Newfoundland and Labrador on board, so it committed the \$280 million—70% of \$400 million—to deal with the effects and the whole question of developing the fishing industry within that province. That was the commitment.

[*Translation*]

Ms. Paulina Ayala (Honoré-Mercier, NDP): Mr. Speaker, in order to practice healthy federalism, the federal government must maintain good relationships based on dialogue with the provinces, because when they are rich, the entire nation is rich.

Therefore, when compromises are reached, the government must follow through on them. Newfoundland and Labrador supported the free trade agreement with Europe and the federal government promised the province a certain amount of money if any jobs were lost. That is what the minister of state told us in early October, at least. By the end of the month, however, the message was altogether different.

Beyond just Newfoundland and Labrador, when the federal government fails to keep its promises to the provinces it is effectively weakening our democracy and our federalism. We want Canadians to have work. Yes, this free trade agreement will allow us to receive products from Europe, but if that forces Canadians out of work, we will have more poverty here.

I wonder whether my colleague could talk about the trust that should exist between the provinces and the federal government.

• (1620)

[*English*]

Mr. Robert Chisholm: Mr. Speaker, my colleague is absolutely right. This industry is incredibly important to the economy of Newfoundland and Labrador. In the process of these negotiations with the European community, the federal government made very clear commitments to the people and the Government of Newfoundland and Labrador to make sure that this fund would be available to deal with the transition. It made that clear, and the provincial government operated on that basis. It was an investment in the fishery of Newfoundland and Labrador and it was meant to ensure that not only were the effects of the loss of the minimum processing requirements legislation dealt with but also that Newfoundland and Labrador would be able to invest in new and more modern technology to expand the fishery.

The Acting Speaker (Mr. Bruce Stanton): Before we go to resuming debate, 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 Montcalm, Foreign Affairs; the hon. member for Ahuntsic, Housing; and the hon. member for Drummond, The Environment.

Resuming debate, the hon. Parliamentary Secretary to the Leader of the Government in the House of Commons.

Business of Supply

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Mr. Speaker, it is a pleasure for me today to join in the debate on the NDP opposition motion concerning the minimum processing requirement fund in the province of Newfoundland and Labrador.

Before I begin, there may be some questions. People in this House or perhaps those who are watching on television may be wondering why a member of Parliament from a land-locked province like Saskatchewan would be joining into a debate on a fisheries issue that primarily deals with some concerns the Province of Newfoundland and Labrador would have. The answer to that is very simply because the larger context of what we are debating today is really about the Canada–Europe trade agreement, also known as CETA.

I am joining in this debate because CETA would positively affect every region of Canada. Whether it is the fisheries industry in Newfoundland and Labrador, the forestry industry in Quebec and British Columbia, the manufacturing industry in Ontario, or the grains and oilseed industry in the prairies, CETA would have a positive impact on literally every sector of the Canadian economy and every industry within Canada. That is why this debate is so important: to be able to point out to members opposite and to those who may be listening to this debate that signing the Canada–Europe trade agreement is one of the largest and most significant trade deals this country has ever engaged in. In fact, it is not an overstatement to say that it is the most important trade agreement our country has ever entered into.

The reason is quite simple. First, the European Union has 500 million consumers that Canada would now have preferential access to. Second, since we already entered into an agreement several years ago with the United States, the North American free trade agreement, Canada would now be the only G7 country that has preferential access to two of the world's largest consumer bases: 500 million people in the European Union on one side and 300 million people in the United States on the other side. We are the only country that would have preferential access to that consumer market.

In real terms, this would mean to Canada about an additional \$12 billion in economic activity. If we want to drill that down to a per-household level, it comes out to about \$1,000 per household. That is how much money this agreement with Europe would mean. It is the equivalent of about 80,000 additional jobs in Canada. It is a huge deal. That is why we have had unprecedented support from industry leaders, from union leaders, from consumer groups, and from trade analysts. Everyone who has examined this agreement agrees that it is a big win for Canada. That is why all of the provinces are on side with this agreement as well. All of the individual sectors in the industry within Canada's provinces and territories would also benefit from this agreement.

However, what we have here today is a situation in which some people are suggesting that this agreement would not be a good deal for Newfoundland and Labrador. In particular, the complaint coming from members opposite is that removing the minimum processing requirements would be injurious to the fish and seafood processing industry in Newfoundland and Labrador.

Perhaps I should first take a moment to explain, at least as I know it, what the minimum processing requirement is.

It was set up several decades ago as a policy imposed by the Government of Newfoundland and Labrador to assist and in many ways protect the fisheries processing industry. In other words, quite simply it states that there has to be a minimum processing element of all fish and seafood from Newfoundland and Labrador before they can be shipped to the European Union or anywhere outside of Canada.

• (1625)

Why was this requirement put on? Again, to stimulate the processing industry in Newfoundland and Labrador and to protect those jobs. In other words, if I were a cod fisher, I could not necessarily ship all of my raw product to Europe. I would be required to give a certain amount of that raw product to the processing industry in Newfoundland and Labrador so they could then process it and sell it as a value-added product worldwide. In particular, we are talking about the European Union.

The only problem with that is that while it may have been good at the time for the processing industry in Newfoundland and Labrador, it is viewed, and quite correctly, as an unfair trade policy. In this day and age of global trading, there are mechanisms in place to ensure that trading practices between countries are fair and just. Because this would be a distortion of fair trade policy, if we entered into CETA with the European Union, any one of their member states could look at this minimum processing requirement in Newfoundland and Labrador and say, quite correctly, that it was an unfair trade policy and demand that it end. It was a legitimate concern of the European Union.

During negotiations, our government negotiators agreed that the practice should in fact end, but we also recognized in discussions with Newfoundland and Labrador government officials that this could have some negative impact on the processing industry. In other words, the Government of Newfoundland and Labrador pointed out to our trade negotiators that ending the minimum processing requirements might result in some lost revenue. It might even result in some job losses, because if fishers were not required to use the processing industry before their products were shipped overseas, it could have or might have a negative impact on the processing industry in Newfoundland and Labrador.

We recognized that argument. Our government said that if it could be demonstrated that there is injury, that there may be some lost revenue, that there may be some job losses, that there may be some problems that the removal of the minimum processing requirement creates within the industry, we will then agree for some compensation.

This is not unusual. As we negotiated CETA, various sectors and various regions of the country pointed out there could be some negative impact as a result of signing this deal. Time after time, we were able to negotiate with the respective sectors some sort of a counterbalance, some negotiated settlement to offset the potential revenue loss or job loss. That is what we did in this case with Newfoundland and Labrador. We said that if there is to be injury, if there is to be lost revenue, if there are job losses, we will be there.

Business of Supply

Hence, the agreement was to set up a fund, the minimum processing requirement fund. It was a \$400 million fund agreed upon by both the province and the federal government. The federal government would fund up to 70%, or \$280 million, if there was proven, empirical evidence that there was injury because of the removal of this requirement.

I keep using the word “if”, because it has not been demonstrated yet that there would be any loss of revenue or loss of jobs. In fact, I recall that when this agreement was first announced, the then president of the fisheries union in Newfoundland and Labrador, a gentleman by the name of Earle McCurdy, said he did not think there would be any problems caused by removing the minimum processing requirement.

● (1630)

He pointed out that they were better off than processing plants in Europe, China, and the United States. Their wages are higher, and electricity and energy costs are higher. We are closer to the marketplace. In other words, we do not have to have a minimum processing requirement because our processors will be able to compete quite favourably with anyone else in the world. We do not need the protection that the minimum processing requirement currently affords. That was the president of the fisheries union.

I understand that recently he has changed his tune somewhat; he is now a nominated NDP candidate in the province. Once he became a member of the NDP his initial thoughts have changed, and now removing the minimum processing requirements will be a terrible thing for the province. It shows how myopic the New Democrats truly are, who do not want any trade deals with any country. That is clearly the reality.

Some hon. members: Oh, oh!

Mr. Tom Lukiwski: Mr. Speaker, I see that we have touched a nerve. Every time we talk the truth about the NDP and how members hate free trade, it touches a nerve across the floor, and we can see that today as well.

The point is that if there were to be injury to the processing plants, the canneries, and the industry in general, the federal government agreed to provide monetary compensation, but only if there is empirical evidence to suggest that injury has taken place. We are standing by that commitment. We are working with the province of Newfoundland and Labrador to try to set up a process and system that would empirically identify any monetary loss experienced by the fisheries industry in that province. We would then be there for them. We would step up to the plate with this fund.

However, the fund was never established to simply give money if no injury, job loss, or revenue loss has taken place. We have never done that when negotiating compensation with any other sector in Canada. We did not do that for CETA, or any other trade deal for that matter. It makes sense. Why in the world would any government simply say to a province, “You may not be having any problems whatsoever. There may not be any loss of revenue, loss of jobs, or any injury to a certain sector, but, what the heck, we will give you \$400 million anyway because we are good guys.” That has never happened.

Sector by sector, when negotiating, we have sat down with the provinces and said that if there is demonstrated lost revenue, demonstrated loss of jobs, or demonstrated injury as a result of this agreement, we will then compensate, and there will be a transition to allow them to be whole. That is a responsible stance that the government has taken, and it is the right stance for a government to take.

I started by talking about all of the benefits of CETA, and they are immense. This is, without question, the best free trade agreement that our country has ever entered into. However, we need to have the co-operation of all of the provinces. To date, the provinces have been generally extremely supportive because they know the type of benefits they will receive by having preferential access to this huge market.

Whether it be the fishing and seafood industry in Atlantic Canada, the manufacturing sector across Canada, the agriculture and agri-food sector in my home province of Saskatchewan, having access to 500 million consumers will be a tremendous boon to every single sector in the Canadian economy. That is why we need agreement from all provinces as we move forward. That is why we, as a federal government, have dealt with the province of Newfoundland and Labrador in a responsible manner, by agreeing to compensate its affected industries if it can demonstrate it has been negatively impacted. No government would enter into an agreement simply to give a blank cheque, to say that it does not matter, take the money and run.

● (1635)

There has to be an agreement. There has to be a demonstration that injury has taken place. That is what we are prepared to do, and that is what we have stated from the outset. If there is to be lost revenue, or trade-distorting injury on behalf of the fishing industry or the province of Newfoundland and Labrador generally, we would be there to work with them, to ease the pain, to enter into a transition plan that would allow affected industries to remain whole and not be negatively impacted. We stand by that agreement, and it is the right position for the federal government to take.

We are not here today during this debate to try to spark some confrontation with the province of Newfoundland and Labrador. We are more than willing to continue to work with them to identify if there are problems with the removal of the minimum processing requirement. From a financial standpoint, we will be there. We will step up to the plate. However, to date, we have not seen any demonstrated loss of revenue, job losses, or any negative impact on the fishing and seafood industry. We want to work with the province to develop a process that would identify any of these issues, and, if they occur, we will be there as a willing and able partner.

In conclusion, let me say this. It is important for every province, region, and territory in our country to recognize the massive benefits that the Canada-European Union trade agreement would have on our economy. It will benefit every single province, territory, and sector of our economy. Let us not lose sight of that. Let us not allow a relatively small dispute to stand in the way of the most comprehensive and beneficial trade agreement that our country has ever seen.

Business of Supply

• (1640)

Mr. Ryan Cleary (St. John's South—Mount Pearl, NDP): Mr. Speaker, I listened intently to the minister's speech. I have a few points to make, and then I have a question.

I find it disconcerting that when a minister of the Canadian government stands to speak about one of the provinces in Canada, he mispronounces the name of the province. A way to get the pronunciation right is this: "Newfoundland understand; understand Newfoundland". Please learn how to say it properly. That is one thing.

Second, Earle McCurdy is running for leader of the provincial New Democratic Party in Newfoundland and Labrador. However, let us not forget that this is a dispute between the Progressive Conservative government of Newfoundland and Labrador and the Conservative government of Canada. It is a dispute between Conservative governments.

We do not raise objections about CETA. CETA is a good thing. All the different quarters in the fishing industry in Newfoundland and Labrador agree that it is a good thing. This is not a question about giving up minimum processing requirements, MPRs, because all parties in the fishing industry in Newfoundland and Labrador agree with that as well.

My question for the minister is this. Why would the Progressive Conservative government of Newfoundland and Labrador agree to participate in this \$400 million fund—they are putting in \$120 million—if it is compensating itself? Why would it do that? If this is all about compensation for losses, why would Newfoundland and Labrador participate? The minister has his facts wrong, and the government is betraying Newfoundland and Labrador.

Mr. Tom Lukiwski: Mr. Speaker, number one, I guess I should take some solace that, at least according to the member opposite, I have been promoted to cabinet. I thank him for that.

Second, I completely know how to pronounce Newfoundland. I have been involved on many occasions with representatives from that great province, and they have continually told me, as the member opposite has, "understand Newfoundland". I did not mispronounce the name, nor would I.

