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OFFICIAL REPORT  
(HANSARD)

**Monday, April 18, 2016**

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**Speaker: The Honourable Geoff Regan**

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# HOUSE OF COMMONS

Monday, April 18, 2016

The House met at 11 a.m.

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*Prayer*

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## PRIVATE MEMBERS' BUSINESS

• (1105)

[*English*]

### TAXPAYER BILL OF RIGHTS

**The Speaker:** Before we go to orders of the day, I have a point of order from the member for New Westminster—Burnaby.

[*Translation*]

**Mr. Peter Julian (New Westminster—Burnaby, NDP):** Mr. Speaker, I rise on a point of order with some brief remarks about Motion No. 43 by the member for Calgary Rocky Ridge.

I do not wish to criticize my colleague, who is acting in good faith. He wanted to introduce legislation on a subject that matters very much to him. The entire NDP caucus and I would be glad to debate the taxpayer bill of rights and the services provided by the Canada Revenue Agency.

However, it is clear to me that Motion No. 43, as drafted and presented to the House, violates Standing Order 68(4).

Standing Order 68(4) states that only a minister can move a motion to do what Motion No. 43 seeks to do. I would like to quote part of that standing order:

A motion by a Minister of the Crown to appoint or instruct a standing, special or legislative committee to prepare and bring in a bill, pursuant to section (1) of this Standing Order, shall be considered under Government Orders.

I would now like to read from page 722 of O'Brien and Bosc, which is very clear about drafting by a committee:

A committee may be instructed to prepare and bring in a bill or a committee may be appointed for that specific purpose. Motions to this effect may be moved only by a Minister.

In my opinion, there is no question that Motion No. 43 is a private member's motion that will be debated during the time allocated for private members' business.

We asked the clerks of the House to tell us whether a committee has ever been mandated to prepare a bill under a private member's motion.

I would like to thank the clerks for getting back to us so quickly last Friday. They gave us two examples: Motion No. 411, placed on notice on April 1, 2003, and Motion No. 541, placed on notice on February 2, 2004.

However, neither of these two motions was debated in the House. We are therefore entering uncharted waters. There were no points of order raised regarding these motions either, but that must be because they were not debated.

Since Standing Order 68(5) came into effect, only two bills have been drafted by a committee, which suggested the wording for the bills under this standing order. One of those bills was drafted in response to an opposition motion that was moved by the member for Prince George—Bulkley Valley at the time and debated on October 30, 1997.

However, it is important to point out the differences in that case. That motion called on the government to:

...bring forward a motion, pursuant to Standing Order 68(4)(a), to instruct a legislative committee to prepare and bring in a bill to amend those sections of the Criminal Code which deal with impaired driving...

That is just part of the motion.

That same day, at around 3:40 p.m., the member for Abitibi at the time proposed an amendment. The government party thus instructed the Standing Committee on Justice and Human Rights to draft the bill.

When debate on the amendment finished at the end of the day, the amendment was adopted. The motion was then adopted as amended. When the Speaker announced it, the then minister of Human Resources Development moved a government motion as called for in the amended motion by the member for Prince George—Bulkley Valley.

The minister obtained the unanimous consent of the House to move the motion mandating the Standing Committee on Justice and Human Rights to prepare the bill. That motion was also immediately adopted. The committee presented the text of a draft bill in May 1999.

In the only precedent in which a committee prepared a bill as a result of an opposition motion, all the parties agreed to allow a minister to move a motion instructing the committee, which was in line with Standing Order 68(4).

*Private Members' Business*

This is not what Motion No. 43 does, since it does not require any ministerial involvement. As a result, with all due respect to my colleague from Calgary Rocky Ridge, his motion violates the Standing Orders, in particular Standing Order 68(4). This motion should be ruled out of order.

**Mr. Andrew Scheer (Regina—Qu'Appelle, CPC):** Mr. Speaker, I thank the hon. House Leader of the New Democratic Party for his speech, but he must understand my colleague's motion.

• (1110)

[English]

I would just like to take a few seconds to read out the procedural portion of the motion that the House is hopefully about to debate. It states that:

...the tabling of a report pursuant to this order shall be an order to bring in a bill based thereon; and when the member for Calgary Rocky Ridge, in proposing a motion for first reading of a bill, states that the bill is in response to the recommendations contained in a report pursuant to this order, the second reading and subsequent stages of the bill shall be considered under private members' business and the bill shall be placed immediately at the bottom of the Order of Precedence of private members' business as a votable item in the name of the member for Calgary Rocky Ridge.

I can appreciate that there is no standing order that would allow the member to propose something like this, and that is exactly what the motion is: it is a motion to have a provision to do that. The House does this all the time. We hear all kinds of motions, usually done by unanimous consent, as my colleague pointed out, but not necessarily. There are government motions from time to time that are debated and voted on that may direct the House to take a course of action or adopt procedural measures that are not necessarily contained in the Standing Orders.

The member is proposing an instruction to committee, and it comes with a special order to allow the House to deal with it. I do note that Standing Order 68(4) indicates what will happen when a minister does move a motion to have a committee bring in a bill. Standing Order 68 spells out exactly how that will operate, but that does not in and of itself prohibit other types of instances in which a committee could be instructed to bring in a bill, especially in a situation when we have a motion to do just that.

I understand that there is a standing order for ministers, and that is fine. Given that there is not one for private members' business, the member is responding by providing for a special order, and the House will have an opportunity to decide. The House obviously has had an opportunity to read what is in the motion, both in terms of the content of what the committee will look at and then what the House will do procedurally. It is up to the House to decide if it wants to adopt the special order, should there be a vote, hopefully, and we would encourage members to vote in favour of it. The House will ultimately have a decision to take, and the decision will guide the House procedurally in how to proceed further.

[Translation]

**The Speaker:** I thank the hon. member for New Westminster—Burnaby for raising this concern about the motion.

[English]

I would like to thank the hon. member for Regina—Qu'Appelle for his intervention as well.

[Translation]

I will take this matter under advisement and inform the House in due time of my ruling on whether Motion No. 43 is procedurally in order.

[English]

In the meantime, given that the House was given notice that this was the motion to be debated at this time and is prepared to do so, and also in order not to penalize unnecessarily the member for Calgary Rocky Ridge in whose name it stands, I will now allow the debate to go forward today.

• (1115)

**Mr. Pat Kelly (Calgary Rocky Ridge, CPC) moved:**

That the Standing Committee on Finance be instructed to undertake a study to prepare and bring in a bill, and to report to the House on: (a) the steps necessary to establish an enforceable duty of care between the Canada Revenue Agency (CRA) and individual taxpayers; (b) the steps necessary to make the provisions of the Taxpayer Bill of Rights legally enforceable, such as by amending the Canada Revenue Agency Act to establish a duty of care owed by the employees of CRA to the taxpayer when performing duties and functions under all revenue related law, with the standard of care being defined as the rights contained in the Taxpayer Bill of Rights; (c) the steps necessary to amend the Taxpayer Bill of Rights with the following changes, (i) in Right 4, add the requirement that CRA take reasonable and necessary steps to avoid frivolous, vexatious, malicious, and/or grossly negligent actions toward taxpayers, (ii) in Right 8, add the requirement that information provided by CRA via any means, including but not limited to correspondence, telephone calls, and its website, be accurate, reliable, and in compliance with all applicable revenue law, and add the requirement that information provided by CRA to taxpayers by telephone be followed, within a reasonable time, by the same advice in writing, (iii) in Right 9, add the requirement that complaints about CRA's service be addressed in a timely manner, add investigation and enforcement powers to the Office of the Taxpayers' Ombudsman, including the power to dispense remedies to make a taxpayer whole in relation to the standard of care set out in the Taxpayers Bill of Rights, (iv) or, if the changes mentioned in (i), (ii), and (iii) are not possible, to add the additional rights mentioned in subsections (i), (ii), and (iii), as new rights; (d) the steps necessary to empower the Office of the Taxpayers' Ombudsman to direct compliance with Tax Court rulings or formal decisions on specific cases; and (e) the steps necessary to impose reasonable limits on the rights forming the standard of care and duty of care created by the sections above; and, that the Committee report to the House no later than December 15, 2017, provided that in its report, the Committee shall recommend the principles, scope and general provisions of the said bill and may include recommendations regarding legislative wording; and, that the tabling of a report pursuant to this order shall be an order to bring in a bill based thereon; and when the Member for Calgary Rocky Ridge, in proposing a motion for first reading of a bill, states that the bill is in response to the recommendations contained in a report pursuant to this order, the second reading and subsequent stages of the bill shall be considered under Private Members' Business and the bill shall be placed immediately at the bottom of the Order of Precedence of Private Members' Business as a votable item in the name of the Member for Calgary Rocky Ridge.

He said: Mr. Speaker, death and taxes are perhaps the two great certainties in life. Both are inevitable. However, the means of administering them bear debate. Law-abiding Canadians should not be figuratively taxed to death. They should not lose their business, their home, and their physical health due to gross negligence by the tax collector.

*Private Members' Business*

Although no one relishes the prospect of paying taxes, the vast majority of Canadians dutifully file their returns, keep their receipts, and claim only those deductions to which they are entitled. The Canada Revenue Agency, for its part, normally conducts its business fairly and efficiently. However, an egregious error by the Canada Revenue Agency can cost taxpayers dearly, through no fault of their own. Sadly, such errors do occur from time to time. Motion No. 43 aims to correct this problem by instructing the House of Commons Standing Committee on Finance to study and report on the means of creating an enforceable duty of care from CRA toward Canadian taxpayers. The motion also aims to make CRA more accountable for its communication, to empower the Office of the Taxpayers' Ombudsman, and to allow egregiously wronged Canadians to obtain remedies.

Several stories illustrate the need for such reforms. Irv Leroux was an enterprising British Columbian. In the early 1990s, he cleared a patch of land to build a campground and recreational vehicle park. His troubles began when CRA audited him in 1996. CRA required certain paperwork, which Mr. Leroux supplied. Through an egregious oversight, CRA first lost and then destroyed his original documents. However, this did not stop CRA from continuing to demand that he produce the original documents, or from refusing to accept copies that he painstakingly acquired and supplied. Instead, CRA continued to demand the originals that it had destroyed. It simply pressed on with its reassessment of his income, having destroyed the only evidence he could use in his defence. Ten years later, in 2006, CRA conceded that Mr. Leroux was correct all along and that he did not owe the taxes it had originally demanded. However, the damage was done. The struggle with CRA cost Irv his business, his home, even his physical health. Mr. Leroux sued CRA, and eventually the court ruled that CRA owed him a duty of care and had acted negligently. His is a story of one man being ruined by egregious treatment by CRA. This should never happen again.

In another case, a constituent of mine from Calgary Rocky Ridge, named David, was in a shared parenting arrangement with his ex-wife. In order to comply with the Divorce Act, he and his wife made an agreement that compelled each former spouse to pay support to the other based on their incomes. David did his best to comply with the law. He read the rules carefully and looked up information on CRA's website. He thought that he could rely on CRA's website for accurate tax information, especially since he found a seemingly helpful example on the website which matched his situation to a T. However, some years later, CRA reassessed him, denied the deductions that its own website indicated he was entitled to, and demanded a very large amount of back tax.

Clear and reliable communication from CRA to taxpayers would avoid much stress and cost both to taxpaying Canadians and to the treasury.

In a third example, Janet is a hard-working mom from southern Ontario. She pays her taxes, keeps her receipts, and complies with the law. However, through no fault of her own, someone at CRA checked the box to mark her as deceased. One click of the mouse caused months of trouble for this law-abiding taxpayer. CRA flagged her social insurance number, which stopped the payments of her universal child care benefit. It demanded reimbursement of an overpayment to her estate, yet still accepted source deductions from

her employer, presumably as a new category of working dead. Worst of all, her status as primary caregiver for her son was withdrawn. Despite repeated calls to Service Canada and CRA, her son remained without a legal caregiver.

• (1120)

It is hard to imagine the stress and anguish of a mother facing the possibility of the state seizing her child and treating her like an abductor. Here is a woman who did nothing wrong but suffered months of stress, financial uncertainty, unnecessary extra work, and fear of losing custody of her child due to an administrative mistake with far-reaching consequences.

What would have happened had this occurred to a senior with reduced faculties who did not have an employer and a helpful member of Parliament in her corner like Janet did? How much suffering would ensue if someone's OAS, GIS, CPP, or other supports tied to their social insurance number, suddenly cease without notice? A more user-friendly resolution program with a stronger ombudsman could help reduce such strain on blameless taxpayers.

These stories illustrate problems which Parliament can address through passing this motion. Indeed, I believe it is our duty as an elected legislature to respond to injustices caused by Canada's tax collector. As members of Parliament, we must respond to developments in the law which come up through the courts. When a court, such as the Supreme Court of British Columbia in *Leroux v. Canada Revenue Agency*, makes a new finding in federal law which could have widespread consequences, it is incumbent upon Parliament to respond.

In paragraph 209 of the *Leroux* case, Justice Humphries concluded that "in the circumstances of this case, the employees of CRA—more specifically the auditors—owed Mr. Leroux a duty of care". She went on to find in paragraph 311 "the standard of care [owed to Mr. Leroux was] that of a reasonably competent tax auditor in the circumstances".

The precedent-following nature of Canada's common law means that courts throughout Canada will now treat this duty of care decision as persuasive, or a binding precedent, depending on their level. If appeals take the matter to the Supreme Court of Canada, this duty of care may well become the law of the land, without legislative input.

*Private Members' Business*

M-43 proposes that Parliament take up its responsibilities and get ahead of the courts to study the best way to address the issue. The motion instructs the House of Commons Standing Committee on Finance to study and report on the steps necessary to create a legally enforceable duty of care owed by CRA to Canadians. In plain language, a duty of care means that someone must consider the legitimate interests of the other party in a particular relationship so that the former takes care to not unduly harm the latter.

Whether we like it or not, all Canadians enter a relationship with CRA, an agency which is far more powerful than any individual or business. Such power may be necessary for a functioning tax system, but should include safeguards against abuse, such as a duty of care.

By having the finance committee study and report on the matter, Parliament can ensure that we receive information needed to make a wise decision. We can hear from a wide range of stakeholders, from CRA itself to tax lawyers, taxpayer advocates, accountants, research staff at the Library of Parliament, and ordinary Canadians. Referring the matter to committee also ensures that the different parties can have their say on a measure which will affect Canadians regardless of political persuasion. By sending the matter to committee, Parliament ensures that the deliberations are visible to the public, thus contributing to the government's stated objective of open government.

I recognize that the finance committee has many pressing matters to address in the coming months, so I have included a generous timeline for Motion No. 43. Instructing the committee to report back by the last sitting day of 2017 gives it a year and a half to address the matter without sacrificing other important priorities.

Creating a duty of care between CRA and taxpaying Canadians is an important step, one which should be taken carefully and correctly with the full participation of Parliament, but taken nonetheless.

This brings me to the specific measures that M-43 proposes and the reasons behind them. A duty of care is always accompanied by a standard of care by which it is measured. In the Leroux case, Justice Humphries found the standard to be that of a reasonably competent auditor. However, what guides reasonably competent auditors? What guides CRA as a whole in determining how to treat taxpayers?

The taxpayer bill of rights already provides a list of expectations for how CRA should conduct its affairs. However, the taxpayer bill of rights remains more aspirational than enforceable. M-43 seeks to remedy that by instructing the finance committee to study ways to make the rights contained in the taxpayer bill of rights enforceable as the standard of care to which CRA will be held.

● (1125)

The motion also contemplates expanding some of the rights contained in the taxpayer bill of rights to address the problems which the stories of Irv Leroux, my constituent David, and Janet from southern Ontario, faced.

Adding the requirement that CRA take reasonable steps to avoid frivolous, vexatious, malicious, and/or grossly negligent actions toward taxpayers would codify something that CRA should be doing anyway, thus giving clarity both to CRA employers and to Canadian taxpayers. Adding the requirement that CRA provide accurate and reliable information would address David's case. If someone who

consults CRA's website for information about claiming a deduction or credits finds an example that matches his or her family's facts to a T, he or she should be able to count on the information being accurate. That brings me to the proposal to empower the office of the taxpayers' ombudsman to investigate, enforce, and dispense remedies.

A stronger ombudsman with these powers would prevent many disputes from going to tax court and would act as an internal correction measure, balancing the needs to collect revenue efficiently and an obligation to not abuse taxpayers. Most important, it would provide a way to make taxpayers whole if the ombudsman finds gross negligence. A stronger ombudsman could help sort out small mistakes with large consequences, such as when Janet was incorrectly marked as deceased. It could also discourage CRA employees from digging in and standing by their errors when they make mistakes, since a smooth investigation and remedy system could deal with mistakes quickly and quietly.

Rights always come with responsibilities, and this motion is no exception. In creating new rights or expanding the existing ones under the taxpayer bill of rights, we in the legislature are responsible for imposing reasonable limits on them so that they do not cripple the CRA's ability to collect revenue. The motion includes an instruction to the finance committee to study the steps necessary to impose reasonable limits on the taxpayer rights so that Parliament can strike the right balance between collecting revenue and protecting Canadians.

To be clear, this motion would not make CRA liable for every mistake made by its employees, but it would seek to hold CRA accountable for gross negligence. The finance committee is ideally suited to discuss these limits and consult with the Minister of National Revenue and representatives of her department on where to set them. CRA plays an essential role in financing the government, and so should not be impeded, except to the extent needed to protect taxpayers from egregious abuses.

Let me conclude by appealing directly to my honourable colleagues in each party. Members of the government and other opposition parties may be asking why they should support a private member's motion about the Canada Revenue Agency.

To my colleagues in the government, I would say that I support their campaign promise and the Minister of National Revenue's mandate to take action to make CRA more fair, more helpful, easier to use, and more, as they put it, client focused. This motion squarely fits with those laudable goals and offers a thoughtful way to implement them. Through this motion, it may be possible for my Conservative colleagues and me to help the government fulfill this particular plank from its election platform. We welcome the opportunity to work together to study the matter and draft a sensible solution that is good for all Canadians.

*Private Members' Business*

To my colleagues on my left on these opposition benches, I would say that the measures proposed in this motion go to the heart of their party's historic desire to be Canada's social conscience and ensure that ordinary Canadians get a fair shake. After all, this motion would be most beneficial to Canadians who cannot afford expensive professional tax advice when preparing their returns and cannot afford legal representation if they become part of a dispute.

Regardless of whether a Canadian votes Conservative, Liberal, NDP, Bloc, or Green, we all have to pay taxes, and we all want to be treated fairly by CRA. We can and we do disagree as parties on what the tax rates should be and how taxpayer dollars should be spent, but surely we can all agree that the tax collector should be efficient without crushing Canadians and that, when it comes to paying taxes and disputing a CRA ruling, the process should never be the punishment.

I urge all of my honourable colleagues from all parties to join me and vote in favour of Motion No. 43.

• (1130)

**Hon. Larry Bagnell (Yukon, Lib.):** Madam Speaker, I thank the member for his thoughtful motion, and I certainly agree with the objectives of improving the work at CRA. That is why I am delighted that the government has put extra funds in the budget this time and advocated for the process, not only for CRA but for several other departments, to make them more efficient.

However, I am not sure that this is the exact way to ensure those rights, and I have a quick question.

The motion talks about it being “necessary to empower the Office of the Taxpayers’ Ombudsman to direct compliance with Tax Court rulings or formal decisions on specific cases;”. I do not understand that if there are rulings and formal decisions why they are not already enforced. If the court orders something, is it not enforced? As well, in empowering the ombudsman to order redress, it appears to be more powerful and extensive than any other powers of parliamentary ombudsmen. I wonder if the member has any precedents for such a move.

**Mr. Pat Kelly:** Madam Speaker, I thank the member for Yukon for what sounded like support for the intent of this motion, which really ought to appeal to all of us as parliamentarians.

To answer his questions, certainly one would think that, if a court ruling is made, that should be the end of it and there would be no further direction required. However anecdotally, that does not appear to be the case, based on some complaints and discussions we have had over difficulties with the agency complying with the court ruling. Therefore, we included that in the motion specifically in response to what we have been told in our research.

As far as giving the ombudsman further teeth is concerned, I do not have a precedent in terms of other agencies, but the CRA is a unique agency in that it has unique power over Canadian taxpayers and businesses. Because of the reverse onus nature of the way the CRA works when assessing—

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** There are other people who want to ask questions, so if members can keep their questions and responses short enough, we will be able to get through this.

Questions and comments, the hon. member for Sherbrooke.

[*Translation*]

**Mr. Pierre-Luc Dusseault (Sherbrooke, NDP):** Madam Speaker, I thank my colleague for his initiative.

I will let him continue to talk about the ombudsman, because that is something I also wanted to discuss. The motion states in (c)(iii):

...add investigation and enforcement powers to the Office of the Taxpayers’ Ombudsman, including the power to dispense remedies to make a taxpayer whole in relation to the standard of care set out in the Taxpayers Bill of Rights...

The motion states in (d):

...to empower the Office of the Taxpayers’ Ombudsman to direct compliance with Tax Court rulings or formal decisions on specific cases...

How will the Standing Committee on Finance be able to do this? I am very intrigued by this. Right now, the ombudsman is an administrative ombudsman who was appointed by the Governor in Council. Changing the ombudsman's powers to that extent significantly changes the ombudsman's role. That would take more than this motion, and only the government can change the ombudsman's mandate.

What kind of solution does my colleague think the Standing Committee on Finance could find to address this potential impasse?

• (1135)

[*English*]

**Mr. Pat Kelly:** Madam Speaker, I thank the member for the question allowing me to continue in somewhat the same vein as in response to the previous question.

Yes, we have asked the committee to study and report back on this issue and find ways to address the objectives. One of the objectives is to ensure that the office of the ombudsman has sufficient powers to help protect Canadian taxpayers. I would encourage other members to support the motion to allow the study to go ahead and find ways to enhance the powers of the ombudsman to ensure that taxpayers can be made whole when an egregious error occurs on the part of the Canada Revenue Agency.

[*Translation*]

**Mr. Emmanuel Dubourg (Parliamentary Secretary to the Minister of National Revenue, Lib.):** Madam Speaker, I welcome this opportunity to rise today to clarify the actions being taken, on multiple fronts, to uphold the rights and interests of Canadian taxpayers in a responsible manner.

The Canada Revenue Agency is committed to delivering real results and professional government to Canadians. Thanks to budget 2016's infusion of \$1 billion over five years in supplementary funding, the agency will be able to do just that.

*Private Members' Business*

In addition to combatting tax evasion and tax avoidance and enhancing tax collections, the CRA will put this new money to work to improve service to Canadians, especially low-income Canadians, newcomers, and indigenous communities. An investment of \$185.8 million over five years will support enhanced telephone access and easy-to-understand correspondence, and several measures have already been taken to do just that, as well as increased outreach for vulnerable and low-income Canadians, including indigenous peoples.

As members can see, there is a fundamental flaw with Motion No. 43 moved by my colleague. While it is undoubtedly well-intentioned, it is unnecessary, and I will explain why. It is a solution in search of a problem, a problem that does not exist.

I am not disputing the stories my colleague shared with us, but I just want to say that there are measures in place to help these people who are encountering these types of problems with the Canada Revenue Agency.

Canadian taxpayers already have numerous means of recourse to resolve disputes if they disagree with their tax assessments. If the House were to adopt this motion, it would merely duplicate the full range of services and information currently available to taxpayers. The CRA's taxpayer bill of rights contains 16 rights as well as five commitments to small business. This confirms the CRA's commitment to serve taxpayers with professionalism, courtesy, and fairness.

The service rights of the taxpayer bill of rights are backed by the CRA's service complaints program and the taxpayers' ombudsman. More to the point, many rights found in the taxpayer bill of rights are already enforceable under the Income Tax Act, the Official Languages Act, and the Privacy Act. These statutes ensure judicial recourse for Canadians, such as the right to object to a tax assessment or the right to privacy and confidentiality.

Moreover, the Supreme Court of Canada has already made a distinction between policy decisions and operational decisions. The court has ruled that operational decisions, the implementation of government policies, are already subject to a duty of care. Accordingly, the creation of an enforceable duty of care would be legally redundant. Simply adding the term "enforceable duty of care" to the taxpayer bill of rights would have no more force than what exists at the moment.

• (1140)

[*English*]

I should point out that the taxpayer bill of rights was amended in 2013. This provided the opposition with ample opportunity when it was the government to make the improvements it deemed necessary. It is curious that the hon. member for Calgary Rocky Ridge now feels that it failed to do an adequate job and must call for these amendments.

Presumably, the authors of those recent amendments recognized that CRA's mix of legislated and service rights is the right approach. It is consistent with the way many other OECD countries address these issues.

I would also note that the member has cited particular cases in media interviews as inspiration for his motion. One of the cases

began 19 years ago, well before many of the avenues of recourse that exist today were in force.

[*Translation*]

While I share his concerns about the taxpayers in his riding who had difficulty with recourse to the Canada Revenue Agency, I can report that the case in question was resolved shortly after this government came to power.

The hon. member cited the case of one of his own constituents as well. It is not appropriate to discuss detailed information. According to section 241, the Canada Revenue Agency cannot discuss specific cases. However, I would hope that my colleague has advised the individual of the recourse mechanisms provided by the CRA.

My second argument against the motion relates to the Office of the Taxpayers' Ombudsman. The ombudsman provides an impartial review of unresolved service complaints from taxpayers. The Office is neither an advocate for the taxpayer, nor a defender of the CRA. Rather, it investigates complaints related to service delivery to determine whether taxpayers received accurate, clear and complete information in a fair, courteous and timely manner.

The ombudsman investigates the facts and, when required, recommends corrective action to systemic service problems. This approach makes it possible for taxpayers to avoid an adversarial, protracted and litigious process. This is the fairest way to address contentious issues, since these rights are extended to all Canadians and not only those who can afford to go to court.

Perhaps even more importantly, this fosters an open and cooperative relationship between taxpayers and the Agency, allowing the CRA to resolve complaints quickly and at minimum cost. Some complaints and disputes are caused by a lack of information or by a simple miscommunication. That is why people working at the CRA want taxpayers to talk to them and stay in contact.

I would remind hon. members that we are making an unprecedented \$188-million investment to improve client services. My colleague's concerns are welcome; however, we have already launched a number of measures to resolve some of the disputes.

Briefly, if a taxpayer is having problems with the Canada Revenue Agency, there are a number of ways to address this. A number of measures including My Account, My Business Account, and Represent a Client are in place to help taxpayers resolve their disputes with the CRA.

This motion proposes that a formal letter be mailed out to taxpayers following each telephone call to the CRA. All that would do is put in writing the information that taxpayers already received from an agent on the phone.



*Private Members' Business*

I would remind my colleague that last year, in the last Parliament, the Canada Revenue Agency even looked into whether its phone services were satisfactory or not. I wonder what was done about it. The Conservatives were in power at the time.

Now we are in power. We are investing an incredible \$185 million to improve telephone and documentation services. We want taxpayers to be treated as clients.

That is why we are voting against my Conservative colleague's motion.

• (1145)

**Mr. Pierre-Luc Dusseault (Sherbrooke, NDP):** Madam Speaker, first of all, I would like to thank my colleague for this morning's initiative, which is certainly motivated by the best intentions.

I, too, will begin by summarizing the content of the motion and touching on what I find, at the very least, problematic, without taking anything away from the member's good intentions.

First, the motion calls for the following unusual steps: that the items it contains be referred to the Standing Committee on Finance so that they may be incorporated into a bill; to report to the House the bill drafted by the Standing Committee on Finance in the name of the member for Calgary Rocky Ridge; that this bill then be placed on the order of precedence; and finally, that the member debate the bill as though it were his own private members' bill.

We have to acknowledge that this request is rather unusual. Our colleague, the member for New Westminster—Burnaby spoke about it this morning in his point of order, and we hope that the Speaker will clarify the precedents for creating this type of motion and the feasibility of this practice.

Today, I would like to spend more time on the content, because that is what people are really interested in. This is a long motion, and it was read earlier.

In short, part (a) is about adding an “enforceable duty of care” for agency employees to the Canada Revenue Agency Act.

Part (b) is about entrenching the taxpayer bill of rights in the law. I used the word “entrench” because that is exactly what this is. Obviously, as my colleague pointed out, that could create a number of problems.

Part (c) is about amending certain rights. If the Standing Committee on Finance were to study this matter and entrench the rights in the law, my colleague would like to have the option of amending rights 4, 8, and 9.

Part (d), which intersects part (c) to a degree, is about changing the authorities and mandate of the Office of the Taxpayers' Ombudsman, which is one of the most problematic parts. My colleague raised that point as well.

At first blush, the proposed changes seem good, but we have a number of concerns about the legal feasibility of these proposals. The last thing we want to do is give the Standing Committee on Finance an assignment that includes things set out in a motion that are, for all intents and purposes, virtually impossible to include in legislation. The Standing Committee on Finance would be given a

mandate to draft a bill with what would be voted on later in this parliamentary session by June.

Let us talk a little bit about the legal framework within which we are working and the problems that could arise if the taxpayer bill of rights was included in the law, which is not currently the case. The taxpayer bill of rights is a reference document for the Canada Revenue Agency with regard to the services it offers to Canadians. These are extremely important rights for taxpayers.

This bill of rights was enacted under the previous Conservative government. It sets out a total of 16 rights, and some of them are purely legal rights that the Canada Revenue Agency is legally obligated to uphold. My colleague mentioned that.

The bill of rights indicates that Canadians have the right to receive the amounts owed to them by the Canada Revenue Agency. It is the least the CRA can do to give Canadians the money it owes them, and the CRA is legally obligated to do so. In our opinion, the right to service in both official languages is an extremely important obligation. It is important for that right to be a legal one. Canadians also have the right to privacy and to the protection of their personal information. Laws already protect those rights. Then, there is the right to have the law applied consistently. Obviously, that overlaps a bit with the first right.

• (1150)

Right 9 states that individuals have the right to relief in certain circumstances. This relief can be given in accordance with the Income Tax Act.

I went over right 4 quickly, which is the right to a formal review and an appeal of Canada Revenue Agency decisions. This is an extremely important right.

Rights 5, 6, 9, 10, 11, 13, 14, and 15 mostly have to do with service standards that the Canada Revenue Agency is required to uphold. I will give a couple of examples. Right 5 talks about being treated professionally, courteously, and fairly. Right 6 talks about the right to complete, accurate, clear, and timely information. Obviously, timely information is important as well. This is something my colleague brought up. However, there is a danger to integrating all of these rights into a law to make them legally binding. Treating people professionally, courteously, and fairly, or providing timely information could create some legal challenges, to put it lightly.

These rights, which are not necessarily protected by law, are protected by the taxpayers' ombudsman. He is responsible for enforcing taxpayers' administrative rights. Their legal rights are already protected and can be submitted to the courts.

In fact, in CRA's frequently asked questions there is some discussion about the bill of rights. Question 8, for example, asks whether these rights are legal. Here is the answer given on the Canada Revenue Agency website:

Administrative rights are the rights created by CRA to govern its relationship with taxpayers, in recognition of the fact that good service cannot be legislated; rather, it is founded on a corporate culture that emphasizes and rewards good service.

*Private Members' Business*

That is the answer on Canada Revenue Agency's own website, where it talks about taxpayers' administrative rights, which are extremely important. Far be it from me to suggest that these rights are less important than any other rights. I simply wanted to point out that there is a difference between certain rights in the bill of rights, and that putting them all in the same piece of legislation can create a legal problem.

I mentioned the Office of the Taxpayers' Ombudsman earlier. In my question for my colleague, I said the initial appointment was in 2007. The office was created through a Privy Council Order, P.C. 2007-0828, under the Conservatives, in order to better protect taxpayers in the event of breaches or nasty situations, like the ones my colleague mentioned, which are extremely troubling. That office was created to protect the administrative rights that were later set out in a taxpayers' bill of rights.

The only way to change the Office of the Taxpayers' Ombudsman and its mandate is by order in council. That could put the Standing Committee on Finance in a tricky position with respect to the ombudsman's authorities. This motion would change a number of things about its mandate and its authorities. Unfortunately, the power is in the hands of the Governor in Council and therefore in the hands of the government itself. That is not necessarily something that can be done via legislation. Furthermore, it is clearly stated that the taxpayers' ombudsman is an administrative ombudsman, which means that he reports to the head of the organization he investigates. This is not a legal mandate, unlike that of other ombudsmen, such as the procurement ombudsman, who has a legal mandate and therefore has legal powers at his disposal to enforce the law and regulations.

• (1155)

I thank my colleague for his initiative on this matter, and I am keen to hear the discussion to follow.

[*English*]

**Mr. Tom Kmiec (Calgary Shepard, CPC):** Madam Speaker, we need to think clearly on the motion. The very fundamental principle that should apply to taxpayers is that every taxpayer in Canada should be able to fill out his or her tax forms without the assistance of a professional accountant. They should be able to deal with the CRA without the need of any type of professional help.

The relationship taxpayers have with the Government of Canada and the Canada Revenue Agency is not voluntary. It is imposed upon them the moment they are born. The only time it is voluntary is if they are immigrants to our country. They get to choose to get treated poorly by the Canada Revenue Agency.

The income tax code is about 2,500 pages. I was very much tempted to print the entire document and put it on my desk to use it as a podium to read from.

I think of the Yiddish proverb "With knowledge you are nowhere lost." I was lost looking at the document in its original format. In very fine print, about six font on Bible-like scripture paper, this document is unreadable and unusable to most Canadians. It does not even include all the information bulletins, the opinion pieces produced by professional accounting firms, and the other material out there that is meant to interpret the tax code.

From the very beginning, the taxpayer is placed at a disadvantage when dealing with the Canada Revenue Agency. When a person from the CRA calls or sends a letter, one would automatically assume the person is correct in what he or she says. One would automatically defer to the person's better judgment simply because the tax code is so complicated.

Therefore, the motion is critical toward getting a better relationship and more equitable treatment for taxpayers. All it does is ask the committee to look at the issues, and it iterates some of the problems. Right 9 states, "add the requirement that complaints about CRA's service be addressed in a timely manner, add investigation and enforcement powers to the Office of the Taxpayers' Ombudsman". Those are points of consideration.

The committee could consider all of these things, consult, and report back. These were things the government was clearly wanting to do more of. It is also an opportunity to call witnesses. I would love nothing more than to call witnesses from my riding and some of the other people who send me emails, discussing their cases with me. I have talked to many people on the phone who have had poor treatment from the CRA, or have had their businesses destroyed because of errors by auditors or an assessment. Those are patently unfair.

The member for Bourassa pointed out how much money CRA was spending. I agree, some of these investments are pretty good. Let us look at the workload of the Canada Revenue Agency.

On page 206, chapter 7 of the budget, it says that the CRA answers over 23 million calls in a typical year. CRA sends out over 130 million pieces of correspondence each year. It sets out that it will make it an easier-to-read format. I am all for an easy to read format. Plain language is a great idea. The problem is that it does not address the problem of enforcement. What if this plain format is still wrong when it is sent to taxpayers? What if it leads taxpayers to commit an error, like in the Leroux case, where their businesses and livelihoods are destroyed?

Also, page 207 of the budget document, states:

...fairness by making it easier for taxpayers to avoid errors and comply with their tax obligations, allowing the CRA to direct its compliance efforts toward cracking down on tax evasion and aggressive tax avoidance.

What about taxpayers who are facing an aggressive auditor or an incorrect assessment? What about their rights? Where is their opportunity to stand up to the CRA and say that it is wrong, that it is committing an error that will cost them time and money, possibly destroying their livelihoods as well?

*Private Members' Business*

Page 217 of the budget, chapter 8, states, “Budget 2016 proposes to provide \$351.6 million over five years”. The motion provides a great opportunity to inform the government on where to spend this money to maximize the usefulness to the taxpayer. It should not be the usefulness to the government, or to the Canada Revenue Agency. It should be customer service-oriented. Taxpayers in this case are the customer. They must be treated fairly.

Reading the rest of the budget document, an exquisite piece of marketing sophistry, those are the points I find most useful.

The average taxpayer simply does not have the means to fight it all the way to the Tax Court of Canada and win. For very many taxpayers, once we tell them they have to go to the Tax Court of Canada, they simply give up. I haven spoken to many constituents, and people across Canada who have called my office. They have said that is not an option for them. They do not want to litigate for a decade and maybe win. It makes lawyers rich. It does not make the taxpayer rich. It does not make it right.

• (1200)

It is interesting to note that KPMG was able to get out of paying for running a \$130-million tax dodge on the Isle of Man. In that case it reached an agreement of some sort with the CRA.

According to an article by CBC, CRA employees were treated to hospitality suites at the Rideau Club. Menus for private receptions at the time included such sumptuous fare as scallop ceviche, duck rilletes crostini, and herb-roasted rack of lamb. I am not a philistine, but I am pretty darn close to it. The taxpayers in my riding cannot afford a menu like that to try to convince the CRA that they have been ill-treated.

This motion is for the average everyday taxpayer who does not have the means to go to a tax lawyer or a professional accountant. The average taxpayer has a regular job and a family. They have their lives to live. They do not want to deal with the CRA any more than they must. Each of us feels that way. I feel that way. Dealing with the government is the last thing on my mind and now I have to deal with it every single day.

Madam Justice Humphries mentioned the duty of care in the Leroux decision. Every member should get acquainted with this important decision. She mentioned proximity and foreseeability, the two most important considerations in determining duty of care.

