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Speaker: The Honourable Geoff Regan

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HOUSE OF COMMONS

Monday, October 23, 2017

The House met at 11 a.m.

Prayer

PRIVATE MEMBERS' BUSINESS

• (1100)

[*English*]

DEPARTMENT OF PUBLIC WORKS AND GOVERNMENT SERVICES ACT

The House resumed from June 19, 2017 consideration of the motion that Bill C-344, An Act to amend the Department of Public Works and Government Services Act (community benefit), be read the second time and referred to a committee.

The Speaker: The hon. member for Guelph has six minutes remaining in his speech.

The hon. member for Guelph.

Mr. Lloyd Longfield (Guelph, Lib.): Mr. Speaker, it has been a while since I began this speech, so we will pick up where we left off. It is great to stand to speak in support of Bill C-344, a bill that looks at the connection between social benefit and economic benefit. When we look at the triple bottom line, we like to connect social, environmental, and economic benefits. This bill addresses the social part of that equation, connecting to the economic benefits. Therefore, in cases where construction projects are being procured by the government, we want to look at how that project would benefit the community in which it is located.

In 2015, we campaigned on significant investments on infrastructure across the country. Now is a good time to look at how that investment would benefit communities socially, as well as create the jobs for which we are targeting those investments. It is an excellent opportunity to also look at the scope of supply that includes social innovation with SMEs. A lot of our construction firms already take this into account when they are working on projects, creating schools in neighbourhoods, creating infrastructure through roads. However, it is not the standard practice across the country. Therefore, through this bill, we want to encourage our contractors and other people who are applying for government funds to consider the direct and indirect impact they have on communities through the projects they are putting through. The government plays a significant role in providing opportunities for these firms. The bill looks at the opportunity the government wants to create in terms of a better

society, to make sure that what we are investing in is going to reach our social objectives as well.

An excellent example of empowering marginalized communities has already been raised by my hon. colleague from Sault Ste. Marie. Highway 17 was being constructed in his riding, and it was going through the Garden River First Nation. They requested that there be a stronger community benefit in this investment. They listed a number of initiatives, such as including employment for the Garden River people, training, the use of local aggregates, and subcontracting to local businesses.

Another example, the Waneta expansion project, was highlighted by the now Minister of Immigration, Refugees and Citizenship. This project has the Columbia Power Corporation signed on with community benefits, through an agreement it has with the Ktunaxa Nation council for the Waneta expansion project in British Columbia. Provisions of assistance to the community in this small hydro development included green projects, such as the Waneta power project, but it also looked at how it impacts the local community in terms of the triple bottom line approach, including education and social benefits for the community.

Another benefit that would arise from Bill C-344 is that it would ensure the whole community would benefit from the publicly funded initiatives. The bill would make sure that the proposed procurement initiatives would be of the most use to the community they are in, and would have the most lasting benefit for the people who live in those communities. Moreover, this bill would increase transparency and accountability in the procurement process, helping to prevent the use of public monies to cater to special interests. It is common-sense legislation, such as Bill C-344, that Canadians elected us to work on when we were elected in 2015.

We had an example in my community in Guelph. It was a cool highlighting of how projects have multiple benefits within a community. The Parkwood Gardens Community Church applied for and received some funding after its community benefit assessment was done. It was determined that the church members provide an estimated \$2.1 million to our community in charitable donations and volunteer hours, resulting from a \$50,000 Canada 150 grant to improve accessibility to the community space. Even smaller organizations like community churches that provide space for use by Brownies, Cub Scouts, and other community organizations show a huge impact on the community in terms of investment in kind through volunteer time, and other benefits to their community.

Private Members' Business

•(1105)

We need to look at the process that procurement provides, and the opportunities for us to reflect the values of Canadians. Alongside transparency and accountability, procurement can also fulfill economic, social, and environmental goals. Procurement can engage municipalities and community groups to understand what projects have the greatest impact and benefit to communities. It can hire local business and community members in need of an opportunity to get into the workforce. Procurement projects can also encourage social innovation, and even reconciliation with our indigenous peoples.

This bill is a great opportunity for us to get the most out of our tax dollars and benefit our communities in ways that go well beyond economic benefit. I am pleased to support this bill.

Mr. John Barlow (Foothills, CPC): Madam Speaker, I rise in the House today to speak to Bill C-344, an act to amend the Department of Public Works and Government Services Act.

I appreciate the intervention from my colleague, but I want to raise some very substantial concerns regarding this bill. It seems that this bill follows in lockstep with the Liberals' trend to make business in Canada much harder for small and medium-sized enterprises, as well as small rural communities, to access government funding and assistance. To me, that is simply not acceptable.

An assessment of the benefits of a community would derive from a federal contract being awarded to an enterprise, and its incredible intentions should not be harder to access, but easier. However, how this bill is written would impose further red tape and burdensome bureaucratic work, causing undue hardship on small and medium-sized enterprises and small rural communities. This would certainly deter smaller enterprises that may not have the substantial staffing or budget to know the right legal jargon for otherwise doing business with the Liberal government.

Adding onerous layers to the paperwork process would exclude many small and medium-sized enterprises from being able to participate in the process. It would further promote an attitude where the Liberal government is emboldened to large and powerful businesses and enterprises, giving them a clear advantage to access government funding. This bill would essentially help the wealthiest 1%, support powerful corporations, and put a greater disadvantage on small and medium enterprises, as well as small towns, cities, and villages.

To help smaller enterprises be successful, we need less red tape and bureaucracy, not more. There needs to be more support from the Liberal government to make it easier for smaller Canadian enterprises, businesses with fewer resources and less manpower, to be able to participate in the procurement process. This would in fact help small businesses to expand, grow, and create jobs. However, for the Liberals, who continually profess to be trying to help the middle class and those working hard to join it, this bill is another example of how they are doing the exact opposite.