With respect to the member's particular question of why the province of Newfoundland and Labrador would participate in this compensation fund, it is because it is in the best interest of the province. CETA is in the best interest of all Canadian provinces. It understands that. It does not want its relatively small concern about the elimination of minimum processing requirements to stand in the way of the greater good. That is why it wants to participate in this fund: it knows that the greater good is the entire CETA agreement.

There will be untold billions of dollars going into that province alone. If the only thing standing in the way of a completed agreement is the elimination of minimum processing requirements, the province says, "Let's do it. Let us just make sure that we participate financially to compensate if there is an injury." We have yet to determine that.

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Wind-
sor, Lib.):** Mr. Speaker, I wonder if the member could comment on a couple of things about this particular deal.

First, we only have a day to debate this. This is not specifically about the merits of free trade with the European Union. This is about a specific measure between the national government and its subnational government, being Newfoundland and Labrador.

I harken back to October 2013. In the release that was put out by the provincial government, it states unequivocally:

The fund will be used to invest in research and development, new marketing initiatives, fisheries research, and enhancements...

That is the same line it used throughout the entire spread. From 2013 to 2014, there have been a few correspondences, but nothing was ever made public that pointed out it is wrong.

In other words, the provincial government never said it was only to be used in case of demonstrated losses. Did the federal government point that out to them at some point? Before 2014, in that full year, did it point out that it was wrong in the release? Why would the federal government not do that?

• (1645)

Mr. Tom Lukiwski: Mr. Speaker, obviously I was not in the room at any time during negotiations between the province and our government.

I can assure members, as I mentioned earlier in my presentation, that in every other sector we have negotiated with, during the negotiations leading up to the completion of the Canada-European trade agreement, we said that if there is an injury in their particular sector, let us talk about how we can help compensate for that injury so we do not scuttle the entire free trade agreement. Every single time, we have taken that approach, as we did here.

The Province of Newfoundland and Labrador can put out all the press releases it wants, but it does not detract from the fact that our consistent approach to dealing with provinces and territories for compensation loss has been consistent every single time.

There has to be demonstrated proof, empirical evidence, that injury has taken place. If it has, we will step up to the plate. We will do so here as well.

Hon. Diane Ablonczy (Calgary—Nose Hill, CPC): Mr. Speaker, this is a sad debate. I think there is an absence of logic here.

First of all, compensation, by definition, means there has to be a loss. However, the agreement has not even been signed yet. There cannot be any loss. Why would there be a demand that money be paid for compensation for loss under an agreement that has not even been signed?

The whole thing is illogical. It boggles the mind that the opposition would waste an entire day of this country's time on this kind of a debate.

As the member pointed out, why would the federal government give a huge benefit, almost half a billion dollars, to one province, when three others are involved in the very same industry and there is nothing for them? No government in its right mind would ever be so unfair and inequitable in an agreement.

Business of Supply

I do not know why the opposition is even bringing these nonsensical arguments forward. I invite my friend to tell me what he thinks is behind this kind of a debate when it defies every rule of logic that any of us have ever learned.

Mr. Tom Lukiwski: Mr. Speaker, I want to thank my friend and colleague from Calgary—Nose Hill for once again demonstrating that she has an abundance of common sense.

The member is absolutely right. The federal government would not enter into an agreement saying, without attachment, without any strings, “Here is \$400 million. Do with it what you wish, even if there is not going to be any injury.” Of course, we will not even know that until implementation of the agreement itself, which has not occurred.

I agree with my esteemed colleague. I do not know why the NDP would bring this forward, other than that it is trying to create a political wedge. It is trying to create an issue. It does not matter whether it is fact-free, which it is, the NDP is simply trying to politicize the situation. We are trying to work with the province for the betterment, not only of that province, but the entire nation.

[*Translation*]

Mr. Pierre Dionne Labelle (Rivière-du-Nord, NDP): Mr. Speaker, I am quite concerned about what I heard from my colleague across the aisle. He talked a lot about setting up a process to identify the negative impact that the agreement is having on the fishing industry in Newfoundland.

First of all, does the government have a game plan for that work? Since this process needs to be set up, are the Conservatives already working with Newfoundland to come up with criteria to assess the impact?

Second, the same considerations have been suggested regarding possible compensation for Quebec's cheese makers. We were told that if there are any losses, compensation will follow. What is happening with that file?

• (1650)

[*English*]

Mr. Tom Lukiwski: Mr. Speaker, as I mentioned in my remarks a few moments ago, we are continually working with the Province of Newfoundland and Labrador to see whether there would be any injury, such as lost revenue or job losses, resulting from the removal of the minimum processing requirement. This is an ongoing process.

If we can establish a mechanism whereby the Province of Newfoundland and Labrador can demonstrate to the federal government that there have been certain injuries and that compensation is required, then we will be there. We will certainly honour our commitment. However, so far there has been no such demonstration of injury, and there may never be. Through the larger CETA agreement, the fishing and seafood industry in Newfoundland and Labrador may be able to go into the European Union and other parts of the world without worry because it can compete with other countries and compete at an even higher level than it is now.

Mr. Jack Harris (St. John's East, NDP): Mr. Speaker, I would like to thank the member for St. John's South—Mount Pearl for putting this motion forward. It is extremely important that this be debated in the House. I am shocked to hear the member for Calgary

—Nose Hill call it a waste of time to talk about something involving federal-provincial relations between Newfoundland and Labrador and Ottawa. It was an agreement made between two levels of government at the request of the Government of Canada.

I was supposed to be here earlier today. A taxi left my house at 6:30 a.m., Ottawa time, to get a flight to get here. I got here around 3 p.m. This is a big, diverse country. Each province and jurisdiction has its own industry, issues, problems and jurisdictional responsibilities. Each province acts in a different way within its provincial jurisdiction.

The Alberta government runs its oil and gas industry and royalty regime program differently from other parts of the country. Agriculture is a very important sector in Quebec, Ontario and out west. They all have different ways of doing things. Inside the jurisdiction of Newfoundland and Labrador, the Government of Newfoundland and Labrador had certainly policy tools at its disposal to protect, develop and grow its industries, and to support the rural culture.

The Newfoundland and Labrador government has had a system of minimum processing requirements for a long time so Newfoundlanders and Labradorians can benefit as much as possible from the resources around their shores. Newfoundland and Labrador brought this into the Confederation in 1949, along with all the oil and gas resources in the offshore, as a contributing member of the Canadian Federation.

A lot of the talk around slush funds reminds me of the attitudes of some Canadians about treating Newfoundlanders and Labradorians as some sort of a handout province within Canada. Nothing could be further from the truth. It is only recently that Newfoundland and Labrador has been considered a have province, with oil and gas prices at a very significant level. That may or may not change as a result of the drop in oil prices, but we are very proud to contribute on a fiscal level in a way that we had not before. However, we have always contributed to Canada in terms of our resources, our human resources, our educated and skilled people who went throughout Canada and helped to create the wealth of Ontario, Alberta, and British Columbia. That is part of what Confederation is about.

We do have divided jurisdictions in Canada. We have federal responsibilities and we have provincial responsibilities. International trade is a federal matter. It is up to the Government of Canada to negotiate trade deals. CETA is one of them, and it is an important one. There is no question about it.

However, this is not about CETA and whether it is good or bad for Canada and Newfoundland. We know that there are big advantages to the Newfoundland fishery of the removal of the tariff on shrimp and cod fish. It has been an irritant for many years. In fact, Newfoundlanders and Labradorians have complained about the fact that the Government of Canada has not used its influence with Europe to fix this in the past. There have been complaints for decades, going back 30, 40, 50 years, about the failure of the Government of Canada to protect the offshore fish stocks in Newfoundland and Labrador, instead of allowing them to be overfished and reduced to the point they were.

Business of Supply

There is a lot of history around this. The jurisdiction of the Newfoundland government to have control over fish processing and minimum processing requirements is part of a policy tool that the Government of Newfoundland and Labrador has had.

Seafood production and the provincial seafood sector are extremely important to Newfoundland and Labrador, with over \$1 billion in production value in 2013 alone and more than 18,000 people directly employed, mainly in the rural parts of the province. Minimum processing requirements are one of the policy tools within the jurisdiction of the Newfoundland and Labrador government.

What happened? This conflicted with the negotiated requirements and expectations of the Europeans, who said to Canada that they wanted it off the table. They wanted Newfoundland and Labrador to withdraw that policy tool. That was not said by Newfoundland and Labrador; it was said by the Europeans.

• (1655)

Then the Government of Canada, the Minister of International Trade and his department, called and asked the Government of Newfoundland and Labrador to do this. They said that it was a demand at the table and they would like Newfoundland and Labrador to get rid of this policy tool as it affected the deal with Europe. It was not just for next year but forever. The province was asked what it would like in return for giving up this policy tool. The negotiations then began in good faith and resulted in an agreement.

However, this was not solely about compensating individuals who may have lost a specific job. I think that was what the federal government wanted initially, but it was very clear that was not what resulted at the end of the day. In fact, the negotiations, the exchange of letters, all of those things have been examined by independent people, including, for example, Professor Saul Schwartz, the public policy professor at Carleton University. He looked at the documents, the exchange and the correspondence, even correspondence from the minister responsible for ACOA. He concluded that the province's interpretation of what went on in the final deal was absolutely right.

A CBC story reads:

Saul Schwartz said based on his analysis of letters between former International Trade Minister...and Keith Hutchings, the former provincial fisheries minister, the deal is broader than what the federal government is now saying.

Schwartz said the letters show the money is meant to build a fishery of the future.

Therefore, when the minister said that this was only for adjustment and Mr. Hutchings said, no, that they wanted it for both any harm that might be done and for industry development, the positions were clear. In the end, the Minister of International Trade caved and said that the province could use it for industry development as well.

The article continues with:

Schwartz said the federal government could not have believed the fund was to be used for displaced workers only.

This is consistent with the debate we have heard from the member for St. John's South—Mount Pearl. He quoted a lot of correspondence and letters on what went on for many months.

This is a matter of great controversy in Newfoundland and Labrador. It is not something that just slid under the table. The

Newfoundland government was criticized by people in rural Newfoundland and Labrador, by people who were concerned about giving up this policy tool, people who said that it should not do that. The government had to take the criticism on chin, but made it very clear that this agreement was about fisheries development, fisheries research, marketing development and other aspects of the fishery of the future.

I mentioned earlier about different jurisdictions. The federal government is responsible for fisheries, but the Newfoundland government is responsible for fish processing and other aspects of the fishing industry. However, because this is such a big concern in Newfoundland and Labrador that the federal government has let it down, Newfoundland has gone into paying for its own scientific research because the federal government has failed to do so.

This is not a waste of time today. We are asking the House to recognize that it is very important for the Government of Canada, in dealing with the province, to deal in good faith. When one makes a deal, one makes a deal. The deal was \$400 million.

I can say without question that the premier of Newfoundland and Labrador would never be able to say to anyone in the House that this \$400 million was only for individuals who would lose their jobs in the next two, three or four years in the implementation. Not a chance. In fact, the premier of Newfoundland and Labrador and Keith Hutchings, the minister of intergovernmental affairs and former fisheries minister, told me that they were told by the federal government to think outside the box, that this was not just about the fisheries. Whatever the province wanted to put on the table, the federal government wanted it to give up this jurisdiction, this policy. This was not talking about how the workers individually might be affected. The federal government wanted the province to give up the jurisdiction and asked what it wanted from the federal government in return.

• (1700)

There were lots of things on the table. What it came down to in the end was a joint fund. The Government of Canada would put up as much as \$280 million and the Province of Newfoundland and Labrador \$120 million.

What was that for? Was it to compensate individual workers? No. If there were demonstrable effects, they would be compensated, but outside of that, it was designed as a fund.

This \$280 million is in the federal budget now. It is not there for 2020, when this deal might be implemented and we might be seeing some effects; it is in the budget now, and it is designated for the fisheries investment fund. It is an investment fund, not a compensation fund. It is a fisheries investment fund to deal with marketing, development, innovation, research, and all of those things that are important to Newfoundland and Labrador because of the significant need for the province to develop its fishery, independent of some of the other problems that are going to come about.

Business of Supply

Therefore, this is not something one could even argue about. When the Minister of Justice came to Newfoundland and said, “This is not meant to be a slush fund”, what an insult it was to the people of Newfoundland and Labrador. What an insult to the Government of Newfoundland and Labrador to suggest that is what Newfoundlanders and Labradorians are trying to pretend it is, that they want slush from the Government of Canada. I am shocked and shamed that the minister would say that.

Not too long ago, before the minister was responsible for ACOA, the minister was the regional minister for Newfoundland and Labrador. For him to come to Newfoundland and Labrador and say that I found insulting and not worthy of him, frankly. The Minister of Justice knows Newfoundland and Labrador. He has lots of good friends there. He goes fishing in Newfoundland and Labrador. I found it offensive for him to say that.