In paragraph 204, Madam Justice Humphries mentioned the Taxpayer Bill of Rights, which gives individuals the right to have the law applied consistently. They also have the right to lodge a service complaint and to be provided with an explanation of CRA's findings.

The problem is that oftentimes an explanation is difficult to understand at best. It can be completely incomprehensible for most taxpayers. I have read some of these documents and I do not even understand them, but I am not a tax lawyer. Canadians should not have to rely on the expertise of a tax lawyer to understand what the government is trying to tell them when they are trying to comply in good faith with the rulings and decisions it is making. For many people it can destroy their livelihoods. In the case of Mr. Leroux, it destroyed his business, his livelihood. He fought for decades. No taxpayer in Canada should have to fight the government for decades to right a wrong. It simply should not work this way.

I am going to read a part of the decision because it is important to see where Justice Humphries went on this. Paragraph 247 says:

The interests of CRA and taxpayers are inherently opposed. The self-reporting self-assessing tax scheme set out in the Income Tax Act depends on the honesty of taxpayers who must make detailed and complete disclosure.

The same should apply to the CRA.

I am going to refer to a couple of cases involving constituents in my riding. I will not use their names because I do not want them to have further problems.

I think of a man in my riding. He had a business for three years. His bookkeeper made a mistake. He admitted that a mistake had been made. However, CRA made a mistake as well for three years. When it realized its mistake, the CRA assessed the man with a penalty of almost \$75,000, including interest, because it was over \$50,000. The CRA garnished the bank account of his business down to the last 10¢ in it. The CRA took everything. He had to fire all of his employees. He could not pay his vendors. He could not pay his rent. That was unreasonable. The CRA should have warned him and provided him with an opportunity to comply. He said he made a mistake. He is willing to comply, but he just needs to understand how to comply. Now he has a tax accountant.

There is another case from my riding which I would like to raise. A couple is facing a \$6,900 bill. They wanted to pay the bill, but Alberta is facing a tough economic situation and neither one of them is working. What more can they do? They have sold their cars and downsized from their house. Does the CRA want them to sell their home and move their family out? That is pretty much where this is going.

The last case I want to mention is that of a woman who has been trying to take advantage of the disability tax credit for her daughter who has PKU, a rare condition. Other families have told her that they have taken advantage of the disability tax credit for PKU-related expenses and have had no problem. She has appealed the decision many times and has been refused, but other families facing the same situation are getting refunds.

Consistency in the application of the law is what we want here. The motion would get us to that point. The motion would get the committee looking at the issue. The motion is basically proposing guidelines, the possibility for the committee to call witnesses, and to provide recommendations. I call upon all members to support the motion.

• (1205)

**Mr. David de Burgh Graham (Laurentides—Labelle, Lib.):** Madam Speaker, in principle, the motion sounds very interesting, the idea of bringing in a bill to require that the Canada Revenue Agency not make mistakes and to redress mistakes, but I have a number of implementation questions about such a bill.

*Government Orders*

First, the Conservatives were in power for a number of years and I am wondering why they did not do this already. I also want to know why the ombudsman would be given powers that no other ombudsman has. This is not a power that is normally given to ombudsmen. They do not get the power to enforce. They get the power to look at issues and make recommendations.

I am also not clear on how adding an enforceable duty of care to the Taxpayer Bill of Rights would provide more force than what currently exists. I do not see an improvement.

Again, in principle, I think the idea of having a bill is not a bad one, but I want to know how these things would actually help us in real tangible terms.

The budget which the government just presented dedicated \$185 million to address the government's commitment to service excellence through a number of initiatives already, such as for telephone services and correspondence. We are already doing some of the things that the motion would require us to do.

As for the taxpayer ombudsman reports being directed to the Minister of National Revenue, the ombudsman is neither an advocate for the taxpayer nor a defender of the CRA. Empowering the ombudsman to order redress is inconsistent with other ombudsman officers appointed by Parliament who have no such authority. Again, why would we create new rules for the ombudsman that do not exist elsewhere?

Since the Canada Revenue Agency administers tax for all of Canada except Quebec, the provinces would likely be interested in actions taken to improve compliance rather than establishing a statutory approach that would increase the overall cost of administering tax legislation without clear benefits.

I do not have a lot more to say on this. I am very concerned about the office of the ombudsman, the increased powers a bill would provide it. I also am concerned that this would limit the power of the minister to deliver on her mandate.

[*Translation*]

**Ms. Karine Trudel (Jonquière, NDP):** Madam Speaker, any time the Conservatives introduce a bill or move a motion, it always leaves me a little perplexed. From the title of today's motion, one might actually believe that they finally understand that we need to provide services to Canadians and be there for them. As the expression goes, however, the devil is in the details. In this case, the devil is all over Motion No. 43. This is just one more example of that party's tried and true tactics to mislead the public. That is why it was imperative that the previous government be replaced.

I am proud to represent the riding of Jonquière, and every time I rise in the House, I feel duty bound to represent the people of my region to the best of my ability. When I ran for office, I had a clear idea in mind: to try to improve the daily lives of Canadians and defend and promote their rights. It was with this in mind that I introduced my bill to ban replacement workers in order to protect Canadian workers. However, in the case of the motion currently before the House, I unfortunately do not have the sense that we are defending the interests of our constituents.

Motion M-43 makes no sense. Let me briefly explain why. First, when the ombudsman position was created by the Conservatives in 2007, there was never any question of giving that person this type of power. The ombudsman had the power to assess service delivery only. It was made very clear that the ombudsman was not to review the administration or application of tax legislation, unless that review was on service-related matters.

The Conservatives created an ombudsman position to defend the interests of our constituents without providing the necessary tools to do so. Now that they are no longer in power, they suddenly would like to provide the ombudsman with those tools. I call that bad faith. Speaking of bad faith, the Conservatives are smearing public servants and the service they provide. That is unacceptable.

I am proud of Canada's public servants, the services they provide, and their professionalism. When they are not given the money they need to do their jobs properly, that is when we run into problems. There have been so many cuts since 2012. The last budget cut \$314 million, eliminating jobs and a direct service.

In my riding of Jonquière, I have seen direct services being provided to people. People would wait for officers' lunch break to seek help and answers either because they could not afford Internet service or because they were unable to reach an officer by telephone as a result of the cuts in services at the CRA. These people needed to talk to someone and, because of the recent cuts, they were unable to get an answer. However, that is not because public servants are doing a poor job, but because their job has been eliminated.

I want to say that public servants do very good work and that they have to have the resources that will enable them to continue providing these services to Canadians.

• (1210)

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** The member will have six minutes when the House resumes debate on this motion.

As it is now 12:15 p.m., the time provided for the consideration of private members' business has now expired and the order is dropped to the bottom of the order of precedence on the Order Paper.

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## GOVERNMENT ORDERS

[*Translation*]

### AIR CANADA PUBLIC PARTICIPATION ACT

The House resumed from April 15, 2016, consideration of the motion that Bill C-10, An Act to amend the Air Canada Public Participation Act and to provide for certain other measures, be read the second time and referred to a committee, and of the amendment.

*Government Orders*

**Mr. David de Burgh Graham (Laurentides—Labelle, Lib.):** Madam Speaker, I will pick up where I left off on Friday.

The law clearly intended for Air Canada to continue maintaining its aircraft in certain regions of Canada. At the same time, the law was designed with one key public policy objective in mind, which was to privatize a crown corporation and allow it to become a competitive and viable private company.

As members no doubt realize, the airline industry has changed quite a bit since the law came into force in 1989. In 2015, Air Canada carried more than 41 million passengers and provided regular, direct service to 63 Canadian airports, 56 American airports, and 86 other airports worldwide, in Asia, Oceania, Europe, Africa, and South America.

Air Canada cannot escape the highly competitive international market. For example, the other national and international airlines are not subject to the same requirements regarding their maintenance facilities.

We must also consider Air Canada in the context of the global marketplace, a market that is characterized by large, multinational companies that operate over vast networks and with extremely expensive equipment.

Given the market's cyclical nature, it is also very sensitive to fluctuations. All it takes is an unfortunate incident, such as a pandemic, an accident, or a terrorist act, for the market to flounder and an airline's revenue and profit to be significantly affected.

Air transportation provides vital connectivity both within our vast country and with the outside world. It is also a significant source of jobs. For example, Air Canada alone employs nearly 25,000 people.

In light of this economic context, we believe that the Air Canada Public Participation Act may be limiting the company's ability to be competitive and profitable.

We therefore believe that the current law is inconsistent with an approach to air transportation based on competitive and market forces as the best way to provide passengers with reasonably priced services.

Like any company, Air Canada needs more flexibility in order to operate in a competitive environment and remain viable in the long term. Accordingly, the federal policy on Canada's air transportation industry focuses on competitive and market forces.

We also apply the user-pay principle for infrastructure and services, which is not the case in all of the countries that compete with us. As such, we cannot rest on our laurels because the aviation world is changing rapidly.

Naturally, we were all concerned by the closure of Aveos Fleet Performance, which resulted in layoffs across the country. Although portions of Aveos were purchased during bankruptcy proceedings and continued to operate, some employees did not end up finding work in their field.

Of course we were concerned by this closure and by the fact that Air Canada stopped having certain kinds of maintenance done in Canada. Air Canada's recent announcement about the C Series and

its collaboration in developing centres of excellence gave us hope that highly skilled workers would find work in this high-tech sector.

Air Canada's plan to purchase C Series aircraft would bring together two sectors that are vital to Canada's economic development: air transport and the aerospace industry.

It would enable Air Canada to operate cutting-edge planes, thereby reducing its costs, its fuel consumption, and its greenhouse gas emissions, while minimizing noise.

The planes will be designed, built and maintained in Canada. The creation of centres of excellence for the maintenance of C Series planes in Quebec and Manitoba will certainly have a positive impact on the industry and will probably attract other air carriers to use the services available.

The Government of Quebec estimated that the centre of excellence could create 1,000 jobs over 15 years. In addition, manufacturing the C Series planes would enable Air Canada to create another 300 jobs.

Moreover, the creation of a centre of excellence for western Canada would create an additional 150 jobs in Manitoba.

● (1215)

In closing, changing the language used to describe the activities and where they might be held, will allow us to modernize the legislation and make it more relevant.

● (1220)

[English]

**Ms. Rachel Blaney (North Island—Powell River, NDP):** Madam Speaker, I want to comment on the fact that across Canada we are seeing growing disparity. We know that well-paying jobs are getting harder and harder to come by. A lot of that has been led by a past Conservative government that did not really put the time into making sure we look after workers.

Knowing that we are really giving power to a business to make some decisions that would potentially leave workers behind in this country, and knowing that this would open the doors to allow a company to bring workers in rather than making sure those jobs stay with Canadians, how does the hon. member feel that is going to make an impact in this country?

**Mr. David de Burgh Graham:** Madam Speaker, I do not see it quite the same way as the member does. I agree that protecting workers is very important, but I see these changes permitting Air Canada to bring in not necessarily fewer workers but possibly more workers, because it can leave the no-longer-existent Montreal urban community, go off the Island of Montreal, and go outside of Winnipeg. It can go to other parts of the provinces and do the maintenance.

The aircraft Air Canada is purchasing, the C Series, is not manufactured on the Island of Montreal but very close. These purchases create jobs. The aviation industry creates jobs. The ability to have market flexibility allows the airline to remain competitive, which would guarantee the 25,000 jobs at the airline and not just a few.

*Government Orders*

**Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC):** Madam Speaker, I wonder if the member could tell the House what savings Air Canada would gain from the legislation, and how many Canadian jobs these savings would cost Canada.

**Mr. David de Burgh Graham:** Madam Speaker, I cannot speak for Air Canada in terms of how many jobs would go up or go down. However, I can say that the bill before us would help with the competitiveness of Air Canada, because it would take locks off it, which its opponents do not have. I think that is important to help Canadian business.

**Ms. Leona Alleslev (Parliamentary Secretary to the Minister of Public Services and Procurement, Lib.):** Madam Speaker, it is a privilege to speak today. The bill is about modernizing the Air Canada Public Participation Act to make it more in keeping with the realities of the global air transport sector, and to ensure that the act will continue to be relevant as the aviation sector evolves in the future.

First, it is important to recall that the Air Canada Public Participation Act was brought into force in 1988 primarily to provide the federal government with a legislative framework to enable the divestiture of Air Canada. This was made possible by permitting the government to organize Air Canada not as a federal crown corporation, but as a share capital enterprise incorporated under the Canada Business Corporations Act.

By holding Air Canada as a share capital enterprise, the government could dispose of its equity in the company by allowing Air Canada to issue shares for public investment, which the company did through two public offerings, the first in 1988 and the second in 1989.

Air Canada returned nearly all the proceeds from those share offerings to the Government of Canada, allowing a return to be realized as compensation for support the company had during the time it was a federal crown asset.

With that second public offering, Air Canada was fully divested by the government, and it has since been engaged in the air carrier industry as a private sector company.

The Government of Canada's divestiture of Air Canada was in keeping with the evolution that was happening to Canada's air carrier industry at that time.

Then, under the legislated framework of economic deregulation that began in 1987, Canada's air carrier industry was evolving from being a regulated industry to one that had to deal with market forces. Competition was the order of the day, providing discipline to pricing and capacity in the marketplace.

Nearly three decades have passed since deregulation took effect, and it is now time to update the Air Canada Public Participation Act to reflect the evolution in the aviation sector. I am referring particularly to the obligation in paragraph 6(1)(d) that requires Air Canada to include in its articles of continuance "provisions requiring the Corporation to maintain operational and overhaul centres in the City of Winnipeg, the Montreal Urban Community and the City of Mississauga".

To be viable as a going concern in today's air carrier industry means that inputs from the supply chain must be cost competitive, and that includes the provision of aircraft maintenance.

Air Canada is the only carrier, both domestic and international, that has obligations such as these. All of the other carriers, including other Canadian air carriers, are free to take advantage of competitive undertakings to support their aircraft maintenance.

The Province of Quebec, with intervening support from the Province of Manitoba, and Air Canada have been litigating the matter of that company's aircraft maintenance for a number of years.

This began with the insolvency in March 2012 of Aveos Fleet Performance, a third-party provider of aircraft maintenance repair and overhaul services. On February 17 of this year, the Province of Quebec and Air Canada mutually agreed to pursue an end to their differences in favour of a better way forward.

Then, on March 14, the Province of Manitoba and Air Canada announced a collaboration of their own. In both cases, these ways forward include co-operating in the establishment of centres of excellence for aircraft maintenance, one in Montreal, and the other in Winnipeg.

As well, Air Canada is committing to maintaining all of its newly acquired CS300 aircraft in Quebec for at least 20 years. These aircraft will also be designed and manufactured by Bombardier of Quebec.

In Manitoba, Air Canada will be facilitating and supporting the establishment of a western centre of excellence by three of its long-standing suppliers and partners, including Hope Aero Propeller and Components, which specializes in propellers, wheels, brakes, and batteries; Airbase Services, which specializes in aircraft interior equipment maintenance; and Cargojet Airways, to which Air Canada has agreed to lease one of its Winnipeg hangars on favourable terms to enable it to establish aircraft maintenance activities.

● (1225)

The centre of excellence in Winnipeg is expected to create 150 jobs, starting in 2017, with the possibility of further expansion and job creation in the future. These are net new job increases.

These developments are consistent with a company and an industry that must continually seek competitive ways of operating to stay in business. These are progressive developments whereby the parties are collaborating instead of litigating. This conduct should be encouraged.

The legislation, as it is currently written, lent itself to this litigation about how it should be interpreted. That is why this government is proposing to amend the Air Canada Public Participation Act to remove any doubt that Air Canada can seek best-in-class, cost-competitive aircraft maintenance wherever it is offered, a choice to which all other air carriers are entitled.

At the same time, we are reinforcing the expectation that Air Canada will continue to carry out aircraft maintenance in Manitoba, Ontario, and Quebec.

*Government Orders*

The amendment would also induce providers of aircraft maintenance in Canada to be cost competitive, given the potential business from Air Canada, which should be able to choose from among those services on the basis of best Canadian value.

As well, the establishment of a centre of excellence for aircraft maintenance would reinforce Montreal's role as a world-class aeronautical hub, bolstered also by the Montreal-based headquarters of the United Nations International Civil Aviation Organization; the presence of the International Air Transport Association; the aviation and aeronautical programs at McGill and Concordia, to name but two; and industry stalwarts such as Pratt & Whitney, CAE, Bombardier, Air Canada, and others.

The centres of excellence are good for Quebec and Manitoba, and for Canada, raising the profile of local expertise and thus generating positive attention and more investment in our nation's skilled trades and knowledge-based economy—and it all begins with co-operation and collaboration by all of the parties, who were formerly in dispute but are now working together toward a common purpose. I ask that members offer the same level of support.

It is my pleasure to speak to the bill, to support it, and to ask all members to do the same as the government moves to support the competitiveness of the Canadian airline industry in the 21st century.

• (1230)

**Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Madam Speaker, we know the bill would cost Canadian jobs. The member talked about 150 new jobs in Manitoba, but she did not mention the 400 jobs that were lost as a result of Air Canada failing to comply with its obligations under the act.

The member talked about a condition that is holding Air Canada back, allegedly, a condition that does not apply to other companies. However, at the time of privatization, not one but four conditions were put upon Air Canada, one being that Air Canada abide by the Official Languages Act.

Does the member think that Air Canada should still have to abide by the Official Languages Act, since that does not apply to other companies, and why pick on this one out of four conditions that in fact would lead to job losses in Canada?

**Ms. Leona Alleslev:** Madam Speaker, I clearly reject the assumption that we know it would lead to job losses in Canada.

We have a very viable Canadian aircraft maintenance and repair and overhaul capability, and we have for many years, but the airlines are focused upon delivering air service, to moving people from places across the country. Their core business is not aircraft manufacturing. What this bill would allow them to do is to purchase and procure services from companies whose core business is aircraft maintenance.

We are very fortunate to have extensive capability in Canada and now we even have the potential of increased service in centres of excellence, which would ensure that our airline industry, the commercial carriers, can focus upon their business of carrying people and the aircraft maintenance organizations can focus upon maintaining aircraft.

That is why this part of the amendment of the Air Canada Act is focused upon that specifically.

**Ms. Sheila Malcolmson (Nanaimo—Ladysmith, NDP):** Madam Speaker, to the New Democrats, the government's proposal on Air Canada maintenance looks as though it would protect corporate interests and not workers' interests. The government's proposal sanctions Air Canada's violation of its commitments to workers. It was a promise of the Air Canada privatization that jobs would be protected from outsourcing to foreign markets.

Through you, Madam Speaker, I ask, with Industry Canada pointing to staggering export of aerospace jobs to Asia-Pacific countries, how will the government keep jobs here at home in Canada?

**Ms. Leona Alleslev:** Madam Speaker, again, this government is committed to the vibrancy of the aerospace industry in Canada, and hence is ensuring that there would still be a commitment of Air Canada to have its maintenance provided in Canada—not by Air Canada, the company itself, but rather by service providers who excel and specialize in the business of aircraft maintenance, repair, and overhaul.

This would be merely a redistribution. Rather than Air Canada's being the primary one delivering the service, it would purchase those services from other entities. That is why this would be great for Canada and for the aerospace industry and would allow Air Canada to become more competitive on the world stage.

**Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC):** Madam Speaker, I want to follow along in a similar vein to the questions that my colleague asked.

If in fact the parliamentary secretary is suggesting that the reason for the amendment to Bill C-10 and is about modernizing the Air Canada Public Participation Act, I wonder if the member can then explain why this amendment to the act is so narrowly focused and does not contemplate measures to support Air Canada that would not affect jobs in Canada.

**Ms. Leona Alleslev:** Madam Speaker, this amendment to the act is primarily focused on competitiveness around aircraft maintenance because that is the opportunity that has presented itself and has been of significant dispute as a result of the situation with Aveos. Therefore, this government is committed to ensuring that the aerospace industry as a whole is vibrant, and Air Canada as well.

• (1235)

[*Translation*]

**Mr. Luc Berthold (Mégantic—L'Érable, CPC):** Madam Speaker, I will be sharing my time with the hon. member for Bow River.

I rise to speak to Bill C-10, an act to amend the Air Canada Public Participation Act and to provide for certain other measures, which has me a bit confused.

From the outset, I would say that during her excellent speech last week, our transport critic, the hon. member for Carlton Trail—Eagle Creek, presented some key dates related to the facts that bring us to talk about Air Canada today.

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These dates are important and bear repeating. On November 3, 2015, the Quebec Court of Appeal, Quebec's highest court, confirmed an earlier ruling by the Quebec Superior Court that Air Canada had failed to fulfill its legal obligations under the Air Canada Public Participation Act concerning heavy maintenance of aircraft in Montreal, Winnipeg, and Mississauga.

On December 11, 2015, Bombardier formerly requested financial support of \$1 billion U.S. from the Government of Canada. This was two months after the Government of Quebec had purchased a 49% stake in the C Series program for that same amount.

On February 6, 2016, Republic Airways, which to that point had placed a very large order for the C Series, streamlined its operations as it filed for bankruptcy protection and cancelled its order for up to 80 C Series aircraft. The very next day, February 17, Air Canada announced that it had begun negotiations with Bombardier to purchase 45 CS300 aircraft, with an option for 30 more.

Obviously, we are thrilled about Air Canada's decision to purchase Bombardier's superb aircraft. Not only will this decision have a huge impact on our aerospace industry, but it also gives credibility to Bombardier's new aircraft. We have heard some other announcements recently, and let us hope that those announcements turn into real orders, so that Bombardier can achieve its goal of launching a new economical aircraft to compete with large manufacturers like Boeing and Airbus in their own airspace.

Now that everyone is so happy about Air Canada's decision to purchase Bombardier's C Series planes, we have to wonder about the government's decision to introduce Bill C-10 at this point in time. The Minister of Transport never answered our questions about the impact that the bill will have on the Aveos workers. He keeps repeating the same message spun by his communication advisers. Whenever we talk about Aveos and Air Canada, he replies that Bombardier committed to establishing two maintenance centres for the C Series in Montreal and western Canada. There is absolutely no mention of this in Bill C-10, even though this will have a huge impact on nearly 3,000 Aveos workers, who are watching as the new Liberal government is turning its back on them without even having the decency to admit that it sacrificed those workers on the bargaining table between the government, Air Canada, and Bombardier.

Those workers had no reason to expect that the new government would betray them that way. They were right, since they thought they could rely on the support of one very influential member, and I want to stress his influence, in the Prime Minister's Office.

I will share a quote from that very influential cabinet member, who gave a little speech on Parliament Hill. He said, "It is such a shame that we have to demonstrate to ask the law and order government to obey the law". He said that the government had made promises and said that we should not worry about Aveos.

I remind members that this quote was from a very influential government member.

He continued, "We are losing the types of jobs that we need in this country." He said that it was not true that our best resources are in the ground somewhere, that our best resources are human resources,

qualified workers like them, who are building this country every day with their hands, arms, intelligence, and creativity.

As members have gathered, these comments were made to Aveos workers.

Lastly, he said that it was not right that the government was refusing to invest in what had made this country strong, and that thousands of Canadians who travel every day were being put at risk with potentially lower-quality maintenance. Then he thanked them for being there.

● (1240)

Imagine this emotional little speech given by a very influential member of the Liberal government. Obviously, this must have initially given Aveos workers renewed hope. However, today we have realized that, unfortunately, these words, which were spoken right here in front of our Parliament Buildings, were just rhetoric.

I get the feeling that members have a lot of questions. They want to know whether their colleague is finally going to tell them which very influential government member said those things. Which Liberal member spoke so clearly and eloquently in support of Aveos workers?

Members had better stay seated, otherwise they might fall down. They will be shocked by the answer. The very influential member of the government who said those things just a few years ago is the member for Papineau, the current Prime Minister.

I will quote him again. He concluded his speech to Aveos workers by saying, "It's not right."

What has happened since the member in question, who went on to become the Liberal Prime Minister, gave that speech on Parliament Hill that would make him change his views so drastically and cause him to forget about all the wonderful promises that he made? The answer is that the promises that the Liberals made before October 2015 are no longer valid. The Liberals' sunny ways are promises that they do not keep once in office.

It is important for me to remind members of this incident because it clearly shows that Bill C-10 is improvised, that it goes contrary to the promises made by the Liberals before the election, and that it is going to cost thousands of Canadian jobs. The Minister of Transport is telling us that he is taking action because the provinces, including Quebec, decided to settle their dispute with Air Canada. Once again, it is important to set the record straight.

This is what the Government of Quebec agreed to. I am quoting from a press release issued by Air Canada.

Subject to concluding final arrangements, the Government of Quebec has agreed to discontinue the litigation related to Air Canada's obligations regarding the maintenance of an overhaul and operational centre...

It does state "subject to concluding final arrangements", and those are important words. The Government of Quebec has not resolved the dispute; it has temporarily suspended the litigation while the two sides negotiate a settlement deal. Until Air Canada concludes its purchase with Bombardier, takes possession of its first C Series aircraft and begins the work, the deal with the Government of Quebec cannot be final.



Then why is the government in such a hurry to pass Bill C-10? We have to wonder. With Bill C-10, there is no longer a guarantee of any jobs or future maintenance, and by future I am talking about a rather distant future for the C Series. There is also no guarantee of current maintenance work for Air Canada's fleet. Therefore, Bill C-10, is premature, imprudent, and incomplete.

The Conservative Party believes that Air Canada must be a private sector company that is not supported by taxpayers and provides Canadians with reliable access to air travel. That was the original intent of the Air Canada Public Participation Act, which put in place conditions to ensure that this was possible and realistic. Could it have been done better? Could we help Air Canada be more competitive? Of course.

There have been a number of proposals for helping Air Canada without affecting a single job in Canada. For example, the government could link airport improvement fees to specific projects with clear end dates. It could completely overhaul airport security funding models. It could increase the number of trusted traveller programs, such as NEXUS and CANPASS. It could increase the ownership limits to at least 49% for commercial passenger carriers. In short, there were other solutions.

In conclusion, we know that Air Canada supports these measures, because that is what the company said in the brief it presented during the review of the Canada Transportation Act. The question is, why did the minister choose to amend this bill without taking the opportunity to include other measures that Air Canada put forward in its brief? Neither the bill nor the minister took any of those measures into account. That is another reason why the Conservative Party cannot support this bill.

• (1245)

[English]

**Ms. Kate Young (Parliamentary Secretary to the Minister of Transport, Lib.):** Madam Speaker, I want to understand why the hon. member is not considering the creation of the centre of excellence in Montreal that could produce upwards of 1,000 jobs over 15 years, while the manufacturer of Air Canada's C Series aircraft could create an additional 300 jobs, plus more jobs in Ontario and Manitoba.

I would like to understand why the member is dismissing that.

[Translation]

**Mr. Luc Berthold:** Madam Speaker, the answer to that question is pretty simple. It is because the jobs and the maintenance centres will be created by Bombardier, but the bill is all about Air Canada. Bill C-10 does not even mention Bombardier. We support Bombardier and encourage the company to create maintenance centres and jobs in Canada, but do we need to sacrifice existing jobs and the people who want to keep working and putting their expertise to good use for Canadians as they maintain aircraft here in Canada in a stable and safe environment? That is my answer to my hon. colleague's question.

[English]

**Mr. Alistair MacGregor (Cowichan—Malahat—Langford, NDP):** Madam Speaker, I appreciated listening to the member's speech, especially his recounting of the Prime Minister's quotes in

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2012. At that time, the Conservatives were in power. I would argue that the Liberals will do something worse now, because they actually will change the act, whereas the Conservatives just refused to uphold the act.

Could the member explain to the House, now that the Conservatives are in opposition, what has led to their forceful adoption of the act, and why are they such stern defenders of it now when they were not prepared to do so in 2012?

[Translation]

**Mr. Luc Berthold:** Madam Speaker, I think we have to come back to the spirit of the legislation. Bill C-10 is about Air Canada. It is a bill that will allow Air Canada to stop having its aircraft maintained here in Canada. There is no guarantee that aircraft maintenance will continue to be done here. It can be done abroad. Why are we standing up today? We want to ensure that these good jobs to maintain Air Canada's fleet of aircraft are kept here in Canada.

[English]

**Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC):** Madam Speaker, I would like to thank my colleague for the very good work he does on the committee.

I want to give him an opportunity to perhaps speculate on the number of measures that could have been put into the bill to amend the Air Canada Public Participation Act and why the minister and the government are so narrowly focused with the bill.

[Translation]

**Mr. Luc Berthold:** Madam Speaker, I too want to acknowledge the excellent work our party's transport critic does in committee. She is on top of what is going on with transport in Canada. She does an excellent job. She and her team prepared very good notes for us on everything that could have been done by Air Canada and in order to improve its competitiveness. I mentioned a few of those things in my speech. I could talk about others. The aviation fuel tax could have been reduced or eliminated. That could have helped Air Canada be more competitive. Nav Canada could have been overhauled. The governance in airport authorities could have been improved. We could have established guiding principles to help Canada's airports set user fees. We could have better aligned our regulations with those of the United States and Europe. None of that was done. Bill C-10 does the bare minimum.

[English]

**Mr. Martin Shields (Bow River, CPC):** Madam Speaker, it is a privilege for me to speak to Bill C-10, an act to amend the Air Canada Public Participation Act and to provide for certain other measures.

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Canada has had a long history when it comes to flight. In 1909, the *Silver Dart* in Baddeck Bay, Nova Scotia was one of the first flights that occurred in the world. In 1913, the first cargo flight was the delivery of the Montreal daily mail to Ottawa. Its return flight was a little iffy.

I have some concerns with the legislation as it stands. One of my biggest concerns is that 3,000 Canadian aircraft maintenance jobs are on the line as a consequence of this legislation. That is a lot of highly skilled, high-paying jobs. It would be a major loss to the communities affected were these jobs to vanish. It would be one of the most negative consequences of the bill.

I am concerned because this could negatively affect the communities of Mississauga, Montreal, and Winnipeg. I find it strange that Air Canada never mentioned aircraft maintenance costs as being prohibitive in its various comments made in the context of the past Canada Transportation Act review.

I am skeptical about the legislation. What does it seek to achieve? Why is it trying to fix a problem that does not seem to be a problem at all? If we really want to do service to Air Canada and other Canadian carriers, let us fix the situation that experts at Air Canada have identified.

Trans-Canada Airlines started in 1937. In 1937, the first stewardesses were hired. They had to be nurses. Why? It was to ease the concern of passengers for the safety of flying. We now have excellent maintenance that we can trust and Canadian flyers on Air Canada can trust this. For the younger members of the House, in 1995 the name was changed to Air Canada.

I have some suggestions for ways Air Canada could be made more competitive both in Canada and at the international level. My suggestions may not put the jobs of 3,000 Canadian workers in jeopardy.

One suggestion is tying airport fees to tangible projects with clear sunset clauses. When sunset clauses are effective and travellers see direct results of the fees in improvements, it may result in reduced ticket prices. That means more passengers on Air Canada flights and a direct benefit to the airline's bottom line. That is one way to help Canada without risking 3,000 jobs in Winnipeg, Mississauga, and Montreal.

A second way to make Air Canada more competitive is by reducing the excise tax on aviation fuel. There are high taxes on aircraft fuel. A variety of federal fees and taxes inflate the cost of air tickets in Canada, making it very expensive to fly within Canada. The air fuel excise tax is one of these examples. Therefore, why would the Minister of Transport not look at this as a possible way to make Air Canada more competitive? As was pointed out in its brief, these excise taxes were supposed to be reinvested in airport infrastructure. If we could fix the excise tax problem, I am sure Air Canada would appreciate such a change.

One of the major issues that ends up affecting Air Canada and all carriers at airports is the issue of security. What we need for security screening is an intelligence-driven, risk-based passenger screening process. This would lead to a smoother, quicker system that would save critical time for airlines like Air Canada and airport staff, and relieve the burden of the one-size-fits-all process we have now. Let

us streamline the security process so we make a more simple and yet more robust security screening process at the same time.

Let us try to fix some of the issues Air Canada has stated. One of the issues with respect to security is the air travellers security charge, or ATSC. This is a fee that is charged to passengers to cover the costs of the Canadian Air Transport Security Authority. It was founded in the wake of the 9/11 terrorist attacks to ensure the security of those who flew within Canada.

The issue is, as Air Canada pointed out in a submission, that the amount of fees collected from passengers is too high. Looking at the numbers, the amount taken in surpasses the budgetary needs. In 2013-14, this left a surplus of \$123 million. That is a problem. Why are we making such a small change to the act? What kind of support will this give to Air Canada?

• (1250)

We are not quite sure what it will do to help the airline. It has not been made clear to us. What we do know is that the bill would put the jobs of 3,000 airline mechanical staff in jeopardy, in Mississauga, Montreal, and Winnipeg.

The bill is not worth the risk, and an unintended consequence of passing the bill would be that these 3,000 jobs could leave Canada. I am asking the government to take another look at the bill and see that it is not the right course of action.

The Minister of Transport believes that somehow the legislation before us would assist Air Canada in cutting costs. I appreciate that he says this is his goal, but what we would like to see on this side of the House are some actual numbers. I know that our transportation critic, the hard-working member for Carlton Trail—Eagle Creek, has asked for this from the minister. Therefore, I am asking again. Can the minister provide the actual amount that this proposed change would deliver in savings to Air Canada? If not, then I would ask him to give us more detail as to the rationale for the legislation.

As we are very concerned about these 3,000 workers, can the minister confirm that he has consulted with them about any of these changes? Has the minister consulted with their union on this?

Airport rent is another sticking point. Airport rent and fees in Canada are incredibly high, and it makes it very hard for airlines like Air Canada to operate in this business climate. I will quote directly from Air Canada's submission to the Canadian Transportation Act review.

In fact, depending on the type of aircraft, Air Canada landing and terminal fees in major Canadian airports are 35% to 75% higher than in major U.S. airports. When factoring in the difference between the Airport Improvement Fee and its U.S. equivalent (Passenger Facility Charge) that are paid by passengers, airport-related costs are on average 83% higher per departing seat in Canada than in the U.S.

This uncompetitive cost environment is not only causing the leakage of Canadian passengers to the United States, but also the loss of international traffic travelling to or via Canada.

This is from a recent *National Post* article:

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The World Economic Forum ranks Canada No. 16 out of 140 countries for the quality of its airport infrastructure, but No. 130 when it comes to ticket taxes and airport charges.

This loss reduces our ability to position our country as an international gateway and to grow airlines and airports. There is potential to work something out, and I hope the minister is looking at other options to help the airline industry find solutions to these real problems that have been identified.

Air Canada is seeking a regulatory change as to how we manage the aviation industry. This is from its submission:

Our country also needs an efficient process for determining new aviation policy and rules—one that is able to keep pace with the rapidly evolving technology and operations of the industry.

The issues I have outlined in my speech are real issues, many of them raised by Air Canada itself. Why are we looking at such a small change, to the risk of 3,000 workers in Montreal, Winnipeg, and Mississauga?

I cannot support the legislation before us. That being said, I am looking forward to seeing what the minister might offer in terms of really supporting the Canadian airline industry, hoping there will be some future pieces of legislation that I can support.

• (1255)

**Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Madam Speaker, this issue was first brought to my attention because of a constituent who specifically lost his job as a result, in his view, of Air Canada's failure to live up to its obligations under the Air Canada Participation Act. We have not heard anything from the government in terms of what the economic benefits are to this measure. All we know is that job losses are involved.

I wonder if the member could speak a little more as to what other measures, alternatives, could exist that could make Air Canada more competitive, and which would not involve the loss of jobs that are associated with the bill.

**Mr. Martin Shields:** Madam Speaker, I thank my colleague for the question and for sharing his time today.

One of the things we understand that is really important is that in owning a vehicle, we learn quickly that the mechanical upkeep of it is important. When the dealerships have strong support staff and mechanical people, we trust our vehicles. Those people live locally in our communities. I think this is what is important. As my hon. member has said, we trust our vehicles because of the level of trust we have in the staff who maintain them.

The only way that works if one is flying is that we can trust the maintenance staff that keep our airplanes flying. Therefore, I think it is critically important to have those people in our communities so that we understand and trust that we are flying safely in this country.

• (1300)

[*Translation*]

**Ms. Karine Trudel (Jonquière, NDP):** Madam Speaker, I thank my colleague for his speech.

When the Conservatives were in power, nothing was done to keep the Aveos jobs in Canada. In their view, the Air Canada Public Participation Act, or ACPA, is not clear and does not stipulate that

heavy maintenance must stay in Canada. The Conservatives implied that just light maintenance would be enough to meet ACPA's legal requirements.

I wonder whether my colleague could expand on that.

[*English*]

**Mr. Martin Shields:** Madam Speaker, speaking of history, I am speaking of when we had a tremendous aircraft industry in this country that was recognized worldwide for the safety it created, how well our flights were managed and our equipment was maintained so that we felt safe flying. Therefore, for me to change that to possibly moving jobs somewhere else, where we would not have that insurance, is a risk factor for our citizens who want to fly and feel safe in this country.

**Mr. David de Burgh Graham (Laurentides—Labelle, Lib.):** Madam Speaker, I am a private pilot myself, and I can say that I would never do anything to endanger aviation safety. Therefore, I would like to ask the member for Bow River this: Does he believe that the existing act should be left untouched, or is what the government member proposing an improvement at all?