This bill would take away an entrepreneur's opportunity to grow their business. In effect, once again, the Liberals are purposely hurting the very people they claim to be helping. They would be hurting hard-working Canadian small business owners to ensure they are helping their wealthy friends. It does not make sense. When the

government supports small and medium enterprises, local businesses, and local people, it is how a community benefits. It is the grassroots organizations that give back to their communities. It is the small and medium-sized businesses that support local charities, sponsor community soccer teams, and ensure there are labour and resources to help upgrade or renovate community parks.

That leads me to my next point. What additionally concerns me are the arbitrary and undemocratic powers that this bill would give to the minister. This enactment would amend the Department of Public Works and Government Services Act to provide the minister with the authority to require an assessment of the benefits that a community derives from a construction, maintenance, or repair report. Based on the way this bill is written, it would be the minister who gets to decide how the community would benefit from a specific project. I can say that within my own constituency of Foothills, each community and municipality is unique in its own way. The people, the resources, and the things they need to benefit their communities are unique and very distinctive.

Over the years, I have had the opportunity to get to know my riding of Foothills extremely well. I spend time there, live there, raise my family there, work there, and shop in the businesses there. I know the people and the area. Who else knows the people and the area? It is the owners of the small and medium-sized enterprises who work there every single day. It is the municipal councillors who have the passion for and dedication to their communities and know intricately what goes on day to day. For me, it is those people we should be listening to when it comes to assessing the benefits to a community of a construction project. Is a minister here in Ottawa truly claiming that he or she knows every community across Canada better than the constituents, small business owners, and municipal councillors who live there each and every day? It is those people we should be listening to when we ask about the benefits of a community project.

Large and powerful enterprises may have the best resources to fill out a report, the best vocabulary to make it sound compelling to the minister, and certainly have the lobbyists in Ottawa trying to woo the minister to grant procurement projects to their companies. However, what I believe is most important is listening to the local groups who have the pulse of their neighbourhood. It is these small and medium-sized enterprises in our small communities that understand the needs and the ways to best shape their municipalities. The communities' success leads directly to their success.

•(1110)

Unfortunately, this bill gives the minister the power to subjectively pick which report sounds the best without knowing or truly understanding the community, its needs, or what the people in those communities believe is best for them. Who gets to also define the term "benefit"? Is benefit a blanket definition, such that if a report uses specific terms it qualifies as a community benefit? Is it a set of boxes that gets checked by the minister or the minister's staff, ensuring it uses the right buzzwords in the report? We all know the Liberals' favourite buzzwords: "open, transparent, fulsome, robust, broken promises". Is it arbitrary? Is it subject to the mood of the minister to determine how benefit is defined at a particular time?

Private Members' Business

There is no clearly defined mechanism to identify what specifically qualifies as a community benefit in this bill, or a scale to which the benefit is measured upon. Then it becomes nothing more than a game of who has more money and resources, and it is no longer about the community, the people, or what would most benefit them. That is truly another example of Liberal entitlement, scratching the backs of their Liberal friends on Bay Street instead of helping those on Main Street.

There also appears to be no exemption for municipalities within this proposed legislation. I can speak first-hand to my constituency of Foothills in southwest Alberta. It is largely made up of very small municipalities, towns, villages, districts, and rural communities. I understand how difficult it is for them to go through the application process when it comes federal procurement. They do not have the resources. They do not have the manpower to dedicate the kind of time needed to apply for many of these types of projects. They do not have the financial means or the staff.

What concerns me is that the proposed legislation would add a second layer of bureaucracy to the application processes. We have talked a lot about the impact it will have on small and medium-sized enterprises, but we also have to take into consideration the impact it will have on our municipalities. Many of them are already frustrated about having to go through various hoops to apply for government grants, funding, and infrastructure projects. For them to go through that application process, hopefully get to the next stage, and then have a minister in Ottawa, doing "Ottawa knows best", say that they want an assessment on the benefit to the community would be heavy-handed.

If the municipality, in partnership with a small and medium-sized enterprise, had already applied for a procurement project, they already understand it has a benefit to their community; otherwise they would not have put all the resources, time, and effort into doing that application in the first place. For the government to come back and say they want them to prove how this is going to benefit their community is very heavy-handed. It is heavy-handed for a minister here in Ottawa to try to tell our municipalities across the country that they know what is better for them, or that they need to prove that it is a benefit to their community.

Communities already find it difficult. To add another layer of red tape and bureaucracy is going to force a lot of municipalities to have a second thought about whether they are going to apply for these projects at all. I do not think that is something that we want. We want to make it easier. We want to ensure that our small rural communities have every opportunity to apply for government projects, as with any larger municipality, which certainly has many more resources, more lobbyists, and many more man-hours to dedicate to these types of projects.

I urge, once again, that it is imperative for the members in this House to bring forward ways to support and encourage our small and medium-sized enterprises, and our rural communities, not make it more difficult and discourage them from participating in these types of projects.

It should be done in a way that lets the community itself decide what is best for that community. It should be up to the constituents, not a minister here in Ottawa.

●(1115)

[*Translation*]

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Madam Speaker, I am pleased to rise in the House this morning to speak to Bill C-344 at second reading. The House has already debated an identical bill introduced by another member who has other duties now and can no longer sponsor this bill.

I will not repeat everything that has been said on the subject in the past. I just want to say that Bill C-344, which would essentially give Public Works and Government Services some direction with respect to its building construction and repair contracts, is a good one. This initiative would give the advantage to businesses that have shown they can make a contribution locally or, as the bill puts it, provide community benefit.