We have even heard it suggested that this was a fund for all the Atlantic provinces. I do not know who said that. I hope the minister can say that he did not say that and that he never intended that. Of course, why would Newfoundland and Labrador put up \$120 million for an Atlantic fund if no other provinces were doing anything to do with that?

However, that is how far this debate has gone. It seems that it is like shifting sand to sit down with the Government of Canada and make an agreement in good faith. It was something the Government of Canada wanted. It was not Newfoundland and Labrador going cap in hand to Ottawa and asking the government to do something for it because it might be affected by this deal. It was a specific policy option that the European negotiators said to Canada they wanted off the table or there would be no deal. The Newfoundland and Labrador government, in good faith, entertained the request from Ottawa to do this, knowing it was a policy option that whatever its use or effect was now, was something they could not do in five or 10 or 20 years' time, because this was an agreement that was going to last forever.

There were negotiations and discussions back and forth between two mature partners, each with its own constitutional jurisdictions. This is not someone coming cap in hand looking for a handout from a parent. This is a jurisdiction that has it as a right under its law, whether we like it or not. Some people might call it protectionist. I can call Buy America protectionist too, but it does not change the power of the United States to do it.

We can argue whatever way we want about the trade deal itself and on the whole net benefit question, and that debate is going on in Canada, at least in some quarters. The Liberals have decided they like the deal. They did not need to read it. They did not need to see the text. They did not need to see anything. Whatever the government does on it, they support it.

We are having a look at that, and at the end of the day we will decide what our view is on it. In the meantime, this debate is not about that. It is about a specific detail that involves the Government of Canada, which we hope and fully expect can deal in good faith with the partners of Confederation.

• (1705)

We know the Prime Minister does not meet with the provincial premiers as a whole. He had a meeting with our premier in

December, and our premier came away and said, “I don't think we can trust this guy.”

That is a shocking state of affairs. A Conservative premier of Newfoundland and Labrador came to Ottawa to meet with the Prime Minister, knowing the background and expecting that it was obviously some misunderstanding because the minister responsible for ACOA, even in early October of 2014, was referring to it as a fishery transition initiative and by the end of the month was saying something different.

The premier came to Ottawa with the minister of intergovernmental affairs and said, “Obviously this is a misunderstanding. We'll go to the source. We'll talk to the Prime Minister and it'll be sorted out. If there's a misunderstanding, we've got the documents, we've got the correspondence, we've got the whole shebang.”

He did not hear anything from the Minister of International Trade, by the way. He was absent from this discussion. He is the guy who made the deal, but he was not around. The minister responsible for ACOA was put on the hot seat and told, “Okay, you're going to take this position now”, but he did not negotiate the deal. I do not think the minister for ACOA was at the table.

The Minister of International Trade and his representatives were, including, according to John Ivison of the *National Post*, the now principal secretary for Minister of International Trade, who was at the table and who did write to the Prime Minister and the Newfoundland government about this matter.

However, all of these people who were involved were not around. It was just the minister responsible for ACOA who was asked to carry the bad news to Newfoundland and Labrador that we were not going to follow this agreement.

Newfoundlanders are a trusting group of people. When they make a deal, they feel that the other party is going to follow through in the good faith that the deal was made, so the premier came to Ottawa to see the Prime Minister and had a meeting, apparently on very short notice, with the Prime Minister, which was a good thing. I am certainly pleased to hear that it took place. Unfortunately, the results of that meeting were very dissatisfying for the Government of Newfoundland and Labrador because, lo and behold, the Prime Minister repeated what now appear to be talking points. We heard the deputy government House leader repeat those talking points today, saying “Why would we do that?”

Well, the fact of the matter is that the government did do that. Why? It was because it wanted Newfoundland and Labrador to give up this jurisdictional policy tool that it had at its disposal and was using and wanted to continue to use. The idea was “We will give it up, not for the benefits of CETA in general but in response to the program that the Government of Canada put on the table after much negotiation.”

As John Ivison says:

The solution is simple. The [Conservative] government should stump up the \$280 million it agreed to pay on the implementation of CETA. And Ministers Hutchings and King should stay home and save their breath....

Business of Supply

That is the problem we have. The problem is that the government is not meeting the agreement that it made and is not following through on its commitments. Unfortunately, given those circumstances, it cannot be trusted.

I do not think this can be belaboured very much, but I do want to say there was an email to the Newfoundland government in October of 2013—so this agreement is not new; this is old—to Mr. Bill Hawkins, chief of staff to the trade minister, who is now the Prime Minister's principal secretary. The email says:

...a transitional program of up to a combined total of \$400 million that would address fish and seafood industry development and renewal, as well as workers whose jobs are displaced in future.

That was the deal. It is known to be the deal, and this government is trying to back out of it.

● (1710)

Hon. Rob Moore (Minister of State (Atlantic Canada Opportunities Agency), CPC): Mr. Speaker, I listened with interest to my hon. friend's speech, even that final quote.

Worker displacement, research and development, innovation, a fisheries transition initiative: these are all things that the Province of Newfoundland and Labrador was asking for, and these are all things that we are perfectly willing to work with the province together for on this fund. We have committed to this fund and we have budgeted for this fund. Even in the letter the hon. member just cited and all throughout our correspondence with the Province of Newfoundland and Labrador, all of which was released by the previous premier, it says “up to \$400 million”—“up to”.

We have referenced some of the various initiatives that could be funded under the fund, but there is not a person in this place who would say that a compensation fund should be accessed without some measure of impact. We have committed to being flexible in how that looks and how we measure the impact. For example, we have not tied a specific loss of a job to funding for that specific loss, but we have said that there has to be a measurement of impact. We have said that publicly and with the premier.

I was pleased that the Prime Minister met with Premier Davis, but he was very clear that for a compensation fund, there has to be a measure of loss. The hon. member is a lawyer, and he would know this. We as a government, through the CETA, have negotiated compensation funds with both the pharmaceutical and dairy sectors, but there has to be a measure of loss.

Does the hon. member honestly believe that there could be an expectation of a \$400 million compensation fund with no way to measure that compensation? That is what we are talking about here today. CETA is tremendous for Newfoundland and Labrador, and this fund is there in case there is any impact whatsoever on the province as a result of giving up minimum processing requirements.

Mr. Jack Harris: Mr. Speaker, I reject the notion, and the Government of Newfoundland and Labrador long ago rejected the notion, that this was a compensation fund for affected individuals. If it is compensation at all—and I do not think it is—the fund is compensation for the government giving up the policy tool.

“Up to” \$400 million is really about the 70-30 split. If the Newfoundland government would pay up to \$120 million, the

federal government would come up with the other \$280 million. The \$400 million is the combined fund based on the province's contribution. That is where the “up to” comes from. It is very clear that for each \$1 that the Newfoundland government puts into this investment fund, the Government of Canada will put in \$4. That is where the \$400 million comes from. The money is not there as a compensation fund for individuals, although some individuals may receive some assistance.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Mr. Speaker, I have great respect for my hon. colleague, who always provides valuable input, but my comments are really angled at ACOA.

The member of Parliament for Labrador sent in an order paper question back in December, and here is the response that she received. I thought I would bring it to the attention of the House and to the minister.

The question asks in part about any involvement by the government in the announcement of October 29, 2013, which is where this debate comes from.

The question following the affirmative answer asked about the nature of that involvement. The response to that particular question was simply, in part, “ACOA was not involved in this file at the time of the announcement.”

We are well aware that ACOA was not involved in the announcement, but it says it was not involved in the file. Why has the minister for ACOA now become the grim reaper of Newfoundland and Labrador, the ultimate deliverer of bad news for Newfoundland and Labrador? Why has the Atlantic Canada Opportunities Agency become the Atlantic Canada disopportunity agency? I would like to know the answers to these questions, as would a lot of people. Something happened between the time of the announcement and this past fall that made a lot of people start changing their minds, and I think we are facing the government that managed to do that.

● (1715)

Mr. Jack Harris: Mr. Speaker, I know the member for Bonavista—Gander—Grand Falls—Windsor does not think this debate is a waste of time. However, he raises a very good point. If this were a fisheries adjustment fund, we would have the minister responsible for Service Canada implementing this for worker adjustment. We would not have ACOA. We might have the Minister of Fisheries and Oceans or something like that.

This is an industry fund for research and development and things like that. The Minister of State for the Atlantic Canada Opportunities Agency was brought in after the fact. He was not part of the deal. He did not negotiate the deal. He was brought in for implementation purposes only, to implement a deal that was about industry renewal, industry development, research and development, and innovation, those things his ministry does in other aspects of industry, so it is not surprising to me.

Business of Supply

What is surprising to me is that he has been told to do something that is not even related to his department, which is basically worker adjustment. I am afraid we have a serious problem here, and that minister has been sent out to carry the bad can for a government that would not keep its deal.

Mr. Ryan Cleary (St. John's South—Mount Pearl, NDP): Mr. Speaker, I thank the hon. member for St. John's East for his excellent speech.

As the hon. member for St. John's East knows, this is not the first time the current Prime Minister and his government have betrayed Newfoundland and Labrador. A betrayal took place in 2006, when the Prime Minister failed to live up to his promise to exclude offshore resource revenues from equalization. That created a war between Danny Williams and the Prime Minister and the current government. Now we have it renegeing on this \$400-million fund and what it was supposed to be used for.

My question for the member for St. John's East is this. Why does he think the current government and the Prime Minister are so set on betraying Newfoundland and Labrador? Why is this happening?

Mr. Jack Harris: Mr. Speaker, the member asked a very good question. I well recall the debate about the Atlantic accord and the government not keeping its word. In fact, one of its own members, Bill Casey, a member from Nova Scotia, left the government, because Nova Scotia too was affected by the current government making a commitment and then breaking that commitment in the Atlantic accord. Of course, it affected Newfoundland and Labrador tremendously, and it affected Nova Scotia as well. I remember being in Parliament after 2008, with Mr. Casey sitting down next to us in opposition, having crossed the floor, because he believed that his province too had been betrayed.

It is not just Newfoundland and Labrador that is affected by the current Prime Minister and the government not keeping their word to the people of Canada. Unfortunately, it has happened in the past, but this is another example of it happening today. It is a strong issue of trust.

• (1720)

Mr. James Lunney (Nanaimo—Alberni, CPC): Mr. Speaker, the member has himself tangled up a bit here. The compensation package was always for the impacts of the agreement. The agreement has not come into effect yet. It has to be ratified in the EU. It has 28 member states, so it is going to take time to work through the process. Of course, there are no impacts at the present time. In fact, the member in his remarks confirmed that. He said it was for impacts in the industry, and then he went on to say, when he quoted Mr. Ivison, that in fact it was for demonstrable impacts. In fact, that is the Government of Canada's position. The details were to be worked out before CETA came into effect. That would be right now.

Why did the member change his story partway through, when he said that actually the agreement was for giving up the MPR? That is not what was agreed to. In fact, the terms the province put forward are exactly what the Government of Canada is willing to negotiate, but that is not what the fund was set up for, and there are no demonstrable impacts at this time. Why is the member talking on both sides of the equation here?

Mr. Jack Harris: Mr. Speaker, I suppose I could ask the member for Nanaimo—Alberni why the Government of Canada would put \$280 million into last year's budget if it was intended to compensate for something that would happen in 2020.

Mr. Ryan Cleary: That is a very good question.

Mr. Jack Harris: Mr. Speaker, that is a very good question, I am reminded by my colleague. I would ask if the member could answer that.

It is pretty clear what the Prime Minister said after the meeting with Premier Davis. The Prime Minister's Office said that it "was always intended to compensate hard-working Newfoundlanders and Labradorians for demonstrable losses...; it was never intended to be a blank cheque."

Here are talking points replacing a defined agreement that was about something else entirely. That is unfortunately the way the current government operates.

Mr. James Lunney (Nanaimo—Alberni, CPC): Mr. Speaker, I will be splitting my time with the member for Oshawa, who is also the hard-working Parliamentary Secretary to the Minister of the Environment.

I am pleased to stand today to speak to the issue that has been raised and to the benefits of the Canada-EU comprehensive economic and trade agreement, also known as CETA. I will focus today on the fact that the agreement will have great benefits for the fish and seafood industry, in addition to the Canadian economy more broadly.

The agreement will provide new and expanded economic opportunities for those who make their living from the fishery and seafood sectors, both in Newfoundland and Labrador and across Canada. The timely implementation of this agreement is in the best interests of hard-working fishermen and seafood producers throughout our nation.

As members are aware, CETA is a key component of our government's ambitious trade agenda, which is aimed at creating jobs and economic prosperity for all Canadians.