**Mr. Martin Shields:** Madam Speaker, speaking specifically to this amendment, this one piece only, I believe that it directly affects the safety that these jobs provide to our airline industry, and it affects where they may be in our Canadian cities. Therefore, I am speaking specifically to this particular amendment that I believe causes much concern with respect to the communities where these jobs exist, and for the ongoing safety of our airline industry.

[*Translation*]

**Mr. Luc Berthold (Mégantic—L'Érable, CPC):** Madam Speaker, my colleague seems to be very familiar with the history of Air Canada.

I would like to know whether he thinks it is acceptable for a member to say one thing before he is in government and then take an entirely different stance once he is elected prime minister.

What does my colleague think of that kind of flip-flop?

[*English*]

**Mr. Martin Shields:** Madam Speaker, it reminds me of the Canadian passenger arriving at the Pearly Gates. There were clocks behind Saint Peter. One of the clocks was entitled "saints", and Mother Theresa's hands had not moved on the clock. The passenger asked why: "She never lies." The next clock was entitled "airline mechanic", and the hands had hardly moved. He said, "They're very truthful. Let's be honest." Then there was the title "federal politician", and the clock was not there. The person wanted to know why. He said, "Well, years ago we took that clock and we used it as a ceiling fan."

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**Hon. Judy A. Sgro (Humber River—Black Creek, Lib.):** Madam Speaker, I am pleased to be joining the discussion today. I am also pleased to see you sitting in the chair and doing a great job on behalf of all women. It is a delight to see you constantly in that chair.

I am pleased to stand and speak in support of Bill C-10. It is legislation that, while somewhat technical in nature for a lot of people to follow, is incredibly important for Canada's national airline, for the aerospace sector, and for the related jobs and economic activity on which the Canadian economy so importantly relies.

However, before I get to my main points, I want to take a moment to offer my compliments to some of my colleagues who have already spoken on this important topic. We have heard a variety of issues raised. They are issues that the committee will have an opportunity to review and discuss and to look at very thoroughly.

There already has been very good debate on Bill C-10, as we heard on Friday, and of course from my colleagues today. I am eager to add my voice to that. However, inasmuch as debate in the House is important, as chair of the transport committee, I am eager to hear from the stakeholders once the legislation is referred to the committee.

Before we get to that, I would like to specifically compliment the parliamentary secretary, who touched off this debate by clarifying several important points. For example, the parliamentary secretary confirmed that the bill is being submitted for consideration by the House in the context of an historic investment by Air Canada in Canada's aerospace sector. That is very true. As members all know, Air Canada has announced its intention to purchase some 75 C Series aircraft from Bombardier. Adding to that investment, Air Canada has promised to ensure that these planes will be maintained in Canada for at least 20 years. That is a very significant investment, and a huge help for our economy. The importance of these decisions cannot be understated when it comes to jobs and growth of Canada's economy.

Allow me to be even more specific. The facilitation of the creation of centres of excellence will be a boon when it comes to jobs across the aerospace sector. The parliamentary secretary verified that Quebec has estimated that the creation of the centre of excellence in Montreal alone could produce 1,000 jobs in over 15 years, while the manufacturing of Air Canada's C Series aircraft could create an additional 300 jobs. There will also be more jobs in Ontario and Manitoba.

These are not just jobs. These are families who will enjoy a solid income, benefits, and stability for years to come. Those families will support communities, and those communities will fortify our great country. These are the kinds of investments and outcomes that Canada should be pursuing. They are market driven, promise to improve Air Canada's bottom line, and will allow for service improvements by prompting technological investment right here in Canada.

However, of course there have been genuine impediments to this approach in the past. For example, in 2012, Quebec's Attorney General took legal action against Air Canada, accusing the carrier of

non-compliance with provisions of the Air Canada Public Participation Act.

Madam Speaker, I must stop for a moment. I forgot to mention that I am sharing my time today with the member for LaSalle—Émard—Verdun.

Quebec has now made the decision to end that litigation, in light of Air Canada's investments in the aerospace sector and the related promise involving maintenance commitments in Quebec. This opens an important window for Canada to modernize the Air Canada Public Participation Act, which is what this is all about.

This goodwill, fortuitous timing, and opportunity must not be squandered. We need action now. The purpose of Bill C-10 is to amend the sections of the act that have to do with Air Canada's operational and overhaul centres. With these changes, Air Canada will establish a centre of excellence in Quebec, Ontario, and in Manitoba. These centres will be able to not only service Air Canada's planes, but also to offer those services to other national and international airlines.

● (1305)

Creating this new revenue stream, coupled with increased flexibility for Air Canada management, would mean a more dynamic and modern business structure, and clearly that should be good for everyone—Canadians, Air Canada, and all of our other spinoff industries.

However, let us not forget that the current legislation is nearly 30 years old and this is no longer 1989. The current act was the product of a time when countries around the world were moving away from high regulation and public ownership in sectors such as air transport. Canada was not immune to global trends, and so we followed by deregulating the air-transport sector, commercializing our major airports, and transforming Air Canada from a crown corporation to a private company. This was the right move at that time, but the world has changed, and to be successful in 2016 we must again look to modernize.

However, none of this can happen if we refuse to provide Air Canada and our aerospace sector with the tools needed to prepare for the challenges of modern businesses and the investment environment.

Now, many members across the way have raised questions in the House—justifiable questions, questions that are seeking answers. They ask why we must do this change now, and why this change must occur so quickly.

The truth is that the aerospace and air-transportation sectors exist in very dynamic environments. Other air carriers, Canadian and international, are not subject to the same obligations regarding their maintenance facilities. That means they can seek out efficiencies in ways that are simply not available to Air Canada, a fact that places Air Canada at a competitive disadvantage. Bill C-10 would help to establish a new balance. If we want the economic benefits of high-paying, quality, reliable jobs promised by all of the other sectors, we must arm the players within that sector accordingly. This is why we are here today, and it is why Bill C-10 is so important for all of us in the House and for all Canadians.

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In other words, this government has introduced this legislation at a critical time in the history of Canada's aerospace history. Not only is Bombardier offering a game-changing product for the entire global industry, but Canada's most important airline is planning to take advantage of the technological differences and efficiencies and the heightened environmental performance by generously and wisely investing domestically for its aircraft fleet renewal.

Investing in a cutting-edge product that was designed and manufactured mainly in Canada will improve Air Canada's ability to compete globally and to serve all Canadians. Everyone would win, but only if we act now. To be clear, the government wants Air Canada to have the flexibility needed to organize and manage its business operations here and around the world. We understand that the air-transport sector has evolved and will continue to evolve, and Air Canada needs the tools and the regulatory supports to keep pace. However, this must be done while maintaining adequate safeguards for Canadian workers and suppliers.

That is why we are proposing to ensure that the act continue to require Air Canada to carry out aircraft maintenance in certain Canadian regions. I believe that Bill C-10 would do all of these things, and I am eager to hear from stakeholders at the committee so that we can give a thorough hearing to the many people who will want to make their comments, so we can ensure we have a strong, positive piece of legislation going forward that will ensure the jobs are here in Canada but that, if work is done elsewhere, it is also done to Canadian standards.

• (1310)

**Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Madam Speaker, I thank the member for her speech. She said a number of things that might seem curious insofar as the bill does not mention Bombardier at all.

I wonder if the member could just clarify. Was the decision to introduce this bill influenced by Air Canada's decision to purchase the C Series? Would the bill have been introduced had the decision to purchase the C Series not been made?

**Hon. Judy A. Sgro:** Madam Speaker, the issues before us require action to ensure that Air Canada—that is the issue we are dealing with—has the flexibility to go forward.

Those of us who spend a lot of time at airports see the amount of growth that is happening at any of our major airports and the number of new airlines that are coming in. It is important that Air Canada, in whatever it has to do, has the flexibility to be able to move forward, to be able to compete, to be able to ensure our aircraft are number one, and to give an opportunity to showcase Canada every step of the way.

**Mr. Daniel Blaikie (Elmwood—Transcona, NDP):** Madam Speaker, I think it is worth noting, in fairness to the hon. member who just asked a very good question, that there was not an answer to that.

It is odd to have the Liberals on the one hand wanting to invoke what is going on with Bombardier and the C Series order in their speeches. When they are asked a pretty obvious question, which is if we are talking about Bombardier and Air Canada in the same breath, it would be nice to hear the government just say so. I think it makes a

lot of sense to be asking if there is a connection between the two. It seems obvious that there is.

In her remarks, the hon. member often talked about flexibility, about the need to compete. When we talk about the virtues of this deal in terms of jobs, centres of excellence, how wonderful it is that we will be building these centres of excellence, and how well suited the areas are in which Air Canada will build those centres of excellence or do the work it will be doing competitively, what is missed is that nothing in the act as it stands prevents those centres of excellence from being established. Therefore, why is it we have to give up legal guarantees for good jobs, different kinds of jobs, in order to get these other jobs, if these areas are so well suited to the kind of work that will be done?

I would mention, because we are giving up jobs with a legal guarantee, what legal protections are there for the jobs at the centres of excellence?

• (1315)

**Hon. Judy A. Sgro:** Madam Speaker, every time, we can try to ensure that whatever legislation we pass is respectful of jobs, communities, and people who have those jobs, but opens doors and provides opportunities for new jobs in new areas.

Bombardier is a natural partner of Air Canada. We will have an opportunity to showcase new planes if it goes in that direction, but investing in our aerospace sector is effective. It is tremendous growth for Canada to be able to succeed, to be able to offer expansion, and to be able to offer jobs for many Canadians.

More important, a lot of young people are very keen to get more involved in the aerospace industry. I think our job as legislators is to make sure that companies competing in Canada have a level playing field, have the flexibility they require to do well, and not be held back by legislation and things that occurred in 1989 or 1997.

We need to be realistic. It is 2016. If we want our national carriers and our companies to be able to compete on a broader scale, we have to make sure that we take the handcuffs off and that we provide the opportunities for them.

**Ms. Kate Young (Parliamentary Secretary to the Minister of Transport, Lib.):** Madam Speaker, I want my hon. colleague to explain why it is so important at this point to move it on to the committee stage.

**Hon. Judy A. Sgro:** Madam Speaker, many of the colleagues who have participated in this debate Friday and today have outlined concerns that they have. We will not get any answers for those concerns here in the House, but we have an opportunity to hear from various people, stakeholders and so on, at committee and to make other recommendations as necessary.

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[Translation]

**Mr. David Lametti (Parliamentary Secretary to the Minister of International Trade, Lib.):** Madam Speaker, on March 24, 2016, our government introduced Bill C-10, an act to amend the Air Canada Public Participation Act and to provide for certain other measures in the House of Commons. The purpose of the bill, more specifically, is to amend the sections of the act that have to do with Air Canada's operational and overhaul centres. It is important to point out that this bill is being introduced at a time that is quite historic for the Canadian aerospace industry.

In February 2016, Air Canada announced that it planned to purchase up to 75 C Series aircraft from Bombardier, and that it would carry out the maintenance of those planes in Canada for at least 20 years, beginning with the first delivery. Air Canada will also help establish a centre of excellence in Quebec for the C Series aircraft, as well as another centre in western Canada, to be located in Manitoba.

These centres will be able to not only service Air Canada's planes but also to offer those services to other national and international airlines. In other words, we have introduced a bill at a time that is pivotal for Canada's aerospace industry. Not only is Bombardier offering a product that is a game changer for the aerospace industry worldwide, due to its efficiency and environmental performance, but our most important Canadian airline, Air Canada, clearly intends to make massive investments in the renewal of its fleet of aircraft.

Investing in a cutting-edge product that was designed and manufactured mainly in Canada will improve Air Canada's ability to compete globally and to serve Canadians. In this historical context, we propose to modernize the Air Canada Public Participation Act, which we find to be outdated in part.

More specifically, the bill amends paragraph 6(1)(d) in the provisions requiring Air Canada to maintain operational and overhaul centres in the City of Winnipeg, the Montreal Urban Community, and the City of Mississauga.

The law clearly intended for Air Canada to continue maintaining its aircraft in certain regions of Canada. At the same time, the law was designed with one key public policy objective in mind, which was to privatize a crown corporation and allow it to become a competitive and viable private company. The airline industry has changed quite a bit since the law came into force in 1989.

In 2015, Air Canada carried more than 41 million passengers and provided regular, direct service to 63 Canadian airports, 56 American airports, and 86 other airports worldwide, in Asia, Oceania, Europe, Africa, and South America.

Air Canada cannot escape the highly competitive international market. For example, the other national and international airlines are not subject to the same requirements regarding their maintenance facilities. We must also consider Air Canada in the context of the global marketplace, a market that is dominated by large, multi-national companies that operate over vast networks and with extremely expensive equipment.

Given the market's cyclical nature, it is also very sensitive to fluctuations. All it takes is an unfortunate incident, such as a

pandemic, an accident, or a terrorist act, for the market to flounder and for an airline's revenue and profit to be significantly affected.

Air transportation provides vital connectivity both within our vast country and with the outside world. It is also a significant source of jobs. For example, Air Canada alone employs nearly 25,000 people.

• (1320)

In light of this economic context, we believe that the Air Canada Public Participation Act may be imposing limits on the company's ability to be competitive and profitable.

We therefore believe that the current law inconsistent with an approach to air transportation based on competitive and market forces as the best way to provide passengers with reasonably priced services. Like any company, Air Canada needs more flexibility in order to operate in a competitive environment and remain viable in the long term. Accordingly, the federal policy on Canada's air transportation industry focuses on competitive and market forces.

We also apply the user-pay principle for infrastructure and services, which is not the case in all of the countries that compete with us. As such, we cannot rest on our laurels because the aviation world is changing rapidly. Naturally, we were all concerned by the closure of Aveos Fleet Performance, which resulted in layoffs across the country.

Although portions of Aveos were purchased during bankruptcy proceedings and continued to operate, some employees did not end up finding work in their field. Of course we were concerned by this closure and by the fact that Air Canada stopped having certain kinds of maintenance done in Canada.

Air Canada's recent announcement about the C Series and its collaboration in developing centres of excellence gave us hope that highly skilled workers would find work in this high-tech sector. Air Canada's plan to purchase C Series aircraft would bring together two sectors that are vital to Canada's economic development: air transport and the aerospace industry. It would enable Air Canada to operate cutting-edge planes, thereby reducing its costs, its fuel consumption, and its greenhouse gas emissions, while minimizing noise.

As we know, the planes will be designed, built, and maintained in Canada. The creation of centres of excellence for the maintenance of C Series planes in Quebec and Manitoba will certainly have a positive impact on the industry and will probably attract other air carriers to use the services available. The Government of Quebec estimated that the centres of excellence could create 1,000 jobs over 15 years. In addition, manufacturing the C Series planes would enable Air Canada to create another 300 jobs. Moreover, the creation of a centre of excellence for western Canada would create an additional 150 jobs in Manitoba.

In closing, changing the language used to describe the activities and where they may be performed will allow us to modernize the legislation and make it more relevant.

*Government Orders*

• (1325)

[English]

**Hon. Michelle Rempel (Calgary Nose Hill, CPC):** Madam Speaker, could my colleague opposite tell the House what government intervention should be used, if any, to sustain Bombardier should it come to the government requesting funds?

**Mr. David Lametti:** Madam Speaker, that dossier is before the government.

We are trying to promote in this country the technological advances that come with the aerospace industry. We are trying to protect jobs, and we are trying to do so in a responsible fashion.

[Translation]

**Mr. Daniel Blaikie (Elmwood—Transcona, NDP):** Madam Speaker, I detect a contradiction between the Liberal members' two arguments.

On the one hand, they say these changes will create more jobs for Canadians because we will have centres of excellence in Winnipeg and Montreal, but they are forgetting that there are no guarantees these jobs will exist from one year to the next.

On the other hand, they say that the industry has changed a lot since 1989 and that Air Canada needs to be flexible and competitive. They are talking about opportunities available to other companies and having work done in other countries. That is the competitive advantage we are talking about here. We do not need to change the law to have the centre of excellence jobs. For Air Canada to enjoy the benefits of flexibility, jobs have to be exported out of Canada.

Will the government at least admit that this bill will result in quite a few jobs leaving Canada?

**Mr. David Lametti:** Madam Speaker, I thank my hon. colleague for his question.

I am going to answer the second part first. Now is an appropriate time to amend the law because the situation has changed in the past 30 years, and this law was designed to privatize a crown corporation. Now, we are trying to help Air Canada be more competitive on the market. The present situation is very important to this bill.

As for the member's first question, we are investing in an industry. There are risks because there is a market. We cannot guarantee jobs, but we sincerely believe that the changes will create jobs.

• (1330)

[English]

**Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC):** Madam Speaker, given that Air Canada provided a comprehensive submission to the Canada Transportation Act review and this measure was not a part of that, and given also that the minister has had this report in his hands since last December, I am wondering if the parliamentary secretary could explain why the minister would undertake to amend this legislation and not take the opportunity to address all of the measures that Air Canada did put into its submission.

**Mr. David Lametti:** Madam Speaker, we are proposing modifications that we feel would give Air Canada the tools it needs

to compete in an international market. We did not accept every suggestion. We picked the ones we thought were the best.

**Hon. Michelle Rempel (Calgary Nose Hill, CPC):** Madam Speaker, I will be sharing my time with the member for Huron—Bruce.

I am really impressed that the Liberals have been able to bring the debate about Bombardier and government intervention to the House in a bill that does not mention Bombardier at all.

My colleague, the opposition critic for transport, outlined what the bill is all about. In her speech last week, she outlined the curious timing of various announcements around Air Canada's order for the Bombardier C Series aircraft. The same day Air Canada made its announcement to purchase these airplanes, the Minister of Transport announced that he would lessen Air Canada's obligation under the Air Canada Public Participation Act. Then the minister put the bill we are debating on the Notice Paper, and on March 14, Air Canada made an announcement, and so on and so forth.

Let us just call a spade a spade. What we are talking about here is that the bill is quid pro quo for Air Canada buying the C Series aircraft.

I wish we were just having a simple debate about what the government is going to do, if anything, for Bombardier, because since the dawn of time, this has been an issue that is essentially about robbing Peter to pay Paul, with Peter being western Canada and Paul being Bombardier.

I have a few questions with respect to this bill.

There was a report that was completed in, I believe it was the middle of 2015, around the transportation industry. Air Canada put forward a series of recommendations on different legislation or requirements that could be put in place to make its industry more competitive internationally. It is quite a thick document, over 95 pages long. It put forward, actually I counted 66 recommendations to do just that. What is in this bill is a very small component of that.

My big concern is that I do not understand the impact this would have on western Canada, specifically Winnipeg's aerospace sector. There has been so much effort put into building up Winnipeg's aerospace sector by various different levels of government. It is arguably a success. What would this bill do for that? That is my concern.

This bill would actually remove the requirement for Air Canada to have its maintenance jobs located in the places that it does right now. However, for the purposes of my speech, I am going to talk about Winnipeg.

Manitoba, I believe, dropped its litigation against Air Canada in return for the building of a centre of excellence, as many of my Liberal colleagues have talked about today. However, what would happen, when the bill passes, if Air Canada decided to, let us say in five years, close down the centre of excellence, or what if it did not exactly comply with how many jobs it is touting? Frankly, we have not even heard what type of jobs are going to be created through this centre of excellence.

*Government Orders*

For me, this is a terrible example of government intervention run amok, because by trying to use this quid pro quo bill to bolster Bombardier, it is going to have a huge unintended consequence on the aerospace sector in Winnipeg, and this is in an academic exercise. If we talk to the employees of Aveos, I think that they would probably have something to say about this. There is a really good article that I got from CJOB. As a former Winnipegger, I have to give a shout-out to one of my favourite radio stations. Employees were saying that they do not understand why a centre of excellence is needed for aircraft maintenance, that they already are a centre of excellence for aircraft maintenance.

I really like this quote:

We know that, for people that lost their jobs, they're not entirely happy because they lost good, well paying jobs. But right now we don't have any of those jobs. Now we're getting 150 back, and we think we can grow that starting in 2017 to a higher number of jobs.

The article talks about how many of these jobs moved to El Salvador when Aveos closed:

Quebec was suing the airline after the closure of Aveos Fleet Performance in 2012, which led to 2600 employees in three provinces lose their jobs, including more than 400 Manitobans. Those jobs went to El Salvador.

• (1335)

Why would the Liberals not bring forward the issue of Bombardier to study? They voted down a study at industry committee to have Bombardier executives come and talk about their needs. I have read things like one of Bombardier's vice presidents saying that they do not need a backup plan because what is secured is already more than they require.

As a legislator who is responsible for voting on public policy that impacts people's jobs, these things would be good to know. My suggestion for the Liberals is this. Rather than simply tabling the bill and ignoring the fact that many jobs are on the line in western Canada, which always gets the short end of the stick when we talk about Bombardier, they should be bringing that forward for us to discuss. This is not the right option at this point in time.

Since we are talking about Bombardier, what I do not understand is that the government is bringing forward legislation essentially to prop up Bombardier, when over 100,000 people are out of work in Alberta right now. The Liberals are going out of their way to ensure that there is quid pro quo for a company that is going to receive orders for an aircraft. They are changing legislation to ensure there cannot be countersuits for Air Canada offshoring some of its jobs, as there has been in the past. They are doing all of this, but have we heard one thing about them making the regulatory environment better for the energy sector? No, we have heard the opposite.

We heard they would change the regulatory environment for the energy sector such that it would become a lot less clearer for investors looking at new projects. What else did they say? They said that they would look at a carbon tax and put more burden on investment in that area. They went out of their way to say even that if a major energy infrastructure project like energy east went through the review process and got a green light, they did not know if cabinet would approve it.

Also relevant to the bill, the Liberals have not talked about retaining skilled labour. In western Canada, one of its key

determinants to economic growth is the retention and attraction of skilled labour. It does not matter what industry we talk about. In fact, Economic Development Winnipeg in its brief about the aerospace sector talks about the skilled labour workforce, a very specialized workforce. What happens if these jobs disappear? How does that impact other companies in the area?

It is the same thing with the energy sector. The Liberals have not talked at all about how they will ensure that people in Alberta stay in Alberta. If there is an opportunity to see new projects in the future, investors will see that all the people with expertise with this awesome, world-class infrastructure of talent have moved away and maybe think they should not build there.

The bill is so short-sighted. It shows the Liberal approach to dealing with economic issues. First, look at a squeaky wheel company in Montreal. I am not saying it is not important to the Canadian economy, but we should have a debate if we are to talk about legislative measures on how we support it. Let us talk about Bombardier. The second component is where is the discussion on western Canadian jobs both in the aerospace sector and energy sector? We are not seeing that.

It is incumbent upon the Liberals to look at what they are doing here. The bill should be called the "quid quo pro bill". We should be voting on it as such. There is no guarantee that these jobs will stay in Winnipeg and we have no information on what this would do for the aerospace sector as a whole. They should also talk about why they have not raised this for the over 100,000 people who are out of work in my province. This is crazy and I really hope the Liberals reconsider their priorities in future legislation.

• (1340)

**Mr. Daniel Blaikie (Elmwood—Transcona, NDP):** Madam Speaker, I thank the hon. member for joining me in noticing the way the western Canadian aerospace industry has been left out of the discussion. We should be taking a more comprehensive approach and trying to develop an aerospace strategy for the country that involves all of its regions, rather than engaging in these kinds of one-off deals.

Part of the narrative that we are hearing from the government side has to do with this happy coincidence of Air Canada just happening to make an order for Bombardier jets and provincial governments just happening to drop their lawsuits. Is the time not *propice*, which I think was the French word used earlier by the parliamentary secretary, to bring these changes forward?



*Government Orders*

I do not know if it is sunny ways sort of occluding the government's view of how negotiations actually happen or if there is something more cynical at work. However, could the member comment on how a changing government and a government that is willing to gut the Air Canada Public Participation Act changes the bargaining position of provincial governments that, heretofore, had a case to make in court and no longer do? Of course, they are willing to sign up for a centre of excellence, because it is the best they can get in a context where the federal government is selling them out.

**Hon. Michelle Rempel:** Madam Speaker, I have two points in answer to my colleague's question.

First, yes, this bill would allow Air Canada to set up a centre of excellence, but it would remove the legal recourse for provinces to take Air Canada to court should it offshore its maintenance jobs. That is a problem.

He also raised a very interesting point in terms of looking at a strategy for the competitiveness of our aerospace sector in general, things like how we can ensure that small and medium-sized enterprises are certified and ready to get into the supply chain of OEMs, or how we can retain and attract the best and brightest labour from around the world to ensure that have innovation, that we have receptor capacity such that technology developed in Canada is manufactured in Canada, and companies are started in Canada.

There are so many things the government could be doing, but instead it has chosen the quid pro quo bill.

**Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC):** Madam Speaker, I want to acknowledge the experience my colleague brings to this conversation as the former Minister of State for Western Economic Diversification, and the importance of legislation as it pertains to retaining skilled expertise in our country.

Taking that into consideration, would she be willing to comment on the very narrow focus of this legislation? We know the minister has in his hand the Emerson report, in which Air Canada made a number of recommendations on what could be done to ensure it was more competitive. Would she be willing to comment on that?

• (1345)

**Hon. Michelle Rempel:** Madam Speaker, I would gladly comment on that. In fact, I have the recommendations in my hand. There are over 66 of them. Many of them have to do with taxation structure, building global hubs, and developing strong airport infrastructure. I think there are over two dozen on that. I think there are also two dozen on an efficient regulatory system. There are quite a few.

There are so many recommendations that the government could look at that would benefit other industries as well and bolster things like the Winnipeg aerospace sector. Instead, again it puts forward, as the short title, the quid pro quo bill.

**Mr. Ben Lobb (Huron—Bruce, CPC):** Madam Speaker, it is a pleasure to rise today in the House to speak to the bill.

I like Air Canada. I fly it whenever I can. I generally support what it has done. Therefore, I am not just any Air Canada person up here speaking.

How did we get to this point? Many roads and paths have brought us to this point. However, one of the biggest impacts to Air Canada in recent times, certainly in the last decade, and we do not need to go too much further than back to 2008-09, was when we saw sky-high fuel prices in the midst of an economic downturn. That caused many problems for Air Canada, and many other corporations as well in North America. Pension solvency was a huge issue, as were massive debt load, and many other issues.

If we take a look back almost 10 years now, that really put Air Canada in a make-or-break situation. I give it full credit for what it has done in the last decade. It has turned a company that is over 70 years old around and has a 40% top-line revenue growth. Therefore, it is obviously doing many things correctly, and I congratulate it on that.

There is one thing that would be tremendously helpful. We have heard this today and have heard it in the past. When I was at the technical briefing some weeks ago, I was not quite sure if this bill passed all of the litmus or smell tests that we would like to see in a bill. It would be great if the minister would turn over the correspondence he has had with Air Canada, Bombardier, and the Government of Quebec, so we can understand the timelines we are now looking at. I do not know if it is coincidence, but certainly many things have happened in a very short period of time that have caused the raising of a Spockian eyebrow.

I give full credit to Air Canada for turning around its finances. Its 2015 annual finances were reported a little while ago. It showed record profits of \$1.22 billion in net income for 2015. In 2014, its previous record, it showed \$531 million of net income. Therefore, many things have fallen into place for that to occur.

Another accounting and reporting term Air Canada uses is EBITDAR. I always refer to it as EBITDA, which is earnings before interest, taxes, depreciation, and amortization. I guess the aviation industry adds an "R" to its reporting for restructuring. That was also a record \$2.5 billion.

Another great number that is working in Air Canada's favour is the cost per available seat mile, which was another record.

In addition to that is the average projected fuel cost, which plays a huge part in the success or failure of an airline's finances. I believe Air Canada is projecting about 52¢ a litre, if memory serves me correctly, compared to last year which was over 60¢ a litre. If we compare that to 2008-09, the numbers are really good.

Therefore, a lot of things are trending in the right direction for Air Canada and its finances. In fact, everything is going so well that it has also announced it will repurchase up to 10 million shares, with the option of repurchasing an additional 5 million shares. Those shares are close to \$9 per share. Therefore, there is some available capital to Air Canada at this point in time.

I want to read directly from Air Canada's media room site with respect to its expense side and what it experienced in 2015. This highlights one of the points that I think many members are scratching their head over with respect to the argument of where, when and how we should perform maintenance.

*Government Orders*

It states, "Aircraft maintenance expense to increase \$250 million from the full year 2015..." If we read that on its own, we would think that it is making a point here. However, if we read further, it states, "...of which approximately \$100 million is estimated to be due to the weaker Canadian dollar when compared to the U.S. dollar." That means it is performing maintenance contracts around the world and when it brings all of those financials back home, there will be a \$100 million negative impact on that, which would also raise an eyebrow.

● (1350)

In addition, the remaining increase is mainly due to higher end-of-lease maintenance provisions, which is due to fewer lease extensions in 2016 versus 2015, the impact of a higher number of operating leases, an increase to maintenance expenses to the Boeing 787 aircraft, and the fly-by-hour arrangements that they have.

My point is that in doing business in Canada, if the maintenance of Canadian labour were such a burden, we would have certainly seen this in the 2014 annual report and in the 2015 annual report, where the CEO or the CFO would have made explicit mention of these high costs. In addition to that, CEOs travel the country, go to conferences, and make presentations to investors and industry. I am not criticizing the CEO, because he has done a fine job of the economic and operational performance of the company, but I would think that the long-term concern for high labour costs would have to come up in a presentation or an official document that the company sends out in annual or quarterly reports. We do not see that, and I am not the first to mention this point. Today the narrative is certainly not being made for these high costs.

I go back to my time when I worked in the automotive parts sector. In 2000 we started seeing these problems on a competitive front, and 15 years later we are still seeing them. In annual reports we would see the CEO and the CFO always commenting about the lower labour rates in developing countries.

Also, today I have heard other members, mainly government members, saying that this would unshackle Air Canada, that it would now be able to become competitive around the world on maintenance, etc., which is fine. However, what I would say goes back to the review of the Canada Transportation Act. It is that we cannot do just one thing on competitiveness. This is just picking a low-hanging fruit while neglecting all the other issues that would allow the aviation industry here in Canada, and the airline industry more specifically, to be extremely successful.

One key component that is a long-standing issue is traffic rights—landing slots or spots—and the issues around the protectionist nature that we have in this country.

As an example, Air Canada flies to Dubai every day. It flies from Dubai back to Canada every day. We would think that reciprocity would be extended to the Emirates airline so that it would be able to fly every day into Pearson and every day from Pearson back to Dubai. My research indicates to me that it is only three days a week.

It is the same with the major airline out of Qatar. It has three flights a week from Qatar to Montreal and vice versa. Why not include landing slots? Why not make it available? Air Canada has increased the number of flights to Dubai. Why not reciprocate? This

is all about competition. It is all about thinking about the consumers, the travellers, and letting them have choice. That is just one example.

The review act actually mentions that there should be seven days a week for flights to those countries, so I lay that out for consideration.

I have talked about timing. Others have talked about Aveos. I would be interested as well to hear if the union, which just ratified an agreement on behalf of 7,500 members, was aware of this legislation coming forward. I am sure they would have some interesting comments for the public on that point.

As for getting it cheaper elsewhere, I do not believe that. I know that the company I used to work for, Westcast, dealt with China, South Korea, and Mexico. We dealt with all these, but where do they go now to get world-class R and D work? Right in Ontario, because we have the know-how.

● (1355)

**Ms. Kate Young (Parliamentary Secretary to the Minister of Transport, Lib.):** Madam Speaker, I want to take the time to reiterate that the government wants to ensure that the changes to the act would continue to require Air Canada to carry out aircraft maintenance in certain Canadian regions, and this proposed legislation maintains that commitment.

The act currently refers to the City of Winnipeg, the City of Mississauga, and the Montreal Urban Community. I take note that the Montreal Urban Community, which no longer exists as a jurisdiction, did not include all of greater Montreal. For example, it did not include Mirabel. Also, Air Canada's activities extend throughout the greater Toronto area, not just Mississauga. There have been a number of changes, and these changes to the act would enforce the requirement that jobs stay within Canada.

**Mr. Ben Lobb:** Madam Speaker, I would call that, at the very best, a technical amendment of very little subsequent consequence, so what is the urgency? If that is one of the few things that we need to change with this bill, why waste all this debate on one little line in the legislation? Why not tell Air Canada that we will do this, but we also want to have a much larger bill that has many more benefits that would dovetail with what the review said?

Why do this little bit and then tell us that next year we are going to do another one? We know there are four years to a mandate, and there is really only one chance to do a piece of legislation like this. That is not going to work. This is going to be post-2019.

We should have waited. We should have done a lot more to help make aviation in this country competitive.

**Mr. Daniel Blaikie (Elmwood—Transcona, NDP):** Madam Speaker, part of the issue around Bill C-10 is really about the nature of a deal and the worth of a deal.

*Statements by Members*

In 1989, when Air Canada was privatized, there was a deal made with Canadians that we would continue to enjoy the benefits of having a major aerospace company that was Canadian, which meant doing the work in Canada. We have heard a lot from the government about how deals cannot be broken, how the deal is sacrosanct, and asking what the word of the Government of Canada would be worth if we went back on a deal. Well, what kind of responsible conviction is it that allows the government to break a deal with Canadian workers while not being willing to say no to a country with a terrible human rights record and selling that country arms? What kind of responsible conviction is that?

**Mr. Ben Lobb:** Madam Speaker, all I will say is we will get no better results than we will get from the people who are currently doing the job today. The people who are doing those jobs are the centre of excellence. It is fine if the company wants to move 20 miles, but if it thinks it is going to move to a place in my riding, for example, where are all the workers going to come from? The skill is in those communities. Let them do the work and let them do it well.

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** The hon. member will have approximately two minutes when we resume debate on this matter.

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## STATEMENTS BY MEMBERS

[*English*]

### 2016 NEWFOUNDLAND AND LABRADOR SUMMER GAMES

**Mr. Ken McDonald (Avalon, Lib.):** Madam Speaker, this summer the town of Conception Bay South will host the 2016 Newfoundland and Labrador Summer Games from August 13 to 21. The best young athletes will come from all over the province, including the French islands of Saint-Pierre and Miquelon, to compete and demonstrate the skills of elite-level sport.

The theme for the 2016 games is “Compete, Believe, Succeed”.

I am confident the athletes, coaches, and supporters will represent their teams to the best of their ability while taking time to enjoy the comforts and hospitality of Conception Bay South.

I would like to thank the games chair, Mr. Eric Schibler, and his entire volunteer committee for their commitment. A tremendous amount of hard work from skilled volunteers has made these games possible.

I invite all of my colleagues in the House to consider visiting the wonderful province of Newfoundland and Labrador for the 2016 summer games in Conception Bay South this August.

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• (1400)

### QUESNEL COMMUNITY FOUNDATION AWARDS

**Mr. Todd Doherty (Cariboo—Prince George, CPC):** Mr. Speaker, as the member of Parliament for Cariboo—Prince George, I have the honour of hearing about organizations in my riding that are truly remarkable.

I would like to say a big congratulations to the 15 recipients of the 2016 Quesnel Community Foundation Awards: the Alex Fraser Park Society, Baker Creek Gymkhana Club, Cariboo Hoofbeats Assisted Activity Program Society, Gavin Lake Forest Education Society, Island Mountain Arts, Lightning Creek Ski Club, Old Age Pensioners Organization Golden Center, Q City Singers, Quesnel Barrel Racers, Quesnel Curling Club, Quesnel Partnership for Student Nutrition, Quesnel Search & Rescue Society, Quesnel SPCA, Quesnel Technics Gymnastics Club, and the Quesnel Youth Association.

I would like to extend a big thanks to all of the people involved. The time and effort they give is an inspiration to others and makes our communities a better place to live.

A huge thanks and congratulations from Ottawa to Quesnel.

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### ANTIGONISH HIGHLAND GAMES

**Mr. Sean Fraser (Central Nova, Lib.):** Mr. Speaker, this weekend marked the 270th anniversary of the Battle of Culloden, and this May will mark the 35th anniversary of the celebration in my riding.

In the aftermath of this historic and deadly battle, a handful of surviving Scots emigrated from Britain to northern Nova Scotia. Their journey is part of the reason we have such a pronounced Scottish heritage in my province today.

The celebration is a special one that takes place at the Knoydart Cairn along the beautiful Northumberland Strait, where some of the battle survivors are buried today.

My grandfather, Earl Fraser, takes the history of this event so seriously that he once kicked a hitchhiker out of his car when he found out his last name was Munro. In fact, years ago my grandfather gave me a copy of the battlefield plan for Culloden, which I now proudly display in my office on the Hill.

To celebrate our Scottish heritage, I invite everyone to attend this year's Antigonish Highland Games, which is celebrating its 153rd year. This year's event will take place from July 8 to July 10 and features piping, dancing, heavy events, ceilidhs, and clan gatherings.

[*Member spoke in Gaelic as follows:*]

*Slàinte mhath.*

[*English*]

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### HOLOCAUST-ERA PROPERTY RESTITUTION

**Mr. Murray Rankin (Victoria, NDP):** Mr. Speaker, on Holocaust Remembrance Day we reaffirm our pledge never to forget.

*Statements by Members*

Today I rise to ask the government to honour its commitment to Holocaust-era property restitution and compensation. When Nazis occupied central and eastern Europe, residents were subject to widespread property confiscation, much of which was never returned to its rightful owners. To this day, these victims remain uncompensated. Appropriate compensation would afford survivors of the Holocaust who have already endured the unfathomable some security and relief in their later years.