This is an important and promising initiative. This issue has been coming up more and more in discussions and in lobby groups' proposals to the government. We want our procurement policies to be more progressive and more respectful of the environment and all communities. We want to make things easier for people for whom the job market may seem out of reach, who are at a disadvantage, or who are limited in their ability to participate in government procurement. We need to make our procurement policies more progressive and friendlier to more businesses and individuals. We have to leverage the power our government wields in terms of procurement policies because there are so many contracts. The federal government is not the only player. Provincial and municipal governments award contracts too. Together, these three levels of government inject a lot of money into the economy.

When we avail ourselves of procurement policies that are progressive and give more people access to these projects so they can take advantage of them and make a positive impact in their communities, in my opinion, that can only be a good thing. That is why we should support Bill C-344. That way, it can go to committee, where we can take a detailed look at its terminology. We will also be able to look at how to reach the goals we set. When studying legislation, the devil is always in the details.

There are a lot of questions about the terms used in Bill C-344. What we want in the NDP is to find a way to maximize community benefits. We are looking for a way to increase the bill's benefits, especially for those who, as I said earlier, might feel the job market is out of reach, and who might use government policies as a way to reintegrate the workforce.

Private Members' Business

It is certainly an admirable goal. For instance, with respect to the requirements around community benefits, this could be good for indigenous employment, in communities where that makes sense. This could also mean awarding procurement contracts to local businesses, when there is a construction project and the Government of Canada wants to build a new building in Sherbrooke, for example. In my region, we are pretty well served when it comes to Government of Canada buildings, but some maintenance and occasional repairs are needed in some of those buildings. If the Government of Canada plans to build new buildings, which does not happen quite so much anymore, the department responsible for government buildings should definitely encourage community benefits. Instead of hiring a huge maintenance company that would not be able to take care of every building in the country, why not hire local companies to do the job? This could be done on a case-by-case basis in each municipality or community that has government offices or buildings. This would support local suppliers.

● (1120)

The NDP has long been defending the idea of buying locally, especially when it comes to food for penitentiaries and government buildings, places that have cafeterias that serve hundreds of meals a day. This is another positive and compelling example of how the food supply to those buildings can benefit the local economy. This can be very positive, and the government is in a position to do even more.

Just two weeks ago at the Standing Committee on Finance, a group from Oxfam told us that our procurement policies should ensure that employees get a decent salary. That is what they were proposing. It is not necessarily what I am proposing today, but I think it makes sense. If a company wants to do business with the Government of Canada, then it has to at least pay its employees a decent wage, one that allows full-time employees to support themselves.

The government is increasingly getting this type of suggestion about its procurement policies. It is about creating benefits for the community and allowing it to flourish. There are other suggestions around construction materials, such as buying wood from communities where forestry is important or steel where that resource is more important. We must ensure that government projects benefit the greatest amount of people.

There is also an environmental aspect to this bill. The environment is an important consideration when it comes to government procurement. My colleague from Longueuil—Saint-Hubert often talks about electric cars and the federal government's fleet. I think that all Canadians would be surprised to learn how many vehicles the federal government owns and has to service on a daily basis. A progressive procurement policy would allow the government to integrate electric cars into its fleet within a reasonable period of time. This would help fight climate change. Such a policy could make a big difference, given how many vehicles are in the fleet. It would also help the government to meet or at least come closer to meeting its greenhouse gas reduction targets.

We could also talk about insulation for government buildings and their heating and cooling systems. Earlier, I mentioned a group that appeared before the Standing Committee on Finance during

prebudget consultations and what they said, but there was also another group that felt it would be a good idea to better insulate the heating and cooling ducts. It just takes a quick look to see that government buildings are not properly insulated. By making some inexpensive repairs, the government could improve its heating and cooling systems and cut energy losses.

There are many other examples of community benefits. We must encourage the government to go in that direction. Perhaps in committee, when we know more, we could even look at how to make this policy more binding on the government. For now, it is just empty words.

● (1125)

Business owners are asked to provide information and reports get written but things never go any further than that. We will see if more comes out of this.

[English]

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Madam Speaker, it is a pleasure for me to discuss Bill C-344, which is a private member's bill from a member of the government. I commend the member for Brampton Centre for his work on this bill, although I have some concerns that I want worked out.

I will first give a bit of context as to how the bill works. The bill is designed to create a framework for infrastructure projects by which the minister would gather information on what constitutes a community benefit associated with the construction and work around a project and take that process into consideration. The contractor would provide certain information with respect to the community benefit in that process.

This is one of those cases where we see what is probably a member's good intention expressed through a bill. We can all agree, in principle, that we want to see communities benefiting, however one would define that. However, as often happens with these sorts of things, the devil is in the details. We can say that we have a good intention, but we also want to dig into the substance, the actual practical effects. An intention is not enough. What would be the effect? Would communities actually benefit from building another layer of bureaucratic assessment into this process? Would it, in fact, have a negative impact on the communities we are trying to help, because the added layer of assessment would entail a cost that is not justified by the benefit, and there are other more effective ways of realizing the community benefit?

As colleagues have pointed out, when we require these additional assessments, when we have concepts that are relatively nebulously defined, and when the minister is given added discretionary capacity because of a concept of a community benefit, subjectively assessed by whoever the minister is, that creates some problems, some uncertainty, and some added costs. It would be much clearer if specific objectives were clearly laid out in the guidelines with respect to procurement. Those specific objectives can be assessed and realized, rather than the structure envisioned by the bill.