First I would note that this is Canada's most ambitious trade agreement ever. The agreement would provide Canada with preferential market access to Europe's 500-million-strong consumer economy and \$17 trillion of economic activity. In fact, a joint study conducted with the EU prior to the outset of negotiations concluded that the agreement could boost Canada's income by \$12 billion annually and bilateral trade by 20% across all sectors.

CETA would have significant benefits across the spectrum of all fishing and seafood activities, from wild harvest to aquaculture to processing. Aquaculture, as well, is a big player in the Newfoundland and Labrador economy.

Business of Supply

Between 2011 and 2013, Canada's fish and seafood exports to the EU were worth an average of about \$390 million per year. These exports are currently subject to high tariffs, averaging 11% and reaching as high as 25%. Between the years 2008 and 2012, Canadian firms paid between \$20 million and \$30 million annually in tariffs on the export of seafood products. Those tariffs are what the negotiation is about. They will be removed, and as processors in Newfoundland and Labrador are quite willing to acknowledge, this will be a tremendous aspect of the agreement, and it will create opportunities for Newfoundland and Labrador.

For example, Newfoundland and Labrador exports a significant amount of seafood to the EU, which is subject to these tariffs. Such charges include up to 12% of the export value of frozen shrimp.

As a member of the fisheries committee a few years ago, I was in Newfoundland and Labrador visiting some of the processing facilities. I remember clearly a visit to St. Anthony, at the northern tip of the peninsula of Newfoundland, and a huge state-of-the-art factory there. I think Clearwater was part of that. The amazing factory there was open in 1999. It processes something like 14 million pounds of shrimp every season and employs between 200 and 215 people. It can also make 120 metric tonnes of ice per day. That is a big operation. It is state-of-the-art and very impressive.

That factory and others like it would have unfettered access. The tariff on exported shrimp, cooked and peeled, in retail packages currently is a rate of 20%. That tariff would be removed when CETA is finally signed. The agreement has been signed in principle on both sides, but it will be finally implemented on both sides as all the legal drafting goes through. In Canada, we deal with two official languages, and when we are dealing with international agreements, they have to be translated and the text has to be agreed upon. However, in Europe, where they have 22 official languages, it takes a little longer to work through some of the legal processes. That process is playing itself out right now.

There is an 8% tariff on snow crab and an 8% tariff on frozen scallops. These additional costs have negatively impacted the competitiveness of Newfoundland and Labrador's seafood products in the European market. They have made it an uphill battle for our industry to attract new consumers and expand its market share.

● (1725)

Those tariffs and barriers will be removed under the new CETA.

Today Canadian seafood producers export about 377 types of fish and seafood products to the EU. Because of our ambitious trade agreement, led by our government, tariffs on 360 of those will be eliminated on day one of the agreement being in force. That day has not yet arrived, which is why the negative impacts that are the subject of the discussion today have not appeared at the present time. If there are negative impacts, they will need to be assessed, but that agreement and those impacts will not be in play until the agreement comes into force.

The tariffs on the other 17 products will be phased out after three, five, or seven years, but it will not be necessary for fishermen and seafood producers to wait to see these benefits accrue. If it is a three-year timeline, the tariffs will drop by one-third the first year and two-thirds the second and will be completely removed by the third year.

As I stated, the Canadian seafood industry will see real benefits of this deal accumulate quickly, once the agreement is brought into force. The reductions in tariffs will translate into savings that can be either reinvested into businesses to make them more competitive and more innovative or to help them grow their share of the European market through more competitive pricing. The bottom line is that tariff elimination will make Canada's seafood products more competitive and lucrative in Europe, which means more jobs and greater prosperity for the sector and for Canada's coastal communities here at home.

I should note that all of these figures are based on recent exports of Canadian fish and seafood products. The numbers do not account for the increased opportunities CETA will provide for additional Canadian fish and seafood products as new demand is generated in the European market.

CETA also contains important flexibility for Canadian industry, such as rules of origin, which will benefit Canadian fish and seafood processors and ensure that they remain competitive in a global marketplace. Rules of origin allow customs authorities to determine where a product originates or is wholly obtained so that they can apply the relevant tariff to the product as it enters the country.

In practice, these favourable product-specific rules of origin will allow Canada to import fish to our country from a non-party, like the United States, and enable the Canadian industry to process the fish for export to the European Union under the preferential tariffs granted through CETA. This will benefit the Canadian seafood processing industry greatly and those who work in the field. For example, in my home province of British Columbia, the industry processes Alaskan sockeye salmon for export, in addition to Canadian catches. On the east coast, New Brunswick processes Maine lobsters to sell abroad.

The fact is that these favourable rules of origin will result in more opportunity for seafood processors across Canada, including Newfoundland's processing industry.

Our government has managed to achieve all of these benefits while maintaining Canada's full discretion over licensing of fishing and related activities, including the government's ongoing policy of preventing foreign firms from having greater than 49% ownership of a processing plant and from holding a commercial fishing licence.

With regard to port access, CETA does not change how we control port access or how we apply the Coastal Fisheries Protection Act. We will still have the power and the authority to require the vessels entering our fishing waters to do so under the authorities of the Minister of Fisheries and Oceans, and the minister will continue to have the discretion to grant a licence for them to operate in our waters or to transit our waters to a Canadian port. Therefore, this agreement does not change our current operations with regard to European vessels.

Business of Supply

Our government has embarked on an ambitious trade agenda, and we are opening other sections, such as the trans-Pacific partnership and the Canada-Korea Free Trade Agreement. Korea is our seventh largest trading partner. All of these measures bring new opportunities for Canadian producers.

Therefore, I hope that all members will support CETA and that the members who raised the concerns today will allow the process to work through and will allow negotiations to take place with the federal government and the Province of Newfoundland and Labrador. As was indicated, we are in a position to and are willing to negotiate the terms.

• (1730)

However, to expect to have a fund administered without demonstrable harms is not reasonable and is unfair to other agreements with other provinces. I hope members will appreciate that as we carry on with the discussion today and support the CETA in every way.

Mr. Ryan Cleary (St. John's South—Mount Pearl, NDP): Mr. Speaker, I thank the hon. member for his speech and also for pronouncing Newfoundland properly. Well done, sir.

My question is this. Bill Hawkins, the then chief of staff to the trade minister, is now the Prime Minister's principal secretary. In a letter he wrote to the Newfoundland government on October 23, 2013, he talked about a "transitional program of up to a combined total of \$400 million that would address fish and seafood industry development and renewal". That does not sound at all like compensation in case of losses, because it was not compensation in case of losses.

I have two questions. First, how can the Conservatives do such an about-face on this? Second, the former Progressive Conservative premier of Newfoundland and Labrador, Kathy Dunderdale, held a news conference in October 2013 and announced all of the details of this \$400 million fund, exactly what it was for, and what it would be spent on. Why did the Conservative government wait more than a year before raising a single objection?

Mr. James Lunney: Mr. Speaker, I appreciate the hon. member's determination to represent the interests of his province, but a news release is hardly the same as a negotiated agreement. The details were to be worked out before CETA came into force.

The letter from a Canadian official that the member referred to demonstrates the government's willingness to discuss the rollout of that compensation fund, but it has always been the Government of Canada's position that it is for demonstrable impacts.

There was a lot of rain in British Columbia and some flooding in my area. Insurance compensation happens when people's homes are flooded. I live further from the river and no one in my area was flooded out, and to expect compensation because we live in an area where there are floods without evidence of our homes being harmed is not reasonable.

I hope the member understands that when the government signs these agreements, we tend to apply them fairly, as we do with the dairy industry, the pharmaceutical industry, and other industries that are impacted. The same will be true with Newfoundland. We will want to make sure that Newfoundland does very well with the

agreement. It should do well with increased opportunities to export to Europe, and where there are demonstrated negative effects, we will make sure that the fund is implemented.

• (1735)

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Mr. Speaker, one thing I noticed in the correspondence, when we received the answer to the order paper question, was that there was a lot of activity and conversations that took place between two levels of government from the fall of 2013, November, right up until June of 2014, but then there is scant mention of that. They go by the wayside until October and into November. Therefore, in that period, there seemed to be a lot of activity, but nothing was really happening at that point.

Although he says they are living up to the deal in questions, whether the words "up to" are used, or in many cases that demonstrable losses are assumed in this particular case, these arguments on certain other measures are valid. However, in this particular case, there is no doubt in my mind, as my colleague pointed out, that nothing was said in the media about how wrong it was to assume that the province would get the full \$400 million. It also seemed like there was a change in tone altogether a year after the announcement. Something happened that led the government of Newfoundland and Labrador to assume that the deal was not what it had signed originally.

Seeing that the hon. member has notes there, I would like him to demonstrate to us how wrong the Progressive Conservative government in Newfoundland and Labrador is to assume this. Is the government misleading all of us?

Mr. James Lunney: Mr. Speaker, I appreciate the member opposite, as I do all members from Newfoundland. They are great debaters and have a lot of passion, and we appreciate that.

Mr. Scott Simms: On division.

Mr. Brad Butt: Just not right very often.

Mr. James Lunney: Yes, Mr. Speaker, sometimes we obviously have disagreements on issues.

The details were to be worked out before CETA came into force. It could be another year before the final agreements are signed, as translations and legal drafting are completed. It is right now when these things should be negotiated, but doing it in a confrontational manner is not the best way to get the best results. Compensation will be delivered where demonstrable losses can in fact be demonstrated, but for one party to do the negotiating and expect that what it wants is what will be arrived at and that the conclusions will be there without negotiation is probably not reasonable.

Mr. Colin Carrie (Parliamentary Secretary to the Minister of the Environment, CPC): Mr. Speaker, the Canada-European Union comprehensive economic and trade agreement, CETA, is an historic accomplishment that will benefit hard-working Canadians across our great country.

CETA will be good for Canadian companies eager to expand their businesses in Europe, good for attracting jobs and creating investment in Canada, and definitely good for the one in five Canadians whose jobs depend on trade.

Business of Supply

Free and open markets have long contributed to Canada's prosperity. In fact, since the coming into effect of the historic North American free trade agreement, NAFTA, 4.5 million jobs have been created in Canada and our country's annual income has risen by nearly \$1 trillion. These figures speak for themselves.

CETA is our most ambitious, comprehensive and far-reaching trade initiative ever. Accordingly, we expect that CETA will create jobs, prosperity, and opportunities for Canadians that go well beyond what was achieved under the NAFTA.

The reason is threefold. First, the European market is larger and more integrated than the North American market under NAFTA. The EU market has some 28 member states, over 500 million consumers, and annual economic activity of almost \$18 trillion. The EU is the world's largest single integrated economy. It is also the world's largest import market for goods. The fact that total imports by the EU totalled \$2.3 trillion in 2012, half a trillion more than Canada's total economic activity of that same year, means that the EU represents a stable, long-term growth opportunity for Canada's world-class exports.

Second, through CETA, our government has managed to achieve unprecedented access to Europe's large and lucrative markets. For example, approximately 98% of all EU tariff lines will be duty free on the first day CETA comes into force. By comparison, only 29% of tariff lines were duty free on the first day that NAFTA took effect.

For my riding of Oshawa, home to General Motors Canada, CETA will provide historic new market access opportunities for the automotive sector, and will allow significant increases in exports to Europe. The removal of tariffs, along with flexible rules of origin, will benefit vehicle and auto parts producers alike.

This unprecedented access is perhaps most impressive in the agricultural sector, where duties on 93.6% of the EU's agricultural tariff lines will be eliminated on the day that CETA takes effect. This is an extraordinary accomplishment considering that only 18% of EU agricultural tariffs are currently duty free.

This impressive new access to the world's largest market will benefit hard-working Canadians across our country. For example, the elimination of EU tariffs in the agricultural sector and the fish and seafood sector will mean that lobster fishermen in the Maritimes, maple syrup producers in Quebec, apple growers in Ontario, grain producers on the Prairies, cherry growers in British Columbia, and Arctic char farmers in Yukon who export to the EU will gain first mover advantage in the EU market compared to exporters from countries that do not have free trade agreements with the EU.

Finally, CETA will provide Canadian goods, services, and investment with a competitive advantage over our international competitors, including the United States. When CETA comes into force, Canada will be the only G7 country with preferential access to both the massive U.S. economy, itself valued at \$16 trillion, and the European Union.

It is no wonder that individuals, businesses, governments, and other stakeholders from all parts of this country are heralding CETA as a historic win for Canada. Do not take my word for it. The Standing Committee on International Trade recently submitted a report on CETA that is full of examples of Canadian businesses and

stakeholders eager to take advantage of CETA's many benefits. For example, the committee heard testimony from Canadian business leaders praising CETA's opening of new partnerships and technology, development in technology licensing, manufacturing, distribution, and investment opportunities.