Over 40,000 Holocaust survivors have settled in Canada. We are home to the third-largest concentration of survivors in the world. Canada must uphold the Ottawa Protocol on Combating Anti-Semitism and the Terezin Declaration.

The past cannot be changed, but that does not absolve us of our responsibilities to survivors today. It would be fitting for our government to renew its commitment to Holocaust-era property restitution as but the smallest measure of justice for survivors' unthinkable losses.

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**AWARD-WINNING POET**

**Mr. Ali Ehsassi (Willowdale, Lib.):** Mr. Speaker, April marks National Poetry Month, providing us with an opportunity to recognize the centrality of poetry to Canadian identity and culture. In that spirit, I am honoured to welcome to the House today a much celebrated Canadian, Ms. Suzanne Buffam.

Ms. Buffam is an award-winning Canadian national treasure, having been awarded the Gerald Lampert Memorial Award and the CBC Literary Award for Poetry, as well as having been shortlisted for the prestigious Griffin Poetry Prize.

In quintessentially Canadian fashion, Ms. Buffam's first foray into poetry was inspired by a family canoe trip to the Yukon while she was in primary school. She has certainly come a long way.

Over the weekend *The Globe and Mail* described her latest collection of poetry, *A Pillow Book*, as "...one of the most finely controlled, subtly structured books of Canadian poetry in recent memory...."

This evening Ms. Buffam's contributions to the poetic canon will be celebrated at Christ Church Cathedral in Ottawa—

• (1405)

[*Translation*]

**The Speaker:** The hon. member for Mégantic—L'Érable.

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**THOMAS "THE GHOST" CHABOT**

**Mr. Luc Berthold (Mégantic—L'Érable, CPC):** Mr. Speaker, in a tiny gym in the Robertsonville neighbourhood of Thetford Mines, a 16-year-old young man is preparing to become one of our Olympic hopefuls.

Thomas "The Ghost" Chabot trains, while other youth his age are out having fun. He follows a strict diet, while his friends eat poutine. He is extremely disciplined, because he knows very well that hard work pays off.

Thomas Chabot is a young boxer who won the Canadian junior title, his third consecutive national title. He was also named the best boxer at the tournament, also for the third year in a row. This is unprecedented in the history of the Canadian championships.

Jason Genest, who trains at the same club, also won a Canadian title at the championship.

Thomas Chabot has his sights set on the 2020 Olympics. He will be supported by his trainer, Stéphane Lachance, and his father, Constant Chabot, as well as everyone in Thetford Mines and, I hope, all Canadians.

Thomas is a fine example of courage and determination. On behalf of all members of the House of Commons, I am proud to congratulate him on his journey and wish him all the best as he strives to make his Olympic dreams a reality.

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[*English*]

**SCHOOL SCIENCE FAIR WINNERS**

**Mrs. Bernadette Jordan (South Shore—St. Margarets, Lib.):** Mr. Speaker, I rise in the House today to recognize students in South Shore—St. Margarets for their science fair projects through South Shore Regional, Tri-County Regional, and Halifax Regional School Board science fairs.

Projects included the effect of adverse weather conditions on solar panels, water quality and environmental responsibility, bridge design, Wi-Fi security and safety, and so many others.

Adam Culbert, Kennedy Frittenberg, Soheil Ghaffari, Madison Greek, and Lindsey Nickerson will be going on to the Canada-wide science fair in Montreal.

I am so keen to speak about these students today, not only because of their hard work, but because Canada needs innovative thinkers of all ages.

The questions that these students are investigating are ones that drive our country forward to become more healthy, prosperous, and environmentally sustainable.

Congratulations and kudos to all of the students and a big thanks to the teachers, parents, guardians, and schools that support this new generation of movers and shakers.

\* \* \*

**NATIONAL ORGAN AND TISSUE DONATION  
AWARENESS WEEK**

**Ms. Ruby Sahota (Brampton North, Lib.):** Mr. Speaker, this week marks National Organ and Tissue Donation Awareness Week. I rise to raise awareness about the importance of registering as a donor. One Canadian dies every three days while waiting for a transplant. In Ontario alone, more than 1,600 men, women, and children are waiting for life-saving organ transplants.

I encourage all Canadians and my fellow members of Parliament to register themselves as donors. One organ donor can save up to eight lives and enhance as many as 75 lives through tissue donation.

*Statements by Members*

In Brampton, Ontario, there are close to half a million people eligible to register as donors, and I want to let my constituents of Brampton North know that they can quickly and easily register online by going to [beadonor.ca](http://beadonor.ca).

Mr. Speaker, thank you for this opportunity, and I hope that you too are registered as an organ and tissue donor.

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**KADMOOS HALABI**

**Mr. Ziad Aboultaif (Edmonton Manning, CPC):** Mr. Speaker, I rise today to pay tribute to a constituent, a young man tragically taken from us just as he was beginning to make his mark. Kadmoos Halabi was 22 years old, an engineering student at the University of Alberta.

Then came the diagnosis: leukemia, something not quite real for someone so young. He fought bravely, inspiring others with his attitude.

In the words of J. Fraser Forbes, dean of engineering at the University of Alberta, the world has been robbed of a talent, not permitted to develop or realize a potential that would undoubtedly perform great works. He was a kind and gentle person with a bright future extinguished far too soon.

His was a life lived to the fullest, though all too short. Our prayers are with his family as they mourn.

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**VIOLENCE AGAINST WOMEN**

**Mr. Randeep Sarai (Surrey Centre, Lib.):** Mr. Speaker, today I would like to address a tragedy in my constituency that occurred four and a half years ago when Maple Batalia, a talented young woman, a health sciences student at SFU and an upcoming model, was murdered at her school.

The death of Maple Batalia has, for the past four years, been a colossal wound to our community.

When I speak to the Batalia family and members of our community, they share the story of a young woman who was a trailblazer, an inspiration to her peers, someone who was known for a strong and courageous character, and a woman who, I am certain, would have had a bright future.

On March 7, 2016, the perpetrator was sentenced to life in prison.

I believe that, too often, there is a sense that violence against women is a private issue. To all those women and families listening, I challenge them to break this silence. Partner violence, and in particular violence against women, is a community issue that we need to address together.

\* \* \*

● (1410)

**CHARTER OF RIGHTS AND FREEDOMS**

**Ms. Julie Dabrusin (Toronto—Danforth, Lib.):** Mr. Speaker, on April 17, 1985, section 15 of the Canadian Charter of Rights and Freedoms came into effect, enshrining equality in our Constitution.

[*Translation*]

Enacting this section marked a turning point in Canadian history. For the first time, equality for women was enshrined in legislation. That is why, on April 17, we celebrate Equality Day.

[*English*]

The charter states that every individual is equal before and under the law. It gives every Canadian equal protection, regardless of race, national or ethnic origin, colour, sex, age, or mental or physical disability.

[*Translation*]

Equality Day serves as a reminder that we must never take these basic rights for granted. Today I encourage all members of the House to look back on this important event in Canadian history and reflect on the various ways that our shared values of respect, fairness, and equality continue to enrich our lives as Canadians.

\* \* \*

**EARTHQUAKE IN ECUADOR**

**Mr. Alain Rayes (Richmond—Arthabaska, CPC):** Mr. Speaker, today my thoughts and prayers are with the families and friends of the victims of the earthquake in Ecuador, and especially those of the two Quebeckers who perished.

The numbers continue to grow, with at least 350 lives lost and more than 2,500 people injured. At times like this we get a sense of nature's strength and humankind's vulnerability. My heart goes out to the people of Ecuador.

The Laflamme family was in the wrong place at the wrong time when the ceiling came down on them. Pascal, Jennifer, Laurie-Ann, and Arthur were true globetrotters, a close family that had just toured the world together. We can only imagine the grief of the two survivors: Pascal, the father, and his daughter, Laurie-Ann.

I want to close by offering my support to the federal government in managing this tragedy and my most sincere condolences to the families in Quebec who are being exceptionally strong under the circumstances.

\* \* \*

[*English*]

**PARKINSON'S AWARENESS MONTH**

**Mrs. Celina Caesar-Chavannes (Whitby, Lib.):** Mr. Speaker, April is Parkinson's Awareness Month, a month-long campaign across Canada to recognize those impacted by the disease.

Parkinson's is a disease of the brain that touches almost every aspect of daily living. It is a progressive neurodegenerative disease, which affects more than 100,000 Canadians, and to which there is no known cause or cure. Therefore, most Canadians, including many of us in this chamber, know someone who is affected.

### Oral Questions

Parkinson Canada offers services and support to those living with Parkinson's, their caregivers, and their families.

More broadly, Parkinson's disease is part of a larger group of neurological conditions that affect millions of Canadians. We must do more to decrease the stigma associated with neurological and mental health conditions by increasing our understanding, education, and awareness.

\* \* \*

#### RETIRING OPP OFFICER

**Mrs. Carol Hughes (Algoma—Manitoulin—Kapuskasing, NDP):** Mr. Speaker, I rise to honour OPP Constable Al Boyd, who recently retired after serving the communities of Manitoulin Island for 35 years with dedication and commitment.

Though he grew up in Montreal, Al quickly adapted to life on Manitoulin Island and adopted it as his own. While many people knew him as a community services officer, he performed many different roles, both within the OPP in his community of Little Current and on Manitoulin Island.

Al joined the OPP auxiliary before becoming a police officer, was a crisis negotiator in the northeast region, and was recognized as volunteer of the year for his work with Manitoulin Northshore Victim Services, among many other accomplishments.

Al was instrumental in the implementation of the UCCM tribal police and built bridges with the island's first nations. His voice was always welcome and instantly recognizable as he delivered daily OPP radio reports.

I ask all members to join me and offer our thanks to Al Boyd for his dedication and commitment to public safety over the years and congratulate him on a distinguished career.

Happy retirement, Al.

\* \* \*

• (1415)

#### THERE AND BACK CHARITY RUN

**Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC):** Mr. Speaker, it gives me great pleasure to welcome Edward Dostaler, also known as Fast Eddy, to Ottawa.

Fast Eddy is a constituent of mine from Kamloops, whose goal is to run across Canada and back, and to do this unaccompanied. His mission is to raise awareness and funds for breast cancer and Alzheimer's research.

He began his 22,000 km journey in Victoria last March. Six months later, he reached Cape Spear in Newfoundland. He is on his return trip back to Victoria.

I would like to encourage all members here to lend their support to Eddy as he passes through their constituencies.

I would like Eddy to remember that everyone back home in Kamloops admires his courage and determination and are extremely proud of his accomplishments.

[Translation]

#### JENNIFER MAWN AND ARTHUR LAFLAMME

**Mr. Rémi Massé (Avignon—La Mitis—Matane—Matapédia, Lib.):** Mr. Speaker, in recent days, deadly earthquakes have struck Ecuador and Japan.

Ecuador's strongest earthquake in decades has killed hundreds and injured thousands.

It was with great sadness that we learned of the death of two Canadians, Jennifer Mawn and her son, Arthur Laflamme. On behalf of the members of the House, I would like to express our most sincere condolences to the Mawn and Laflamme families, their friends, and all those affected by this devastating earthquake.

We would also like to wish a prompt recovery for those people who were injured. Canadian officials at the Quito embassy are working hard to give the families and Canadians affected by this earthquake all the help they need.

Canada will continue to work with local authorities in Ecuador and Japan to assess the impact of these earthquakes and the needs on the ground.

Today, however, our thoughts are with the Mawn and Laflamme families.

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## ORAL QUESTIONS

[Translation]

#### ECUADOR

**Hon. Denis Lebel (Lac-Saint-Jean, CPC):** Mr. Speaker, on the same topic, it is important to remember that Saturday marked an historic event in the province of Manabi, Ecuador. A Quebec family who had been living there for a short time tragically lost two of its members. On behalf of the official opposition, we wish to offer our deepest condolences to the friends and loved ones of this bereaved family.

Can the government give us an update on the situation?

What can Canada do to support this country, which has declared a state of emergency?

**Hon. Marie-Claude Bibeau (Minister of International Development and La Francophonie, Lib.):** Mr. Speaker, first of all, I would like to offer our sincere condolences to the grieving family and the victims' loved ones.

I would also like to assure everyone here that the Quebec family is receiving assistance from Canadian consular officials. Our team is in contact with local authorities to assess the impact of the earthquake and the needs on the ground. I can say that we will be providing \$1 million to local authorities for relief efforts in the very near future.

*Oral Questions***FINANCE**

**Hon. Denis Lebel (Lac-Saint-Jean, CPC):** Mr. Speaker, we recently warned Canadians that the Liberal government's excessive spending would be tough to pay for without raising taxes. Canadians will end up paying those taxes in the future. On Saturday, the former parliamentary budget officer sounded the alarm and confirmed what we have been saying for some time. He warned people about possible tax hikes to cover growing deficits. Canadians are realizing that they cannot trust this government.

Will the Prime Minister tell us which taxes he plans to raise to cover the cost of his out-of-control spending?

**Hon. Bill Morneau (Minister of Finance, Lib.):** Mr. Speaker, we want to invest in our economy to grow it for people now and in the future. We know how important it is to do that. We have very low interest rates, and our debt-to-GDP ratio is the lowest in the G7. Now is the time to grow the economy through investment. This is a good thing for the present and the future.

• (1420)

[English]

**Hon. Denis Lebel (Lac-Saint-Jean, CPC):** Mr. Speaker, a former budget watchdog said Saturday what our official opposition has been saying for the past few weeks, that the government lacks transparency. He said, "When you don't see the details, usually somebody is trying to hide something. There is a reason for the lack of transparency".

Canada cannot trust the government. Does the Prime Minister have something to hide? Why the lack of transparency?

**Hon. Bill Morneau (Minister of Finance, Lib.):** Mr. Speaker, we have been open and transparent with Canadians and will continue to do so. We have shown Canadians important measures that can grow the economy today and that can grow the economy tomorrow.

We made it very clear that we wanted to show measures, infrastructure investments and innovation measures that can make a real difference. We have shown two years of measures in order to make sure Canadians understand there is more work to do in the future to make sure we invest Canadians' money wisely in growing our economy.

\* \* \*

**TAXATION**

**Mr. Andrew Scheer (Regina—Qu'Appelle, CPC):** Mr. Speaker, Liberals just think that they are transparent because Canadians are finally seeing through them.

As families prepare to file their taxes, Canadians are discovering just how mean-spirited the Liberal budget was. Liberals have lowered contribution limits on tax-free savings accounts. They have eliminated income splitting for families, and have cancelled important tax credits for fitness, arts, textbooks, and education.

Experts agree that Canadian families are worse off under the Liberals. Will the Liberals show a little compassion and reverse their cold-hearted tax grab?

**Hon. Bill Morneau (Minister of Finance, Lib.):** Mr. Speaker, we want to help families who are really challenged. The measures that the member opposite was speaking about do not help those families

most in need. We put in place measures that will encourage tax fairness. The Canada child benefit will help nine out of 10 families.

We will see more families with more money in their pockets for things for their children this year than last year and the years before.

**Mr. Andrew Scheer (Regina—Qu'Appelle, CPC):** Mr. Speaker, that is just not the case. The Liberals are so off-base that they are actually out in left field. While the Prime Minister would rather watch the game from the owner's box, we want kids on the field. By striking out the children's fitness tax credit, the Prime Minister is putting Canadian families in a real squeeze play. Instead of hitting one out of the park, the Prime Minister keeps hitting fouls.

Will the Liberals listen to Canadians and bring back the fitness and arts tax credits, or would they prefer that kids watch the game from the bleachers?

**Hon. Bill Morneau (Minister of Finance, Lib.):** Mr. Speaker, the credits that are being spoken about by the member opposite are credits that unfortunately were not available to those kids who are most impoverished in our country. We want to create tax fairness for all Canadians. Our measures will help nine out of 10 families with children to have more money in their pockets. There will be more children on more sports fields this year than in the years gone by.

\* \* \*

[Translation]

**CANADA REVENUE AGENCY**

**Mr. Peter Julian (New Westminster—Burnaby, NDP):** Mr. Speaker, we just learned that senior officials at the Canada Revenue Agency were treated to fancy dinners at the exclusive Rideau Club, where they enjoyed cocktails, duck confit poutine, and filet mignon with Merlot sauce. These soirees were paid for by accounting firms, including KPMG, which the CRA was supposed to be monitoring.

How are Canadians supposed to have any faith in the CRA's investigative powers when its inspectors are being wined and dined by those they are meant to be keeping tabs on?

**Hon. Diane Lebouthillier (Minister of National Revenue, Lib.):** Mr. Speaker, I want to remind Canadians that our government is a government of transparency and openness.

As far as my colleague's allegations are concerned, I will be very clear. The event was organized by the Chartered Professional Accountants of Canada, a professional association. Most of our employees who work in accounting and auditing belong to that association.

[English]

**Mr. Peter Julian (New Westminster—Burnaby, NDP):** Mr. Speaker, I think Liberal ministers need a remedial course in what conflict of interest really means.

### Oral Questions

The Minister of Justice was caught raising funds at a private law firm. Now, senior CRA officials are at private parties hosted by people they are supposedly investigating, while KPMG negotiates sweetheart deals to get millionaire clients off the hook. It does not take a quantum computer to see this does not add up to any accountability or transparency at all.

Will the minister reopen the sweetheart deals and launch an investigation into this apparent conflict of interest?

• (1425)

[Translation]

**Hon. Diane Lebouthillier (Minister of National Revenue, Lib.):** Mr. Speaker, the CRA has worked with Canada before. The CRA will continue to work with all stakeholders, including CPA Canada. The CRA meets with its partners to promote its activities and interests and compliance with tax law.

The public servants who were in charge of the KPMG file and made recommendations on it did not attend the receptions hosted by CPA Canada in 2014 and 2015.

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[English]

### FOREIGN AFFAIRS

**Ms. Hélène Laverdière (Laurier—Sainte-Marie, NDP):** Mr. Speaker, Canada's ambassador recently laid out the government's priorities in Saudi Arabia: oil and gas, agriculture, health care, mining, etc., but no mention of human rights.

Writers whipped, opposition members executed, women made second-class citizens, and 20% of the government's own human rights assessment is being blacked out.

Why is the government making oil, gas, and arms sales its priorities while looking the other way when it comes to human rights abuses?

**Ms. Pam Goldsmith-Jones (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.):** Mr. Speaker, our government is committed to advancing human rights everywhere, including in Saudi Arabia. We do not miss an opportunity to raise this with our Saudi counterparts, nor do we miss opportunities for positive engagement.

Canada has a strategic partnership with Saudi Arabia. We maintain an ongoing dialogue with Saudi Arabia on a number of issues, including human rights, and the critical role the kingdom is playing in efforts to tackle ISIL in the front lines.

[Translation]

**Ms. Hélène Laverdière (Laurier—Sainte-Marie, NDP):** Mr. Speaker, when it comes to the Saudi arms deal, the government has been giving Canadians the runaround for weeks. Now we are starting to see why. Canada's ambassador to Saudi Arabia laid out his priorities, but he forgot one: human rights. He left them out entirely.

Why is the government bent on being so friendly with such an authoritarian regime?

[English]

**Ms. Pam Goldsmith-Jones (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.):** Mr. Speaker, let us be clear.

This contract was signed under the previous government. During the election, the Conservatives, the Liberals, and the NDP committed to honouring the contract. In fact, the leader of the NDP said, "You don't cancel a commercial accord retroactively; it's just not done".

Our Prime Minister has made it very clear that we will not weaken Canada's credibility by tearing up this contract.

The release of the report on Friday was the first of many steps we will be taking to provide greater transparency on human rights assessments.

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### SMALL BUSINESS

**Hon. Pierre Poilievre (Carleton, CPC):** Mr. Speaker, to quote the government, "Budget 2016 proposes that further reductions in the small business income tax rate be deferred", but wait. The small business minister said this month, "I wouldn't say that it's been deferred".

If it was not deferred, then it is either (a) going ahead on schedule or (b) cancelled altogether. Which is it?

**Hon. Bardish Chagger (Minister of Small Business and Tourism, Lib.):** Mr. Speaker, small business owners want and need a robust economy to succeed. We are making investments to support that growth. Small business owners need strong consumers. There is the middle-class income tax cut, the Canada child benefit, investments in infrastructure, incubators, and accelerators, and the list goes on. All of it, absolutely all of it, supports small and medium-size businesses, their consumers, the middle-class Canadians who own them, and the people who work hard for small business.

**Hon. Pierre Poilievre (Carleton, CPC):** She did not answer the question, Mr. Speaker.

As early as this Wednesday, the government will introduce legislation which would amend the Income Tax Act to raise the small business tax rate by half a point, a point, and a point and a half over the next three respective years. I wonder if the member would rise today and confirm that she and her government are abandoning plans to raise taxes on small businesses and that she will agree with the Conservative plan to keep taxes low for our job creators.

**Hon. Bill Morneau (Minister of Finance, Lib.):** Mr. Speaker, I would like to be very clear. We put forward a budget that helps small business. We put forward a budget that maintains the small business tax rate. No taxes are being increased.

We put forward a budget that will help consumers in Canada, the very people who buy goods and services from small and medium-size business. We are going to grow this economy. It is going to help small business. It is going to help Canadians across this country to have better lives.



•(1430)

**Hon. Alice Wong (Richmond Centre, CPC):** Mr. Speaker, last week the Minister of Small Business and Tourism told us to look at the budget with regard to small businesses, so let us do that.

The fact is the Liberals dismissed recommendations from the finance committee and ignored recommendations from small business owners. The minister claims to be working with stakeholders, but recent history shows there is no sense in trusting what Liberals say.

When will the minister stop hiding behind empty promises and stand up for small business owners?

**Hon. Bardish Chagger (Minister of Small Business and Tourism, Lib.):** Mr. Speaker, I have been working closely with small business owners and stakeholders across this nation. Since being put in this post, I have met with almost 250 stakeholders, small business owners, and the people who work hard for them. Our budget actually supports small businesses.

We are listening to Canadians. We are listening to small business owners. That is what we will continue to do.

**Hon. Alice Wong (Richmond Centre, CPC):** Mr. Speaker, the minister's mandate letter tells her what her priorities are. One of them is, "Work with the Minister of Finance as the small business tax rate reduction is implemented".

Could the Minister of Small Business and Tourism explain why the finance minister ignored her and instead raised taxes on small businesses?

**Hon. Bardish Chagger (Minister of Small Business and Tourism, Lib.):** Mr. Speaker, this government is taking a whole-of-government approach. We work very closely with each other. Part of working together is listening to each other and engaging in difficult conversations.

I work closely with the Minister of Finance. We have consultations and discussions every day. We are not just listening to each other, we are listening to Canadians and small business owners, because we need to ensure that they have the robust economy that they need, and that is what we will do.

[Translation]

**Mr. Joël Godin (Portneuf—Jacques-Cartier, CPC):** Mr. Speaker, the government is abandoning SMEs in Canada. It promised them it would reduce their tax rate from 11% to 9%. That is just another broken promise.

A high tax rate, increased payroll taxes, and a national carbon tax: there is nothing in this budget to help SMEs create jobs and be more competitive.

Why is the government beating up on businesses that create jobs and wealth?

[English]

**Hon. Bardish Chagger (Minister of Small Business and Tourism, Lib.):** Mr. Speaker, we actually reduced taxes. In January, the tax rate went down from 11% to 10.5% for small business owners. Furthermore, we will be reducing EI premiums for small business owners. We are giving small business owners the support they need. We are growing strong consumers. Our middle-class tax

### Oral Questions

cut, the Canada child benefit, all of these things will support customers and small business owners.

We will continue to do the good work that we are doing.

\* \* \*

[Translation]

### TAXATION

**Mr. Joël Godin (Portneuf—Jacques-Cartier, CPC):** Mr. Speaker, the government should respect Canadian families and not take them for fools.

The Liberals want us to believe that this budget is good for families, but that is false. Their tax burden will increase by almost \$4 billion over the next two years. After the cancellation of the children's fitness and arts tax credits, families have the right to know how much this will cost them.

Will the government be forthcoming and tell families that it will be placing the burden of its astronomical deficit on their shoulders?

**Hon. Bill Morneau (Minister of Finance, Lib.):** Mr. Speaker, we started by cutting taxes for the middle class. Nine million Canadians now have more money in their pockets as a result of this tax cut.

Furthermore, the Canada child benefit will give nine out of 10 families with children more money this year, an average of \$2,300 more.

This is a budget for the middle class and people who want to be part of the middle class. It is going to grow our economy in the future.

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[English]

### INDIGENOUS AFFAIRS

**Ms. Georgina Jolibois (Desnethé—Missinippi—Churchill River, NDP):** Mr. Speaker, a legal misstep has allowed the Catholic Church to avoid paying millions of dollars to victims of residential school abuse.

No funding could ever really compensate for the suffering of defenceless children at the hands of those who are supposed to care for them. However, to discover that legal miscommunication has let those responsible off the financial hook is shocking and unacceptable.

Will the government step in and demand full payment for the victims of this tragedy?

•(1435)

**Ms. Yvonne Jones (Parliamentary Secretary to the Minister of Indigenous and Northern Affairs, Lib.):** Mr. Speaker, we are committed to achieving reconciliation for all those who are tragically impacted. It seems that the previous government did create an unfortunate misjustice that has allowed it to not own up to the implications.

We pledge to the people, despite the actions of the former government, that we will continue to encourage them, and all parties, to reach a settlement and a reconciliation that is appropriate.

*Oral Questions**[Translation]*

**Ms. Brigitte Sansoucy (Saint-Hyacinthe—Bagot, NDP):** Mr. Speaker, what we learned today about residential schools and the Catholic Church is quite frankly shocking.

The government inadvertently allowed the church to renege on its legal obligation to try to raise \$25 million for programs to help residential school victims.

The journey toward healing from this shameful national tragedy is long and painful. Letting the Catholic Church sidestep its obligations, even inadvertently, is a betrayal of the goal of healing.

How can the government justify this outrageous situation?

*[English]*

**Ms. Yvonne Jones (Parliamentary Secretary to the Minister of Indigenous and Northern Affairs, Lib.):** Mr. Speaker, we far from justify. In fact, we too are very concerned about what has happened here.

We will continue to work with those involved, including the Catholic Church, to try to achieve the full reconciliation that is owed to those who are tragically impacted. Unfortunately, we have no control over the correspondence that has allowed it to be off the hook, which was originally sent by the former administration.

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**MINISTERIAL EXPENSES**

**Mr. Blaine Calkins (Red Deer—Lacombe, CPC):** Mr. Speaker, the Minister of International Trade was in Manila on November 19.

She had her seat reserved on the government Challenger to make her way back home, but instead she booked herself through LA and charged the taxpayers nearly \$20,000 for a trip to Hollywood. The reason: a vanity interview. While the interview with Bill Maher was painful to watch, it turns out it was just as painful for Canadian taxpayers.

Why have Canadian taxpayers been stuck with the bill for her California dream?

**Mr. David Lametti (Parliamentary Secretary to the Minister of International Trade, Lib.):** Mr. Speaker, we are proud of the work that our minister has done advancing Canadian interests around the world.

All expenses, on all of her trips, are transparent and done according to all the various ethical guidelines that are imposed on her.

**Mr. Blaine Calkins (Red Deer—Lacombe, CPC):** Mr. Speaker, cabinet ministers can do what they want with their personal vanity projects, but Canadians should not have to pay for them: first-class tickets from Manila; and two days in Los Angeles, with her staff in tow. Why are Canadian taxpayers footing the bill for a first-class trip to Hollywood, just so the minister can be on an American talk show?

**Mr. David Lametti (Parliamentary Secretary to the Minister of International Trade, Lib.):** Mr. Speaker, it bears repeating that all of the minister's travel is done according to guidelines that are set. She follows all the rules.

We will continue to be transparent in this regard.

**Mrs. Karen Vecchio (Elgin—Middlesex—London, CPC):** Mr. Speaker, that is not quite the case. It is actually worse than that.

The minister travelled first class, scarfing down gourmet food, and then turned around and claimed per diems for the same meals. We all know that this is against the rules. She cannot charge taxpayers for this vanity trip. She double-billed them for meals.

Is the minister's integrity worth more than the \$104.20 that she has taken from the taxpayers? Will she be returning the money to the taxpayers?

**Mr. David Lametti (Parliamentary Secretary to the Minister of International Trade, Lib.):** Mr. Speaker, all of the minister's travels are done according to the ethical guidelines and the guidelines with which we have to comply as members of the government. We will continue to do so in the future.

*[Translation]*

**Mr. Jacques Gourde (Lévis—Lotbinière, CPC):** Mr. Speaker, concerns regarding the Liberal government's questionable ethics are piling up as fast as the deficit is rising. We have learned that the Minister of International Trade spent nearly \$20,000 to appear on a Hollywood talk show. What nonsense.

Since she was not in Los Angeles to negotiate a free trade agreement with the Hollywood stars, can she explain why Canadians should have to foot the bill for her expensive side trip to California?

**Mr. David Lametti (Parliamentary Secretary to the Minister of International Trade, Lib.):** Mr. Speaker, the minister's expenses are public, published, and transparent. We are following the rules and will continue to do so.

\* \* \*

● (1440)

*[English]***NATIONAL DEFENCE**

**Mr. Randall Garrison (Esquimalt—Saanich—Sooke, NDP):** Mr. Speaker, last week Canadians were alarmed to discover that the Liberals' defence review included consideration of privatizing search and rescue. Now we have learned the Liberals are also reconsidering Canada's participation in the Star Wars missile defence scheme.

I have a bad feeling about this. Canadians thought this debate was put to rest more than a decade ago. Would the minister tell the House, and this is a yes or no question, are the Liberals reconsidering Canada's participation in this dangerous U.S. missile defence scheme?

**Hon. Harjit S. Sajjan (Minister of National Defence, Lib.):** Mr. Speaker, Canada currently does not participate in the ballistic missile defence. No decision has been made to change this policy.

Through the defence policy review, the government is consulting Canadians on a wide range of defence-related issues in an open and transparent manner, including ballistic missile defence.

*Oral Questions*

**Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP):** Mr. Speaker, it is a trap.

[*Translation*]

The Liberals are full of surprises. One day they want to privatize search and rescue missions and the next they announce that they want to review our participation in the missile defence shield. Yes, Mr. Speaker, you heard correctly. They want to review our role in the Star Wars system that we rejected 10 years ago. Was seeing the *Star Wars* movie not enough for the Prime Minister? Why does he want to get Canadians involved in a useless scheme that is going to cost us billions of dollars?

[*English*]

**Hon. Harjit S. Sajjan (Minister of National Defence, Lib.):** Mr. Speaker, the government wants to ensure that Canada and North America are well defended from all threats.

We want to make sure that the defence review is open and wide. By not opening up the discussion on ballistic missile defence and allowing Canadians to have a say in this, it would not be an open defence review.

\* \* \*

[*Translation*]

**ECUADOR**

**Mrs. Alexandra Mendès (Brossard—Saint-Lambert, Lib.):** Mr. Speaker, we were saddened to hear about the tragic events caused by the earthquake in Ecuador on Saturday. Can the government update the House on recent developments and on the services for Canadians who are in the affected area?

**Ms. Pam Goldsmith-Jones (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.):** Mr. Speaker, we send our thoughts and sincere condolences to all those affected by this earthquake.

[*English*]

We are working with the families of two Canadian citizens who were tragically killed during the earthquake. As a nation, we send our deepest condolences to their families, their friends, and their loved ones.

Consular officials in Ottawa have reached out to the family and are offering support and assistance. Canadian officials in our embassy in Quito are reaching out to Canadian citizens in that country to provide assistance.

We will continue to work with local authorities to assess the impact of this devastating earthquake and with what is needed on the ground.

\* \* \*

**THE ENVIRONMENT**

**Mr. Todd Doherty (Cariboo—Prince George, CPC):** Mr. Speaker, the MP for Steveston—Richmond East wants to shut down the port of Vancouver and have it subject to an environmental assessment, the same environmental process that has tied up the Pacific LNG project in more and more red tape and has put the creation of thousands of well-paying jobs on hold.

How many more jobs are the Liberals willing to kill before they start approving the projects that Canadians depend on for their livelihoods?

**Mr. Jonathan Wilkinson (Parliamentary Secretary to the Minister of Environment and Climate Change, Lib.):** Mr. Speaker, I am not sure if the hon. member knows, but the ports already have an environmental process through which they deal with ongoing projects. Projects that reach a certain threshold are reviewed by the Canadian Environmental Assessment Agency.

As we move forward and we initiate the review of the broader environmental assessment processes in Canada, we will be looking at how environmental assessments are done generally, and these will be part of the discussion.

**Mr. Todd Doherty (Cariboo—Prince George, CPC):** Mr. Speaker, there are more and more verbal gymnastics from the other side.

The president of the Vancouver Port Authority said that they regularly engage with the community, but “it’s kind of hard to know what a social licence is”. He is referring to the same social licence that is causing a delay in the Pacific LNG project, which would be the largest private sector investment in British Columbia history.

When will the Liberals stop using environmental buzzwords to kill Canadian jobs, and instead become a beacon of light in rough waters and start approving job-creating projects?

**Mr. Jonathan Wilkinson (Parliamentary Secretary to the Minister of Environment and Climate Change, Lib.):** Mr. Speaker, in the modern age, Canadians expect that the environment and the economy work together hand in hand. They expect rigorous environmental assessments of projects so that people can have comfort that when projects proceed they are done in an environmentally sustainable manner. With respect to Pacific Northwest, the proponent provided additional information, which we are now reviewing. There will be a decision within the next few months, and it will be based on science and on data, not on politics.

•(1445)

**Mr. Bob Zimmer (Prince George—Peace River—Northern Rockies, CPC):** Mr. Speaker, today and tomorrow, mayors from my riding and I are meeting with federal Liberals to discuss the benefits of the LNG industry. We agree with the minister that we want to grow our economy. Many residents and small businesses have been hit hard by low energy prices, but it does not have to end this way. B. C. projects will create thousands of jobs and billions of dollars in tax revenue while also reducing global emissions. When will the Liberal cabinet hear the voices of strong support for B.C. LNG and approved projects like Pacific Northwest LNG?

*Oral Questions*

**Mr. Jonathan Wilkinson (Parliamentary Secretary to the Minister of Environment and Climate Change, Lib.):** Mr. Speaker, I am not sure if the hon. member was not present, but the wood fibre project actually was approved. It went through a rigorous environmental assessment process, where we determined that the environmental impacts could be managed in a sustainable way. That project is going forward.

The same process will be used with Pacific Northwest and all other LNG projects to ensure that environmental impacts will be managed if in fact the projects are to proceed.

**Mr. Bob Zimmer (Prince George—Peace River—Northern Rockies, CPC):** Mr. Speaker, one more time I will say that while we wait for the Liberal cabinet to make a final decision on Pacific Northwest LNG, Progress Energy is cutting investment as we speak. This is yet another blow to real families of northeastern B.C., where the unemployment rate is the highest in the province. There is now growing concern about further delays. What would that mean to our communities? When will the Liberal cabinet step up, support our families, and approve B.C. LNG and grow our economy?

**Mr. Jonathan Wilkinson (Parliamentary Secretary to the Minister of Environment and Climate Change, Lib.):** Mr. Speaker, we very clearly understand that major resource projects are an important part of the economy, but they must be done in a manner that balances the environment and the economy. One of the reasons that this group is sitting on this side of the House and that group is sitting there is because Canadians lost faith in the ability of the previous government to manage the environment.

\* \* \*

**INTERNATIONAL TRADE**

**Mr. Brian Masse (Windsor West, NDP):** Mr. Speaker, Canadians are gathering outside today's trade committee meetings in Vancouver, calling for the government to reject the TPP. They are not alone. Industry leaders from manufacturing and high tech have warned that this deal would be bad for Canadian businesses, and Nobel laureate, Joseph Stiglitz, called it the worst trade deal ever. The TPP would cost us 60,000 jobs and increase growing inequality.

The Liberals are barrelling ahead with this job-killing trade deal. Why is the minister finishing the bad work of the Conservatives?

**Mr. David Lametti (Parliamentary Secretary to the Minister of International Trade, Lib.):** Mr. Speaker, the TPP was negotiated in secret by the previous government. The member's party rejected it without even having read it. We said we would consult. We are looking at every corner of the agreement. There are those, as the hon. member has cited, who are against it, but there are many others who are for it and cite various positives for the Canadian economy. We plan to study it, put it before Parliament, and therefore put it before the Canadian people.

[*Translation*]

**Ms. Ruth Ellen Brosseau (Berthier—Maskinongé, NDP):** Mr. Speaker, the Liberals committed to protecting supply management and dairy farmers. Six months later, their track record is dismal. The problem with diafiltered milk is still not resolved. There is absolutely no compensation in the budget for the Canada-European Union Comprehensive Economic and Trade Agreement, and the government is going to move forward with the trans-Pacific partnership.

When will the Liberals keep their promises and stand up for Canadian dairy farmers?

[*English*]

**Hon. Lawrence MacAulay (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I appreciate my hon. colleague's question and her concern. We, of course, support supply management and, as we indicated, we understand the importance of compensation in the supply management sector. It has been indicated by my colleague what will take place. We have fully consulted with the stakeholders across the country. There will be an open debate in this House, and then we will vote to see whether it will be approved.