Private Members' Business

In general, I think the philosophy of members of the government, and probably of the NDP as well, is that they look at a good intention, such as creating more community benefits, and then say that they need to have the government do something. They need to add a government process or a bureaucratic mechanism. They recognize that there is a cost, but because they have good intentions, they want to proceed in that direction. The problem is that many of those who are proposing these ideas miss the fact that there is actually a negative effect. There is a cost that comes with that action that is not always taken into consideration. I remember watching an interview with Margaret Thatcher. She said they asked her to be more generous, and she said, with whose money? This is precisely the point. Any time the government is being asked to be more generous or asked to do more, there is a cost that comes with that action.

We on this side of the House do not believe that there is not a space for the government to be involved in infrastructure and to make rational, efficient, effective assessments of what the impacts and the benefits will be. However, the money and the resources the government uses do not come at no cost. The assessment processes involved along the way do not come at no cost. They come with a cost. That is why we oppose a bill that, in our considered judgment, on balance, when we consider potential costs and benefits, does not realize its lofty objectives.

I propose to the member who put this forward, and to the members opposite in general, that we think there are better ways of realizing benefits for communities. There are more effective ways of empowering communities themselves to build infrastructure to strengthen themselves. There are ways of ensuring that we have strong, vibrant communities, businesses, and economies that have the capacity to do what they want to do anyway, which is to provide benefits back to those communities.

● (1130)

This is why, on this side of the House, we favour an approach that does not involve an overly bureaucratic or interventionist approach from the government that would take resources out of communities. We have been very critical of the current government for what seems to be its desire at every turn to increase taxes and regulatory burdens, and the cost that comes with that. We submit that, if the government wants to achieve benefits for communities, it should be looking at cutting taxes. It should look at giving more resources back to individuals and let people keep more of their own money. This is a way of maximizing the benefits for communities.

One example that jumped out at me from the last budget was that the Liberals had a program that proposed to help low-income families get access to the Internet, which is a legitimate objective of good intention. However, the way the program was structured implied that the government would have a process. People would apply if they were not able to access the Internet. The government would assess the application, there would be a certain criteria, and it would decide when, how, and to whom to pay out that money.

It would be so much more sensible and much more efficient to provide tax reductions to people in that same income category so that they could make the investments themselves in accessing the Internet or other things that they consider a priority, which is reflective of our

philosophy on this side of the House. If we have a government program, even with a good intention, but if we do not consider the cost, we may up hurting those we actually want to help. Whereas, if we empower those who need help through tax reductions, by letting people keep more of their own resources, by creating the conditions that allow businesses to grow, thrive, and succeed, that would actually do much more for the long-term well-being of communities and the economy.

We have been discussing a lot over the last couple of weeks the government's attack on small business and its plans to bring in substantial changes that would have effectively increased the burden on and taxes paid by small businesses. It is important to underline, in the context of our discussion about the bill before us, that many of these small businesses are, of their own accord, making investments and donations back into the community. They are supporting vital not-for-profit activities. When we cut the ground out from under small businesses that are doing those things, it makes it more difficult for them to exist and thrive, but also to be actively engaged in the well-being of their communities. If we want strong communities that benefit and are vibrant places, we need to have strong individuals and the economic capacity for businesses and individuals to be contributing to the development and benefit of a community.

To sum up, on balance, we applaud what is likely a good intention, which informs this particular private member's bill, Bill C-344. However, we encourage members, when it comes to consideration of the bill and perhaps if it goes to committee, to dig deeper than the intention and to consider the practical costs and the negative effects of the additional red tape, and the cost that would be built into these various projects. Would it reduce the capacity of the government to do more projects? Would it impose costs that would negatively affect communities more than they would benefit?

Rather than building in this nebulous discretionary concept of community benefit to be interpreted by the minister, is it not better to use the existing process? We move forward with projects that are in the interest of communities and we try to minimize the cost of those projects to ensure that everybody is prospering, that we can do more, and that we are building the capacity of communities. In the process, let us think about reducing taxes for individuals and businesses so that they have the capacity to invest in and benefit the communities themselves.

● (1135)

Mr. Brian Masse (Windsor West, NDP): Madam Speaker, I am pleased to join the debate here today on Bill C-344, an act to amend the Department of Public Works and Government Services Act (community benefit). This is interesting because in my riding we are going through this exact debate now with regard to a new border crossing. The response of the government as bill goes forth to committee will be interesting. I hope the front bench does not switch its position on this.

Private Members' Business

It is interesting how the Liberals are approaching this issue with regard to community benefits. As New Democrats we will support this because we believe that government funds that are taxpayer funds should go to help people get jobs, for the environment, and for value-added employment and services, and are not expended on P3s or to Liberal friends. These can be defined as it is done in Australia and the United States, and as is being done by the government right now for Detroit, Michigan. Yes, right now the government is involved in a P3 process with in the Windsor-Detroit Gordie Howe International Bridge crossing process. Right now we are paying for the plaza on the Canadian side and on the American side, and the bridge and part of that are community benefits. We are also going to get some community benefits on the Canadian side, but they come a little after the fact as there have been negotiations going on in the U.S.

On the Windsor-Detroit Border Authority website we find community benefits listed and that Detroit will be receiving as part of this. They involve everything from community partnerships, mitigation of construction and operation issues for nearby residents and businesses, community safety and connections, economic benefits, aesthetics, and landscaping. These are just some of the things that are happening with this new border crossing that we desperately need in our community. It has been a long, thought-out, and agreeable process for all.

We are also waiting for community benefits to happen on the Canadian side. That is some work that needs to be done in Sandwich Town because it has faced a number of traffic issues and nightmare pollution and disruption, as well as losses of churches, schools, businesses, and homes, all related to the border. It desperately needs some type of support.