These new opportunities will help Canada diversify its trade and reduce its dependence on the United States while ensuring that Canadian businesses will continue to benefit from any more favourable treatment the EU may grant the United States on rules of origin, services liberalization, and recognition of standards in any agreement that they reach.

● (1740)

From the services and information communication technology sectors, the committee has heard business leaders laud CETA as a new generation trade agreement that will provide improved access to various services in the EU, including engineering, and professional and environmental services, by addressing the majority of the tariff and, more importantly, non-tariff barriers to trade and investment.

From Canada's world-leading agricultural and agri-food sector, the committee heard that CETA will result in \$1.5 billion in new Canadian agri-food exports to the EU. It will be worth more than \$600 million to Canadian beef producers and will increase Canadian pork exports to the EU by \$400 million a year.

These clear and direct messages of support from Canadian business leaders across various sectors of the economy are a testament to the government's unprecedented transparent and collaborative approach to CETA.

We have ensured that industries' interests were represented by consulting Canadian stakeholders across a wide spectrum of sectors throughout the negotiations. We have also promptly published summaries of the deal, including detailed information on goods, services, investment, government procurement, intellectual property, and other areas to explain how CETA can benefit Canadians and businesses, even while the technical details of the agreement were still being worked out.

Business of Supply

We have also provided details on how CETA will benefit key sectors of our economy, including advanced manufacturing, agriculture, forestry, information and communications technology, and others. All of this information has long been available and remains accurate in light of the final negotiated text, which was placed online for all Canadians to see, in conjunction with the Canada-EU summit marking the end of negotiations on September 26, 2014.

Governments from Canada's provinces and territories have also been crucial partners throughout the negotiations and have publicly expressed support for CETA, because they are confident that this deal represents their best interests. We committed to the spirit of openness and transparency from the onset, and we will continue in the same spirit as we move forward with the next steps to bring CETA into force.

We will continue to develop a range of tools to inform Canadians on key areas covered in CETA and how they can benefit. This will include national outreach and meetings with businesses and stakeholders across Canada to share information about the benefits of CETA, to ensure that Canadians understand the vast opportunities provided by CETA and that Canadian businesses have the tools and support they need to take advantage of CETA's many benefits as soon as possible.

The comprehensive information provided by the government underscores our commitment to transparency. It is, no doubt, our extensive consultations and collaborative approach to CETA that have helped to engender the enthusiastic support from the broad range of stakeholders called to testify before the committee and from Canadians from all parts of the country.

These Canadians already recognize the immense opportunities presented by CETA, and we are committing to continuing to provide all stakeholders with the information and support they need to take full advantage of our most ambitious and comprehensive trade initiative ever. By doing so, our Conservative government will continue to demonstrate not only its commitment to transparency, but also its commitment to ensuring that CETA delivers on its promise to create jobs, stimulate economic growth, and sustain long-term prosperity for all Canadians.

● (1745)

Mr. Ryan Cleary (St. John's South—Mount Pearl, NDP): Mr. Speaker, I thank the hon. member across the way for his speech, but at no point did he approach or tackle the topic of this motion. This motion is all about the Conservative federal government's living up to its promise to Newfoundland and Labrador. It was a promise to set aside \$280 million in a fisheries fund for the development and renewal of the Newfoundland and Labrador fisheries.

The Newfoundland and Labrador government gave up a piece of key policy with its minimum processing requirements. It gave that up at the request of the Conservative government.

Why are the Prime Minister and the government renegeing on that deal? Why did the member not even approach the topic of the motion in his speech?

Mr. Colin Carrie: Mr. Speaker, the reality is that the topic the NDP brought forward today is playing politics with the best

agreement that Canada has ever been able to negotiate. It is shameful that the member would stand up and try to force this deal to be slowed down or obstructed in any way whatsoever. He knows that we have indicated to the Government of Newfoundland and Labrador that we remain open to a transition initiative that includes support for displaced workers, research and development, and innovation. However, the fund was always intended to compensate hard-working Newfoundlanders and Labradorians for actual losses arising out of the removal of MPRs. It was never intended to be a blank cheque that could be used to disadvantage the other Atlantic provinces. That is why I say it is shameful that the member is bringing this up and playing politics.

As I said earlier, my community of Oshawa is a manufacturing sector. This agreement is historic. It would remove a 6.1% tariff on automobiles manufactured in my community that we want to sell in Europe. For example, over \$1,800 would be taken off a \$30,000 Impala made in Oshawa because of these tariffs being removed in Europe.

It is shameful that the New Democrats, who say that they support unions and manufacturing, would use this to try to obstruct a deal that would help each and every community across this country. With the challenges in manufacturing, the member should take notice that we and the rest of Canada will support Canadian workers, despite what the NDP says.

● (1750)

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Wind-sor, Lib.): Mr. Speaker, if we consider the manufacturing sector, such as the auto sector, there have been many subsidies granted to that sector, for all of the right reasons, in deals which in the beginning resembled what they turned out to be in the end.

The issue in this debate today is not just about CETA, or this particular deal and what flows from the initial agreement with respect to all of these tariffs being reduced. It is wonderful that over 95% of the tariffs would be reduced because in the shrimp sector alone that could represent a big benefit. I do not know why the Conservatives keep asking why we are arguing against that because we are not. The issue, as has been pointed out time and again, is a deal that managed to meander its way to a point where it went from a positive to a negative. As an example, in all of the literature we have seen which stated that it was up to a certain amount of money, the initiatives announced within were always about things like marketing. All of these agreements that the Conservatives use throughout this country would illustrate just that. However, in this case, that is being referred to as a slush fund. I dare them to go to people in any other sector and ask why they are asking for a slush fund. They would not do that. The reason is because they were deals that in many cases were lived up to from the beginning. However, this one went south.

The question is this: Who said what and when? I would like the hon. member to address the issue as to why this deal changed from beginning to end, or perhaps he would like to tell the House that the deal never changed, even though everyone else is saying that it did.

Business of Supply

Mr. Colin Carrie: Mr. Speaker, I think my colleague is well aware that these were discussions, and, as far as the federal government is concerned, we are always happy to sit down with any province as CETA moves forward to being ratified. I would argue that the discussions are ongoing. I believe there may be room for interpretation. As I said earlier, the fund was always intended to compensate hard-working Newfoundlanders and Labradorians for actual losses arising out of the removal of MPRs; it was never intended to be a blank cheque. At the end of the day, we should take a hard look at this and do what we can to make sure that this important agreement moves forward. It is important for Newfoundland and Labrador, but also important for the rest of the country. I would like to see the member's support on that.

Mr. Don Davies (Vancouver Kingsway, NDP): Mr. Speaker, it is with great pride that I stand today in support of this very important motion made by the hon. member for St. John's South—Mount Pearl. He has demonstrated in the House, year after year, since he was elected, that he is a passionate champion and rigorous defender of the interests of the people of Newfoundland and Labrador, along with the member for St. John's East. The two of them represent a duo of members of Parliament who routinely and consistently stand in the House and stand up for fairness, justice, and the people of Newfoundland and Labrador. They should be applauded by the people of that province for their efforts on their behalf.

I want to talk briefly about what the motion today is about, but, more importantly, what it is not about. The motion is about the commitment made by the federal government to the Government of Newfoundland and Labrador to secure provincial government support for the comprehensive economic and trade agreement with the European Union. In short, it is about the official opposition, the New Democrats in the House, requesting that the governing Conservatives honour the clear commitment they made that the people of Newfoundland and Labrador would get a \$400 million transition fund, made up of \$280 million from the federal government and \$120 million contributed by the provincial government, in exchange for Newfoundland and Labrador giving up a very important policy tool, the minimum processing requirements for their fish products in Newfoundland.

What the debate is not about is the merits of CETA. It is not about the economics of trade. It is about one thing, the ability of a province in our federation to expect its federal counterpart to honour a clear commitment that is made to it. That is what this debate is about, and now I will go into that in more detail.

First I want to talk about the importance of fisheries and seafood to the people of Newfoundland and Labrador. I do not think we have to belabour this point. I think every Canadian is well aware of the importance of that sector to the people of Newfoundland and Labrador, and in fact all people who live in the Maritimes, as well as the rest of Canadians who benefit from the hard work of those people in that sector.

In 2013, the seafood sector in Newfoundland generated \$1.1 billion, and provided employment for over 18,000 people, mainly in the rural parts of Newfoundland and Labrador, where alternate sources of employment are not so easy to get. Therefore, the fisheries sector is critically important to the people of Newfoundland and Labrador.

The average annual export value of fish and seafood products from Newfoundland to the European Union is approximately \$120 million per year. CETA does contain a comprehensive schedule of tariff reductions for seafood exports that we all think will benefit the people of Newfoundland and Labrador, and in fact all of Atlantic Canada. There are tariffs as high as 25% on seafood products. Ninety-six per cent of the European Union fish and seafood tariff lines are expected to be eliminated by CETA once, and if, it is in place at some point.

Let us review some of the basic facts of this dispute. Newfoundland's fish processing sector generates hundreds of millions of dollars in value to the Newfoundland and Labrador economy. The minimum processing requirements policy tool has been used by Newfoundland to secure value-added jobs in rural areas across that province, regions that have suffered from low employment since the cod fishery's collapse.

Newfoundland and Labrador has tightly guarded the right to manage MPRs to generate employment in the past. In short, the policy tool of minimum processing requirements has been very important to the Government of Newfoundland and Labrador, and, more importantly, the people of that province.

• (1755)

In January 2012, Ocean Choice International, a major seafood corporation, requested a permanent exemption for MPRs to permit the export of flash-frozen whole fish for further processing overseas. The Newfoundland government refused that request, highlighting the need to “ensure the long-term security of resources for the benefit of future generations of Newfoundlanders and Labradorians”. Members can see that two or three years ago, the Newfoundland and Labradorian government was emphasizing the importance of minimum processing requirements.

In January 2013, the Newfoundland government stated that it was pushing for maximum local benefits in the CETA deal. Minister Hutchings of that province added, “We will only support a deal that is in the best interest of Newfoundland and Labrador.”

What happened is that the heavy-handed tactics of a secretive and insecure government started to show its hand. CBC reported that the federal Conservatives were in the province to negotiate with Newfoundland over the removal of MPRs. In other words, the European Union was requesting the Canadian government to give up MPRs, and that, in turn, caused the Canadian Conservative government to turn to its counterpart in Newfoundland and request that the government give up its historic important tool of minimum processing requirements.

In a speech to the St. John's Board of Trade, Premier Dunderdale said at that time that “...the Muskrat Falls loan guarantee nearly fell apart when Ottawa suddenly demanded [that] the province give up the requirement that fish landed in Newfoundland and Labrador be processed within the province.”

It was the first time that we saw the pressure on the Province of Newfoundland by the federal Conservatives, going so far as to threaten the pulling of federal loan guarantees for a very important electrical generating project in Newfoundland.

Business of Supply

On October 23, 2013, Bill Hawkins, the chief of staff to the Minister of International Trade, wrote an email to the Newfoundland government, which said that transitional programs “of up to a combined total of \$400 million that would address fish and seafood industry development and renewal, as well as workers whose jobs are displaced in future” will be provided by the federal government.

What happened here is clear. Newfoundland negotiated the agreement with the federal government. In exchange for giving up the important policy tool of minimum processing requirements in that province, the federal government agreed to provide transition funds to help the province, in the sum of \$280 million. Combined with \$120 million from Newfoundland, the fund would be \$400 million, which would be integral and necessary for the people displaced by the ending of minimum processing requirements in Newfoundland to transition to other employment. There was zero mention at that time that those transition funds were in any way linked to Newfoundland and Labrador having to demonstrate that there were job losses or negative consequences as a result of the removal of minimum processing requirements.

I am the official opposition critic for international trade, and I can tell members that when the Conservative government does link the payment of federal transition funds to provinces for displacement due to CETA, it says so.

The Conservatives said directly to the provinces that if there are negative consequences suffered by the provinces over changes to the intellectual property provisions of CETA, in other words, costs to the provinces for increased prescription costs as a result of CETA, and if the provinces can demonstrate losses, the federal government will compensate.

The federal government has said to the dairy industry of this country that if the dairy industry suffers losses and those can be demonstrated, it will provide funding.

The Conservatives said no such thing to Newfoundland and Labrador when it came to the provision of transitional funds.

Here is the other thing. On October 2014, the Minister of State for Atlantic Canada Opportunities Agency was quoted as using the term “fishery transition initiative”. At that time, in late October 2014, ACOA officials, for the first time started to say that the province would have to demonstrate damages to the federal government as a result of the elimination of MPRs before funding would flow.

On December 11, 2014, the new premier of Newfoundland, Premier Davis, met with the Prime Minister to discuss this issue. He clearly said to the Prime Minister that the federal transition funds were unconditional. They had nothing to do with Newfoundland demonstrating losses. It was money that was intended to flow to the province of Newfoundland purely as a result of giving up the minimum processing requirements and there was no condition attached to that.