\* \* \*

**IMMIGRATION, REFUGEES AND CITIZENSHIP**

**Mr. Bob Saroya (Markham—Unionville, CPC):** Mr. Speaker, the Liberals' fully costed campaign platform pegged the cost of their Syrian refugee program at \$250 million. We know now that it will be several times that. Lack of advanced planning on behalf of the Liberals has resulted in millions of dollars being wasted on unused hotel rooms, staff overtime, and transportation. Do the Liberals have any idea how much the Syrian refugee program will actually cost?

**Hon. John McCallum (Minister of Immigration, Refugees and Citizenship, Lib.):** Mr. Speaker, not only can I say that we are under budget, I can also say that I am extremely proud of our refugee program, which has brought 26,000 people to Canada. Yes, there were some hotel bills, but 87% of those refugees are now in permanent housing, and their hotels were a temporary cost only.

Therefore, the member should celebrate the success of our refugee efforts.

● (1450)

**Hon. Michelle Rempel (Calgary Nose Hill, CPC):** Mr. Speaker, it is easy to be under budget when one does not have one.

If the minister cannot tell the House what the final cost of the initiative will be, could he explain to the House why, after spending all this money, we still see Syrian refugees in hotel rooms? They do not have access to language training services, and they have to access food banks on a day-to-day basis.

Therefore, if refugees are not receiving the support they need, where is all of this money going?

**Hon. John McCallum (Minister of Immigration, Refugees and Citizenship, Lib.):** Mr. Speaker, it sounds like the hon. member did not hear my answer to the previous question. Perhaps she could revise her questions in light of what has been said. The point is that these people are largely out of hotels, with 87% in permanent housing.

The other thing I said was that we were under budget. We have delivered this program on time, under budget, and it is good news.

**Hon. Michelle Rempel (Calgary Nose Hill, CPC):** Mr. Speaker, it will be interesting to see what “largely” is defined as now that the Liberals have increased humanitarian assistance to refugees by over 250%.

If the Liberals had any plan to deal with this, they would see that they should be ensuring that government sponsored refugees are not sitting in hotel rooms. Why are the Liberals not matching Syrian refugees who are sitting in hotel rooms with privately sponsored refugee groups?

**Hon. John McCallum (Minister of Immigration, Refugees and Citizenship, Lib.):** Mr. Speaker, refugees always spend some time in hotels. For the third time, I would inform the member that 87% of those refugees are now in permanent housing.

Also, I am probably the only immigration minister in the world whose major problem is an inability to get refugees to Canada fast enough to satisfy the overwhelming generosity of Canadians, but I am working on it.

\* \* \*

#### SCIENCE

**Mr. Darshan Singh Kang (Calgary Skyview, Lib.):** Mr. Speaker, budget 2016 announced \$2 billion for the post-secondary institutions strategic investment plan to improve research and innovation infrastructure at Canada's post-secondary institutions. I know post-secondary institutions in Alberta see this investment as not only a net positive for science but also for the Canadian economy.

Could the Minister of Science tell Canadians why our government is making such a big investment?

**Hon. Kirsty Duncan (Minister of Science, Lib.):** Mr. Speaker, post-secondary institutions are front-line agents in fostering science and research excellence. That is why we announced last Friday nearly \$20 million to 33 Canadian universities. The new SIF will improve research and innovation infrastructure at Canada's post-secondary institutions.

As the University of Calgary president Elizabeth Cannon said, these investments “...will support students and scientists with modern labs, green technologies and enhanced capacity for commercialization”.

We are proud to tell the House that the application process is under way.

\* \* \*

#### INDIGENOUS AFFAIRS

**Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC):** Mr. Speaker, in response to the Daniels decision, National

#### Oral Questions

Chief Dorey stated that the 600,000 Metis and non-status aboriginals should have access to the same resources available for decades to those with status. He also noted that the government always had pools of money set aside for unexpected events.

Any prudent government would have analyzed the full implications of this decision. Again, would the minister share with Canadians what the projected costs will be?

**Ms. Yvonne Jones (Parliamentary Secretary to the Minister of Indigenous and Northern Affairs, Lib.):** Mr. Speaker, first, we welcome the ruling by the Supreme Court of Canada, and we respect the ruling. We have every intention to continue our partnership with Métis and non-status people in the country to advance them and move them forward.

In fact, the president of the Metis National Council has already said, “...the Trudeau government has already recognized the Métis Nation and is prepared to deal—

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

**The Speaker:** Order, please. Unless the member was referring to a previous government, I would remind her that we do not refer to members by their proper names but by their titles, the Prime Minister's government, perhaps.

The hon. member for Jonquière.

\* \* \*

● (1455)

[Translation]

#### EMPLOYMENT INSURANCE

**Ms. Karine Trudel (Jonquière, NDP):** Mr. Speaker, yesterday, a coalition of associations representing Quebec workers launched a campaign for real reform of the employment insurance program.

The program has been gutted for years by the Liberals and the Conservatives, and now, too many workers continue to be disqualified. The budget did not contain any commitment to help seasonal workers, and the government continues to dip freely into the fund, planning to take nearly \$7 billion over the next three years.

When will the Liberals fix their own mistakes of the past and truly help workers?

[English]

**Hon. MaryAnn Mihychuk (Minister of Employment, Workforce Development and Labour, Lib.):** Mr. Speaker, I am very pleased to say that we have provided \$2.5 billion to Canadians from coast to coast to coast, including reducing the deductible, improving service, reversing the negative 2012 changes, eliminating the punitive measures that targeted women, youth and immigrants, doubled the work-sharing program and reduced premiums for small business.

*Oral Questions***IMMIGRATION, REFUGEES AND CITIZENSHIP**

**Mr. Raj Grewal (Brampton East, Lib.):** Mr. Speaker, since the great people of Brampton East sent me to the House, my office has received over 500 immigration cases, clearly showing that the system was broken under the previous government.

Could the hon. Minister of Immigration, Refugees and Citizenship please update the House on how we will make the immigration process more accountable and more transparent for all Canadians?

**Hon. John McCallum (Minister of Immigration, Refugees and Citizenship, Lib.):** Mr. Speaker, in the near future, we will be making it easier for international students to become permanent residents. We will also be reducing significantly the processing time for families.

Already we have brought in more than 26,000 Syrian refugees. We have re-established refugee health care. Also, we have re-established the principle that there is one, not two, class of Canadian citizens.

\* \* \*

**FOREIGN AFFAIRS**

**Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Mr. Speaker, here is what Katrina Lantos Swett with the U.S. Commission on International Religious Freedom had to say about the Liberal decision to kill the office of religious freedom, “The world is kind of on fire, as it relates to religious freedom. So the timing...couldn't be much worse.”

The Liberals said that they would replace the office with something else, but the office is now gone and we still have no planned replacement.

Could we actually get a timeline? When will the Liberals do something about international human rights?

**Ms. Pam Goldsmith-Jones (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.):** Mr. Speaker, the promotion and protection of human, including the freedom of religion, belief and conscience is an integral part of Canada's constructive engagement in the world. I know you know the words.

The minister just announced in Burma Canada's \$44-million investment in a bilateral development assistance program, which will strengthen and promote democracy and fundamental freedoms, including those of religious minorities, for instance the Rohingya.

We are continuing our important work as we move toward a comprehensive vision of human rights. Dr. Bennett and staff remain with us during this transition.

**The Speaker:** When the parliamentary secretary said, “I know you know the words”, I guess she was talking about me, but otherwise I know she would not use the word you. I would encourage her not to use the word you unless she means me.

The hon. member for Rivière-du-Nord.

[Translation]

**CANADA REVENUE AGENCY**

**Mr. Rhéal Fortin (Rivière-du-Nord, BQ):** Mr. Speaker, this morning we learned that KPMG accountants and senior officials from the Canada Revenue Agency have been getting together to toast the health of Canadians.

KPMG and the CRA are as thick as thieves. The firm recruited a senior adviser from among experienced public servants, and KPMG and the CRA even came to an agreement that granted amnesty to profiteers who hid \$130 million in tax havens.

Does the Minister of National Revenue think that this close relationship between her employees and these tax haven dealers is appropriate?

**Hon. Diane Lebouthillier (Minister of National Revenue, Lib.):** Mr. Speaker, I am pleased to repeat, for my colleague's benefit, that the event was organized by the Chartered Professional Accountants of Canada, a professional association. Most of the CRA employees who work in accounting and auditing belong to that association.

**Mr. Rhéal Fortin (Rivière-du-Nord, BQ):** Mr. Speaker, one has to wonder about investigators who party with the professionals they are investigating.

The minister has been reading from the same pink notecard for weeks: she updated the strategy, she audited the taxpayers, she has taken legal action, and she has invested in the fight against tax evasion. The problem is that, in most cases, tax evasion is institutionalized. When what these people are doing is not exactly legal, as in the case of Barbados, they can always make arrangements with the CRA, as we can see from the amnesty granted in the KPMG scandal.

Will the minister finally put an end to cocktail and cronyism hour in her department?

● (1500)

**Hon. Diane Lebouthillier (Minister of National Revenue, Lib.):** Mr. Speaker, if I am always repeating myself, it is because my colleague opposite does not seem to be able to understand the correct answers.

The Canada Revenue Agency was allocated an unprecedented budget of \$444 million to work on combatting tax evasion and tax avoidance. That is what we promised Canadians and that is what we are going to do this year.

\* \* \*

**PHYSICIAN-ASSISTED DYING**

**Mr. Luc Thériault (Montcalm, BQ):** Mr. Speaker, when asked about Bill C-14 on Friday, the Parliamentary Secretary to the Minister of Justice said that the bill on physician-assisted dying would have made Kay Carter eligible despite the vague concept of “reasonably foreseeable natural death”.

Can the Minister of Justice tell us whether she shares her colleague's opinion, and if so, how spinal stenosis fulfills the “reasonably foreseeable natural death” criterion?

*Privilege*

[English]

**Hon. Jody Wilson-Raybould (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, we look forward to having a vigorous debate on Bill C-14. As the Attorney General, I read the Carter decision very carefully. I am confident we are responding in a substantive way to the Carter decision, as well as ensuring that it is in compliance with the Charter of Rights and Freedoms. We have put forward what we believe is the best solution now which balances personal autonomy and ensures we protect the vulnerable. I look forward to the debate.

[Translation]

**The Speaker:** That ends question period in record time.

\* \* \*

[English]

**WAYS AND MEANS**

## NOTICE OF MOTION

**Hon. Bill Morneau (Minister of Finance, Lib.):** Mr. Speaker, pursuant to Standing Order 83(1) I wish to table a notice of ways and means motion to implement certain provisions of the budget tabled in Parliament on March 22, 2016, and other measures.

Pursuant to Standing Order 83(2) I ask that an order of the day be designated for consideration of the motion.

**Mr. David de Burgh Graham (Laurentides—Labelle, Lib.):** Mr. Speaker, there have been discussions among the parties and if you seek it, I believe you will find unanimous consent for the following motion. I move:

That, notwithstanding any Standing Order or usual practice of the House, at the expiry of the time provided for Oral Questions on April 19, 2016, the House shall consider Ways and Means motion No. 6 immediately following the taking of the deferred recorded division on Ways and Means motion No. 2.

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

**Some hon. members:** Agreed.

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

**Some hon. members:** Agreed.

(Motion agreed to)

\* \* \*

• (1505)

**PRIVILEGE**

## ALLEGED PREMATURE DISCLOSURE OF CONTENTS OF BILL C-14

**Mr. Andrew Scheer (Regina—Qu'Appelle, CPC):** Mr. Speaker, I will be very brief on this. I want to raise a follow-up point to my question of privilege that I raised last week on the premature disclosure of Bill C-14, an act to amend the Criminal Code and to make related amendments to other acts. When I did so, the chief government whip rose in his place and offered his sincere apologies on behalf of the government, and of course, I do want to thank him for that. However, I do not believe it is sufficient to leave it at that.

I trust, Mr. Speaker, that you will allow the House to decide this matter, and hopefully the House in its infinite wisdom will send the matter to the Standing Committee on Procedure and House Affairs for further study.

In my question of privilege, I referred to the case in 2001 when the government House leader at the time, the Hon. Don Boudria, also apologized for the premature disclosure of the contents of a government bill. The Speaker in that case allowed a motion to be proposed referring that question of privilege to committee.

Members from all sides of the House then, and it would appear that members from all sides of the House today, believe that this is a grave matter deserving of further consideration. We do not know what the circumstances are. The chief government whip himself admitted he does not know what the circumstances are. He stated on Thursday:

I am not aware of the details surrounding the media report referred to by the member, but I want to assure the House that our government takes any breach of the privilege of members and of the House very seriously.

I can tell the House that at no point was anyone authorized to publicly discuss the specific details of the bill prior to introduction.

If no one was authorized to discuss the bill publicly, then we need to find out how this happened. The chief government whip went on to say that the “government will work to ensure that this does not happen again”, which I think members will appreciate. However, this is not a matter solely for the government. This is a matter involving the privileges of this House.

This matter should be reviewed by a parliamentary committee. If the government gets to the bottom of this internally or has new policies to offer relating to the confidentiality of bills, I expect it to explain all that to a standing committee of this House.

In short, an apology, while appreciated, is indicative of the seriousness in which the government views this matter. Of course, the opposition does as well. The apology does not take away the contempt that exists and, specifically, since we do not know who did it, I do not suppose the government whip was taking on any of the blame himself. It clearly seems to be someone else, and that apology cannot be made on behalf of an unknown person. We need to see if it is possible to find out who did it and what the circumstances were, and have the committee report back to the House.

When you are finished deliberating and have heard all the arguments, Mr. Speaker, if you find in our favour, I will be prepared to move the appropriate motion to send this to committee.

**The Speaker:** I thank the hon. member for Regina—Qu'Appelle for his further intervention on this question of privilege, and I look forward to getting back to the House very soon with my ruling on this matter.

*Routine Proceedings***ROUTINE PROCEEDINGS***[English]***GOVERNMENT RESPONSE TO PETITIONS**

**Mrs. Celina Caesar-Chavannes (Parliamentary Secretary to the Prime Minister, Lib.):** Mr. Speaker, pursuant to Standing Order 36(8) I have the honour to table, in both official languages, the government's response to one petition.

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*[Translation]***INTERPARLIAMENTARY DELEGATIONS**

**Mr. Joël Lightbound (Louis-Hébert, Lib.):** Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, three reports of the Canadian parliamentary delegation of the Canadian branch of the Assemblée parlementaire de la Francophonie.

The first concerns the 31st Regional Assembly of the America Region of the APF, held in Lafayette and Lake Charles, United States of America, from July 27 to 31, 2015. The second concerns the Bureau Meeting of the APF, held in Siem Reap, Cambodia, from January 28 to 30, 2016. Lastly, the third concerns the Meeting of the Executive Committee and the Meeting of the Network of Women Parliamentarians of the APF, held in Tangier, Morocco, from February 24 to 26, 2016.

● (1510)

*[English]*

**Mr. Nathaniel Erskine-Smith (Beaches—East York, Lib.):** Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, two reports of the Canadian Group of the Inter-parliamentary Union, respecting its participation at the annual parliamentary hearing at the United Nations, held in New York, February 8 and 9, and a steering committee of the 12+ Group held in Brussels, Belgium, on February 2.

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**COMMITTEES OF THE HOUSE**

## VETERANS AFFAIRS

**Mr. Neil Ellis (Bay of Quinte, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the second report of the Standing Committee on Veterans Affairs, entitled “Main Estimates, 2016-17: Votes 1 and 5 under Veterans Affairs, and Vote 1 under Veterans Review and Appeal Board”.

## NATURAL RESOURCES

**Mr. James Maloney (Etobicoke—Lakeshore, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the first report of the Standing Committee on Natural Resources, entitled “Main Estimates, 2016-17”.

*[Translation]*

## PROCEDURE AND HOUSE AFFAIRS

**Hon. Larry Bagnell (Yukon, Lib.):** Mr. Speaker, pursuant to Standing Orders 104 and 114, I have the honour to present, in both official languages, the seventh report of the Standing Committee on

Procedure and House Affairs regarding membership of the committees of the House.

If the House gives its consent, I intend to move concurrence in the seventh report later this day.

Mr. Speaker, if the House gives its consent, I move that the seventh report of the Standing Committee on Procedure and House Affairs presented to the House earlier this day be concurred in.

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

**Some hon. members:** Agreed.

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

**Some hon. members:** Agreed.

(Motion agreed to)

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**INSTRUCTION TO COMMITTEE ON BILL C-2**

**Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP)** moved:

That it be an instruction to the Standing Committee on Finance that, during its consideration of Bill C-2, An Act to amend the Income Tax Act, the Committee be granted the power to divide the Bill in order that all the provisions related to the contribution limit increase of the Tax-Free Savings Account be in a separate piece of legislation.

He said: Mr. Speaker, as everyone knows, we are currently examining Bill C-2 at the Standing Committee on Finance. It was the first bill introduced by this government and it amends the Income Tax Act. When you look at the contents of the bill a little closer, it is clear that it contains two separate measures. The first measure has to do with changing the tax rates. The change this government is proposing targets the second tax bracket, whose tax rate would drop from 22.5% to 20%. The second measure has to do with the contribution limit for tax-free savings accounts, which the Conservatives had increased to \$10,000 a year. This bill drops that limit back to \$5,500.

I would like the House to instruct the Standing Committee on Finance to separate the bill so that the two issues can be addressed separately, because they are two fundamentally different issues.

*[English]*

Let us look at the TFSA, the tax-free savings account. Many people think or are under the impression, due to the way it was presented to the Canadian population, that it is basically a savings account for retirement, that people put money aside in that account after paying taxes on it, and that it can actually grow with interest and returns, and they will eventually be able to take that money out tax-free because they already paid tax on it.

If we look deeper into the TFSA, we see it is a bit more complicated than that. It is more complicated because it is not only money that can be put in this account. People can put all kinds of things in this account. They can put stocks, bonds, derivatives, and all kinds of financial tools.



*Routine Proceedings*

The concern with raising the ceiling to \$10,000 was the fact that it became something other than a retirement savings mechanism. It became, basically, a way to shelter returns on financial investments. If I invest in the stock market and make a significant return on my investment, I will not pay the same income taxes as most of the population. With this money, I will be taxed only for half of what I would be earning, and I will only pay taxes on a portion of that half, while people earning incomes through work will actually be taxed on the entirety of their gains. We are in a situation right now where capital gains have a different tax status from income tax gains, basically.

When the ceiling was raised, there was a possibility that it could be no longer used as a savings mechanism but as a slush fund, in which people would deposit money, play the market with it through a variety of financial tools, and eventually escape the capital gains tax altogether. This possibility, I would submit, is not available to the large majority of Canadians. Those who have the means to play the stock market or the derivative market is actually a very limited number of people.

• (1515)

[Translation]

Many analysts who are studying the TFSA and the impact of the increased limit have been concerned about this. The Parliamentary Budget Officer, among others, estimated that the limit increase would have some serious adverse effects. In his update of the analysis of the TFSA limit increase, he estimated that by 2080, the long-term fiscal impact of the TFSA would reach 0.65% of the GDP. That is almost 0.7%. We are constantly being told in the House that it is impossible for Canada to meet its international aid commitments of 0.7%, because there is not enough money. However, this TFSA limit increase would have nearly hit this objective, but just a small part of the population would have benefited. The Parliamentary Budget Officer noted this as well. He looked at the distribution of TFSA benefits by wealth.

If we divide the population into groups, each representing a 20% wealth bracket, we see that the 20% representing the wealthiest households would receive a greater tax benefit than the remaining 80% of families who are not high-wealth households.

Therefore, we see that the Conservatives' proposal was extremely detrimental to the country's fiscal situation. In fact, it opened the door to the use of this mechanism not only as a retirement savings tool, but more so as a tax shelter for capital gains. The capital gains tax is already much lower than taxes on people's income, for example on working income. The concern that is being raised by many is that instead of being a savings mechanism, it almost becomes a rather significant tool for tax avoidance, and it will not be used for the purpose it was intended when it was introduced and passed in the House.

That is one measure that the government finally wants to reverse. Instead of keeping the 2015-16 ceiling of \$10,000, the government wants to bring it back down to \$5,500. That is one measure we agree with. We floated the idea during the election campaign. We believed that the amount of \$5,500 was sufficient for reaching retirement savings goals.

In fact, depositing \$5,500 for ten years, for example, will yield \$55,000 plus interest, which is tax-free. That is in addition to the other existing tools, such as RRSPs and the benefits people will have access to at 65, such as old age security and savings under the Canada pension plan or the Quebec pension plan.

The TFSA is an additional mechanism that can be used, a tool among many others. We believe that the \$5,500 ceiling is adequate.

• (1520)

[English]

Now, there is a second measure in Bill C-2 which is extremely different from the ceilings of the TFSA. That is the modification of the tax brackets. The bill proposed to change a second bracket.

For those who might be listening at home, right now we have four tax brackets in Canada. The first one applies to income of \$11,000 to about \$45,000, which is at 15% right now. Then any income between \$45,000 and about \$90,000 is taxed currently at 22%. Then income of \$90,000 to about \$135,000 is taxed at 26%. Over that amount, income is taxed at 29%.

The bill makes two changes. It decreases the second bracket, so for all revenue, all income from \$45,000 to \$90,000 the rate is decreased from 22% to 20.5%, and it adds another bracket for those earning over \$200,000 that will be taxed at 33%.

During that debate and during the campaign, I was actually a bit surprised at the low level of understanding of how our tax system works. That reduction on the amounts between \$45,000 and \$90,000 will not only affect those earning a total of between \$45,000 and \$90,000, but it will actually be applied on all income over \$45,000.

Right now, somebody earning \$150,000, an ordinary member of Parliament, for example, who earns about \$135,000, will actually have a 1.5% reduction of his or her taxes on all the income between \$45,000 and \$90,000. Before \$45,000, that income will be taxed 1.5% less.

Many people are under the impression that people earning over \$90,000 will not be affected. On the contrary, they get the full tax reduction at that level.

We are going through the analysis. Much analysis has been done, including by the parliamentary budget officer. What we are seeing is that while the Liberals, during the campaign promised to have a middle-class tax cut, it is clear that those earning less than \$45,000 will not see a single cent of that tax reduction. It is clear. It only affects people earning over \$45,000.

*Routine Proceedings*

I have been told in no uncertain terms that those who earn \$35,000 to \$45,000 might legitimately claim to be members of the middle class, which is a very difficult term to define. One way to define it is to look at all the income divisions in Canada, to exclude the 20% who earn the most, the 20% who earn the least, and that would give us a middle class that is anywhere between \$20,000 to \$60,000. That would be, roughly, what the middle class is in terms of income per year. There is a large chunk of that group who would not get a cent of that tax reduction. Therefore, to call this a middle-class tax cut is, in my mind, misleading.

There is a second part of it, which was supposed to pay for the lost revenues. That is the new tax bracket of 33% for income over \$200,000. We know, and the government was forced to admit it, that it will not pay for the tax reductions. We all agree on that. Not only will it not pay for those tax reductions, but even people making an income over \$200,000 would still have an overall tax reduction, even though this was supposed to impose more on them, because they still get the full tax reduction of that second bracket. That means someone earning \$210,000 would still have an overall tax reduction. Someone earning \$215,000 would still have an overall tax reduction. Is that what we mean by a middle-class tax cut?

For those of us on this side of the House, there is a problem. We agree with one large measure that would, if it is not addressed right now, have significant fiscal impact on the Canadian government. On the other side, we disagree with the measure that we find is misleading and which is not achieving the aims that were presented to the Canadian population especially during the election.

• (1525)

[*Translation*]

In addition, we still wanted to be constructive, since Canadians elected this government in part because of its promise to lower taxes for the middle class. We respected the verdict and we made a proposal to the government. Rather than excluding a large portion of the middle class, rather than simply reducing the second tax bracket, let us reduce the first tax bracket, the first level of income at which people have to start paying taxes. This tax bracket starts at approximately \$11,000 because people are given a basic exemption that is not taxed. We proposed to reduce that tax bracket from 15% to 14%, a 1% reduction. What would that do? It would allow people who really belong to the middle class to benefit from this tax reduction. It would allow people who are currently getting a 1.5% reduction on income over \$45,000 to have a 1% reduction on a similar income. It would make it possible to ensure that people who are earning \$210,000 a year are not being given a tax cut. This is a series of measures that I believe all Canadians would agree with.

For reasons that cannot be explained, the government is opposed to this measure. So be it. However, I do not think that the government can disagree with the fact that the two measures in question are totally separate issues. I think that each one should be examined on its own merit. The Standing Committee on Finance has done some of the work. I also believe that it is in the government's best interest to move in that direction. We are offering the government an advantage on a silver platter. The media had a field day when these measures were presented to the Canadian public. We are offering the government the opportunity to hold two separate debates and two separate votes on the measures that it is presenting,

measures it is proud of. It would be really worthwhile for the House to be able to vote on whether the bill should be divided. I know that I presented some extremely technical information, but it is hard not to get technical when we are talking about income tax. Finally, the two measures have completely opposite effects.

[*English*]

It goes to the notion of transparency and the notion of accountability as well that the House could actually pronounce itself separately on those measures.

We will have that chance in the finance committee. Bill C-2 is only 10 clauses long and we will do a clause-by-clause study. We will vote clause by clause in the finance committee, so we will have the opportunity to demonstrate in committee which clauses we are in favour of and which we are not.

Since Bill C-2 is the first bill presented by the Liberal government and it is one of the key measures that it wanted to bring forth to the Canadian population, it is important that the House have the opportunity to do the same and to vote separately on those arguments. It would be beneficial for the trust that the population puts in the Liberal government. It goes to the issue of credibility as well. It would go toward contributing to the answer to the question that many have asked so far.

Since we voted on the ways and means motion on which we could not divide per se, people were under the impression that starting on January 1, they would have a tax reduction if they considered themselves part of the middle class. Starting on January 1, when they saw their pay slips, they might have been surprised not to see any changes. They still do not understand.

I have not really heard the government so far in this debate talk about the technical aspects of it publicly. I hear the answers given either by the minister or parliamentary secretary saying that the government has given the middle class a tax cut, period.

• (1530)

[*Translation*]

This calls for some clarification. Here in the House, there are 338 MPs who represent all Canadians. The government would do well to clarify this. We are giving the government the opportunity to do that so we can debate these two points on their merits.

That is why we moved this motion to divide the bill into its two main parts. These main parts encompass all of the other elements, such as changes to the law and the tax credit formula for charitable donations. That formula generally uses the highest individual percentage, which will be changed, so it will have to be changed too.

This is not a very complicated issue. Can we divide the bill in two so as to deal with changes to the tax-free savings account and the tax brackets separately? That is what we are suggesting to the government.

I hope the members of the House will support this so we can clarify the work the Standing Committee on Finance is now doing and ensure that we are accountable and transparent to Canadians.

*Routine Proceedings*

[English]

**Mr. David de Burgh Graham (Laurentides—Labelle, Lib.):** Mr. Speaker, I am just wondering why the member for Rimouski-Neigette—Témiscouata—Les Basques wants to debate a motion regarding a bill that he has already agreed to send to committee. He voted in favour of Bill C-2 at second reading on March 21. Why does he now want to change a bill he recently voted for? The member already had the right to vote for or against the clauses in the bill. There is a whole section of committee appropriately referred to as clause-by-clause consideration for this very task. The bill has already been referred to committee. I do not see why he is now writing new conditions for his support.

Why will the member not let the committee do its work and hold its own debate rather than pushing for unnecessary delays?

[Translation]

**Mr. Guy Caron:** Mr. Speaker, I thank my colleague for his question.

I want to clarify something: this is not a concurrence motion, but rather a motion of instruction. The House has the power to instruct the committee on the drafting of its report, to have the report tabled here in Parliament.

I am not actually a member of the Standing Committee on Finance, but I have heard murmurs of what is going on there. Yes, the committee will do a clause by clause, but it is still a committee. It is made up of one NDP member, three Conservative members, five Liberal members, and the chair. There are 338 members in the House. This is about something as fundamental as a substantial change to our tax system. We are talking about billions of dollars. The parliamentary budget officer estimated that over six years, this tax cut will cost \$9 billion.

As for another, completely different issue, which has to do with changing the contribution limit for tax-free savings accounts, this measure could cost the Canadian treasury as much as \$132 billion by 2080. Both of these measures will have a considerable impact.

That is why, if members really want to do the right thing, the House should take note of the report to be tabled by the finance committee and, in order to have all the information available, instruct the committee to separate the bill in two.

**Ms. Marilyn Gladu (Sarnia—Lambton, CPC):** Mr. Speaker, I thank my colleague for his speech.

[English]

I agree with what my colleague has said, that we do not see a lot of openness and transparency from the government. It says it is a middle-class tax cut, but, as the member has pointed out, it does not apply to some of the middle class, and then the rest, the wealthy, are getting an advantage. I do not think that is open and transparent and clear to Canadians.

I also think that the math was bad, because it was supposed to be revenue neutral. When the government added up the number of people who were going to get the tax cut, it should have been able to figure out the amount of money to make it neutral, but the government is \$1.7 billion short every year.

With respect to the tax-free savings account, I was interested to hear the member say he agreed that it is a good savings vehicle. I think that is true. I see a lot of seniors in my riding who have to take their savings out of their RRSPs and put it in TFSAs to keep their savings protected.

I wonder, then, if we removed the ability to put stocks and the things the member is concerned about into TFSAs, would he be willing to increase the cap on it?

• (1535)

[Translation]

**Mr. Guy Caron:** Mr. Speaker, honestly, I think that is certainly something worth looking into. I cannot really answer that question without weighing the tax implications of such a measure. However, I would at least be willing to consider or study it.

[English]

As to the first part, I would like to get back to who wins and who does not win on this measure, even those who are making over \$45,000, at which point the tax reduction starts to apply. Those numbers came from David Macdonald and were confirmed by other economists. That is from the Canadian Centre for Policy Alternatives.

He said that those families earning between \$48,000 and \$62,000 a year would make an average of \$51. That is the remainder of the middle class, as defined by the income brackets. Those families earning between \$166,000 and \$210,000 a year will not get an average reduction of \$51; they will get an average reduction of \$813.

This is why this measure actually deserves to be voted on on its own merits.

**Mr. Gord Johns (Courtenay—Alberni, NDP):** Mr. Speaker, I want to thank my colleague for his in-depth work and for bringing this forward.

I, also, have gone back to my riding and talked to people. There is huge support for keeping tax-free savings accounts and for bringing it back to a reasonable amount that future generations can afford.

However, when I talk to people—and it does not matter what their income level is—they do not think it is appropriate that a government that ran on a platform of fairness and inclusivity would go ahead and ignore taxpayers earning up to \$45,000 and believe that it is fair that they do not get a tax break. I talked to people of all income levels, including people who are earning over \$90,000 a year, and they think it is wrong.

The Prime Minister goes out across the country and says he wants to help and the government wants to help lift those who are not in the middle class to join the middle class, and clearly this bill does not do that.

*Routine Proceedings*

We need fairness. One part of this bill is supported by many Canadians, the tax-free savings account. However, when it comes down to tax fairness, the members across the floor need to go into their ridings and ask their own constituents whether they think this is fair. They will quickly find out, if they are listening and doing what they promised to do, which was to consult their own constituents. I am hearing across this country that it is time for the Liberals to take another look at this measure.

I want to thank the member for bringing this proposition forward and I want to ask him how many Canadians he thinks will not benefit from this bill as it is presented through the tax proposal. Could the member talk about how many Canadians are not going to benefit from this proposal?

**Mr. Guy Caron:** Mr. Speaker, that is actually a very important question.

Time after time we hear the parliamentary secretary, and at times the Minister of Finance, boasting that nine million Canadians will get a tax cut under this plan. What they are not saying, though, is that 14 million will not get any tax cut under this plan, and most of them are earning under \$45,000 a year.

Among that nine million, we have countless individuals who are making over \$90,000, who we could argue are part of the upper middle class, and a large number making up to \$217,000, at which point they finally start paying more in taxes rather than getting a tax reduction. They are not part of the middle class but they are part of that nine million.

Let us keep that number in mind. I said 14 million, but actually it is more than that: it is 15 million to 16 million, because we have 24 million taxpayers in this country. If we take 24 million less nine million, it is 15 million, so 15 million Canadians will not get a tax cut.

[*Translation*]

**Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP):** Mr. Speaker, I thank my colleague for this proposal. It makes a lot of sense and shows that the NDP is a progressive opposition, not a dogmatic one. We are able to separate the wheat from the chaff, so to speak. We are able to have a healthy and calm debate on each, keep what is good, and discard what is not so good for taxpayers.

The Liberal government has not gotten us to a point where we have omnibus bills that change a bunch of things at the same time, like the Conservatives used to do. However, why does the Liberal government not adopt this proposal so that we can have an informed and specific debate on the different issues? I would like to ask my colleague his opinion on why the Liberal government is refusing to hold two separate debates on these different issues.

• (1540)

**Mr. Guy Caron:** Mr. Speaker, I would like to thank my colleague from Rosemont—La Petite-Patrie for his excellent question.

I cannot necessarily read the minds of our Liberal colleagues; however, I will try. From the standpoint of common sense and taxation, there is no justification. It is obvious that these two measures are different and that they should be analyzed and voted on according to their own merits. The government has placed these two

things together in one bill, and therefore will hold only one vote in the House, solely for political gain and public relations purposes.

The government constantly talks about what it wants to do for the middle class. These measures are part of what it is doing for the middle class, even though they do not benefit much of the middle class. If I were to put myself in the shoes of a government that does not want to reveal the whole truth, at this point I would want to continue talking about the middle class and avoid debating who belongs to the middle class and who in the middle class will not benefit from these tax cuts.

We have asked repeatedly in this House for the Prime Minister's and the Minister of Finance's definition of the middle class. We have yet to get an answer. That tells me that the government wants to continue lumping these two things together strictly for political and public relations reasons.

[*English*]

**Mr. Ron Liepert (Calgary Signal Hill, CPC):** Mr. Speaker, I am going to rise and make a few comments on this particular motion. I happen to serve on the finance committee with the hon. member who has proposed the motion, and one of the things I have learned in the short period of time I have had to work with the gentleman is that he is a very effective and convincing speaker. I found out today that he is also very creative, because this is a nice way to get another 30 minutes of debate on the budget that maybe there was not time for during the regular debate. I know I got squeezed out of my time for speaking, so I will take this opportunity to make a few comments that relate to this particular motion.

I will support what the hon. member is proposing, but probably for entirely the opposite reasons that the member raised in proposing this motion. I am all in favour, on our committee, of having many different opportunities to examine and study various legislation, and if this particular initiative ends up giving us more opportunity to go into various parts of this legislation in depth, I am certainly all in favour of it.

I also look forward to perhaps having the chance to ask some of our witnesses some questions that I think the government has failed to answer. I will give a couple of examples.

I had the opportunity, during my few brief moments on the budget address, to talk a bit about this middle-income tax cut that the government is proposing. It is the kind of thing that I always like to refer to as a lot of smoke and mirrors.

The government members continue to talk about this so-called middle-class tax cut. My hon. colleague raised the point that clearly this is not a tax cut necessarily for the portion of the taxpaying public who are probably most in need of a tax cut, and that is a point our committee could certainly take the time to review.

In addition to that, when we run the numbers on this particular tax cut and calculate the average savings that this tax cut would provide to the average so-called middle-class Canadian, it works out to about \$540 annually. That is from the numbers that were provided by the government's own finance department. If we take that \$540 and divide it by 365 days in a year, that ends up being about \$1.25 a day.

*Routine Proceedings*

We all know what \$1.25 a day will buy. As I started to say before I got cut off in my budget address, if we took an average couple, at \$540 a year or \$1.25 a day, at the end of the week that couple might be able to go to Tim Hortons on a Saturday morning and actually have a couple of cups of coffee. That is really what that so-called middle-class tax cut would do.

We continue to hear from the government about what it is doing for the so-called middle class, but really the substance is not there. If we could actually take that out and pull it aside and have the government members on the finance committee talk less about their so-called middle-class tax cut, that would help our deliberations at the finance committee immensely. Then, of course, we could spend a bit more time talking about the merits of the tax-free savings account.

I listened intently to the member's comments in proposing this motion. He was talking about the tax-free savings account and criticizing it because people could actually put things like stocks and actual investments that were going to make some money into this tax-free savings account, as though somehow that was illegal or not correct.

● (1545)

The whole point of the tax-free savings account is to manage our money so that it provides us with the ability to retire because it has grown. If we do not put things such as stocks into our tax-free savings account, what is the purpose of having it? We all know that if we put cash in there, it will not grow. The whole purpose of it is to grow.

I would be happy and delighted to debate that point with the member at the finance committee. If we have the opportunity to call some witnesses, I would be more than delighted to have that discussion with them as well.

In summary, I am quite happy to support the motion as proposed by my colleague. However, I would make it clear that I support it for entirely different reasons than he has stated.

**Mr. Alistair MacGregor (Cowichan—Malahat—Langford, NDP):** Mr. Speaker, I appreciate hearing my hon. colleague's comments on this. I appreciate that the Conservatives and the NDP look at the TFSA from different viewpoints, and that is fine. We in the NDP have always said that we do not want to get rid of it; rather, we want to bring the limit back to a reasonable level.

I am sure that every MP has a different reason for why he or she got into politics. I know that when I decided to run, it was not to give myself a tax break of \$679. That is exactly what these tax breaks will do. Everyone who is in an income range comparable to members of Parliament will get the maximum benefit. However, the hard-working residents of Cowichan—Malahat—Langford who sent me here, those who earn \$45,000 or less, which is a great deal of them, will get nothing from this.