Ironically, there is a long, accountable process going on for community benefits that is getting support that is drawn out on both sides of this new Gordie Howe International Bridge. We have 30% of Canada's daily trade that takes place in my riding on two kilometres and we are finally getting some respect for that. What do the Prime Minister and the Minister of Transport do? They approve, by themselves when Parliament is shut down, a new border crossing for the Ambassador Bridge through an order in council. If people are not aware of what is happening in regard to process, it is a logic-free zone and it takes a lot of work to make it that way. The reality is the order in council gives the Prime Minister and cabinet dictatorial programs, policies, and legislation that changes lives with no oversight.

We are getting community benefits for the Gordie Howe International Bridge and the Liberals approved a brand new border crossing for one private American businessman, who has actually served time in the United States because he did not follow some of the legal processes there. What did the Prime Minister and the Minister of Transport give the community for this? Nothing. A private American billionaire was given a new border crossing and he has to do a few things in the community related to a request that may or may not have happened, but none of it was public, none of it was discussed with people. One was moving a fire station because we are going to lose fire services and security elements related to time and a whole series of things. The community received nothing for that.

The Minister of Transport was in Windsor meeting with the mayor this weekend and one of the things they talked about was the Ojibway Shores, which is one of the last remaining properties on the waterfront in the Windsor area and the Windsor great lakes, old forest growth that we have been protecting. As a community benefit, we could have seen that property returned to the people to be a gateway entrance for all of us. It contains endangered species. The port wanted to develop it and this is critical. The Minister of Transport is the minister responsible for ports across Canada. He is the one at the end of the day who is responsible for that.

• (1140)

Our community fought to make sure the government did not bulldoze that land. It tried to bulldoze it and clear-cut it for its own economic development but the community stood strong. The aboriginal community, the local community, everyone from social services to the environment, and our businesses, together stood strong. That property is still undeveloped but we are waiting for development to happen.

What has the port done? The port has asked for \$10 million for this land to be taken from a community benefit fund that we are going to get from the border crossing. We did the research. The land owned by the port authority is actually owned by the people of Canada. Let us get that straight. Full stop on this.

The simple truth is that port authorities across Canada are the stewards of public land. The land belongs to the people of Canada. The port authority has asked for another \$10 million. That money will go to the port instead of going to neighbourhood development, socioeconomic issues, environmental problems, or human health problems. Businesses and schools have closed. The port asked for that \$10 million to be taken from taxpayers' money.

The minister could have given the deed to the mayor this past weekend. In fact, a transfer process could have taken place. This would involve a transfer from the port authority to the Minister of Environment. Management would be done first and then the real estate would be transferred to the actual department. It is a two-step process. It would not cost a dime and it would give the community what it needs.

We are talking here this morning about community benefits. Ironically, the area that will be affected involves 30% of Canada's daily trade, 10,000 trucks a day and 40,000 vehicles. Kids have had to go to school with Health Canada monitoring devices in their backpacks to see what type of carcinogens they are getting in their lungs.

My community has watched those closures. All it is asking for is a little something back. Yet the port authority wants to take \$10 million from a community benefit fund for the P3 that we are getting for a new border crossing for land Canadians already own. Canadians would lose out on that money for all the necessary things I have noted.

It received nothing when an American billionaire received a brand new border crossing from the government. It received nothing at all.

The solutions are simple. I sense something is going on here. There are just too many things happening. The city has an appointee on the board of the port authority, as do the province and the federal government. Everyone is represented on the board.

Why can the people not get what they want? What they want is to maintain public land in good environmental stewardship that makes our international obligations stronger, our national representation to greenhouse gases and other types of environmental protection stronger. The community would bond together.

As this legislation goes forward I hope we get lots of witnesses at committee who will talk about what is happening. I hope officials from the Windsor-Detroit Bridge Authority will appear before committee and tell us about its open and detailed process on how community benefits are being used on both sides of this new international crossing. Detroit and its neighbourhoods are getting them and Windsor is supposed to get some.

Why is it that the Prime Minister and his cabinet decided to grant a brand new border crossing with zero community benefits? How is that possible?

I will be supporting this legislation as will other New Democrats. In the meantime, we have a simple request. Will the Minister of Transport transfer the public land that is so environmentally important and is a significant piece of our heritage and a significant part of the future we want for Windsor-Essex County? Instead of coming to Windsor to do a photo-op, will the Minister of Transport sign the one piece of paper he has to sign to start the transfer of the management? Will he sign the second document to give it over to the Minister of Environment?

We would be preserving one of the most important heritage environmental spots this generation will ever have.

What will the Prime Minister and cabinet do to rectify the problem? They gave an American billionaire a brand new border crossing with zero community benefits. It does not seem right. It seems upside down to me. We are going to turn it right side up.

• (1145)

Mr. Ramesh Sangha (Brampton Centre, Lib.): Madam Speaker, I thank my colleagues for their extensive analysis of and support for this bill. It is clear that Bill C-344 would strengthen federal community investments delivered to constituents from coast to coast to coast. Community benefit agreements, CBAs, are a new approach to empowering local communities to partner with developers to address local challenges. They have already been used successfully at the provincial and municipal levels to address economic development and growth issues and environmental sustainability in neighbourhoods across Canada.

Bill C-344 would encourage consultations with communities across Canada, thus strengthening federal infrastructure investments by showing how federal contracts would have knock-on effects in the communities where they are executed. Moreover, the idea of community benefit agreements is supported by numerous business groups and organizations across Canada. These groups see in practical terms how CBAs would speed up the work of implementing infrastructure investment by ensuring that there is community buy-in. By implementing community benefit agreements in the

federal jurisdiction, the Government of Canada would exercise leadership in improving communities across Canada.

This leadership would be measured by the Minister of Public Services and Procurement having to table a report on the community effects of government investments. This process would allow Public Services and Procurement Canada to ensure that the Canadian public is getting the best value for their infrastructure dollars. Ultimately, CBAs would ensure that communities have consistent growth and meaningful employment while fostering a healthier environment.