● (1800)

Here is what Premier Davis said, coming out of that meeting:

[It] really solidifies for me that you can't trust the federal government.... You can't trust [the Prime Minister's] government.... We bargained in good faith.... We believe [d] we had an agreement in place, that we had a deal set.

That is not the official opposition saying that the federal government reneged, that the Conservatives reneged. Those are the words of the Premier of Newfoundland.

Let us explore the argument the Conservatives are making in the House that, “Oh, no, the federal Conservatives always intended the Newfoundland government has to demonstrate losses.”

I met with ministers of the Newfoundland provincial government. This is what they said to me—and I put this out for Canadians to judge themselves—“If the \$400 million was intended as a fund only to be paid in the event of demonstrated losses to compensate Newfoundland for the losses they could demonstrate, why are we contributing \$120 million? Does the federal government expect us to compensate ourselves?” They do not need to have a deal to compensate their own displaced fisheries workers. Not only that, but there was never a word mentioned in any memo, in any news article, anywhere, by the current Conservative government that ever tied the payment of transition funds to the demonstration of losses.

The Conservative government has also said, “Oh, well, this isn't fair to the other provinces, Atlantic provinces, which also may suffer losses as a result of CETA.

Here is the fact that all Canadians can weigh, that punctures to the heart of that matter. The other Atlantic provinces do not have minimum processing requirements. Only Newfoundland and Labrador does. Only Newfoundland and Labrador was asked to give up minimum processing requirements. Only that province negotiated with the federal government what it would get for giving up that important policy tool.

Does it really seem reasonable to anyone that this is unfair to that the other Atlantic provinces did not get a fund? Of course it is not unfair, because the other Atlantic provinces did not have minimum processing requirements.

Now, to add insult to injury, the Minister of Justice states that the fisheries fund was never intended to be a “slush fund”. What an insult to the Premier and the Government of Newfoundland. What an insult to the cabinet ministers of Newfoundland. What an insult to the people of Newfoundland and Labrador to call this money a slush fund when it is compensation for those people, compensation that the current government admits is owing, compensation that it knows is necessary, because Newfoundland and Labrador gave up something important to it and will suffer losses as a result

What has happened since then? On January 20, 2015, Newfoundland announced that it is withdrawing from Canadian trade negotiations and withdrawing its support for CETA.

The Conservative government's credibility is on the hook here.

I want to talk about integrity and respecting agreements.

When a country signs a trade agreement, like any contract, like any agreement, the value of that agreement is not just in the words on the paper. The value of that agreement is in the good faith and the intent of the signatories to that agreement to implement the terms of that agreement in good faith.

Business of Supply

Trade agreements are only as strong as the good faith of the parties implementing them. I will give an example. Non-tariff barriers are notorious in our world. Stories are legion of parties signing trade agreements, only to have the benefits of those agreements undermined by parties that go away and implement every single conceivable kind of non-tariff barrier to defeat the purpose of that trade agreement.

In this case, for the federal Conservative government to break its word with the province early on, in the agreement's genesis, demonstrates a lack of good faith. It demonstrates bad faith. That is inconsistent with the federal government's proper role in implementing trade policy, which requires the utmost of good faith.

When we speak of integrity, commitment, and honour, I want to relate a story of a person I know in Vancouver: Mr. Jeff Gourley. Jeff Gourley is the head coach of the senior boys' basketball team at Vancouver's Sir Charles Tupper Secondary School. For over a decade, Jeff has volunteered his time to create and coach this small eastside school basketball program. Prior to his arrival, Tupper had not even made the playoffs for the better part of 20 years. Through his leadership, he has inspired the Tupper Tigers to bring home city championships and rank in the top five in the province while excelling in school and, more important, growing as people of responsibility.

• (1805)

Several of his charges have gone on to win university scholarships and played at the highest levels in Canada and to achieve success in every area of endeavour. Jeff has done this by teaching the boys under his charge to see the game as a metaphor for their lives. In his words, "All I am doing is giving them the opportunity to dream, to think and most importantly for them to understand that each and everyone of them has the ability to try and succeed at what ever they want to do."

Inspiring young athletes from a lower eastside neighbourhood who have not had a track record of success can be one of the most difficult tasks for any coach to accomplish, but Jeff has done this by teaching them about teamwork, respect, honour, and to trust in themselves and each other and to keep their commitments.

That is a lesson for us all, but it is a lesson for the federal government more than anything, because Mr. Gourley and the players at Tupper School in Vancouver know one thing: they know that when they give their word, they keep it. They know that when they make a commitment, they honour it. They know that when they tell someone they are going to do something, they do it. That is what makes those young fine men. The government should listen to what those young men are learning in that school.

I want to talk about the consequence of this. I hear the government stand every day in the House and mislead Canadians by saying that this Conservative government has secured trade deals with the two largest markets on earth, a reference to the United States and the European Union. It has indeed secured an agreement with the United States, but it is wrong to say it has secured agreement with the European Union. There is no agreement in force with the European Union. CETA is not in force and, frankly, it is jeopardized by the behaviour of the government.

The Province of Newfoundland and Labrador has already stated publicly that it is not going to honour the commitments in CETA. The number one ask of the European Union at the bargaining table in CETA negotiations with Canadians was to have access to provincial procurement, to sub federal procurement. What kind of message does it send to the European Union when Canada gets into a public conflict with one of its own provinces, which has now withdrawn from its commitments under the agreement?

Second, Germany and France just two weeks ago went to the European Commission and stated that they wanted changes made to the text of CETA dealing with the investor state relations. It is well-known across Europe that CETA is a mixed agreement, meaning that it will require ratification by every single member of the European Union, including Greece, which is now put into jeopardy. The point is that we do not have an agreement yet with the European Union.

Some hon. members: Oh, oh!

• (1810)

The Deputy Speaker: Order, please. There is too much chatting going on the House. I am having some difficulty hearing the member.

The member has a little over a minute and a half to conclude his speech.

Mr. Don Davies: Mr. Speaker, last September in a speech to the Vancouver Board of Trade, the Minister of Industry stated that "In 2006, we had free trade agreements with five countries around the world. Our government has taken it from five to forty-three countries. And of course this includes the historic Canada-European Union free trade agreement".

Again, we do not have an agreement with the European Union yet. It is not in force. The text is not even completed, because we have parties that are still saying that the agreement has to be changed. At a fragile time like this, what do the Conservatives do? They renege, they betray a promise made to Newfoundland and Labrador, causing the province to say it will not take part in CETA.

Respected trade writer John Ivison said in a January 9 column about the fisheries fund that "...it could start the gradual unravelling of the fragile CETA deal."

I will conclude by saying that the NDP official opposition believes that broadening and deepening our trade with the European Union is important. We believe that a good agreement, well negotiated, would be positive for our country, but an agreement like that requires people of good faith. It requires honour and a government that will respect the commitments it made, and not trick and betray provinces into giving up things only to pull the rug from under them later on.

The NDP official opposition stands squarely behind the people of Newfoundland and Labrador. We stand foursquare with the Government of Newfoundland and Labrador and will continue to fight to make sure that its agreement is honoured.

My final point is that this shows the folly of the Liberals, who gave the government a *carte blanche*, a blank sheet, to support CETA before they knew what was in it. This shows how important it is that the NDP is the only party in the House that is making sure we get a good deal for Canadians.

Business of Supply

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Wind-
sor, Lib.):** Mr. Speaker, I have been here for 10 years. Ten years ago, when the Conservatives were in opposition, the government put out a pamphlet to all Newfoundlanders that said there was no greater fraud than a promise broken. The Conservatives have managed to make that even worse. Not only did they break a promise, they continue to pretend that they kept it, which makes that fraud even worse in this case.

This deal has gone from being one thing to another with little conversation involved. Would my hon. colleague talk about how, or even why, Newfoundland said to the world that it was this deal and that the Conservatives never said anything otherwise?

Mr. Don Davies: Mr. Speaker, I say this with great respect for the member that he is quite right to bring up in the House the absolute hypocrisy and contradiction of the Conservatives, who stood in the House at one time and told members of the House and the Canadian public that a promise must be kept.

However, it is passing strange that I would hear this from the Liberal Party. The Liberals promised Canadians that if they were elected, they would pull out of NAFTA. They promised Canadians that they would bring in a national housing plan. They promised Canadians that they would bring in a national child care plan. The Liberal trade critic stood in the House and said that she could not wait until the text was released so she could finally see the agreement the Liberals have been supporting all this time. It shows the irresponsibility of the Liberal Party to have supported CETA when it did not know what was in it and before the deal had been consummated.

That is why only New Democrats can stand in the House and battle on behalf of the people of Newfoundland and Labrador.

• (1815)

[*Translation*]

The Deputy Speaker: Order. It being 6:15 p.m., it is my duty to interrupt the proceedings at this time and put forthwith every question necessary to dispose of the business of supply.

[*English*]

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

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And five or more members having risen:

[*Translation*]

Mrs. Sadia Groguhé: Mr. Speaker, we ask that the division be deferred until tomorrow, Tuesday, February 3, 2015, at the expiry of the time provided for government orders.

[*English*]

The Deputy Speaker: The vote stands deferred.

Mr. Dave MacKenzie: Mr. Speaker, if you seek it, I think you would find unanimous consent to see the clock at 6:30 p.m.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

OPPOSITION MOTION—ANNUAL FIRST MINISTERS' CONFERENCE

The House resumed from January 29 consideration of the motion.

The Deputy Speaker: Pursuant to order made on Thursday, January 29 the House will now proceed to the taking of the deferred recorded division on the motion relating to the business of supply.

Call in the members.

• (1840)

(The House divided on the motion, which was negated on the following division:)

(*Division No. 318*)

YEAS

Members

Andrews	Angus
Ashton	Aubin
Ayala	Bélangier
Bennett	Bevington
Blanchette	Blanchette-Lamothe
Boivin	Boutin-Sweet
Brisson	Brousseau
Caron	Cash
Charlton	Chicoine
Chisholm	Choquette
Christopherson	Cleary
Comartin	Côté
Cotler	Crowder
Cullen	Davies (Vancouver Kingsway)
Day	Dewar
Dion	Dionne Labelle
Donnelly	Doré Lefebvre
Dubé	Dubourg
Duncan (Etobicoke North)	Duncan (Edmonton—Strathcona)
Dusseault	Easter
Eyking	Fortin
Freeland	Freeman
Gameau	Garrison
Genest	Giguère
Goodale	Gravelle
Groguhé	Harris (Scarborough Southwest)
Harris (St. John's East)	Hsu
Hughes	Julian
Lamoureux	Lapointe
Latendresse	LeBlanc (Beauséjour)
LeBlanc (LaSalle—Émard)	Leslie
Liu	MacAulay
Mai	Marston
Martin	Masse
Mathysen	May
McCallum	McGuinty
Michaud	Moore (Abitibi—Témiscamingue)
Morin (Chicoutimi—Le Fjord)	Morin (Notre-Dame-de-Grâce—Lachine)
Morin (Laurentides—Labelle)	Morin (Saint-Hyacinthe—Bagot)
Mourani	Mulcair
Nantel	Nash
Nicholls	Nunez-Melo

Government Orders

Papillon	Pécelet
Perreault	Plamondon
Quach	Rafferty
Rankin	Regan
Rousseau	Saganash
Sandhu	Scarpaleggia
Scott	Sellah
Sgro	Simms (Bonavista—Gander—Grand Falls—Wind- sor)
Sims (Newton—North Delta)	Sitsabaiesan
St-Denis	Stewart
Tremblay	Turmel
Valeriotte	Vaughan— 108

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Members

Ablonczy	Adler
Aglukkaq	Albas
Albrecht	Alexander
Allen (Tobique—Mactaquac)	Allison
Ambler	Ambrose
Anders	Anderson
Armstrong	Aspin
Baird	Barlow
Bateman	Benoit
Bergen	Bezan
Blaney	Block
Boughen	Breitkreuz
Brown (Leeds—Grenville)	Brown (Newmarket—Aurora)
Butt	Calandra
Calkins	Cannan
Carmichael	Carrie
Chisu	Chong
Clarke	Clement
Crockatt	Daniel
Davidson	Dechert
Devolin	Dreeshen
Duncan (Vancouver Island North)	Dykstra
Eglinski	Falk
Fantino	Fast
Fletcher	Galipeau
Gallant	Gill
Glover	Goguen
Goldring	Goodyear
Gosal	Gourde
Grewal	Harper
Harris (Cariboo—Prince George)	Hawn
Hayes	Hillyer
Hoback	Holder
James	Kamp (Pitt Meadows—Maple Ridge—Mission)
Keddy (South Shore—St. Margaret's)	Kenney (Calgary Southeast)
Kent	Kerr
Komarnicki	Lake
Lauzon	Lebel
Leef	Leitch
Lemieux	Leung
Lizon	Lobb
Lukiwski	Lunney
MacKay (Central Nova)	MacKenzie
Maguire	Mayes
McColeman	McLeod
Menegakis	Miller
Moore (Port Moody—Westwood—Port Coquitlam)	Norlock
Moore (Fundy Royal)	O'Neill Gordon
Nicholson	Payne
Oliver	Poilievre
Paradis	Raitt
Perkins	Reid
Preston	Richards
Rajotte	Saxton
Rempel	Seeback
Ritz	Shipley
Schellenberger	Smith
Shea	Sorenson
Shory	Strahl
Sopuck	Tilson
Stanton	Trost
Sweet	Truppe
Toet	Valcourt
Trottier	Van Loan
Uppal	
Van Kesteren	

Vellacott	Wallace
Warawa	Warkentin
Watson	Weston (West Vancouver—Sunshine Coast—Sea to Sky Country)
Weston (Saint John)	Wilks
Williamson	Wong
Woodworth	Yelich
Young (Oakville)	Young (Vancouver South)
Yurdiga	Zimmer— 146

PAIRED

Nil

The Speaker: I declare the motion defeated.