I think my hon. colleague would agree that despite our differences on the TFSA, we have heard a lot of similar approaches to the tax measures. Will he agree with us that for the sake of accountability, it is better that we split this bill so that the Liberal government is held accountable and has to explain itself on two separate measures? I would like to hear his comments on that.

● (1550)

**Mr. Ron Liepert:** Mr. Speaker, I have trouble finding reasons to disagree with what the member just said, because I think we are saying much the same thing. There are a whole host of things that we could debate throughout the evening and never agree on at the end. However, in this particular case, I think this is an opportunity for the government to be held accountable.

The TFSA is a relatively new way of saving for the future. There has been some criticism that this or that percentage has had a take-up on the TFSA. The third party in the House and the government have argued that few people have maxed out under the new maximum that exists, which the former government brought into existence. However, in the first year of any program, we have to give it time to work its way through the system. I think that we need to give this a bit more time, and I would be happy to make those comments to the finance committee.

**Hon. Erin O'Toole (Durham, CPC):** Mr. Speaker, I would like to thank my colleague for his remarks, and in particular for talking about two things. The first is the relatively new tool of the tax-free savings account that encourages savings, which we have seen decline in Canada in recent years, and helps seniors prepare for and during retirement. He outlined the new benefit quite well to this House.

The member has also highlighted how the so-called large tax cut for the middle class is a bit of a myth when we look at all of the things brought in for families by the previous government that were cut, such as programs for income splitting, universal child care, and a range of tax credits for children and families. If we compare it with the present regime, most middle-class families with dual incomes in Calgary or the Toronto area will be further behind than they are now with the new child benefit regime of the Liberals.

I would ask the member to highlight that in a little more detail, to show that rather than a universality of application, the Liberals have taken a lot of families who need the assistance out of those programs and it will set them back.

**Mr. Ron Liepert:** Mr. Speaker, there is no question about that, and I think my hon. colleague for Durham has put it very well.

There are a number of family-oriented tax incentives that the former Conservative government brought in that allowed families to, what I would call, pick and choose how they wanted to shape their life, how they wanted the tax system to best suit them, whether it was through the universal child benefit or, as my colleague mentioned, the fitness tax credit or the arts tax credit or income splitting.

As well, I had a constituent come to me the other day who was quite upset about the initiative by the new government to reduce the amount for TFSAs. He said he had a son who was earning in the low-income category, which our friends from the third party have referred to. He said that the tool allowed him to put after-tax dollars into a TFSA so that his son could have a reasonable retirement account, because he does not have a pension plan. This was a way that he could help his son, who could then manage that money and make it grow for him.

Therefore, I think a lot of this ability to control one's own destiny has been taken away.

*Routine Proceedings*

**Mr. Daniel Blaikie (Elmwood—Transcona, NDP):** Mr. Speaker, tomorrow it will be six months since the new government was elected. The most recent bill introduced was Bill C-14.

A handful of the bills that are before Parliament are quite routine. They have to do with the estimates. There are around three of those 14 bills that are straight-up repeals of the previous government's laws. Two of those bills are mandated by the Supreme Court, which is why we are dealing with them. In fact, the only non-routine bill that has come from the government of its own volition is a bill to betray Air Canada workers. That is the only original legislative initiative we have seen from the government, and I will have more to say on that shortly.

I wonder, given the extreme paucity of the legislative agenda so far, is there any good reason at all that we would not be given the time to consider these two things separately? It is not like there is anything else getting in the way.

• (1555)

**Mr. Ron Liepert:** Mr. Speaker, as the member points out, I have no idea what the government House leader has in the way of an agenda coming forward. We all know that the weather is getting nice, so I am not sure how hard or how long he wants us to work here. All I can say to the hon. member is that it would be a more appropriate question to put to one of the members of the government, if they so choose to take a few minutes of the time left to speak on this particular motion.

**Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Mr. Speaker, I thank the member, particularly for his comments about tax-free savings accounts, which is something very important to many families and individuals in my constituency.

I want to underline a fact that seems to have been missed by the other parties in the House, which is that more than half of those who max out their tax-free savings account make less than \$60,000. The response to that has been, "Well, okay, we don't need to increase that limit."

If people are already maxing out at \$5,000, clearly they have room to put in more money. They wish to put in more, and they will put in more at the higher limit. Therefore, we already have many people under \$60,000 income who are using this savings vehicle, maxing it out, and are looking for more room to save more.

I wonder if the member could comment on that particular element in terms of how this benefits people in the low-income end of things, and the importance of tax-free savings accounts as a result.

**Mr. Ron Liepert:** Mr. Speaker, as I mentioned earlier, I think we have pulled the plug way too quickly on this. For most new programs, it literally can take a generation to determine whether the public picks up on them and finds success using them. Therefore, as I said earlier, this should have been given a lot more time to see whether it was successful.

It has been mentioned on many occasions that the TFSA itself is a relatively new program. It has only been in existence for less than 10 years. The take-up, if I recall, is something like 20% of Canadians who have been putting money into a TFSA in some form or another.

As I said earlier, there is always the opportunity for those who want to take some of their income and put it into a TFSA for one of their children. One of my colleagues mentioned earlier that this was how he purchased his house. It was because he had, with the help of his family, built up a TFSA that allowed him and his wife to purchase their first home.

I think we need to give this a little more time before pulling the plug on it.

**The Deputy Speaker:** Is the House ready for the question?

**Some hon. members:** Question.

**The Deputy Speaker:** 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:*

• (1600)

**Hon. Andrew Leslie:** Mr. Speaker, I ask that the vote be deferred to the end of time provided for oral questions tomorrow, Tuesday, April 19, 2016.

**The Deputy Speaker:** Accordingly, the recorded division is deferred until tomorrow at the end of the time provided for oral questions.

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**PETITIONS**

## GENETICALLY MODIFIED FOODS

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Mr. Speaker, it gives me great pleasure to rise today to present two petitions.

The first is from many residents within Saanich—Gulf Islands and, as I look at the petitioners, some hail from as far away as New Brunswick and Ontario. They call on the government to take action to ensure that consumers know what they are buying, by having mandatory labelling on products that contain genetically modified materials.

## DEMOCRATIC REFORM

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Mr. Speaker, the second petition has hundreds of signatures, and this is one where we are in the midst of responding to the petition. The petitioners want a full consultation to get rid of the perverse voting system, first past the post, and move to a system by which we as members of Parliament are elected in a system where every vote counts, which is by proportional representation.

### QUESTIONS ON THE ORDER PAPER

**Mrs. Celina Caesar-Chavannes (Parliamentary Secretary to the Prime Minister, Lib.):** Mr. Speaker, I ask that all questions be allowed to stand.

**The Deputy Speaker:** Is it agreed?

**Some hon. members:** Agreed.

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## GOVERNMENT ORDERS

[*Translation*]

### AIR CANADA PUBLIC PARTICIPATION ACT

The House resumed consideration of the motion that Bill C-10, An Act to amend the Air Canada Public Participation Act and to provide for certain other measures, be read the second time and referred to a committee, and of the amendment.

**Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP):** Mr. Speaker, first, I would like to mention that I will share my time with my hon. colleague from Elmwood—Transcona. He will have an opportunity to speak to this very important bill, which will have a real impact on people's lives.

Most days, I am pleased to rise in the House and participate in debates with my parliamentary colleagues. Today is a bit different. Today, I feel bitter and disappointed about a major decision made by the Liberal government that is the culmination of betrayal, deceit, and a lack of trust. This Liberal government is letting down 2,600 families across Canada, including 1,700 in the Montreal area. These families are being completely rejected by this Liberal government and Bill C-10. They are being left high and dry.

I will try to give a little bit of background. The Air Canada Public Participation Act took effect in 1988 and set out the conditions for the privatization of Air Canada, which took place the following year in 1989. Section 6 of the act specifically states that maintenance on Air Canada aircraft must be carried out in three specific cities in Canada: Winnipeg, Mississauga, and Montreal. That worked for years. Air Canada complied with the act, awarding a contract to a subcontractor in the Montreal region named Aveos, which went bankrupt in 2012. That is where things start to get complicated. Aveos went bankrupt and disappeared, but Air Canada did not find a replacement. On the contrary, Air Canada took advantage of the situation and relocated those jobs to various countries around the world, such as the United States and countries in Europe and Asia. These 2,600 workers lost their jobs, even though they were guaranteed by a federal law duly passed by the House of Commons and applied for years.

The Conservative government of the day stood by and did nothing to enforce the law, but the Liberals wanted to demonstrate their support for the workers as well as their camaraderie and solidarity. We even saw the current Prime Minister, the member for Papineau, demonstrate with unionized workers on Parliament Hill chanting “So-so-so-solidarity” and demanding that the Conservative government of the day enforce the law. His argument, a good one, was that the least a law-and-order government could do was enforce the law,

### *Government Orders*

particularly when doing so would save good, well-paid jobs in a high-tech sector.

As soon as the Liberals took over, they changed their tune. So long “So-so-so-solidarity”, hello “Relocate; forget about our good jobs; who cares about the aerospace sector?” The government is basically telling these people that their jobs are gone for good.

When they came to power, the Liberals realized they did not have to enforce the law because they could just change it. That makes things much easier, for sure. There is no need to enforce the law when it can be changed so that Air Canada is no longer required to carry out aircraft maintenance in Canada.

We have to wonder whether that is the Liberal plan for job creation, namely eliminating the good jobs we have here in Quebec, in Mississauga, and in Winnipeg and shipping them off to the United States and Europe, because that is what will happen under Bill C-10. This bill means abandoning the workers represented by the International Association of Machinists and Aerospace Workers, supported by the FTQ. They took their case to the Quebec Superior Court, which ruled in their favour in 2013. Air Canada appealed that decision, and the case went to the Quebec Court of Appeal. In 2015 the Quebec Court of Appeal also ruled in favour of the workers.

● (1605)

I would like to quote Justice Marie-France Bich, of the Quebec Court of Appeal:

From the moment that Air Canada decided to close this centre [the Aveos centre in Montreal] or reduce its activities in such a way that they were no longer at the same level as they had been in 1988, it broke the law.

This could not be any clearer. Bill C-10 threatens to pull the rug out from under the workers by making it that much harder to take this kind of legal action. When they are arguing their case before the Supreme Court, if section 6 of the act is amended, there will be a whole new legal framework. The changes to the Air Canada Public Participation Act set out in Bill C-10 are extremely weak, or virtually non-existent, in terms of Air Canada's obligations.

There is no longer any requirement to keep jobs in this country, let alone a minimum of jobs, a certain volume of work, or a percentage of tasks that must be carried out in Canada.

In short, they are giving Air Canada a blank cheque. The government wants to provide flexibility, but before long Air Canada will be doing contortions to outsource the good jobs that we have in Canada. I am saddened to know that our government is not giving a second thought to the lives of 2,600 families and is prepared to cynically abandon them after publicly supporting them. That is sad.

[*English*]

I am rising in the House of Commons today with a sad story of employees at Air Canada who lost their jobs in 2012. We are talking about 2,600 families around the country. Air Canada had the legal obligation to do the maintenance of its planes in Canada, especially in Winnipeg, Mississauga, and Montreal. Now it can do whatever it wants.

*Government Orders*

When the Liberals were in the opposition, they stood outside this building with the workers, with the union, singing “solidarity, brothers and sisters”, saying that they would support the union's jobs because they were good jobs. They were asking the Conservative government to apply the 1988 law about Air Canada.

When they gained power, it was like some magic appeared, and the Liberals changed their mind completely. Now they are singing another song. It is no longer “solidarity forever”, but “job creation for United States, Europe, or Asia.” With Bill C-10, there would be no more legal obligation for Air Canada to keep those good jobs in Canada. Air Canada would have a blank cheque; it could do whatever it wants.

It is sad because the workers and their union, the machinists and in Quebec the QFL, went to court and won twice. They won in the Superior Court and in the Court of Appeal of Quebec. The decision of the judges was crystal clear that Air Canada was not respecting its legal obligation about the maintenance of its planes. Now the Liberals want to change the law and that might have a profound and brutal impact on the legal pursuits in the Supreme Court of Canada of those hundreds of workers.

Now the Liberals are saying they do not want to help them anymore, that Air Canada can do whatever it wants, and workers can find another job. However, aerospace is a very important sector in our economy, especially in the Montreal area.

• (1610)

[*Translation*]

We do not agree with the Minister of Transport's argument that Air Canada will create jobs by buying Bombardier's C Series aircraft. That is comparing apples and oranges. If Air Canada buys the C Series, it will be because it is a good aircraft and they need it.

We refuse to pit the aircraft manufacturing sector against the aircraft maintenance sector. We can and should support both. The Liberals should understand this. They should be ashamed that they are giving up hundreds of good jobs and sending them abroad. We are asking them to finally listen to reason and to withdraw Bill C-10.

[*English*]

**Ms. Kate Young (Parliamentary Secretary to the Minister of Transport, Lib.):** Mr. Speaker, I think the hon. member and I can agree that our aerospace industry is very important, but he has forgotten some of the key points to the changes to this act and what this would do.

Quebec has estimated that the creation of the centre of excellence in Montreal alone could produce 1,000 jobs over 15 years, while the manufacturing of Air Canada's C Series aircraft could create an additional 300 jobs.

Air Canada also intends to support the creation of 150 jobs in Manitoba with the possibility of expanding beyond that.

It is obvious the opposition is not understanding the positive impact that the changes to the act would have.

**Mr. Alexandre Boulerice:** Mr. Speaker, my colleague does not have the facts right. First, the centre of excellence is not in Montreal. It is supposed to be in Trois-Rivières. She needs to have the right city first.

By the way, Bill C-10 has nothing to do with the fact that Air Canada will buy Bombardier's C Series, and that is a good thing. They are good jets. However, we are talking about legislation that will change the law about the maintenance of airplanes. They are two different things. We should not compare bananas with oranges, or apples or whatever fruit.

Regarding the excellency centre in Trois-Rivières, it maybe will do the maintenance for the C Series in 15 or 20 years, but we have absolutely no guarantee about job creation there.

We are talking about real families and real jobs that the Liberals are abandoning right now, and that is bad.

**Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Mr. Speaker, I am a bit incredulous about the arguments the government is making, especially as it respects the C Series. Many of the speeches and comments made by the government allude to those jobs associated with the C Series, but Bombardier is a separate company.

The government will not be clear about the connection between the Air Canada Public Participation Act and the investments being made by Bombardier. It is curious that the government seems to draw this connection, but will not answer a direct question about whether the introduction of this act was dependent on the purchase of the C Series by Air Canada. It is curious that it will not identify the connection.

Could the hon. member perhaps speculate on what the connection between these two things is and why the government continues to refer to Bombardier in the context of this debate when the Air Canada Public Participation Act does not directly mention Bombardier in any way?

• (1615)

**Mr. Alexandre Boulerice:** Mr. Speaker, my colleague is absolutely right. I will probably not say that for many issues, but on this one he is on target.

I think the Liberals are trying to put forward some job creation fabrication about the C Series to make people forget they are abandoning 2,600 families and not respecting a promise they made and repeated to those workers and those families.

The Liberals should reconsider Bill C-10. Air Canada should continue to keep those good jobs in Canada. It is good for our regions, our cities, and our economy. That would be a good job creation plan from the Liberals. It is really sad they are doing otherwise.

[*Translation*]

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Mr. Speaker, I thank my hon. colleague from Quebec.

I imagine there are two versions of the Liberal Party now. One is the election version of the Liberal Party. There are also two versions of the hon. member for Papineau, who is also the new Prime Minister. He made some bold statements when he was standing before the workers and their families. He said he would comply with the law.



*Government Orders*

The other version of the Liberal Party is the governing version. During the election campaign, the Liberals said the same thing to the workers that we are saying today. I am sorry, but the Liberal government is going to change the law and jeopardize the jobs of 2,600 people and their families.

I imagine there is a quid pro quo: Air Canada wants something, so it asks the government to change the law and the existing bill in exchange for buying a few planes. It is settled then. The hon. member for Papineau, the new Prime Minister, says yes, no problem. That is good for the bosses, but not so good for the workers.

Which version of the Liberal Party and the hon. member for Papineau are we dealing with now?

**Mr. Alexandre Boulerice:** Mr. Speaker, I thank my colleague for his excellent question.

This is classic behaviour. When the Liberals are in opposition, they are friends with workers, associations, groups, and unions. When they are in power, they suddenly become the best friends of Bay Street and CEOs.

My colleague is right. If they had been honest during the election campaign and told people they were going to change the Air Canada legislation and legalize these job losses, they would not have gotten the number of votes they did in many ridings, because people would have known the truth.

Today, those workers feel betrayed and misled. They are disappointed and angry with this Liberal government. We will keep fighting for these people and their jobs.

[*English*]

**Mr. Daniel Blaikie (Elmwood—Transcona, NDP):** Mr. Speaker, I will start by saying how disappointed I am at having to rise to speak to this bill. This is not the kind of bill that I expected to have to deal with. If I had been told a year ago that the Liberals would be in government and then base a projection about this kind of bill on what they were saying at the time, I never would have thought that I would be speaking to such a bill.

In the last Parliament the now Prime Minister was standing on picket lines with Air Canada workers, shouting about solidarity, and probably taking a few selfies, too. That was great, because he was out shopping for votes. Many workers who felt that the Prime Minister was serious in his expression of solidarity may well have gone out and voted for the Liberals because they never would have suspected a Liberal government to bring forward a bill like this.

Some of the prime minister's members, some of whom have returned, like the member for Winnipeg North, were saying, "The law is clear. The corporation is to maintain operational and overhaul centres in the city of Winnipeg, the Montreal urban community, and the city of Mississauga. That is the law. The Conservative government says it is tough on crime. It is time to get tough on Air Canada". Those are the kinds of remarks we were hearing at the time from Liberal MPs like the member for Winnipeg North.

Fast forward to today. As I mentioned in debate on a motion earlier, we are six months into the new government. Most of the legislation that has been brought forward is either routine business with respect to the finances of government, bills responding to

Supreme Court decisions, usually with a court-imposed timeline, or they are straight up and down repeal of certain measures brought in by the previous Conservative government that were explicit election commitments by the Liberals.

If we want to look for a bill that does not involve any of that, that goes beyond those things, then really the only indication of what the government is going to be like for the next four years on issues that were not foreseen in the election is this bill. I have to say that this bill is a complete betrayal of the workers that the Liberals pretended to be the champions of when they stood beside them on the picket line. It is absolutely shameful. It is a sign of the kind of cynicism and condescension the Prime Minister must feel toward Canadian workers. How could he stand on a picket line with them and say that he is going to protect their jobs, to shame the government of the day for not enforcing an act that in the end it was his intention to change when he came into government? That is a rhetorical sleight of hand the likes of which even the previous government was not capable of doing. During the campaign the Liberals were righteous in saying "Oh, the government should enforce the act. We will enforce the act." Yes, they will, right after they change it to get rid of the very provisions that would protect the jobs and the very reason for which the workers would like to see it enforced.

I am appalled, frankly, but maybe having spent as much time around politics as I have I should not be surprised, particularly not by Liberals. We are six months in and they have already managed to teach me a new depth of cynicism when it comes to politics.

If it is a contest of narratives as politics so often is, the Liberals would have us believe there is a happy coincidence of factors, that it just so happened that without any prodding or conversation between the government and Air Canada, Air Canada decided to buy some Bombardier C Series jets, and it just so happened to be at a time when Bombardier was in trouble. Some other hon. members have done a good job of poking and prodding at this issue to get the government to affirm that there is a connection between those things, but if we listen to the government members' answers, they say, "No, no, no. There is no connection. It is just a happy coincidence. Bombardier was in trouble and Air Canada came forward." It just so happened that when Air Canada came forward and there were some rumblings about the federal government selling out Canadian workers that the provinces just happily decided to drop their lawsuits.

As a result of all of these things magically coming together by some unseen force, the government feels this is a great time to change the act because we need to be fair to Air Canada, the very same Air Canada that the Liberals not that long ago when they were in opposition thought it was time to get tough on.

That is the story.

The Liberals have said that a whole bunch of benefits are going to accrue from this bill. It just so happens that none of them are in the bill. The centres of excellence are not in the bill.

*Government Orders*

● (1620)

There are no legal guarantees for those jobs. There are for the ones that are getting gutted. However, for the new jobs that we are supposed to get in this great trade, there are no legal protections for those jobs and there is no guarantee that Air Canada would not turn around, walk away, and put those jobs somewhere else.

Under the terms of this bill, by far the most contentious clause is not the clause that says instead of having the jobs in Winnipeg, Mississauga, and Montreal we would have them in Manitoba, Ontario, and Quebec. It is the one right under it that says Air Canada would define for itself the type of work that would be done and the type of work that would satisfy the requirements of the act. It is the clause that says it would determine the volume of work and the level of employment. Air Canada could rent a closet in Winnipeg, put some engine parts in it, and pay a guy to come around once a year to check up on them, make sure they are still there, maybe dust them, and that would be sufficient to meet the requirements of the bill.

The Liberals cannot tell me that we are supposed to be happy with that situation and accept a bunch of jobs that have no guarantees at all, particularly with the language of the company, and the government, incidentally. Next time there is a spot for a Liberal speaker on this bill, I wonder if they should not just invite the Air Canada corporate executives in and hear from them directly and cut out the middle man. They are expensive middle men for Air Canada in this debate. We do not need them.

We have heard these kinds of arguments before when we have heard about flexibility and the need to compete. I am sensitive to some of that, but one wonders, there is a tension here. That is, are we saying that we have come to the point where we cannot do maintenance on planes in Canada and have a competitive company? Is that what we are prepared to say? Is the Liberal government encouraging Canadians to believe that the global economy has come to a point that we cannot do maintenance on planes in Canada, that they have to be shipped somewhere else in order for companies to be competitive?

One wonders why one should be so concerned about the viability of a company once it does not mean any direct employment in Canada anymore. We are giving up guarantees for these jobs because we need to be flexible and competitive. That language means moving the jobs out of Canada. The government cannot have its cake and eat it too. It cannot say this is all about creating jobs when all of the jobs it is talking about, frankly, are completely consistent with the act as it is. There is zero reason in order to establish those centres of excellence to change the act. If this is not about exporting jobs, if this is not about sending jobs to Mexico or elsewhere, then why the changes to the act? It does not make sense.

On the face of it, this is about taking good-paying Canadian jobs and moving them out of Canada. The rest of it, the window dressing, none of which is in the act, and none of which is legally enforceable, is all about giving a fig leaf to cover the government in this, and it needs a big one because there is a lot that is ugly to cover.

There is nothing to say that a month later Air Canada would not take those jobs away. I am not saying it will. Maybe it will be three, four, or five years, but there is nothing to prevent those jobs from

being taken away. The Liberals knew that well when they were in opposition. That is why the Liberals said that the Conservative government should enforce the act. The Liberals must realize that now there will not even be an act to enforce, not in any meaningful sense, because under the bill Air Canada will be given every right to define the scope of this work right out of Canada.

The Liberal narrative on this is so contorted it is just shocking. I hope Canadians will listen to this debate. They do not have to listen to a lot of it to understand what is really going on. I hope they are paying attention, because what is going on here is completely unacceptable.

● (1625)

**Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Mr. Speaker, I congratulate my colleague on his speech. I worry that I am agreeing with New Democrats a little too much today. He is absolutely right to highlight the strangeness of the government's arguments. We have these repeated kind of wink-wink, nudge-nudge references to Bombardier, yet there is no reference to Bombardier in the legislation.

Even so, even if there is some kind of quid pro quo going on here, it is rather poorly set up, because after this legislation passes, there is of course no guarantee that the purchase of the C Series will go forward. These are not guaranteed jobs at all. The government really is giving up something for nothing at this stage.

I wonder if the member has thoughts on why, at this stage, the government is giving up these Canadian jobs and getting absolutely nothing in return for workers or taxpayers.

**Mr. Daniel Blaikie:** Mr. Speaker, that is the question that the government has yet to answer. What is here, really? As he says, we have some nods and we have some winks. This may help out Bombardier, and that would be nice because that seems like a big issue; and it is. It is important to continue to have work at Bombardier.

The proper response by the government would have been to say it needs a strategy for the aerospace industry; that is what it needs to do. I do not know if it was panic or inexperience, or just what it was, but it said, "Here is a one-off deal. We can give something to Air Canada and make Air Canada executives happy. We can create some jobs at Bombardier. Oh yes, western Canada; where is that again?"

We need a national strategy so that we are not doing the same old thing of pitting region against region, but making sure that each region gets its due. There are serious challenges in the aerospace industry today. The way to do it is to come up with a strategy instead of cutting a bunch of one-off deals and finding out later it was the wrong play.

● (1630)

[Translation]

**Mr. Matthew Dubé (Beloeil—Chambly, NDP):** Mr. Speaker, I would like to thank my colleague for his speech.

[English]

I want to read the member something that a Liberal member said in the transport committee in 2012 when this issue was before it. He can try to guess who said this at the time. The member stated:

*Government Orders*

What interests me...is it's important for us to note that there must have been some form of a fairly strong relationship between Aveos and Air Canada. I talked with numerous employees of Air Canada, who were ultimately shifted over to Aveos. I can recall very clearly that many of the employees who made that shift indicated they were concerned that this was just a shell game Air Canada was playing, and Aveos was just executing what Air Canada wanted: to be able to ultimately facilitate the demise of those very important jobs.

Who said that? It was the member for Winnipeg North, who stood in this place and presented petition after petition. In committee, the member, in the excerpt I just read, was fighting for a motion to get Aveos in front of the committee to stand up for workers, workers who I assume live in his riding—my colleague will be able to tell us that—workers he has now betrayed.

I would like my colleague to elaborate on that.

**Mr. Daniel Blaikie:** Mr. Speaker, I am thankful for the opportunity to note that the reversal of the position by the member for Winnipeg North on this is totally appalling. Many times in the last Parliament, 15 or 20 times, he presented petitions, saying that this was terrible, that we needed to get tough on Air Canada, and that we needed to enforce the act.

As a politician, first at the provincial level and then at the federal level, he spent more than 20 years in opposition. He finally got a chance to do something for those workers whom he stood beside all that time, and he dropped the ball. Not only did he drop the ball, but he has since stood in the House and talked about how we need to be fair to Air Canada and recognize its difficult position. If the very same things had come out of the mouth of a Conservative cabinet minister no more than 12 months ago, he would have been all over the Conservatives in the House.

It is shameful and a testament to the fact that, if the member for Winnipeg North belongs anywhere in the House, it is in opposition.

**Mr. Jim Eglinski (Yellowhead, CPC):** Mr. Speaker, I agree wholeheartedly with the hon. member.

I was flying from Edmonton to Ottawa last weekend, and I remember looking at an Air Canada brochure that talked about carbon pricing, a carbon tax, and using light food containers. I wonder what the member thinks about flying across the United States to Mexico and how much fuel would be used versus putting light food containers in Air Canada's aircraft to save on carbon taxes.

**Mr. Daniel Blaikie:** Mr. Speaker, I am really heartened to hear a concern from a Conservative member about the carbon footprint of Air Canada's operations. I would agree that when it comes to this, given where the jobs are most likely to go, as with a number of issues when it comes to global trade, assessing the carbon footprint of goods and not simply the cost charged to consumers at the counter is very important, indeed.

**The Deputy Speaker:** 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 Beloeil—Chambly, Rail Transportation; and the hon. member for Courtenay—Alberni, Telecommunications.

**Hon. Erin O'Toole (Durham, CPC):** Mr. Speaker, it is my privilege to rise to speak to Bill C-10 and to join in the debate today. This is one of those unique circumstances where the opposition, in many ways, is united in part and is in some ways speaking with a unified voice, but for different reasons, perhaps. In many ways, this

debate is an interesting one for me, given my background in the Air Force and my background as a lawyer. In my early days, articling as a first-year lawyer, I was involved in the CCAA restructuring of Air Canada. That was a time when Canadians worried about losing our flagship carrier. The company successfully restructured under CCAA, which protected a lot of jobs, a lot of commercial relationships across the country, and the airline.

We all remember years when there were many more serving the country, companies like Canadian and Wardair. It shows how globally competitive this industry is.

I was very proud, as a young lawyer, to be involved with the firm that represented Air Canada in that restructuring many years ago.

Its heritage as a former crown corporation is really why we are here with Bill C-10, an act to amend the Air Canada Public Participation Act, which was a creature of the privatization. Most of the comments from my NDP friends along the way relate to the commitments made back in 1987 and 1988 when this crown corporation was privatized.

I do not think even my Liberal friends would suggest that the industry is the same today as it was in 1988. To suggest even the members of the unions they are talking about are performing the same tasks on the same type of aircraft would be false, because certainly the industry has changed in terms of technology, in terms of the needs of the workforce, and in terms of the globalization of the supply chain. Therefore, we have to have these debates in the House of Commons.

Where I am united with my NDP friends in my concern is really how this debate is coming to the floor. In many ways, the new Liberal government is showing that the old ways—and in fact the ways a lot of Canadians disliked about the Liberal governments in the past—appear to be back, when deals are made to benefit special interests or certain groups and the public policy ramifications of an issue are not actually spoken about.

I am going to raise a few of these points, in relation to the debate of Bill C-10 because I think they are important.

In many ways, the Liberals prove that old adage: why take one position on an issue when one can take two positions on an issue politically and advance both?

Here is one. Most of the Liberal Party at the time, in the 1980s, opposed privatization of Air Canada at the time when the Mulroney government proceeded with that privatization. Yet, here it is sneaking in an amendment to the participation aspects and sort of the job guarantees provided in the 1980s, with limited discussion and no real mention in its election document, which it holds sacrosanct in all other aspects of what it is doing in its early days, and we are here as a result of it.

*Government Orders*

It is also the result of its bad policy decision with respect to the Toronto island airport and the fact that a private sector operator was looking at buying a Bombardier aircraft at a time that Bombardier was seeking government assistance. However, because of a small lobby group in downtown Toronto, very influential within its caucus, it circumvented the regulatory process looking at the expansion of a regional airport.

That is not just a decision made in isolation, because our transportation networks are integrated. What happens about Billy Bishop airport will impact Hamilton, the airport in Kitchener-Waterloo, Pearson airport, and the Pickering airport and what size that takes in the future.

• (1635)

These decisions cannot be taken in isolation, but they stopped expansion applications and review for the Toronto Island, thereby eliminating a private sector sale for Bombardier at a time when it is teetering. Yet, behind Bill C-10, is really a deal, I believe, that was crafted by the federal government in relation to another purchaser acquiring said aircraft and coming to the rescue, so to speak. I would like the minister to bring to the House whether Bill C-10 was discussed as an element of the private sector sale to Bombardier that we see Air Canada announcing? The announcement came mere days after that company met with the minister, so what someone needs to do is connect the dots on all this and see what led up to Bill C-10. The reason it was not in the Liberals' election platform was that it has come about as a result of the challenges Bombardier is facing. That is my concern.

We need to have a full debate, with discussion of the impact of Bombardier's financial difficulties alongside sales of aircraft and alongside litigation that several other provinces were party to, in relation to the Air Canada Public Participation Act.

Bill C-10 is a small bill in terms of the number of words, but when the onion is peeled on the issues underlying this, as all members of the opposition have been doing today, we see there is a lot more to the bill than the couple of pages that it appears to represent, and the government has not been transparent on that at all. For a government whose hallmark is transparency and sunny ways, we have seen that jettisoned on most issues within weeks.

In my remarks I am going to explore why I think these underlying public policy decisions relate to what is before us in Bill C-10, and that is why I have serious concerns with the bill. The government has not been transparent on the road that has us here considering this amendment to a long-standing act and a long-standing practice.

I am also very proud, as a former officer of the RCAF, of our aerospace industry, very proud of Bombardier, proud of Air Canada, our carriers, and proud of the suppliers, which are world-class. That is why, when the government made a quick move to scuttle the expansion of the Toronto island airport without proper consultation, that impacts our industry, which is world-class. Many Canadians do not realize that Canada was the third nation in space, with Alouette I. Canada basically trained most of the pilots in the free world that won World War II with the British Commonwealth air training plan.

On the weekend, I played the Hon. George Hees, John Diefenbaker's transport minister, at a dinner that recreated the Avro

Arrow dream. We celebrated aerospace and our achievements. Diefenbaker himself was not celebrated at this dinner, because he did cancel the Arrow, but we have a tremendous heritage, and the opportunities in this industry are really not well known by Canadians. We remain the number one producer, from an R and D and a production standpoint, of flight simulators around the world.

When I was in Seoul as the parliamentary secretary for international trade in the previous government, I toured CAE's simulator just outside Seoul, which provides flight training and aircrew training for Asian airlines. We were there as part of the South Korea trade agreement. That is a company with a global reputation as the best in the business, and we should celebrate that.

Canada remains the number three producer in terms of aircraft production, small and medium-size aircraft with a new larger one on the horizon from Bombardier, which will again be best in class. We are third in engine production for civil air purposes. These are incredible numbers. They are all well-paying, all highly skilled and high trade jobs, and they are all trade focused.

• (1640)

At a time when our dollar is lower and we have the ability to trade very competitively, we should be taking advantage of leveraging this industry, not secret deals that hold it back. There are \$28 billion in revenue across the companies within this sector, both in the supply chain and in production and manufacturing; and 76,000 jobs across the country, in all provinces, with particularly well-regarded and highly concentrated industries in the Montreal area, Winnipeg, Toronto, and also in Mainland B.C. We should foster these jobs and work with them.

Our previous government did in terms of reforming research and development. In fact, the previous government outlined the Red Wilson report to ensure we constantly looked at our competitiveness. Red Wilson had been a corporate leader at CAE.

*Government Orders*

It is worth noting some of these companies, and I have a particular passion for them, not just because I am ex-air force, but because I am ex-minister of veterans affairs. A lot of these companies are veteran employers. In some cases, their senior leadership are veterans. They include MacDonald, Dettwiler and Associates, the famed Canadarm, probably our biggest iconic R and D development; Viking Air, which has recreated some of the old classic de Havilland aircraft that have been flying for generations; Cascade; Avcorp; Bombardier; CAE; and COM DEV. We also have global companies producing in Canada, including Boeing, General Dynamics, and Lockheed Martin, through our industrial regional benefits programs that provide supply sector jobs as a result of our defence purchases, which at times the government seemed somewhat uncertain. However, if something is acquired, there is money put in to research and development into jobs on the ground here.

That supply chain is critical and is why our industry has to modernize. We need to have a debate on the ground about public participation and about the industry so our manufacturers, including some of the businesses I named, do not take advantage of servicing for Air Canada, or WestJet or Porter. They really need to be involved in the global supply chain for both maintenance and production.

What are we here for on Bill C-10? We have heard a lot of passion on the side of members of the New Democratic Party, but it boils down to three subtle changes to the act, which came in as a result of the privatization of Air Canada in 1988.

The bill would amend section 6(1)(d) of that act, changing the maintain operations and overhaul description of securing jobs as they stood in the 1980s into "...carry out or cause to be carried out...", which recognizes that a lot of specialized manufacturers, whether landing gear or components, can provide that specialized life cycle maintenance that is important in the airline industry, and that specialization can happen through the carrying out. That makes sense in this environment, but we have not heard that because of the secret deals that have brought us to Bill C-10.

The operation and overhaul would be expanded to show that it would include any type of work related to airframes, engines, and components mainly because we have some expertise on a sub-component basis in Canada in terms of some of the leading producers.

The geographic areas protected back in 1988 with the privatization at that time were described as the city of Winnipeg, the city of Mississauga and the Montreal urban area, because I think they needed to describe that in a wider sense. The new amendments proposed in Bill C-10 will refine that to the provinces, as opposed to those cities proper.

The substance of Bill C-10 in some ways recognizes the fact that the industry is not the same industry it was in 1988. I can certainly understand why Air Canada probably wants to be unshackled from the requirements put on it in 1988 to ensure that the privatization was not too disruptive.

• (1645)

If we look at the airline as it stands today, it is strong and a global leader in many ways, but it is also subject to global competition. It has to be able to take advantage of the same expertise and

opportunity. Therefore, if we carry out, or cause to be carried out in a certain part of Canada, as long as we are getting that best-in-class ability to maintain and modernize fleets, then that is what we want to see.

The other thing I said at the outset, which has us here in this debate today and that the government has not been transparent on, is the fact that Bill C-10 is really the result of litigation in relation to adherence to this act. As I said, Air Canada probably, understandably, feels unfairly shackled by something that was done, not just by the last government or the previous government, but three governments ago, in the 1980s at a time when privatizations were a little newer. However, I think today most Canadians would certainly not expect the federal government to operate its airline in a competitive environment where there is a lot of choice.

Quebec and Manitoba joined the International Association of Machinists and Aerospace Workers in litigation related to business changes in those jurisdictions. Certainly, with that union involved, it is why my friends in the NDP are as passionate, and I respect their standing up for workers and items they believe. However, I would suggest that their workers would tell them that this is not the same industry that it was in 1988.

What we saw was the government of Quebec drop its participation in this litigation as a result of an Air Canada decision to purchase aircraft. Obviously, there was some political horse-trading that went on, and the Quebec government removed itself from the litigation in return for Air Canada supporting the industry through the acquisition of Bombardier aircraft.