Further, CBAs would provide the communities with a sense of motivation, ownership, accomplishment, and a quest for dignity and pride. With consultations in the communities and reporting by the minister in the House, CBAs would make clear to everyone how future federal projects involving construction, maintenance, or repair would result in community benefits for millions of Canadians from coast to coast to coast.

Bill C-344 would ensure that communities across Canada can benefit from enhanced infrastructure developments, setting the stage for local economies and communities to continue to prosper. Therefore, I urge members of all parties to support Bill C-344 so that communities across Canada would get their fair share of benefits.

• (1150)

[*Translation*]

The Assistant Deputy Speaker (Mrs. Carol Hughes): The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Assistant Deputy Speaker (Mrs. Carol Hughes): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Assistant Deputy Speaker (Mrs. Carol Hughes): All those opposed will please say nay.

Some hon. members: Nay.

The Assistant Deputy Speaker (Mrs. Carol Hughes): In my opinion the yeas have it.

And five or more members having risen:

The Assistant Deputy Speaker (Mrs. Carol Hughes): Pursuant to Standing Order 93, the recorded division stands deferred until Wednesday, October 25, immediately before the time provided for private members' business.

[*English*]

SUSPENSION OF SITTING

The Assistant Deputy Speaker (Mrs. Carol Hughes): The sitting of the House will be suspended until noon.

Business of Supply

(The sitting of the House was suspended at 11:54 a.m.)

• (1200)

SITTING RESUMED

(The House resumed at noon)

GOVERNMENT ORDERS

[English]

BUSINESS OF SUPPLY

OPPOSITION MOTION—MINISTER OF FINANCE AND CONFLICT OF INTEREST ACT

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP) moved:

That, given the Minister of Finance:

- (a) after being elected to Parliament in 2015, led Canadians to believe that he had placed his shares in Morneau Shepell into a blind trust, while never having done so;
- (b) used a loophole in the Conflict of Interest Act to place his shares in a private numbered company instead of divesting them or placing them in a blind trust;
- (c) on October 19, 2016, sponsored Bill C-27, An Act to amend the Pension Benefits Standards Act, 1985, a bill that would reasonably be expected to profit Morneau Shepell and the Minister of Finance in light of his continued ownership of shares in Morneau Shepell through a company he controls;
- (d) was and remains in charge of regulating the pension industry in which he has had a personal economic interest; and
- (e) has failed to live up to the ethical standards set forth by the Prime Minister in his mandate letter to the Minister;

the House call on the Minister of Finance to apologize to the House and to Canadians for breaking their trust, and the House call on the government to immediately close the loopholes in the Conflict of Interest Act as recommended by the Conflict of Interest and Ethics Commissioner, in order to prevent a Minister of the Crown from personally benefiting from their position or creating the perception thereof.

He said: Madam Speaker, I will start by suggesting the brilliant idea that I should split my time with my friend, the member for Rimouski-Neigette—Témiscouata—Les Basques. This is the best idea I may have had all week.

This incredibly important motion the New Democrats are raising today is of the most serious nature. This is what some have referred to as a motion of censure. This is not a task we take lightly and is borne directly out of the respect we have for this place, out of an understanding of the role cabinet ministers play, and the important role they play in the lives of Canadians. In order to play that role, they require the trust of Canadians and must conduct themselves in the highest ethical standard.

The Prime Minister gave an explicit order to his cabinet ministers that they would not just follow the letter of the law when it came to ethical behaviour, but they would go beyond that to fully encompass the spirit of the law of conflict of interest. He also ordered his cabinet ministers to make fully public their personal assets and their controlling interests “to be above and beyond” reproach. This clearly has not been the case.

Let us start with the facts of the matter. It is always important, when setting out an argument, to talk about what we know to be true. In 2015, after being elected to Parliament, the Minister of Finance

led Canadians to believe he had placed his shares in Morneau Shepell into a blind trust. He told this to the CBC, he let it be known to his former company, Morneau Shepell, and he indicated that to colleagues in the Liberal Party. Beyond that, for two years, when this mistruth was repeated publicly on social media by Liberals and others, he allowed that mistruth to exist. That is a fact.

The second fact is that the minister exploited a loophole within the Conflict of Interest Act that allowed an individual to place his or shares in a private numbered company, instead of divesting them or placing them into a blind trust. That is now known as a fact. That was only revealed by the media digging and finding out the reality and the truth.

The third fact is that on October 19, 2016, the minister sponsored a bill. The same Minister of Finance, under his name, sponsored Bill C-27, an act to amend the Pension Benefits Standards Act, 1985, work in which Morneau Shepell, his former company, the company he still had shares in and derived benefit from, receiving payment cheques on a monthly basis, almost in excess of his yearly salary as a member of Parliament, would directly benefit. Morneau Shepell had done work in this field of pensions, with a great amount of benefit to the company. This bill, by the way, not parenthetically I suppose, does great harm to the pension security of Canadians by passing the risk from a shared view between the employer and the employee, almost entirely to the employee. He sponsored the bill, a bill that his company, which he still had assets in, and he would have directly benefited from.

The fourth fact is the minister remains to this day in charge of regulating the pension industry in which he has had a personal economic interest, and remains with a personal economic interest. The Prime Minister, as we note in our opposition day motion here, called upon the Minister of Finance to live up to a very high ethical standard, not just the explicit minimum. The Prime Minister explicitly told cabinet ministers they had to divulge, to full public disclosure, their personal assets. That was not done in either case.

We call on two specific things, because we do not just seek to point out the facts of the case, we also seek to make things better.