* * *

PROTECTION OF CANADA FROM TERRORISTS ACT

The House resumed from January 30 consideration of the motion that Bill C-44, An Act to amend the Canadian Security Intelligence Service Act and other Acts, be read the third time and passed.

The Speaker: The House will now proceed to the taking of the deferred record division on the motion at the third reading stage of Bill C-44.

● (1850)

(The House divided on the motion, which was agreed to on the following division:)

*(Division No. 319)***YEAS**

Members

Ablonczy	Adler
Aglukkaq	Albas
Albrecht	Alexander
Allen (Tobique—Mactaquac)	Allison
Ambler	Ambrose
Anders	Anderson
Andrews	Armstrong
Aspin	Baird
Barlow	Bateman
Bélangier	Bennett
Benoit	Bergen
Bezan	Blaney
Block	Boughen
Breitkreuz	Brisson
Brown (Leeds—Grenville)	Brown (Newmarket—Aurora)
Butt	Calandra
Calkins	Cannan
Carmichael	Carrie
Chisu	Chong
Clarke	Clement
Cotler	Crockatt
Daniel	Davidson
Dechert	Devolin
Dion	Dreeshen
Dubourg	Duncan (Vancouver Island North)
Duncan (Etobicoke North)	Dykstra
Easter	Eglinski
Eyking	Falk
Fantino	Fast
Fletcher	Fortin
Freeland	Galipeau
Gallant	Garneau
Gill	Glover
Goguen	Goldring
Goodale	Goodyear
Gosal	Gourde
Grewal	Harper
Harris (Cariboo—Prince George)	Hawn
Hayes	Hillyer
Hoback	Holder
Hsu	James
Kamp (Pitt Meadows—Maple Ridge—Mission)	Keddy (South Shore—St. Margaret's)
Kenney (Calgary Southeast)	Kent
Kerr	Komarnicki

Adjournment Proceedings

Lake	Lamoureux
Lauzon	Lebel
LeBlanc (Beauséjour)	Leef
Leitch	Lemieux
Leung	Lizon
Lobb	Lukiwski
Lunney	MacAulay
MacKay (Central Nova)	MacKenzie
Maguire	Mayes
McCallum	McColeman
McGuinty	McLeod
Menegakis	Miller
Moore (Port Moody—Westwood—Port Coquitlam)	
Moore (Fundy Royal)	
Nicholson	Norlock
Oliver	O'Neill Gordon
Paradis	Payne
Perkins	Plamondon
Poilievre	Preston
Raitt	Rajotte
Regan	Reid
Rempel	Richards
Ritz	Saxton
Scarpaleggia	Schellenberger
Seeback	Sgro
Shea	Shiple
Shory	Simms (Bonavista—Gander—Grand Falls—Wind- sor)
Smith	Sopuck
Sorenson	Stanton
St-Denis	Strahl
Sweet	Tilson
Toet	Trost
Trottier	Truppe
Uppal	Valcourt
Valeriotte	Van Kesteren
Van Loan	Vaughan
Vellacott	Wallace
Warawa	Warkentin
Watson	Weston (West Vancouver—Sunshine Coast—Sea to Sky Country)
Weston (Saint John)	Wilks
Williamson	Wong
Woodworth	Yelich
Young (Oakville)	Young (Vancouver South)
Yurdiga	Zimmer— 174

NAYS

Members

Angus	Ashton
Aubin	Ayala
Bevington	Blanchette
Blanchette-Lamothe	Boivin
Boutin-Sweet	Brahmi
Brousseau	Caron
Cash	Charlton
Chicoine	Chisholm
Choquette	Christopherson
Cleary	Comartin
Côté	Crowder
Cullen	Davies (Vancouver Kingsway)
Day	Dewar
Dionne Labelle	Donnelly
Doré Lefebvre	Dubé
Duncan (Edmonton—Strathcona)	Dusseau
Freeman	Garrison
Genest	Giguère
Gravelle	Groguhé
Harris (Scarborough Southwest)	Harris (St. John's East)
Hughes	Julian
Lapointe	Latendresse
LeBlanc (LaSalle—Émard)	Leslie
Liu	Mai
Marston	Martin
Masse	Mathysen
May	Michaud
Moore (Abitibi—Témiscamingue)	Morin (Chicoutimi—Le Fjord)
Morin (Notre-Dame-de-Grâce—Lachine)	Morin (Laurentides—Labelle)
Morin (Saint-Hyacinthe—Bagot)	Mourani
Mulcair	Nantel
Nash	Nicholls
Nunez-Melo	Papillon

Pécelet	Perreault
Quach	Rafferty
Rankin	Rousseau
Saganash	Sandhu
Scott	Sellah
Sims (Newton—North Delta)	Sitsabaiesan
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PAIRED

Nil

The Speaker: I declare the motion carried.
(Bill read the third time and passed)

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[*Translation*]

FOREIGN AFFAIRS

Ms. Manon Perreault (Montcalm, Ind.): Mr. Speaker, since I asked my question on October 10, many things have happened to reinforce my belief that the Government of Canada is not taking the necessary action to help resolve the military conflict in Iraq and Syria against the Islamic State armed forces.

The point I wanted to make was that a military intervention by the Canadian Forces could not in any way guarantee the safety of Canadians—which is what the people of Montcalm have often told me—and that even more people will start seeing Canada in a negative light. The suffering of the people must not translate into new supporters of the Islamic State.

I have no intention of systematically objecting to any military involvement by Canada, but this cannot be the only solution to rely on in the immediate term. Most importantly, let us avoid simplifying such a complex issue. At the very least, let us not make matters worse.

Canadians will not tolerate pre-election, pro-war populism. We have to determine whether there are other solutions.

We are all well aware that there are socio-economic factors that contribute to the radicalization of vulnerable people by global terrorist movements. You would have to be blind not to realize that. Extreme poverty seems to be a much more important vector of radicalization than any religion in the world. After listening to many people on this subject, I believe that we need to adjust our approach.

People all over the world are trying to bring about peace and co-operation, and we must contribute to that effort rather than being an agent of discord and division.

To that end, we must establish specific objectives, something that the government is dragging its feet on, unfortunately. The opposition is not asking for the moon; it just wants a clear and specific objective. We will not tolerate improvisation, let alone the exploitation of this conflict for political purposes. Canadians need to know what direction we are taking.

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A multi-faceted approach would be desirable. It is absolutely essential that a socio-political component be added to the military mission. Canadians can no longer tolerate the disparagement of the importance of sociological studies in the search for solutions to this violence and barbarism. Please, let us leave arrogance at the door.

I am carefully refraining from making any connection to the attacks perpetrated in Canada in the name of this vicious terrorist organization that is currently occupying Iraq and Syria, but we need to face up to the facts. I asked this question on October 10, 2014, and I will ask it again today: how can we fight evil without creating more evil?

I think that before we get Canada even more deeply involved in a conflict whose outcome is far from certain, it is imperative that the Conservatives answer the basic question that I raised on October 10. It is not for reasons of political partisanship or to score a few points in the polls but because they sincerely want to help others, like the good men I am sure they are.

Historically, as a peacekeeping force, Canada has played a positive role in the resolution of world conflicts, frequently calling for moderation and constructive action. I said this on October 10 and I will repeat it: other than bringing about destruction, fear and death, what does the government intend to do to help bring peace to Iraq without creating new Islamic State sympathizers? Let us find the answer and act accordingly.

• (1855)

[*English*]

Mr. David Anderson (Parliamentary Secretary to the Minister of Foreign Affairs, CPC): Mr. Speaker, I am glad to be here tonight to address this issue. The member opposite talks about the safety of Canadians and about coming to mini solutions for a complex question. She wants to see clear objectives, and I can address some of those questions tonight.

Our response to the crisis in Iraq is multifaceted. Coalition air strikes, including Canada's, are just one element in this response. They are conducted in support of Iraqi security forces, which are carrying out ground operations against ISIL.

The Iraqi government has sought the assistance of coalition countries to stop ISIL's advance, which was accompanied by horrific human rights abuses against civilians. I just recently heard at the foreign affairs committee that indeed that advance seemed to have been stopped. However, standing by while ISIL was killing, raping and terrorizing millions of people was not an option. Nor can we stand by knowing that ISIL's barbaric agenda is not limited just to Syria and Iraq and that its twisted ideology is making inroads even in our own country.

In addition to conducting air strikes, Canada has deployed several dozen Canadian Armed Forces members to advise and assist Iraqi security forces engaged in the fight against ISIL. Further, Canada has provided strategic airlift support for military and for contributing allies.

We have also provided Iraqi forces with significant volumes of non-lethal equipment. Just last week, Kurdish peshmerga forces were telling our ambassador to Iraq that this equipment was saving lives on the front line.

However, Canada's response is not limited to military contributions. I know my colleague across the way will be glad to hear that we are working with partners to impede the flow of foreign fighters at source, transit and destination countries. This includes our active involvement in the Global Counterterrorism Forum's working group on foreign terrorist fighters. While in Baghdad last September, our minister announced \$5 million to support regional efforts to limit the movement of foreign fighters into Iraq and Syria.

On the domestic front, we have strengthened our laws to make it a criminal offence to leave Canada for the purpose of participating in or facilitating terrorist activities. We have broadened the grounds for passport revocation and allowed for the stripping of citizenship for dual nationals engaged in those activities. We have taken steps to stop ISIL's financing and funding. ISIL is listed as a terrorist organization under Canada's Criminal Code. Our financial institutions have an obligation now to freeze ISIL's assets and to disclose details of those assets to law enforcement. Canada is also actively contributing to efforts by the international community to disrupt and prevent ISIL financing.

We are working with partners to address humanitarian needs in the region. We have contributed over \$403 million in humanitarian assistance since January 2012 in response to the Syria crisis and over \$67 million in response to the Iraqi crisis since January 2014. Canada's assistance has reached tens of millions of people.

We are also horrified by ISIL's heinous acts of sexual violence, prompting a commitment of \$10 million to deal with those issues. We believe it is important also to undermine ISIL's narrative. In Canada, we are doing this through outreach events and working with our allies.

Last, we are supporting the Iraqi government. Since June 2014, Iraq has become one of our development partners. We are committed to strengthening commercial relations with them, and we have a very active team of diplomats, led by Ambassador Saccomani, who are in constant communication with Iraqi authorities.

We will continue to use the means at our disposal to help Iraqis build social and economic foundations for recovery and growth.

• (1900)

[*Translation*]

Ms. Manon Perreault: Mr. Speaker, it is important to understand that, since the beginning of time, people have known that it is a mistake to try to combat brutality with brutality. Obviously, the government has no intention of discussing this issue with its democratically elected opponents and even less intention of listening to Canadians who do not share its views.

How can we think to give lessons to others when our government cannot even set a good example?

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That being said, I have confidence in our soldiers, and I am sure that they are doing a good job. I have confidence in our generals, who are able to use and share with their partners good tactics and strategies that will save many lives. However, the conflict involving ISIL fighters is much too serious to limit our action to war efforts.

What else do you have to propose to Canadians who are worried about the government's clearly emotional but ill-considered decisions?

[*English*]

Mr. David Anderson: Mr. Speaker, I have a very difficult time understanding where the member opposite is coming from. I just went through a list of the areas in which we are working with our allies and other nations to deal with this issue on a whole number of levels.

The depraved ideology and brutal tactics of ISIL are an affront to humanity. I do not know why the member opposite will not recognize that. They threaten the core values that we as Canadians hold dear. When confronted with a terrorist threat of this scale and character, we cannot afford to remain on the sidelines. I wish the member opposite would come to that conclusion as well.