Manitoba also removed itself from this litigation by carving out a deal whereby Air Canada supported three world-class aerospace services suppliers in Manitoba and leased one of the Air Canada maintenance hangars to an operator in Manitoba on favourable terms. In that case, there was another provincial government coming up with a deal it thought was sound enough to remove itself from a civil action in relation to an act from 1980s.

As I said at the outset of my remarks, I would have much preferred it if the Minister of Transport had come to the House and told us that Bill C-10 was the result of yet another pragmatic deal that was made. However, to do that, he would have had to outline all aspects of that deal, what exactly happened, and if the government approached a private sector player to help it with respect to requests from Bombardier for assistance.

*Government Orders*

This is where we get into some difficult territory. Should the government be convening these meetings behind closed doors to cobble out a position, particularly when the minister was getting heat for ending the exploration of the expansion of the Toronto Island Billy Bishop Airport, and cancelled that with a tweak after demands from people within his caucus and within a group in Toronto advocated against an expansion? What that cancellation led to was a private sector company that was planning an acquisition of Bombardier aircraft could no longer proceed. All of these events gather, and that is the run-up to why we have Bill C-10.

We can actually have a rational discussion on whether it would be helpful to unshackle a company from requirements that limit its competitiveness from 1988 legislation. We can have that discussion, and I would like to, because the minister and the Liberal government have not come to the House in an open and transparent way, much like the parliamentary budget officer said they approached their recent budget, the least transparent in over 15 years.

• (1650)

I would like the government to outline all aspects that went into Bill C-10: the related litigation, the pressures in relation to the financial stability of Bombardier, and Air Canada's need to be competitive in a global age. I think we could have a proper debate if that was before the House. I am disappointed the information is not here for this debate.

• (1655)

**Ms. Kate Young (Parliamentary Secretary to the Minister of Transport, Lib.):** Mr. Speaker, I would like to underscore a couple of points for clarity.

The government wants Air Canada, which is a private company, to have the flexibility it needs to manage its business operations in 2016. We understand that since 1989, the air transportation sector has evolved and will continue to evolve. Air Canada needs the tools and regulatory supports to keep pace. However, this must be done within a framework that maintains adequate safeguards for Canadian workers and suppliers. That is why we propose to ensure the act continues to require that Air Canada carry out aircraft maintenance in certain Canadian regions. Therefore, we want this bill to proceed to the committee stage so we can hear from stakeholders and have more debate at the committee level.

**Hon. Erin O'Toole:** Mr. Speaker, I think the parliamentary secretary could detect from most of my remarks that it is not the actual policy within Bill C-10 that I take issue with, but it is the road getting to Bill C-10 that causes me some difficulty.

As I said at the beginning of my speech, having worked on the restructuring of Air Canada and seeing its growth and success in recent years under the strong leadership of Calin Rovinescu and the team, there is a good debate to be had on whether it should be shackled exactly to the purposes of the 1988 act.

Therefore, I would ask her this. Was she part of the meetings on February 15 that the minister had with that company? Did the minister facilitate this deal, much like the Quebec government facilitated a settlement of litigation, much like the Manitoba government facilitated a deal? It is the facilitation that is an important part of Bill C-10, and that has not been explained to the House.

[*Translation*]

**Mr. Matthew Dubé (Beloeil—Chambly, NDP):** Mr. Speaker, I would like to thank my colleague for his speech.

The two opposition parties are both opposed to the bill, but not for exactly the same reasons. I would like my colleague to talk briefly about the Liberals' about-face on this file.

[*English*]

I had an opportunity to read a quote before. I would like to read another one. Let us keep going and digging through the archives of the transport committee.

One member stated:

I do believe in the rule of law. I do believe that whether an individual or a corporation breaks the law, there should be some justice that comes out of it...The workers of Aveos, who were formerly Air Canada employees, feel that there has not been any justice, that their government has let them down.

He then reads the law as it currently exists, before Bill C-10 of course.

He then goes on to accuse Air Canada of wanting to privatize. He states:

...as someone who is concerned about the worker, we read that and interpret it as meaning that Air Canada is obligated to maintain those overhaul centres. Then Air Canada kind of privatizes and pushes that responsibility over to Aveos. A court then makes a decision that because Aveos is now there, Air Canada is indirectly keeping those jobs.

Who said that? Once again, the member for Winnipeg North, who is showing us how the Liberal government opposes one way and governs another.

I would like to hear my colleague's comments on that.

**Hon. Erin O'Toole:** Mr. Speaker, I thank my colleague for his passion on this issue. We have heard some of his colleagues express the same concerns. Where we do differ is that the Progressive Conservative government of Prime Minister Mulroney privatized Air Canada. At the time, the public policy decisions were reflected in the Public Participation Act. I would think it would be fair to say, and I think my friend would agree, that the centres for excellence in the aerospace industry are still quite strong, and I have mentioned our strengths in that industry in Montreal, in Winnipeg in particular, and in Toronto. What has changed is the nature of the global supply chain. These are the debates we should be having in this Commons, not in a court of law, which is the route some of the unions have taken.

To hold the industry to a frozen moment in time in 1988 would not be prudent. However, what we have not had here is the full discussion that has taken place in Quebec or in Winnipeg with respect to how those governments took pragmatic public policy decisions to then remove themselves from litigation related to this act. The same thing has happened here. I have outlined in my speech where I think it has happened. However, I would prefer that the minister would get up and say that in the House.

*Government Orders*

• (1700)

**Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Mr. Speaker, I want to note that there are many other things the government could be doing that would improve the competitiveness of Air Canada that do not negatively impact workers. For instance, they could raise the foreign ownership threshold. They could work to streamline processes in terms of customs. They could work to realign regulations. Air Canada has mentioned a variety of things as contributing to and helping its competitiveness, and this is not one of them.

Could the member speculate on why the government is moving in this direction, and maybe identify, as I have, alternative ways that we could help to increase Air Canada's competitiveness?

**Hon. Erin O'Toole:** Mr. Speaker, there are a variety of public policy options available to the government.

In the previous government, the capital cost allowance acceleration and a variety of other R and D credits and reforms were ways we were trying to help a range of manufacturing industries across the country, and particularly in my province of Ontario. I met regularly with the Aerospace Industries Association in Canada on ways that we could help them.

What we see here, as I said earlier in my speech and in previous answers to questions, is something that is the result of litigation, which is the result of the financial instability of one of those aircraft assemblers. What we have not had is a proper talk on that industry.

Having lived and served in the air force in Winnipeg, I know the excellent track record and global reputation of that industry. How can we best facilitate the success of that industry? Some of the policies of the previous government are the answer, as well as letting the regulatory process for airports like the Toronto island airport run its course. Then the private sector will actually help before the government has to come in with a bailout.

**Mr. David de Burgh Graham (Laurentides—Labelle, Lib.):** Mr. Speaker, the member for Durham made reference to celebrating the Avro Arrow. The cancellation of the Arrow by Conservative prime minister John Diefenbaker represented a substantial and significant hit—

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

**Mr. David de Burgh Graham:** Well, he mentioned it, Mr. Speaker.

It was a hit to Canada's aerospace industry and took away our leadership position in the military aerospace sector. It would be hard to argue that we ever recovered from that missile hit, in a manner of speaking, as recent discussions over new fighter jets clearly demonstrate.

Could the member please tell us why we should take his party's advice on questions of leadership in aerospace with such a disastrous legacy and with the significant long-term consequences that resulted from the prior attempts at Conservative leadership in aerospace, or am I off the Bomarc?

**The Deputy Speaker:** The hon. member is asking a question that admittedly is a little off the topic that is in front of us today.

Nonetheless, as he pointed out, the hon. member for Durham did raise the point in his remarks, so we will certainly allow the question.

The hon. member for Durham.

**Hon. Erin O'Toole:** Mr. Speaker, he certainly was off the Bomarc. I did get his reference, so kudos to him.

Mr. Diefenbaker was almost burned in effigy at this dinner that I had. I had a hard time staying in form pretending to be George Hees, one of his ministers at the time. I would like to thank the Clarington Museums for such an amazing event.

However, I do not think there has been any government that has consistently supported this industry better than Conservative governments. The industrial regional benefits program, from our procurement programs, is what keeps these supply chains alive.

That is why this Minister of National Defence is asking the Prime Minister to reverse his position from the election. As I said in my speech, the Liberals like to take two positions on one issue. In the election they were going to cancel the F-35s, and now maybe not.

I would remind that member—and I would thank him for teeing up this response—that as a former Sea King aviator, I certainly do know the hundreds of millions of dollars lost and the job cuts and losses to the aerospace industry, as a result of the move by Prime Minister Right Hon. Chrétien. In fact, his first move as prime minister in 1993 was to devastate the aerospace industry and set the air force back.

I would like to thank that member for taking us back on a bit of a history lesson.

• (1705)

**Mr. Todd Doherty (Cariboo—Prince George, CPC):** Mr. Speaker, I am pleased to rise in the House to speak to Bill C-10, an act to amend the Air Canada Public Participation Act and to provide for certain other measures.

Speaking in technical terms, this legislation will remove the articles of the act that stipulate that Air Canada undertakes operational and overhaul maintenance in Mississauga, Montreal, and Winnipeg.

In plain English, the proposed amendments to the 1988 Air Canada Public Participation Act mean that the jobs of 3,000 Canadians who provide aircraft maintenance will be affected. Under the amendment, Air Canada would still be required to do some maintenance work in each of these provinces, but would be allowed to change the type, volume, or scope of any or all of those activities in each of those provinces. As well, the level of employment in any or all these areas could be changed, depending on the scope. Air Canada would be free to dictate how many people would be employed by these centres and what work they will do.

*Government Orders*

Let me be clear with regard to one particular aspect of this. The Conservative Party believes it is time that Air Canada becomes a private sector company that is not supported by taxpayers. We agree that Air Canada, and all of our carriers, should have the ability to be more competitive, a level playing field, and this does not have to be at the expense of high-quality, well-paying jobs of Canadians. Having spent almost 20 years in aviation, I am aware first-hand of the challenges that Canadian aviation industries face in remaining competitive in an ever-changing global industry.

However, before getting into the weeds of the bill, let me speak about the history of Air Canada in this country for a moment.

Air Canada inherited a fleet of 109 aircraft upon being privatized in 1988. All of Canada's major airports where Air Canada first flew were built with the financial support of the Government of Canada at the time. Air Canada is the largest airline in this country, and an important international player in the aviation sector. However, that is because of, not despite, the support from the Government of Canada and Canadian taxpayers over the years.

Today Air Canada is the largest tenant in nearly every major airport in this country, with the exception of Calgary and the Billy Bishop Toronto City Airport. This gives Air Canada significant influence over each airport's operations, and access to the best landing slots in all of our major airports. One might be tempted to say it is a bit of a competitive advantage over other carriers, including our other national carriers.

As I said before, we welcomed the original intent of the Air Canada Public Participation Act when it was introduced in 1988. The act put in place clear conditions to ensure that all of the support that Air Canada had received from the government to turn it into a profitable crown corporation was not lost. The government could be seen as perhaps protecting its investment.

The conditions were that Air Canada would be subjected to the Official Languages Act, would maintain its headquarters in Montreal, that 75% of its voting shares had to be held by Canadians and, finally, it had to "maintain operational and overhaul centres in the city of Winnipeg, Montreal urban community, and the city of Mississauga". Given all this, it is surprising that the government would only make such a narrow change to the act. While it is unclear what level of benefits this legislative change will give Air Canada, it is clear that the intended change will make it possible for the carrier to move thousands of jobs from Canada to other jurisdictions.

If we are talking about giving further competitive advantage to one of our national carriers, perhaps it would be appropriate to look at the industry as a whole. If afforded all of the advantages previously and Air Canada is still having difficulties remaining competitive, it might be a sign that our national aviation industry might need some retooling.

Let me talk about some of the challenges facing the aviation industry as a whole, because to understand the issues, one must first understand the product. Air transport is a critical, economic, and social infrastructure. It provides access to trade and investment; connects people to jobs, friends, and family; and delivers vital goods and services in remote areas, such as air medevac.

Geography, population size, and environmental conditions increase the operating costs of air transport in Canada compared to other jurisdictions. The Canadian passenger travel market is relatively mature, and it has enjoyed small to medium growth over the years. The total Canadian passenger market is estimated at between 122 to 125 million enplaned and deplaned passengers. However, this pales in comparison to the emerging and developing markets around the world.

● (1710)

In some measure, this is due to some of the very same policies developed for the industrial and economic environment in the 1990s. Simply put, the very same policies that were designed to protect our industry are now the ones hindering it.

Most of Canada's domestic air services are provided by Air Canada and WestJet. A small number of regional and local air carriers across the country service some small communities from coast to coast. This allows for better customer service and connectivity.

In the 1990s, Canada saw the Southwest Airline low-cost airline model introduced by WestJet. This came at a time when consumers and communities were held hostage by predatory pricing by Canada's two major airlines of the time, Canadian and Air Canada.

Canada's main charter carriers are Transat and Sunwing. They are focused primarily on seasonal vacation destinations. WestJet's entrance into the Canadian market created excitement by offering low-cost travel. It allowed many Canadians to experience air travel for the very first time. It was an exciting time and it was an exciting project of which to be part.

There was a time that air travel was only for the elite and was considered glamorous and accessible to only those who could afford it. With the entrance of low-cost carriers and competition, air travel is now easily afforded and this has stimulated market growth.

Both Air Canada and WestJet have now introduced lower cost, lower fare vacation or charter subsidiaries, Rouge and Encore. Respectively, this has stimulated some vacation or destination growth in a number of markets and, as we speak, there are a number of start-up low-cost carriers at various stages of financing that are expected to enter the market in the short term.

Ultimately, this will lead to a price competition with existing carriers. For a time, our national carriers will react with even greater seat sales and maybe even new routes, but as past experience suggests, only the new entrants with deep pockets will be able to survive.

Unable to compete or go head to head with the big boys because the deck is stacked against them, airline start-ups and failures are frequent. The ones that suffer the most are the communities and, ultimately, the consumer.



*Government Orders*

All of this is to say that maybe it is time to reconsider policies that may have served us well when the Canadian aviation industry needed protection to flourish, but now impairs our competitiveness. Of course, such protectionism comes at a cost that is largely borne by consumers, who pay relatively high airfares, and the Canadian travel and tourism sector that also, due to higher costs, has been losing market share for over a decade. Simply put, Canada is sliding backward in its competitiveness.

The Conference Board of Canada estimates that Canadian airports in 2012 accounted for \$4.3 billion in real GDP, but had a total economic footprint of \$12 billion, generating almost 63,000 jobs, and contributing over \$3 billion in federal and regional taxes. Canadian airports are vital to the success of the Canadian economy, key gateways for inbound and outbound tourism, business, and personal travel. Domestic commerce and international trade are dependent on our key gateways, our airports.

Canada is blessed with strategic geographical location. We are at the crossroads of the great circle routes among Asia, Europe, and the Americas, and we have this competitive advantage, but yet our nation has never taken full advantage of it. Competition has successfully negated this competitive advantage with integrated policies and programs aimed at stimulating inbound tourism and facilitating connecting traffic through their global hubs, essentially overstepping or, to use an aviation term, doing a flyby of Canada.

Canada's airports face increasingly aggressive competition from countries that have recognized the importance of air transportation as a driver of economic growth. Our neighbouring U.S. counterpart markets directly to and easily accesses a large portion of Canada's U.S. transborder and international travel market. Finally, Canadian airports also compete with each other for the allocation of limited carrier capacity.

Our regional airports and communities are oftentimes pitted against one another in competition for airline service. As mentioned during the Billy Bishop debate, Canadian airports also face challenging times with changing aircraft capacity and the continued focus on environmental issues such as noise due to residential encroachment.

• (1715)

In the 1990s, with the introduction of the national airports policy, a new framework was defined with relation to the federal government's role in aviation. NAS airports, comprised of the 26 airports across Canada that were deemed as critical links for our country, were deemed essential to Canada's air transport system. They served 94% of the air traffic in Canada. These airports were transferred under lease to airport authorities, and in some cases, municipalities.

The infrastructure in many of these airports was antiquated. Some, if not all, of them were in need of attention. Through the transfer negotiations, reinvestment monies were given, but the expectation for these airports was that they were to do everything in their power to be self-sufficient.

Airports have very few revenue generation streams. With the transfer of airports and the newfound independence also came the realization that user-pay systems were needed. Airport improvement

fees have now become the norm, and today we have airports that are incredible examples of the NAS airport of the 1990s. We have also seen airports that continue to struggle to be competitive and to be innovative.

The user-pay approach to financing air infrastructure and services is effective and sustainable, but it further increases costs for the sector and for users. It costs more for airlines to fly into our airports because it costs more for our airports to operate.

Canada is unique among its competitors in charging onerous rents and taxes that undermine competitiveness. Airport rents, for example, can represent up to 30% of airport operating budgets, far more than what would be expected in dividends and income tax from a private for-profit airport, such as what we see in Europe.

The federal government takes in about \$300 million annually in rent, but it only invests \$50 million back into our airports. Canada cannot become a world leader in terms of cost competitiveness of air transport without heavy public subsidization of the sector, not only to match the subsidies offered by some of our competitors, but also to overcome the naturally high-cost operating conditions and lack of economies of scale.

If Canada wants to remain competitive, we need to fully integrate parts of our local transportation system and recognize essential partners, such as the government, airlines, tourism and business interests, using an overall team Canada approach to align policy and promotion. We need to stimulate air travel to, from, and within Canada. This alone would have a broader, far reaching, positive industry impact than continually giving a single private sector company competitive advantages over others.

Arguably the most important challenge facing Canadian industry today is our air policy. The key to enhancing Canadian connectivity, global competitiveness, and economic prosperity is to realign Canada's air policy. The government can improve Canada's competitiveness and help create opportunity in trade and tourism, which in turn would create more demand for air services, strengthening our national carriers, all of our carriers and not just one, by using their time not to pick off the low-hanging fruit, the easy wins, and looking after friends.

*Government Orders*

Let us look at our air policy. Let us apply our blue sky policy more progressively and in a manner that is strategically aligned with Canada's international trade and tourism objectives. Let us pursue more aggressive open skies agreements with Canada's free trade partners. Let us pursue progressive and more open agreements with Canada's tourism markets. Open up more markets for tourism and trade: wow, what a novel idea.

Tourism is a large and high growth industry. It has a significant impact on the global economy. In 2013 alone, the tourism industry saw more than one billion international tourists worldwide, generating more than \$1.3 trillion in receipts. Canada's tourism industry contributes \$84 billion to the economy and employs more than 600,000 people.

Competition for tourism is heating up more and more as more countries are investing in tourism marketing, aligning their aviation and visa policies to attract a greater share of this market. Canada is lagging further and further behind. Aligning our tourism objectives with our aviation policy would only serve to build a stronger Canadian aviation industry and stronger carriers.

• (1720)

I have a quote from Air Canada's president and CEO, Calin Rovinescu:

It is indeed time that the Air Canada Public Participation Act, dating from the company's privatization nearly 30 years ago, be modernized to recognize the reality that Air Canada is a private sector company, owned by private sector interests, which operates in a highly competitive global industry that has undergone dramatic transformation over the past three decades.

I agree, but there needs to be a level playing field, and protecting Canadian jobs should be the number one priority.

The announcement made by Air Canada to undertake and overhaul maintenance comes only after the airline announced that it would be purchasing Bombardier's C Series jets.

Air Canada until very recently had been subject to lawsuits from Quebec and Manitoba as a result of the service centre closures in those provinces.

In the Quebec case, it failed to reopen a factory that went bankrupt in 2012, putting 2,000 skilled workers out of work. The Quebec government filed a lawsuit that accused Air Canada of breaching its legal obligations when it transferred some heavy maintenance work outside the country. The Quebec Court of Appeal sided in a ruling last November. However, Quebec dropped the case when Air Canada agreed to purchase 75 Bombardier C Series jets and service them in the province. Was that convenient timing? I think not.

The Manitoba government also ended legal proceedings after the airline signed a new maintenance agreement that is expected to create at least 150 jobs in the province.

Air Canada already outsources its maintenance work to two suppliers in Quebec, in addition to providers in the U.S., Singapore, Ireland, and Israel.

While the Minister of Transport's proposed legislation should have nothing to do with Bombardier, this bill unfortunately has everything to do with Bombardier. While the government has yet to announce

whether it will provide Bombardier with yet another billion-dollar bailout as requested on December 11, 2015, it seems it is finding ways to skirt the public with backroom deals.

In his short justification for introducing Bill C-10, the minister hailed Air Canada's decision to purchase the C Series aircraft combined with the Government of Quebec's and the Government of Manitoba's intention to discontinue litigation against the carrier as the main cause. That is so nice of them. The minister also noted that seeks to allow Air Canada to be more competitive in an evolving and ever-increasing globalized industry. I think that line alone speaks for itself.

The taxpayers of Canada have done a lot for Air Canada and the company is rewarding them by taking away high-quality, well-paying jobs. The Conservative Party does not support any bill that seeks to eliminate jobs, especially when there are viable alternatives to do so that will not affect the company's bottom line.

The government has an opportunity to look at all of our industry and make some real change. If the government really wanted to take a measure that would stimulate the entire Canadian aerospace sector, and as I said, create real change, including Air Canada, it could choose to tackle any of the issues I have mentioned previously. I would note that all of these measures have near universal support in the aviation sector and would not lead to a single loss of jobs in Canada.

**Mr. Daniel Blaikie (Elmwood—Transcona, NDP):** Mr. Speaker, we have heard a few tautologies from the government. We have heard that a deal is a deal. The government has invoked that in order to refuse to stand up to Saudi Arabia with respect to its record on human rights and proceed with a contract that would deliver arms to that country. We have also heard that the law is the law is the law. This is a deal in law. It is a deal that was made when Air Canada was privatized. It is a deal that was made with Canadian workers and aerospace workers. We have a deal that is in the law. We know that the law is the law is the law, and that a deal is a deal. Why is it that that is good enough for the government to go ahead and protect the interests of the Saudi government, but it is not good enough to stand up for the sanctity of a deal when it comes to protecting Canadian workers?

• (1725)

**Mr. Todd Doherty:** Mr. Speaker, I am not quite sure if there was a question in the member's remarks.

The Air Canada Public Participation Act was done in 1988 and as we have talked about, times change and things change. We have to be able to compete in an ever-changing global environment.

Fundamentally, that act was put in place to protect Canadian jobs and to protect the government's investment. As we move forward, it would be wise for the government to take a step back, and not rush to pass this legislation. If the government were really serious about creating jobs and creating a great environment for trade and tourism, it might consider some of the thoughts and suggestions that members on this side have put forth in the debate today.

*Government Orders*

If we are to remain competitive, we need to not just look at one carrier, but we need to look at the industry as a whole in order to make Canada a sound trading partner and competitive on the global stage.

**Mr. Jim Eglinski (Yellowhead, CPC):** Madam Speaker, I understand that the member's background is in aviation. He talked about the downloading of costs to the airlines and to the public. It reminds me of security at most of our airports. The security costs are downloaded directly to the airlines and to the public that are travelling.

Does the member think that the whole regulation system needs to be looked at and changed? I feel that the global security at our airports should be a national requirement by government and the costs should not be put onto the general public or the airlines that are using those airports.

**Mr. Todd Doherty:** Madam Speaker, on a point of clarification, Canadian Air Transport Security Authority is in charge of Canada's security system at our airports from coast to coast. However, the costs always come down to the user pays. The end user has to pay for that. We live in an ever-changing global environment that places challenges on all of our security systems and our transportation systems. We want to make sure that the safe travel of goods and people is always paramount. Our Canadian airports are second to none in this.

Again, if we are to be competitive, if we want to stop carriers overflying Canada, if we want to remain competitive on the global stage, if we want to take advantage of our strategic geographic position, we need to look at the aviation transportation sector as a whole. We need to align that with our trade, our tourism, and our air policy environment. If we do that, our carriers, our airports, our trade, and our tourism will be healthy.

**Ms. Sheila Malcolmson (Nanaimo—Ladysmith, NDP):** Madam Speaker, this is an interesting rolling out of history. Just a few years ago the Liberals of the day, when they were the third party, were extremely critical of the Conservative government for not upholding the legislation which was a term of privatization of taxpayer assets, a commitment to protect Canadian jobs in place as a trade, as a term for that privatization. Just a few years ago, the third party was very critical of the Conservative government for not taking stronger action.

We now have legislation before the House that looks like a very clear reversal of that position. We are seeing a very strong protection of the corporate interests and not seeing the proposed legislation standing up for local good-paying jobs that are guaranteed to stay in Canada.

I am curious about what my Conservative colleague feels about this story now that the narrative has turned around.

● (1730)

**Mr. Todd Doherty:** Madam Speaker, as I mentioned in my speech, I would have to say that the timing of this legislation is awfully suspect. Only after Air Canada has announced that it will indeed purchase the C Series aircraft from Bombardier, a commitment of maybe up to 75, we have seen some lawsuits dropped with Quebec and Manitoba.

There seems to be a rush to get this legislation in place and perhaps a loss of memory of the Liberals' previous stance. Again, we have seen a loss of memory in recent months after October 19 and after the Liberals' campaign when they made a lot of promises. As one of our colleagues said, there were promises of rainbows and unicorns. We now see the loss of memory of their stance in the previous Parliament, and so they are changing it. It is a rush to judgment and I think it is a matter of merely looking after friends.

**Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Madam Speaker, my colleague, the member for Elmwood—Transcona earlier referred to Liberal tautologies, such as “a deal is a deal” and “the law is the law”. I thought maybe he should have added “a proof is a proof is a proof”, because we clearly have proof here that there were clear rules in place and that those rules were not followed, and now the government is trying to change the law to allow for not following the law and not respecting taxpayers in this context.

We talked about the interests of corporations and the interests of workers, but there is a more fundamental issue here, and that is basic fairness.

What message does this decision by the government send about fairness in the marketplace, about actually honouring the law and honouring our commitments?

**Mr. Todd Doherty:** Madam Speaker, I think it speaks volumes about the government's ability to have blinders on when it comes to friends and things it needs to get passed and wants to rush through.

The government's role is to create the environment so that companies, whether private or other corporations, can succeed. That means creating a healthy tax environment, a healthy and competitive environment, so that industry can flourish, so that trade can flourish, so that we can move people and products to market easily.

Governments should not be interfering in issues that will give one private sector company a competitive advantage over another. Simply put, I think the government should stick to its knitting. If it wants to have real change, maybe it should take a look at the industry as a whole and not a singular part of that industry or a singular competitor in that industry, and if it really wants to do some good, let us take a look at the whole industry and have some real impact.

**Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Madam Speaker, I appreciate the opportunity to now give a speech on this debate, having participated throughout the day in questions and comments.

I want to share that the reason I have been involved in the debate, the reason I am giving this speech, is that this was actually an issue that a constituent brought to me in my office a number of months ago. This gentleman had been an Aveos employee and had lost his job as a result of, in my view, Air Canada's ongoing efforts to shirk its clear obligations under the Air Canada Public Participation Act.

*Government Orders*

It was a pleasure for me to chat with this gentleman. I always appreciate it when constituents come to my office to educate me about issues I may not know about, and, when I have the opportunity, I can then reflect their concerns in the House. In this case, these are certainly concerns that I share. This is the context I bring to this debate.

It is certainly telling that my constituent wanted us to be talking about this issue, yet it is very clear from the way this debate has progressed back and forth that it is not an issue that the government wants to talk about. The Liberals wanted to bring this legislation forward, and to be sure, they want it to pass. However, while other parties are participating actively in this debate, it is clearly not something that the government is keen to talk about, and it is not surprising why.

Here is the deal.

The government came up with an arrangement that I think it feels satisfies everyone of importance. However, the legislation ignores the one too often overlooked stakeholder group: the people, the ordinary working women and men in this country, taxpayers, people who cannot afford to hire lobbyists, people who cannot afford to go to \$500-a-plate fundraisers with ministers, people who go about their ordinary business and just hope and expect, perhaps against the odds, that the government will treat them fairly and honestly.

The government has come up with a solution in this context. The Liberals believe, it seems—which reminds of the title of a recent book I read—that the bill satisfies everyone but the people. As obscure as the Air Canada Public Participation Act may be to some Canadians who have not interacted with it directly, I think the legislation before us is something that everyone should pay some degree of attention to, because it tells us a great deal about the way the government does business. To paraphrase Michael Corleone, if you want to do business with this government, then it will do business with you.

I would like to start the substance of my remarks by reviewing the story of how we got to this sordid piece of legislation, and of who has already paid the price for the policy of the government and will continue to pay the price as we go forward.

In 1988-1989, through two separate offerings, Air Canada was privatized under, notably, a previous Conservative government, which I think had the wisdom and foresight to see the value of proceeding in that direction. I think most of us will accept now, in principle, the value of government stepping out of being directly involved in that kind of business activity, but certainly in the lead-up to that privatization, the people of Canada had already been very involved in terms of putting money into the development and ongoing maintenance of what had then been a crown corporation.

The mechanism of privatization is important here. The privatization of Air Canada was achieved through a share issue privatization, or SIP for short, and this is exactly what it sounds like. The government issued and sold shares in what had previously been a publicly owned company. Particularly in this case, and in some other cases in those years when the government initiated SIPs, certain provisos or restrictions were placed on the company being privatized. In this case, Air Canada was subject to four conditions:

it would be subject to the Official Languages Act; it would maintain its corporate headquarters in Montreal; 75% of its voting shares had to be held by Canadians; and it had to maintain operational and overhaul centres in Winnipeg, Montreal, and Mississauga. This was the law, and they were also the conditions of the privatization.

The latter point of maintaining operational and overhaul centres in those three Canadian cities is what the legislation before us seeks to remove. It would no longer require that these jobs be kept in Canada.

Therefore, we can be very clear that the proposed legislation is not about creating jobs in Canada but about sending jobs out of Canada. There is no denying that. Certainly the government may point to other jobs being created in the aerospace sector, but it is very clear that the effect of the legislation before us is to allow, to facilitate, this company in sending jobs out of Canada.

● (1735)

As everyone knows, when conditions are put on a sale of anything, whatever that thing is, that is likely to have some impact on the price. A 2012 University of Calgary paper from the School of Public Policy stated this on privatization: “Whether [these] provisions were in the interests of Canadians or not, they probably reduced the initial share offering prices and governments’ sale proceeds.”

Because of these conditions, shareholders got the shares for less than they would have otherwise, and taxpayers got less money. To summarize, the Government of Canada sold Air Canada shares subject to certain conditions, which reduced the value of those shares but which the government felt at the time were worth the cost.

Recognizing that was how the privatization happened in 1988-89, it would seem obvious that as a matter of basic fairness to the Canadian taxpayers, we would expect that any subsequent removal of those conditions should not come for free, the removal in particular of the conditions around the requirement that Air Canada keep certain jobs in Canada. The removal of these conditions has, on the one hand, an economic cost for workers and taxpayers but, on the other hand, has an economic benefit for Air Canada. Effectively, the government will legislate windfall gains for Air Canada at the expense of workers and taxpayers, at the expense of ordinary people.

Why is the government doing this? Why would it pass a law that would absolve Air Canada of clearly stated commercial obligations that are long-standing and allowed shareholders to acquire Air Canada at lower prices? Why would it do such a thing? It does not make sense, until we realize the other interests that are in place, in fact other interests that have been alluded to directly by government members. Again, these are not the interests of workers and taxpayers but the interests of another private company.

*Government Orders*

Air Canada has been sued by the governments of Quebec and Manitoba for its failure to live up to its obligations under the Air Canada Public Participation Act, which is the act that lays out the requirements that operational and overhaul centres be maintained in Winnipeg, Montreal, and Mississauga, as we have discussed. However, these governments have now both suspended their litigation because of some notionally unrelated but in fact very much related events. This appears to be an elaborate scheme aimed at bailing out a different group of shareholders, that is, Bombardier shareholders.

Bombardier is a company that all of us want to see survive and do well. However, certainly on this side of the House, we are more interested in protecting workers and taxpayers and not providing further windfall gains to company owners. The connection between windfall gains for Air Canada and windfall gains for Bombardier has already been well laid out by my colleague from Carlton Trail—Eagle Creek. It has been alluded to, but not clarified, by members of the government. In any event, it is worth going over one more time.

On February 17 of this year, Air Canada announced that it had started negotiations with Bombardier to purchase C Series aircraft, which are aircraft that Air Canada had not previously expressed an interest in. Then, on March 8, the minister put this bill on notice. The governments of Quebec and Manitoba suspended their litigation. It is hard to imagine them successfully resuming it if this legislation passes, the law under which they were suing having at that point been significantly altered.

Air Canada would receive the free removal of conditions of its privatization at the same time as it is exploring previously unplanned purchases from Bombardier. The government knows that a direct bailout of Bombardier is unlikely to be acceptable to the public at a time when Bombardier, like Air Canada, is out-sourcing jobs. Therefore, there may exist what we might call some form of an indirect bailout. The benefit of the removal of conditions flows from the government to Air Canada, and the benefit of a previously unplanned large purchase flows from Air Canada to Bombardier.

This seems to be the crux of the matter. We are not clear as to why or how, but we know that the benefit of the removal of conditions flows from the government to Air Canada, and the benefit of a previously unplanned large purchase flows from Air Canada to Bombardier.

● (1740)

Something in this connection was made explicit by the Quebec government when it discontinued its litigation against Air Canada. Here is what it said in a press release:

Subject to concluding final arrangements, the Government of Quebec has agreed to discontinue the litigation related to Air Canada's obligations regarding the maintenance of an overhaul and operational centre following Air Canada's agreement to collaborate with the Province to establish a Centre of Excellence for C Series....

Note the careful language here: “collaborate...to establish a Centre of Excellence for C Series”.

The government, again, will not acknowledge this connection. I asked one of the members, explicitly, what the connection is and why it is talking about these new investments in C Series in a debate about the Air Canada Public Participation Act. There was a bit of

wink-wink, nudge-nudge as they talked about these things together, but they will not acknowledge the connection.

Well, what is going on seems fairly clear, given the timeline, given the benefits that are flowing to Air Canada from the government and then on from Air Canada to Bombardier.

It seems, therefore, that Bombardier is getting help from the government after all. Now, all of a sudden, it is claiming it does not need the help anymore. Here is a *Financial Post* story from March 23. It quoted a representative of Bombardier. This story came out, by the way, the day before this act was proposed, but certainly after it had been put on notice. Here is what a representative of Bombardier said:

Really, the federal funding would just be an extra endorsement for the program.... That's really just an extra bonus that would be helpful but is very clearly not required.

Now, we are talking about a \$1 billion bailout. That is an extra bonus that I am sure many of us could use, as well. However, this is quite a different tone from what we heard from the same company a few months ago.

I wonder if it is really that Bombardier did not need the money all along, or is it simply that by March 23 it was clear that the same benefit would be received, just perhaps by a different means, notably without the pesky conditions that might require real and substantial reform, without those trappings that might be associated with a more direct package of financial support?

I actually worked for the Department of Industry during the tenure of the last government. At the time, we were involved in bailing out a number of major auto companies. I got to know some of the members who are still in this place during those years. I know that, for those of us who are Conservative-minded, who believe in free markets, it was a very difficult decision for the government to be involved in bailing out car companies. Many Conservative-minded people may still not agree with that decision, but it is clear that there were some very particular conditions and circumstances operating at the time.

At the time, in 2009, the government undertook a very carefully constructed bailout approach. It did a few important things, though. It required reforms that ensured viability. It involved the best possible effort of the government to ensure that there would be some kind of meaningful return on the investments that were made. Part of the deal was a loan; part of the deal involved the acquisition of shares.

For those who believed that the bailout was necessary at that time, it was at least transparent. It was done in the least bad way, because it involved reform and it was set up in a way to try to ensure that there would not be a need for bailout in the future, that these companies would go on to be successful and continue to create jobs in Canada. Not to undermine the challenge of the decision at the time, but it is clear that to some extent it worked and those companies have continued to exist.

*Government Orders*

However, the novel approach we see here is what appears to be some form of an indirect bailout, benefits flowing to Bombardier via Air Canada, in a way that is not transparent, not accountable, and involves no reform, to a company that I should underline has received something approaching \$4 billion, by some estimates, in various forms of government assistance since 1961.

I would just say that, if the government wants to be involved in supporting a private company, it should, at minimum, try to ensure that it is the last time it has to do it, and that there are reforms in place that ensure it is not going to be providing bailouts on and on.

• (1745)

The problem here is that there is this murkiness, this allusion to things that may be happening, but we do not know how they happen or why they happen.

I want to comment directly on some of the comments made by other members and offer some refutation.

We have heard a lot of interesting language by the other members who spoke, although not many members of the government have spoken to this issue.

They talk about modernizing the act. I believe one member told us that it is 2016, as if stating the current date is an argument for so many different things, not just the policy of gender parity in cabinet but also for this, and that all we have to do is state the current year to say that we are modernizing and moving forward. I do not think that selling out Canadian workers and taxpayers is modernization at all; rather, it takes us backward.

They have said that they are updating the act. Updating is not what this is. This is a substantive policy choice the government has made that betrays taxpayers and betrays workers.

In certain speeches, the government has made the point that there are costs associated with these conditions that Air Canada has to bear but that other private companies do not. The reality is that those conditions were associated with those shares being sold at a lower price, as I have already mentioned, but let us not forget that Air Canada has benefits as well that other companies do not have. Canada regulates its airline industry significantly, in a way that I think has very clearly been designed to protect the economic interests of Canadian carriers. We can debate the value of those various individual policies back and forth, but there is no doubt that those policies exist and that Air Canada has received certain advantages from government regulation as well. That is something we need to recognize and take into consideration.