The first thing is that if the Minister of Finance, and the government, is truly interested in attempting to restore the trust lost between his office, between him and the business community, and the larger Canadian public, it would seem to me that an apology is in order. One of the hardest things in politics may be to say “I’m wrong and I’m sorry. I was wrong to exploit this loophole. I apologize for having done it. I will make amends the following way.”

I was personally surprised, and I have heard this from many Canadians over the weekend, that the Minister of Finance's tone last week was “How wonderful am I. Look at me now, divesting, maybe eventually, my interests in an industry in which I will continue to regulate. How wonderful am I that I allowed this lie to exist for two years in the public, that I never corrected it, and that I will still not apologize for. How wonderful am I that when the media asks for more information, I say I am not accountable to you.”

Business of Supply

•(1210)

[*Translation*]

Mr. Steven MacKinnon (Parliamentary Secretary to the Minister of Public Services and Procurement, Lib.): Madam Speaker, I want to thank the member opposite for his speech. He mentioned facts. Let us review these facts.

The Minister of Finance held a series of consultations that culminated last week in the SME tax rate being lowered to 9%, a move everyone in the House agreed with. If I recall correctly, that was the position of every party represented in this House.

The minister also clarified the rules applying to passive investments, which was a pleasant surprise to the business community. He clarified the rules governing the sale of farms and businesses to family members. In short, the Minister of Finance moved Canada one step closer to tax fairness. That is the kind of thing the NDP used to support, and indeed champion.

What we are seeing today, frankly, is a smokescreen meant to obscure the fact that the finance minister moved us one step closer to tax fairness last week.

If I recall correctly, the member and the NDP House leader used to support these measures.

Could the member opposite comment on the fact that we moved one step closer to tax fairness last week?

The Assistant Deputy Speaker (Mrs. Carol Hughes): I would like to remind the member that the time for questions and comments is five minutes. Members should endeavour to ask a question or make a comment within an acceptable timeframe. If they have more to say, they can rise to speak.

The member for Skeena—Bulkley Valley.

[*English*]

Mr. Nathan Cullen: Madam Speaker, did we all watch that attempt, as mightily as he could, to change the channel from the ethical transitions of the Minister of Finance? The facts remain. I omitted a fact, and it is helpful the member intervened to remind me of this. The finance minister did break the ethics act, not just a loophole part. He also forgot a villa in France that he had put into a number company. However, who has not? Most middle-class Canadians and those seeking to join the middle class, from time to time, forget a villa in France that they placed into a numbered company to shelter away from taxes. Therefore, it is a normal transgression of behaviour, so the minister can be forgiven.

All policies are important. We saw the backpedalling from the finance minister last week, again and again. First the Liberals are going to tax employee benefits for somebody working at a coffee shop but then they think it is a stupid idea. Now they are going to make it impossible for people to pass on the family farm, their fishing business, their forestry company, all the businesses I represent in Skeena—Bulkley Valley. However, that was a stupid idea, so the Liberals are backtracking. Yes they are listening, but there is a part of this lack of connection to reality that one starts to wonder about with the government.

Now we have this ethical disjunct where the Liberals do not even seem to see the problem. We have to wonder what is worse: the fact that someone would act in this way, or the fact that after it has been exposed, someone would simply continue to think it is okay.

•(1215)

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Madam Speaker, I appreciate the motion before us. I know the member has raised concerns about Bill C-27.

Over the weekend, the Parliamentary Secretary to the Minister of Finance was trying to clean up, I guess, the minister's mess. In regard to that, a question was asked whether the minister had profited from his position by putting forward Bill C-27. Of course, the parliamentary secretary said no.

However, would the member not agree that efficient market theory says that all information that is publicly available is immediately valued into the price of a stock? Therefore, does the member believe the minister has profited on the pension legislation by the corporate structure he has undertaken by holding those shares in Morneau Shepell?

Mr. Nathan Cullen: Madam Speaker, it is the smoking gun as it is. A lot of times around ethical conduct, it is very difficult to point the transgression right to the benefit. Oftentimes, in unethical behaviour, there is the bad behaviour but it is sometimes difficult to find out if a person actually benefited from it.

I believe it was October 19, 2016, when the Minister of Finance introduced this pension bill. Within five days, the personal stock that he owned in Morneau Shepell went up 4.8%. From what we know of the stock the minister owned at the time, he would have realized a profit of \$2 million, which is far more than most Canadians earn in a lifetime of work. Again, there is that middle-class value coming forward again. "Scratching my back and scratching my back again" is the Liberal way.

The Assistant Deputy Speaker (Mrs. Carol Hughes): Before I go to resuming debate, there were a lot of people standing up to ask questions a while ago, and I want to remind members that there is only five minutes for questions and comments. I would ask members to keep within the one-minute timeline to ask a question or make a comment.

Resuming debate. The hon. member for Rimouski-Neigette—Témiscouata—Les Basques.

[*Translation*]

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Madam Speaker, I am very pleased to add to everything my honourable colleague from Skeena—Bulkley Valley just said.

Today's motion is extremely important because it relates to a fundamental principle that everyone in the House of Commons should respect and an issue that we should all be deeply concerned about. In the context of the motion and the Minister of Finance's actions, we have to ask ourselves whether the Minister of Finance should apologize for misleading Canadians and whether the Liberal government should immediately close the tax loophole uncovered in the Conflict of Interest Act that made these actions possible.

Business of Supply

One thing is clear, and my colleague set out the facts. For two years after the election, the minister knew that he probably had to put his Morneau Shepell shares in a blind trust. He said so himself. His colleagues, including the member for Spadina—Fort York, thought that he had done so. The media were told that his shares were in a blind trust. The Minister of Finance himself told his company that his shares were in a blind trust. However, a little while ago, we learned that this was not the case.