That is why, in concert with our allies, we are taking decisive action. We are going to counter ISIL militants in Iraq through our air task force and advise and assist mission. These deployments complement a huge range of humanitarian and stabilization efforts that we are putting in. We are trying to restore the security of the Iraqi state and work with the new government in Iraq.

We will continue to work with our coalition allies to uproot the scourge of terrorism that threatens this region and around the world, and which threatens our own country.

[*Translation*]

HOUSING

Mrs. Maria Mourani (Ahuntsic, Ind.): Mr. Speaker, the members of the National Forum on Housing and the Economy, which includes the Federation of Canadian Municipalities, the Canadian Construction Association, the Canadian Federation of Apartment Associations, the Insurance Bureau of Canada, the Canadian Home Builders' Association, the Canadian Housing and Renewal Association, the Canadian Medical Association, the Canadian Real Estate Association, and the Co-operative Housing Federation of Canada, have this to say to the government:

...federal operating agreements that provide \$1.7 billion in annual social housing funding have begun to expire, putting a deep strain on the low-income households who live in social housing, while over 200,000 Canadians experience homelessness every year at a cost of upwards of \$7 billion to the economy.

That is what those groups are saying to the government. The people representing those organizations agree that we must protect at-risk households living in existing social housing and innovate in making federal investments in Canada's social housing.

For nearly 30 years, the federal government, through Canada Mortgage and Housing Corporation's operating agreements with co-operatives and non-profit housing organizations, has been providing rent subsidies to thousands of low-income households, a significant proportion of which consist of elderly women, as well as families and people with disabilities.

In the coming years, 565,850 social housing units in Canada will lose the federal subsidies they have been receiving for decades. Quebec has 125,500 of these units, including several hundred in Ahuntsic.

On November 24, I asked the Minister of State for Social Development to renew the operating agreements that provide rent subsidies to low-income families. At the time, the minister said that funds had been transferred to the provinces to maintain funding for affordable housing when the agreements expired. However, representatives of the Fédération des coopératives d'habitation intermunicipale du Montréal métropolitain whom I met with on January 27 have no idea what the minister is talking about.

In response to my question the minister said:

...housing agreements have been coming to an end over the last many years and will continue to come to an end over the next 20 years because the mortgages are paid off.

What we have done, though, in order to help these housing units is extend our investment in affordable housing with the provinces. They are free, once these agreements come to an end, to continue support.

Does this mean that the minister has transferred or will transfer \$1.7 billion a year to the provinces to support existing social housing?

I would like to be clear that we are not talking about creating new affordable housing units, but about maintaining existing housing. The only concession made by the government to date, as I have been told by reliable sources, is that co-operatives that have not yet used the subsidy surplus will be able to use it after the contracts expire. I would like to know what funds and what transfers the government is talking about and how much money has been transferred.

• (1905)

[*English*]

Mr. Scott Armstrong (Parliamentary Secretary to the Minister of Employment and Social Development, CPC): Mr. Speaker, I want to thank the hon. member for her question of November 24 on affordable housing. I welcome the opportunity to once again explain the government's position on this issue, which we have done many times.

I want to remind the hon. member that the government has a strong record on housing. As I have said on previous occasions, our government has invested more than \$16.5 billion in housing since 2006. This has directly benefited more than 900,000 individuals and families across Canada.

Economic action plan 2014 confirmed yet again that our government is committed to ensuring that low-income families and vulnerable Canadians have access to quality and affordable housing.

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Our government realizes that some Canadians face financial constraints or have distinct housing needs that impede their participation in the housing market. This is precisely why we have invested heavily in housing and why we continue to work with our provincial partners, the territories, and other stakeholders across Canada to ensure that access to housing remains available to those most in need.

One way we are doing this is by renewing the investment in affordable housing to March 2019, with a federal funding component of \$1.25 billion over five years. This funding is being matched by the provinces and territories. It is being delivered through the renewal of existing bilateral agreements.

This collaborative approach has worked well since the investment in affordable housing was first introduced in 2011. This happens in large part because it gives the provinces and territories the flexibility they need to invest in a range of affordable housing programs to meet their local needs and priorities.

We are also providing support annually to households living in existing social housing, including low-income families, seniors, people with disabilities, and aboriginal people. Provinces and territories also contribute to this housing. It is provided under long-term agreements with housing groups. As we previously advised the House on November 25, these agreements span 25 and 50 years, and when they mature, federal government funding ends, as planned. Maybe the opposition just does not understand that when one's mortgage expires, one actually stops paying the bank, but the public understands this.

The majority of non-profit and co-operative housing projects are expected to be financially viable and mortgage-free at the end of these operating agreements. With mortgages now paid off, operating expenses will decrease and housing providers will be in a position to continue to offer affordable housing.

As I mentioned a moment ago, provinces and territories can use the federal funding from the investment in affordable housing to assist housing groups after their operating agreements mature, should the provinces and territories and other operators choose to do so. Our government has provided this flexibility to these partners.

Our government has also taken steps to give some social housing projects greater flexibility when their operating agreements mature. Social housing providers whose operating agreements allow for the establishment of a subsidy surplus fund can now retain any money they may have in this fund after the operating agreements mature. These funds can be used to continue the lower cost of housing for low-income households living in existing social housing. That opportunity and flexibility lies within this partnership.

As members can see, our government has taken a common-sense, responsible approach to investing in affordable housing in Canada. We are allowing existing agreements to end, as they were planned to end, but are making needed investments elsewhere in co-operation with the provinces and territories to continue to reduce the number of Canadians in housing need.

● (1910)

[*Translation*]

Mrs. Maria Mourani: Mr. Speaker, I think my colleague is missing something. Yes, those contracts are going to expire and the mortgages will be paid off. However, through the \$1.7 billion that was invested, it was possible to support low-income households. Now, when those contracts expire, we have to expect that through attrition, people who are unable to pay will have to give up their affordable housing, which in any case will no longer be affordable.

My colleague talked about \$1.25 billion in funding until 2019, but what is he talking about? That is my question. He seems to be saying that money would help mitigate the impact when the contracts end in a few years.

However, what are these funds called, the funds that are supposedly being transferred to the provinces? How much money is there? Is it \$1.25 billion each year? Moreover, what exactly does this mean on the ground?

[*English*]

Mr. Scott Armstrong: Mr. Speaker, I can assure members that the Government of Canada continues to invest heavily in housing, including approximately \$2 billion again this year.

These investments are making life better for low-income Canadians, seniors, people with disabilities and others who have real housing needs and need housing assistance from various levels of government and partners.

Regarding the social housing agreements referred to by the hon. member, I will say again that the end dates for these agreements have been known since they were originally signed. They expire between 25 and 50 years after they are signed. When these agreements mature, the last one in the year 2038, federal government funding for the project will end as planned.

The majority of projects are expected to be financially viable, but for those that may face financial difficulties after the mortgage is paid off, CMHC has been actively working to help housing providers prepare for the end of their operating agreements. This work will continue, as will our government's commitment to ensure that Canadians have access to the housing they need.

Once again, Canadians know that when their mortgages are over, they stop paying the bank.

[*Translation*]

THE ENVIRONMENT

Mr. François Choquette (Drummond, NDP): Mr. Speaker, I am pleased to rise in the House today for my first adjournment debate of 2015, with my hon. colleague, the Parliamentary Secretary to the Minister of the Environment. I would like him to know that we are going to have a lot of fun again this year. There will be many adjournment debates. He will have to get ready to stay up late. I will be asking him questions on a regular basis.

On December 3, I asked the hon. Minister of the Environment about the importance of fighting climate change. As hon. members know, all countries, including Canada, urgently need to work together. Canada's reputation with regard to climate change is not getting any better. It continues to get worse.

While China and the United States are making considerable efforts to improve, the Minister of the Environment keeps playing games by excluding opposition members, opposition environment critics, from official Canadian delegations on climate change, as was the case in Lima. What is more, my hon. colleague, the parliamentary secretary, was not even invited either. I would like to know why. It is too bad for him.

At the conference held this past December in Lima, Peru, the international community once again witnessed the Conservative government's inaction first-hand. It brought nothing new. The Minister of the Environment announced that her government did not even plan to regulate the oil and gas sector, which is responsible for this country's ever-increasing greenhouse gas emissions. We have been waiting for more than five years for greenhouse gas targets in this sector, but we have yet to see anything. On the contrary, the government announced that it would not do anything. Instead, it would kowtow to the oil and gas companies and the coal industry. The Lima agreement stipulates that Canada must set stricter targets than before.

Speaking of Canada's weak greenhouse gas targets, we know that our country will not reach its weak targets by 2020. Everyone has said so, except the government, which continues to hide its head in the sand. Everyone knows that we will not reach these minuscule targets. Everyone says so, even officials at Environment Canada.

Canada's complacency is shameful, given that this important conference in Lima has set the stage for the 21st conference, which will take place in Paris in 2015. The Paris conference is very important since that is where the new global climate treaty to succeed the Kyoto protocol will be presented. It is true; I forgot that the Conservatives withdrew from the Kyoto protocol, which shows how little regard they have for this issue.

UN Secretary-General Ban Ki-moon, who is usually quite reserved, abandoned that approach a long time ago. Indeed, he asked Canada to be more ambitious and to show more vision on the issue of climate change.

The two largest greenhouse gas emitters in the world, China and the United States, have already taken a major step forward. Will Canada follow their example by presenting a plan for reducing greenhouse gas emissions in the oil and gas industry? It is urgent.

• (1915)

[English]

Mr. Colin Carrie (Parliamentary Secretary to the Minister of the Environment, CPC): Mr. Speaker, I would like to thank the hon. member for Drummond for his interest in the climate change conference that took place in Lima last December. I also thank him for his first question and answer back and forth in 2015. I look forward to a few more of those over the next few weeks.

Our government is working to negotiate a new global climate change agreement that includes commitments from all major

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emitters. We take the challenge of climate change seriously, which is why we are doing our part, reducing emissions in Canada and working with our international partners. The Canadian delegation played a constructive role in these discussions, which proved to be successful. In fact, while in Lima the Minister of the Environment hosted a successful event to highlight the importance of incorporating traditional knowledge into environmental decision-making.

United Nations negotiations are fundamentally a government-to-government exercise. Governments of all participating countries, including Canada, examine issues, make decisions and commitments balancing the global imperative for climate action with their own national circumstances and capacities.

The delegations negotiating on behalf of each country need very specific technical and analytical expertise on a broad range of issues. Recognizing this requirement, the composition of Canada's delegation was decided around the issues at play during the meeting.

• (1920)

[Translation]

In addition to the various countries' delegations, there were also many non-governmental observer organizations in attendance in order to encourage non-governmental stakeholders at the Lima conference to be more open and to take action. Nearly 1,600 organizations throughout the world have observer status and can seek accreditation for their members.

Many Canadian stakeholders can therefore participate in climate conferences, such as the one held in Lima, through some of these organizations.

Our government also recognizes that we do not have to wait until the UN concludes its negotiations to take action on climate change. That is why we are active members of a number of other international forums, where we lead initiatives that can produce short-term benefits.

[English]

For example, Canada co-founded the Climate and Clean Air Coalition that supports efforts of about 100 partners in delivering concrete actions to address short-lived climate pollutants in a variety of sectors. Domestically, our government has taken action on mitigation and adaptation in tandem in order to reduce the long-term risks associated with climate change.

Notably, our government is systematically implementing a sector-by-sector regulatory approach for reducing greenhouse gas emissions. This approach is complemented by significant investments in clean energy and technology.

In conclusion, both our domestic and international efforts demonstrate our government's commitment to address climate change.

*Adjournment Proceedings**[Translation]*

Mr. François Choquette: Mr. Speaker, I would like to quickly come back to what my colleague just said about the sector-by-sector approach because the government forgot to include the oil and gas industry in that approach. This sector-by-sector approach is thus nothing but a pale reflection of what it should be.

With regard to the accord that was recently concluded in Lima and the negotiations, federal investments in climate change research have been reduced so much that *La Presse* reported on November 7 that the reduction in federal funding in this field of research was depriving researchers of essential data.

Because of the Conservative government's cuts to the science of climate change, researchers are having difficulty getting the data they need to study climate change.

How can this government explain the cuts to funding for this research?

[English]

Mr. Colin Carrie: Mr. Speaker, as he mentions, our sector-by-sector regulatory approach is working. Our approach will see 130 megatonnes less than it would have been under the Liberals.

Our government's record is clear. We have taken decisive action on the environment, while protecting our economy. We are doing both. We are working to negotiate a new global climate change agreement that includes commitments from all major emitters. We cannot work alone.

We are playing a leadership role on the international stage. In fact, our government has helped more than 65 developing countries to reduce their emissions and adapt to climate change. We will continue that leadership role.

[Translation]

The Deputy Speaker: TMThe motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 7:24 p.m.)

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