In any event, this is simply a matter of fairness. Those were conditions that were imposed on Air Canada as a condition of its sale, and those who bought those shares knew exactly what was happening.

We have heard this argument of the importance of Air Canada's viability. There is no disputing that all of us want to see Air Canada, as well as Bombardier, be strong, create jobs in Canada, provide good service to Canadians, and provide choice in the marketplace as well, but there are many different things that could be done to improve Air Canada's viability. Some of my colleagues have mentioned examples of these already. Increasing the foreign

ownership limit of Canadian-based airlines to 49% would be one option. Allowing more money to come into Canada instead of jobs going out of Canada would be a better way to improve competitiveness. Continuing to streamline immigration and customs processes and establishing a set of principles to guide airports when determining fees are another. Those are the kinds of reforms that would help Air Canada's competitiveness, and they would help the competitiveness of Canadian airlines in general.

I did not want to say just this on the point about these being costs that other airlines do not have. That is true of the Official Languages Act as well, yet we do not see any movement by the current government to remove the application of that act, so there will still be conditions on Air Canada that do not exist on other airlines, and I think they would understand why.

To summarize, conditions are being lifted, at a cost to and with no benefit to the taxpayer. Bombardier is getting business from Air Canada, and because there are no conditions, both companies are able to continue sending jobs out of this country. Air Canada gets something for nothing, Bombardier gets something for nothing, and the government thinks it is filing away a potential political headache.

However, the real question is this: who gets left behind?

It is the workers and the taxpayers. It is the ordinary folks. Those are the people who are getting left behind because the Liberals are sacrificing the principles of real economics and real free market economics for their own particular brand of crony capitalism.

Those of us on this side of the House believe deeply in the market mechanism, but the necessary condition is fairness, and this bill is not fair. It is not fair to workers who will lose their jobs. It is not fair to the taxpayers who could have received more for Air Canada's privatization. It is good for the elite, but it is not fair for the people, and that is why we are opposed to it.

• (1750)

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Madam Speaker, while my friend down the way and I have some common ground in disliking this bill, we come at it from different angles. I am not sure that increasing foreign ownership and control of the airline industry in Canada is actually the silver bullet that maybe some Conservatives hoped for, because if what we are hoping for is to have a strong aviation sector in this country, perhaps we need an actual strategy to build up the jobs and the workforce in this country, as radical as that notion sounds.

One of the concerns I have with these centres of excellence that are being dangled out by the government is that one wonders what we are training these workers for if, at the same time, the same government is moving those same jobs overseas. I do not know if they are teaching Spanish at these schools, but it might be a thought for the government.

*Government Orders*

The sequence of events is this, and this is my question for my friend. New Democrats had many criticisms, and were joined by Liberals in the criticisms at the time, of the Conservative government not enforcing the act, not enforcing the law under which Air Canada must operate. I can remember the member for Papineau standing in front of the House of Commons and in Montreal and in Mississauga and in Winnipeg, saying that if people voted Liberal, Liberals would uphold the law. There was a little asterisk on that. He did not mention that, in the meantime, when forming government, they would change the law so there would be nothing to uphold.

In fact, he was not technically lying. He was not technically lying when he said there would be sunny ways; he just did not mention the storm clouds that were on the horizon. The sun was out for a moment, but when push came to shove and Air Canada wanted something that Air Canada has long wanted, and Bombardier wanted something else, the quid pro quo came up and now it is the so-called seriousness of governing, where the 2,600 families and the jobs that they rely on in Mississauga, in Winnipeg, and in Quebec around Montreal are now to be sacrificed for this grand deal.

My question is this. If the Conservatives were unwilling to enforce the law and the Liberals were willing to simply kill the act, is it not now at least time for this country to face up to reality and, to be truly competitive, actually create a national aviation strategy that workers and Canadians have been so long calling for, rather than these cynical shell games that we see across the way?

• (1755)

**Mr. Garnett Genuis:** Madam Speaker, the member made many points, some of which I agree with, some of which I do not.

He is quite correct to point out that, in this and many other areas, we see the government not following through with commitments it made to various groups. We have spoken about the increase in the budget deficit and the increase in taxes for small business. I could go on and on.

There is a bit of a disagreement about the issue of foreign ownership, but I will just say this. If we have to choose between sending jobs out of the country and bringing dollars into the country, I say we are better off bringing dollars into the country than sending jobs out of the country. If we have to choose between one of those two alternatives to try to make Air Canada more competitive, I would rather be bringing business and opportunity and jobs and investment to Canada. That would be our approach on this side of the House.

One of the other differences between the Conservatives and the member's party is that we believe in the value of the market mechanism. We believe in the value of free markets, generally speaking. However, for that to work, there have to be basic conditions of fairness, and this bill does not meet that basic test of fairness, because it would arbitrarily change the rules midstream to legislate windfall gains for Air Canada at the expense of workers and taxpayers. That is the kind of approach we need.

The member talked about an aviation strategy. What is important is the action here. One can package it up and call it whatever one likes, but the policies that Conservatives advocate, which are competitive tax rates for the aerospace sector and all businesses that allow people to invest and create jobs in Canada, are the kinds of

approaches that are good for the aerospace sector, but also for all business in Canada.

That is what Conservatives emphasized, and it is unfortunate to see the government moving away from that suite of policies.

**Mr. Nathan Cullen:** Madam Speaker, a certain question I have, which underlies the debate and is yet to be made clear by the Liberals themselves, is that they seem to have established this quid pro quo with Bombardier and Air Canada, and we are wondering who actually benefits from this.

For the cost of these 45 planes, which everybody familiar with the file agrees are excellent jets that fit the needs of Air Canada, one has to wonder why the Liberals would so strongly backtrack on a commitment to all those workers, all those maintenance jobs, which as he rightly says and many speakers have pointed out, will be moved overseas. All the bill deals with is just that aspect, getting Air Canada off the hook for the commitments it made in law. The law is being changed to make it fit the reality that the Liberals now want because Air Canada asked for it.

However, the quid pro quo with Bombardier, when perhaps the Quebec government was unsure, is to say that these 45 planes would somehow compensate for this and that there are now these centres of excellence that, if they were thought to be important, would also be enshrined in law. If the Liberals were absolutely committed to these and could name the number of jobs, how long they would last, and what they were for, it would certainly merit a pen being put to paper. Then somewhere in Bill C-10, of which there are many pages, they would find the heart and the gumption to actually commit to Canadians that aspect as well; but instead, those are just promises.

The Liberal member for Winnipeg North long railed against this; and we all know he can talk. He chose many of those moments, when he rose in this place when in opposition, to lay down petitions from his constituents, because he said he was doing the work of an MP, the good work of a member of Parliament; and he was right, because his constituents were worried that well-paying jobs were about to be shipped overseas because the government was not enforcing the law, a Conservative government at the time.

What was the member for Winnipeg North's solution to this now that he is in government? It was to change the law so that government would not have to abide by that nasty little thing called the rule of law, and Air Canada could do as it will.

The question is this. Is this somehow a quid pro quo that works out for anyone, either the taxpayer or the 2,600 workers who are losing their jobs? It is not just those workers. As we well know, in all of our constituencies, well-paying jobs like this do not just affect the people when they lose that job, but also their entire family and the spinoff industries that surround that job.

Is this somehow a good cost benefit for Canada? Is this somehow not just the most cynical form of politics, to which we have become too accustomed from this party?

*Government Orders*

• (1800)

**Mr. Garnett Genuis:** Madam Speaker, at the beginning the member asked who benefits from this legislation, and I suppose an important connected question is, given who benefits, who the government is listening to, discussions with whom are informing its policy choices.

It is very clear who benefits from this legislation. This legislation would provide windfall gains for Air Canada owners and perhaps, depending on the quid pro quo involved, to Bombardier owners at the expense of workers and at the expense of taxpayers.

I will say I do appreciate questions from the hon. members, but I think I have been pretty tough on the government, so I would appreciate hearing its response to this. What do the Liberals have to say for themselves? Do they have questions about the things we said? I would like to hear from the government on this. Who do the Liberals think benefits, and why are they bringing forward this legislation? Let us hear what they have to say.

**Ms. Kate Young (Parliamentary Secretary to the Minister of Transport, Lib.):** Madam Speaker, I want to reiterate that Air Canada would continue to be expected to carry out maintenance activities in Manitoba, Ontario, and Quebec.

The amendments of this act recognize that some of Air Canada's aircraft maintenance may take place outside of the limits of those cities, in the surrounding provinces and in other provinces.

Notably, and we have mentioned this before, the Montreal Urban Community only covered part of greater Montreal and no longer exists as a jurisdiction.

Also, Air Canada's maintenance activities expand beyond the strict confines of those cities. For example, the carrier has extensive activity throughout the greater Toronto area beyond Mississauga, so it is obvious that this act would change only the part that is necessary and that we would continue to expect that it carry out maintenance activities in the three provinces.

**Mr. Garnett Genuis:** Madam Speaker, really it is unfortunate bordering on shameful that the member would present this legislation in this way, because frankly the legislation provides no assurance whatsoever that a serious number of jobs would remain in Canada. It uses effective weasel language that gives Air Canada all the flexibility it needs to do exactly what it wants to do.

May I say that, if the government actually respected the principle of fairness, it would not be amending this legislation at all? These were clear obligations at the time of privatization. These were things that Air Canada agreed to, which inform the share price, and that is why the only fair thing to do is to honour workers and taxpayers, not their crony capitalist friends, and defeat this legislation.

**Mr. Alistair MacGregor (Cowichan—Malahat—Langford, NDP):** Madam Speaker, it is an honour to rise in the House today to start debating Bill C-10, or at least have my turn at it.

I come from the riding of Cowichan—Malahat—Langford, all the way out on the west coast on beautiful Vancouver Island, so I do not really have much of a relationship with aircraft maintenance jobs. I guess it was from my time spent as a constituency assistant for seven years that I really developed a keen passion for the plight of working

men and working women. For seven years, I did the casework in the office of the former member of Parliament for Nanaimo—Cowichan, Jean Crowder. During the course of that seven years, I had the honour of meeting with many working men and women who were going through tough times, and I guess, coming to this honourable House as a member of Parliament, I have always identified with them. I thought my job was to come here to try to pass good laws, to implement good policy, and to make sure that the government was actually on the side of the people who give value to companies. When we talk about corporations, we often talk about the president, the board of directors, or the CEO, but the people who truly give value to a company are the men and women who go out every single day and do their job. That is what the bill is about. This is what, in a sense, we are talking about.

I want to give thanks to my colleagues, particularly the member for Elmwood—Transcona and the member for Rosemont—La Petite-Patrie. I listened to both their speeches today and I think they both gave very passionate speeches on what is really at stake with the bill.

I have also had the time, both during Friday's debate and during this particularly long Monday session, to listen to a few comments from Liberal members of Parliament. We have heard, notably, from the Parliamentary Secretary to the Minister of Transport, who has stated that in today's world, it is common for global air carriers to outsource aircraft maintenance. Those comments tell me that there is not even a pretence anymore from the Liberals for saving jobs. They just admitted, "Sorry, folks. It's a tough world out there. If Air Canada decides it's going to have a cheaper job elsewhere, well, sorry. There it goes."

I also heard an interesting comment from the member for Parliament for Laurentides—Labelle. He said that the bill is about supporting Canadian jobs, Canadian ownership, Canadian principles, and Canadian competitiveness, that it is a Canadian bill for a Canadian company. Well, we know he is very patriotic in those comments. I do not know if he is actually reading the same bill, because the fine print is not really doing well for Canadian workers, and I would say that is not a very strong Canadian value when we are actually legalizing outsourcing, because that is precisely what the bill would do.

Of course, there is the favourite member of Parliament for members on this side of the House, the hon. member for Winnipeg North. We like to quote him a lot because he has been an amazing standard-bearer for his riding in years past, but not now. Principles seem to change when members occupy that side of the House, and I think his comments really do bring that to light.

When talking about this bill, he said that this would continue to reinforce the government's expectation that Air Canada would undertake aircraft maintenance in Quebec, Manitoba, and Ontario. A government's expectation is different from an actual piece of law that stipulates it has to be done. I could expect Air Canada to give me free tickets for the rest of my life, but it is not going to do it.



*Government Orders*

It is the same with this particular situation that we have with aircraft maintenance. We would be giving away the legal framework that stipulates aircraft maintenance jobs must be done in Canada. If Air Canada decides at some future point to ship those jobs overseas, we simply would not have any recourse.

I mentioned previously that I had spent seven years working as a constituency assistant. I have always had a great appreciation for law, particularly federal law. The way it is worded, sometimes it can be very direct; sometimes it can leave nothing to the imagination, and other times it is very much open for interpretation. We have a job as legislators to create the law, and the courts interpret it.

I have heard Liberal members of Parliament say that jobs, in a sense, will be protected because we have this deal with Bombardier. By the very fact of extending jobs with the deal with Bombardier, the subtext is that these maintenance jobs do not matter. It is sort of comparing apples with oranges. We are taking away with one hand, but we are giving with another.

● (1805)

For the benefit of all hon. members in the House, it is important to read the main clause. It states:

...the Corporation may, while not eliminating those activities in any of those provinces, change the type or volume of any or all of those activities in each of those provinces, as well as the level of employment in any or all of those activities.

Yes, Air Canada is not allowed to eliminate jobs in those three provinces, but it could maintain one job there and still satisfy the bill. That is basically the wording. That is how I read the bill. I hope the Liberal members of Parliament are reading the same bill. When Air Canada is given the freedom to change the type, volume, or level of employment, it means a person can go from those well-paying aircraft maintenance jobs to someone who is earning only \$15 an hour. It would be nice if the government would institute a federal minimum wage of \$15 an hour. Unfortunately, we probably are going to be looking at something in the neighbourhood of \$12. Those good-paying jobs that pay \$60,000 a year are going to be shipped overseas. It is only a matter of time. We have seen this story play out many a time.

There are many examples of the Liberals saying one thing and then doing another. That is an unfortunate statistic that we have had to deal with. The current Prime Minister, when he was just the member of Parliament for the riding Papineau, stood with Aveos employees. He said that the law was very clear, that Air Canada had to maintain the maintenance in those cities. The fact the government is not enforcing that law is something to which we have drawn attention.

Now that he is the Prime Minister, the member is singing from a different songbook. He has forgotten the fact that he used to stand in solidarity with workers and proclaimed that the Liberal Party was there for their jobs and it would always stand by them. Now we see he has taken the side of Air Canada. He has forgotten his solemn promise to those workers. I certainly hope people will remember that as we continue on through the years. When we reach the year 2019, I know we in the NDP will certainly be reminding people of that. The progressive paint job the Liberals have applied to themselves is just that. They have become something other than what they promised.

The NDP opposes Bill C-10 because we want Air Canada to maintain jobs here. We oppose it because Air Canada is going to outsource maintenance jobs. The bill legalizes layoffs. Air Canada has been seeking carte blanche from the government. If Bill C-10 receives royal assent, it certainly will have that carte blanche.

We want to keep those good-paying jobs. I mentioned earlier that aviation maintenance engineer jobs start at a salary of around \$60,000 and can go up to \$90,000. That in my books is a very good-paying job. I used to earn less than that as a constituency assistant, and I have helped many people who have raised good families on that. They manage to keep their payments at bay. However, if we get rid of those jobs, there will be thousands of people who will be unable to pay their bills. Conversely, the government is going to lose an important tax base. Once we start losing those jobs, the spinoff effects start compounding. People will require more social assistance and so on.

The other thing I have been most interested in during the course of the debate is the deal we have seen with Bombardier, Air Canada, the federal government, and the Quebec government. We know the deal was announced in February. The subsequent tabling of this legislation and the timing of that is a little strange.

● (1810)

Earlier today the member of Parliament for Calgary Nose Hill used an interesting phrase. She said that the bill basically would do everything. She complimented the Liberals because the bill would do everything about Bombardier without even mentioning its name. That was a great phrase to use. She said that the bill should be called the “quid pro quo bill”, and it is easy to see why.

I wish the House and all hon. members could have been privy to the conversations that went on among the Minister of Transport, the CEO of Air Canada, the upper echelons of the Quebec government, and Bombardier. We would find an interesting link. On the one hand Air Canada has promised that we will get these Bombardier aircraft and that it will do a 20-year maintenance contract in Canada. On the other hand, the deal that Air Canada gets out of the Liberal government is that it changes the act so Air Canada is free to ship maintenance jobs overseas. It is pretty easy to connect the dots. It is there right in front of us, and that has been identified by many MPs in the House.

I have flown with Air Canada a lot. It is our national air carrier. I have heard a lot of talk from Liberal members of Parliament who have said that in a competitive world, Air Canada needs to be able to compete, that it needs to have all the tools at its disposal that other air carriers have.

One Liberal MP even referred to the act as a set of handcuffs. I really have to shake my head at some of the terminology being used by the government side of the House. That member might have some explaining to do to his constituents when they hear him referring to guaranteeing good paying jobs in Canada as a set of handcuffs. Guaranteeing good jobs in Canada is something we were sent here to do. It is probably one of the most noble and honourable things we can do as members of Parliament.

*Government Orders*

As I mentioned, Air Canada is a unique company because of the privatization it went through in 1988 and 1989. I am not really going on memory as I was about nine or ten years old at the time. The fact is that Air Canada inherited a sizable chunk of assets from the federal government. Those assets were paid by taxpayers. I do acknowledge that times have changed, but the fact is that Air Canada received its start as a private company with a large number of assets that any other aviation company would have to had built up from scratch. It received a good head start in the game.

The government of the day decided to put this particular clause in the Air Canada Public Participation Act. Time and time again we have seen governments negotiate deals with companies. If a company can promise the government that it will keep jobs in a region of Canada, the government will do something for that company. It will give the company a slight tax break, an incentive to offset capital costs, and so on. However, none of those agreements were enforced by law. They were basically done on a handshake. The government took the company's word that it would honour its commitment.

The government of the day felt it was necessary to put this agreement in law because so many of those agreements had been broken. There is a huge culture of bad faith. Companies would promise one thing only to do the exact opposite a year later.

The fact that this was enshrined in law gave those workers and the government of the day the peace of mind that there would be well-paying jobs in three major centres. People could raise their families on that income. These people would be a good source of revenue for the government. Ultimately a government's finances depend on a healthy tax base. It can be no other way. We need those good paying jobs to keep our economy going, and that is one way a government keeps on going.

• (1815)

I realize that times have changed and that the aviation world is quite different. It is a very competitive world out there and there are a lot of unknown factors, but I think it is quite disingenuous to pin all of the troubles that Air Canada is facing these days on maintenance workers in three centres in Canada. I think that should be a source of strength for the company, not something that we identify as a weakness.

In a sense, all of the Liberal arguments I have heard on the bill amount to a vote of non-confidence in our workers. The Liberals are saying that Air Canada is shackled, that it is handcuffed to these workers, and we have to give it the freedom to take its jobs overseas or the company is going to fold. That is just nonsensical.

Air Canada is not going anywhere. It is our national air carrier. Pretty much everyone I know in the House flies Air Canada. It has many guaranteed landing spots in so many airports, a virtual monopoly on prime landing spots in all the major airports in Canada. It is not going anywhere, so to pin all of its woes on maintenance workers in these three centres does not make sense. I challenge the government to bring forth some arguments that do, but I do not think it will.

The other thing I want to cover is the concept of due process. We know that the union that represents the workers from Aveos is going

through a court battle right now under the terms of the act. We know that the Supreme Court is probably going to hear those arguments later this year, probably in June. However, the major trouble the union is going to face is that if the government changes this law and the bill gets royal assent before that court case, then the legal case for the union is going to be gone. The law will have been changed.

Due process is about making sure the state respects all legal rights that are owed to a person. Yes, it is well within this legislature's body to change the law, and I am not disputing that, but it is ultimately an act of incredibly bad faith to reverse the law after the union has been basically fighting a court battle since 2012.

The union has gone through the local courts and the superior court, and now the end is in sight with the Supreme Court. It is like getting a sprained ankle right when the finish line is in sight, except the person who gave the sprained ankle is the government, which is supposed to be on the runner's side. That is what is happening here. I think it is incredibly bad form not to respect the due process of the court system and to change the law before we have a chance to get a ruling.

By the way, all the courts have upheld the union's point of view: the law was broken.

As I wrap up, I would like to take a few examples from my home turf. I am so pleased to be sitting in the House today with my incredible Vancouver Island crew, the hon. members for Nanaimo—Ladysmith, Courtenay—Alberni, and North Island—Powell River. Collectively, as Vancouver Island MPs, we have seen what happens when good jobs leave our communities. Right now we have a lot of fish processing plants that are closed down, and those activities are now taking place overseas in China, in Asia, and so on.

The other big one is the export of raw logs. Every single one of us here from coastal British Columbia is very familiar with the loss of good, well-paying manufacturing jobs. Do members know why those good-paying manufacturing jobs have gone? It is because we have not had a provincial or federal government that was willing to stand up for good manufacturing jobs. Instead, we are allowing raw logs to be shipped out of this country. It is just another pattern that we see time and time again.

I just wish we would see a government come to light that would stand on the side of the workers this time—not just use them as a backdrop for their election, but actually stand and do something concrete in this noble House for them.

I believe I have made my points very clear. We in the NDP absolutely and fundamentally oppose the legislation before us, and I hope that some Liberal members of Parliament will develop a conscience and vote with us against it.

•(1820)

**Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Madam Speaker, the member is quite correct that the law was clear, the law was broken, that workers were suing Air Canada in court and had won at a number of levels, and that now the law is being changed.

Of course, as Conservatives, we have some significant philosophical disagreements with the NDP, but as people who believe in the importance of the market mechanism, of the value of free market to generate wealth, growth, and opportunity, we understand that has to be underlined by a basic system of fairness. The New Democrats do not always agree with us about the value of that market mechanism, but the government clearly has no commitment to the principles of fairness that are supposed to underline that system.

I wonder if the member can comment on that. Hopefully we will get some questions from the government again, because the Liberals have been very silent throughout this afternoon of important debate. There is no doubt that they do not want to be talking about this important issue. I wonder if the member can reflect on the total lack of fairness that we are seeing in this bill.

•(1825)

**Mr. Alistair MacGregor:** Madam Speaker, I agree with my hon. colleague across the way that the process has not been honoured, and I do not think that some of the major players who have been fighting for those good jobs are being honoured. For the 2,600 people from Aveos, their union is still fighting that battle from 2012. That was four years ago. What the Liberals are saying is that those four years of challenging and trying to get those jobs back is going to mean nothing with this bill.

Where I would disagree with my hon. friend is on the notion of the free market. Markets are not free. They operate under heavily regulated laws put in place. They have an illusion of being free, but there are many different government laws and regulations that a market actually operates by, and the worst thing is that it rewards some people more than others.

In the same manner, in order to counterbalance what goes on with the market, governments do sometimes have to step in and level the playing field. Sometimes governments have to be a champion for well-paying jobs, and that is why we on this corner of the House are standing so proudly for that point.

**Ms. Rachel Blaney (North Island—Powell River, NDP):** Madam Speaker, I want to thank my hon. colleague for that most amazing speech. I also want to recognize that this amendment would legalize lay-offs, which was previously illegal. What it would do is to increase the uncertainty for people who rely on those jobs to take care of their families.

Right now in my riding, the people of the community of Port Alice are waiting to see what is going to happen with their well-paying jobs from the local mill that has been shut down. I am getting a lot of emails and calls from people who are frantic. I am in solidarity with these amazing people who have worked so hard. They are going to be losing their jobs. How does that relate to the people who will be talking to their MPs who are not standing up for them today?

### *Adjournment Proceedings*

**Mr. Alistair MacGregor:** Madam Speaker, the member is referring to the actual wording. We have heard from members of Parliament from the Liberal benches that they are expanding it to ensure greater parts of Ontario, Quebec, and Manitoba will have these jobs. However, the clause that is very important is section 4. When they are talking about giving Air Canada the freedom to change the type, volume, and level of employment, it is very clear that they will give the corporation carte blanche to ship those jobs overseas so it makes sense for the corporate bottom line.

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** The member will have approximately six minutes remaining the next time that this issue is debated.

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## ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[*Translation*]

### RAIL TRANSPORTATION

**Mr. Matthew Dubé (Beloeil—Chambly, NDP):** Madam Speaker, today, I am pleased to follow up on the question that the Minister of Transport was asked a few weeks ago about rail safety.

I am pleased to be able to bring this issue up again in the House because it is something my community has been concerned about for a long time.

The deadliest accident in the history of Canada occurred in 1864, three years before Confederation. Ninety people lost their lives in the accident, which occurred on the black bridge between Beloeil and Mont-Saint-Hilaire.

Looking at more recent history, members will recall what happened in Mont-Saint-Hilaire. On December 30, 1990, an accident happened that looked a lot like the tragic incident in Lac-Mégantic. A train transporting petroleum products collided with another train because of a problem with the railway, and that caused an explosion involving chemicals that the fire department was unable to identify. The fire burned fiercely for days, giving off multicoloured smoke. It was terrifying. That was in 1990, which is really not that long ago. When the Lac-Mégantic tragedy happened, the people in my riding, particularly those in Mont-Saint-Hilaire, were very worried. Like the Richelieu River, the railway goes right through the heart of my riding.

My former riding was Saint-Basile-le-Grand. This issue affects a number of municipalities, including McMasterville, Beloeil, Mont-Saint-Hilaire, and Otterburn Park. That is why we asked the minister our question. He said that rail safety is a priority for him. Why has he not yet done anything? I read the budget because I know that is the answer I will get again tonight, and I know that it is full of nice ideas. It talks about how important it is to retire the DOT-111 tank cars and increase the number of inspections, but unfortunately, there is no money to do those things.

*Adjournment Proceedings*

As we learned from testimony at the Standing Committee on Transport, Infrastructure and Communities, the budget allocates 21% less money for inspections and rail safety. That is very worrisome. My colleague from Edmonton Strathcona, who is also our transport critic, and I raised this issue with the minister again last week. Once again, he was not able to give us an answer. He simply said that he would consult with municipalities and acknowledged that this was urgent. He said this was his top priority.

However, six months have gone by since the election campaign, and words are no longer enough. We need action. I agree that it is important to consult the municipalities. They have spoken out since the tragedy in Lac-Mégantic and were even speaking out before. We know what they need. They need information before hazardous materials pass through their communities, not after. They need to be informed so they can take preventive measures instead of simply reacting. We need to remove the outdated DOT-111 cars. We need more human resources to conduct proper inspections. There are too many hazardous materials passing through our communities, and my constituents are very concerned.

I want to assure the people of Beloeil—Chambly that I will continue to stand up for them and their concerns in the House of Commons.

•(1830)

[English]

**Ms. Kate Young (Parliamentary Secretary to the Minister of Transport, Lib.):** Madam Speaker, this subject is a priority for both the Minister of Transport and the Government of Canada.

This government is committed to continuously improving railway safety for Canadians. I would like to assure the member that Transport Canada has a rigorous and robust rail safety regulatory framework and oversight program in place.

The oversight activities include monitoring the safety of railway companies' operations, as well as compliance with rules, regulations, and standards through audits and inspections, and taking appropriate enforcement action as required.

The government takes the safety and security of the railway and transportation of dangerous goods very seriously, and is committed to ensuring that the appropriate levels of safety are maintained.

Since the tragic accident at Lac-Mégantic, Transport Canada has put in place a significant number of measures to improve railway safety, including requirements for securement of unattended railway equipment, improved tank car standards, emergency response plans, and a new liability and compensation regime for federally regulated railways.

Most recently, we introduced the rule respecting key trains and key routes governing the transportation of dangerous goods by rail in Canada. The objective of this rule is to further strengthen railway safety, and the requirements in the rule seek to improve safety and reduce the risks of transporting dangerous goods by rail. In addition to imposing speed limitations, the rule puts emphasis on track inspection and maintenance, risk assessments and mitigation, and allows for the incorporation of safety and security concerns of municipalities and other levels of local government in risk assessments to be conducted by railway companies.

Our government makes it a priority to be there for communities in both the short and long term when Canadians need us. The Minister of Transport announced the federal contribution to the reconstruction office in Lac-Mégantic on January 30. This action reiterates our commitment to support the reconstruction and economic recovery of the city of Lac-Mégantic.

Furthermore, the minister will return to Lac-Mégantic next week to meet with citizens to hear their concerns, and answer any questions they may have regarding rail safety in their municipality. The minister and the government are and will continue to be there for the people of Lac-Mégantic. In addition, the city has mandated a firm to conduct a feasibility study on the bypass track.

Approximately half of the cost of the study is financed by our government through Canada Economic Development for Quebec Regions, from its multi-million dollar envelope for aiding Lac-Mégantic's economic and commercial recovery. The federal contribution is \$441,000.

While work has been done on the issue of rail safety and the transportation of dangerous goods, we need to do more. As mandated by the Prime Minister, the Minister of Transport will continue to examine further measures to enhance railway safety in Canada and continuously improve railway safety for all Canadians.

•(1835)

[Translation]

**Mr. Matthew Dubé:** Madam Speaker, I thank my colleague for her response. I appreciate the parliamentary secretary's and the minister's good intentions. I have no doubt that when the minister goes to visit Lac-Mégantic, he will have a heavy heart when he thinks about the tragedy that happened there.

The problem with all of this is that despite good intentions and the measures that have been taken since the tragedy occurred, urgent action is still needed. When I go home on the weekend and during our break weeks, and when my constituents reach out to me, everyone says the same thing: the trains are still too long, they are still going too fast, and they still pose a danger because they are carrying hazardous materials.

Lastly, if we look at the needs of municipalities, they still cannot get the information they need in time, for instance, to find out what kind of dangerous goods are passing through their area. That is extremely important to the municipalities, especially for fire services, for prevention purposes.

Once again, I thank my colleague, and I want to reassure my constituents. I will continue standing up for them on this issue.

*Adjournment Proceedings*

[English]

**Ms. Kate Young:** Madam Speaker, our government is committed to continuously improving railway safety and the transportation of dangerous goods for Canadians, and has rigorous and robust rail safety and transportation of dangerous goods regulatory frameworks and oversight programs in place.

Since the tragic accident in Lac-Mégantic, Transport Canada has put in place a significant number of measures to improve railway safety. However, more needs to be done. The government is well aware that the Canadian public continues to have concerns.

That is why the minister will be in Lac-Mégantic next week to meet with citizens to hear their concerns and answer any questions they may have regarding rail safety in their municipality.

We will continue to examine further measures to enhance railway safety in Canada and act on the mandate that the Prime Minister has given to the Minister of Transport.

## TELECOMMUNICATIONS

**Mr. Gord Johns (Courtenay—Alberni, NDP):** Madam Speaker, I rise today to continue the debate about wireless rates in Canada and what the government plans to do to bring in more fairness. I want to thank the Parliamentary Secretary to the Minister of Innovation, Science and Economic Development for joining me tonight.

A recent poll by Angus Reid found that only 8% of Canadians believe that they are getting a good deal on the wireless service they pay for. We know that Canada has some of the highest wireless rates in the world, and a report out last year showed that they are still growing.

When Canadians apply for jobs these days, they are expected to be reachable at all times. Telling a potential employer that they do not have a cellphone will not help their chances. Wireless services are crucial to the economic lives of Canadians. Increasingly, wireless services are how we stay in touch as a country, but the price to be connected should not be prohibitive.

In my riding, where the median income is well below the national average, families are having a tough time making ends meet and are making difficult decisions regularly. The ever-increasing cost of wireless rates certainly is not helping. The median income in my riding is \$26,000 a year. In Canada, it is \$31,000 a year.

Cellphones today are necessary for security. I talked about employment, but it is a really difficult cost for low-income earners. In an area that is facing challenges, where it is getting harder and harder for families to make ends meet, we need to find ways to reduce costs to constituents.

Earlier this year the big three telecoms—Bell, Rogers, and Telus—all raised their prices for their wireless plans even higher. They blame the low dollar as the cause, but experts say it is unlikely to be the real driving force behind these prices.

Why are prices so high? We have to ask what kind of competition exists in the industry. Are there any forces lowering telecom prices at all? Sadly, it is left to a New Democrat to explain the benefits of market competition to the Liberal government as well as the previous

Conservative government, which failed to take any real action after a decade in power.

Two months ago, Canada's telecom regulator, the CRTC, refused an appeal from a group of small Internet service providers that would have allowed them to resell wireless services and add a healthy dollop to competition in the market. Bell, Telus, and Rogers successfully argued against the small ISPs and their submission. They said that rigorous competition already existed.

As a former small business owner, let me say that there is a lot of frustration out there when the three largest companies in an industry simultaneously raise their prices and then tell Canadians that there is plenty of competition in the marketplace.

The minister might point to the wireless code of conduct, but if it were having the desired effect, we would see rates going down, which unfortunately they are not. We are still seeing Canadians being surprised by phone bills with massive add-on charges.

In February I asked the Minister of Innovation, Science and Economic Development what new actions the government was taking to stop the price gouging. Today I am asking that same question.

Since then, we have seen the government table its first budget, so one would think we would have more clarity on this question. Unfortunately, there is absolutely nothing in the budget addressing the incredibly high rates Canadians pay. The word “wireless” does not appear in the budget, not even once.

Will the Parliamentary Secretary to the Minister of Innovation, Science and Economic Development now take this opportunity to outline what action the government is taking to protect consumers, encourage true competition in the wireless market, and stop price gouging?

• (1840)

[Translation]

**Mr. Greg Fergus (Parliamentary Secretary to the Minister of Innovation, Science and Economic Development, Lib.):** Madam Speaker, I am happy to respond to the comments made by the hon. member for Courtenay—Alberni regarding wireless service policies. I have a great deal of respect for my colleague, whose office is virtually next to mine. He has a great deal of experience in Parliament, and I hope that I will provide satisfactory answers.

The government has a keen interest in the telecommunications sector. It is an essential platform for innovation and a leading factor in the growth of our digital economy.

The Minister of Innovation, Science and Economic Development has been given a mandate to support competition, choice, and availability of services, and to foster a strong investment environment for telecommunications services.

*Adjournment Proceedings*

I am pleased that my friend mentioned that our government announced, in budget 2016, that starting in 2016-17 we will be investing up to \$500 million over five years in a new program to expand and improve access to broadband Internet service in rural and isolated communities.

By investing in the quality of broadband networks, we will foster access to a multitude of innovative services that will help improve education, health care, productivity and the local quality of life.

Numerous areas of government contribute to the policies and regulations for the wireless telecommunications sector.

The minister is responsible for the Telecommunications Act, which sets the overall direction for telecommunications policy. He is also responsible for the Radiocommunication Act, which governs policies relating to the allocation and use of spectrum frequencies and the airwaves used by wireless providers.

When it comes to wireless spectrum, the government will continue to work to make additional spectrum available to wireless providers to enable competition, investment, and innovation to benefit all Canadians.

These new frequencies will build on the spectrum available to both incumbent operators and newer entrants to the market.

Any decisions we make relating to spectrum will be made in the context of the mandate and objectives that I just mentioned. We will consult the industry and Canadians before setting rules for future spectrum auctions. That is important.

The CRTC is responsible for regulating and supervising Canada's communications system in the public interest. The CRTC has taken a number of actions to support wireless consumers, such as creating a mandatory national code of conduct for wireless service providers and regulating wholesale roaming rates, which are the rates that large incumbent carriers charge smaller providers when customers roam on their networks.

Finally, the Competition Bureau, an independent law enforcement agency, ensures that Canadian businesses and consumers prosper in a competitive and innovative marketplace. The bureau investigates anti-competitive activities, including mergers, price-fixing, and false or misleading representations, and takes other measures.

I would like to close by reiterating that—

• (1845)

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** Order. The member will be able to finish his conclusion when he speaks next.

The hon. member for Courtenay—Alberni.

[*English*]

**Mr. Gord Johns:** Madam Speaker, I thank the parliamentary secretary for his comments, for being here, and for bringing his energy.

We certainly welcome the investments the government has made in supporting the broadband network in Canada. However, rate users are not seeing the benefits of that on the wireless side of things. They need vision. They need action now.

I am wondering if the parliamentary secretary feels that the rates are okay today.

The CRTC is showing inconsistency in its approach to wired broadband versus wireless. On the wired side, the regulator has rejected arguments from the big network owners that allowing wholesale access will discourage their investment, yet it has accepted that line of reasoning with respect to wireless. Therefore, it is one or the other.

We want an approach that will serve all Canadians and all consumers. I hope the parliamentary secretary can help provide an answer to that. We want a vision. We want some action on that.

**Mr. Greg Fergus:** Madam Speaker, I can certainly understand my hon. colleague's impatience in wanting to see some work being done on this very quickly. I can tell the hon. member that this is an issue about which we are concerned. It is a big issue, and we are very concerned about how that plays out in Courtenay—Alberni, as well as in regions across the country, especially rural regions.

Every action we are hoping to take is one that will encourage competition. We could also use the money we have put aside in the budget to make sure we leverage a partnership with the private sector, with those who have a stake in this, and to allow for new players to get on the scene, so we can encourage more competition and better diversity and certainly more services to the member's riding and other ridings in rural areas of our country.

[*Translation*]

**The Assistant Deputy Speaker (Mrs. Carol Hughes):** The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6:49 p.m.)







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