The only explanation here is that he misled Canadians. This is important, because the company in which he holds shares handles pension plans. The Minister of Finance advocated for legislation such as Bill C-27, which is extremely important and which will affect the pension funds of federal employees, before he even became a member of Parliament. When the Minister of Finance introduces measures for which he had previously advocated and which will have a direct impact on the shares he still owns, it can only be described as a conflict of interest.

Do members of this Liberal government have such poor ethical judgment that they do not remember what happened before? Two incidents that are directly related to this situation occurred over the past 15 years on the watch of the Liberal government of the time. In 2002, the Minister of National Defence, Arthur Eggleton, was forced to resign from cabinet after awarding a \$36,000 contract to a company that was owned by an ex-girlfriend.

• (1220)

[English]

I will rephrase that. The Liberal defence minister in 2002 had to resign from cabinet because he had given a \$36,000 contract to a company owned by an ex-girlfriend. That same year, the current agriculture minister, who was at the time solicitor general, had to resign from cabinet because he had given a contract worth over \$6 million to a college that belonged to his brother. Now we are in a situation where the Finance Minister, despite the fact he said he would put his interests in a blind trust did not do so and stood to personally benefit from the decisions he made. According to the current government and its members of Parliament, that does not put him in a conflict of interest.

Let us remember that a conflict of interest does not mean that he purposely tried to benefit from his actions. However, he placed himself in a situation where he could benefit from his actions and decisions, and that is it. Now he is trying to hide behind some smokescreen or loophole.

[Translation]

He claims that he was not in a conflict of interest. He told the Ethics Commissioner what he was going to do and how he was going to protect himself, by divesting himself of his shares in Morneau Shepell. However, we have learned that he divested of his shares by putting them into a numbered company where he is the sole shareholder. This trick allowed him to indirectly do what he could not do directly. He banked more than \$125,000 a month in dividends from his company, Morneau Shepell.

I do not understand how the Minister of Finance, who is a smart man, did not see that he was in a conflict of interest. When he came to the House to answer questions on this subject, it was shocking to

see that he did not even seem to regret his actions or the fact that he is perceived to be in a conflict of interest. On the contrary, he never admitted that he had made a mistake and that he should have acted otherwise. Rather, he seemed to want congratulations from members on this side of the House for doing things he should have done two years earlier, when he was elected.

How then can the Liberals vote against the motion that is before us today? All the motion does is ask the Minister of Finance to apologize for misleading Canadians. The motion also calls on the government to recognize that there is indeed a loophole in the Conflict of Interest Act and to do something to fix it as soon as possible.

As my colleague mentioned, the government said, both during the election campaign and after it took office, that ministers must not only follow the letter of the law but also go the extra mile to ensure that their actions bear the closest public scrutiny. However, the government is holding to the letter of the law, which clearly allowed the finance minister to maintain control of a company in which he holds shares.

I am therefore calling on the members of the Liberal government to take action and adopt this motion in order to join the opposition in saying that the finance minister should apologize for misleading the media, his colleagues, his company, and Canadians. This motion criticizes the Minister of Finance for not telling the truth and asks him to immediately take steps to remedy the situation so that members of this and future government cabinets are no longer tempted to enter into conflict of interest situations.

This is about the credibility of the Canadian government in the eyes of Canadians, who go to the polls every four years to vote on who will represent them in the House. They have the right to know that their representatives and their government are not in a position to personally benefit from any of the measures taken here.

How would it look if the Minister of National Defence possessed holdings in an arms company that does business overseas and he decided not to sign an agreement that would limit opportunities to sell his company's weapons? The minister would be in a conflict of interest. It would also raise some questions if the Minister of Agriculture owned a dairy farm and made decisions regarding supply management that could be to his benefit because of his interests in the farm. We are dealing with the same sort of situation here.

I therefore call on the Liberal members to do what Canadians expect of them. I ask them to call on the Minister of Finance to humbly apologize for having misled Canadians. I ask them to call on the government to immediately correct the situation and close the loophole, which is something that the Ethics Commissioner has been recommending since 2013. It is about time that something was done about this.

• (1225)

Mr. Steven MacKinnon (Parliamentary Secretary to the Minister of Public Services and Procurement, Lib.): Madam Speaker, I congratulate my colleague on being appointed his party's parliamentary leader.

Business of Supply

Sadly, the member is attempting to muddy the waters yet again and, I do believe, to bury the fact that, last week, we lowered taxes for SMEs and implemented another tax fairness measure. This is on top of the 400,000 jobs created and the record growth that Canada is experiencing. I heard my colleague's speech, but what I did not hear was his support for the Minister of Finance's proposed reforms during the consultation period. I did not hear any glowing tribute nor calls for greater tax fairness.

That is why I would like to give my hon. colleague the opportunity to comment on the tax fairness that we are bringing to Canada.

Mr. Guy Caron: Madam Speaker, as my colleague knows, this a crude attempt to change the channel. What we are talking about today is a situation where the Minister of Finance's actions resulted in his own personal gain. I know my colleague has been in the Liberal Party for a long time. I mentioned two cases in 2002 where two ministers in that same year had to resign for actions that were not nearly as bad as what the Minister of Finance did.

The current Minister of Agriculture and Agri-Food had to step down for awarding a contract to a college of which his brother was the president. Art Eggleton, who was the Minister of National Defence, gave a small \$36,000-contract to a company owned by his ex-girlfriend. He had to step down from his cabinet position.

We currently have a minister whose mandate letter specified, and I quote: if an official duty provides you an opportunity to further your private interests, or those of your family or friends, then you are considered to be in conflict of interest.

When he asks his next questions to my colleagues, I would like the hon. member to tell us how he feels after being misled by the Minister of Finance, who had convinced him all this time that he had put in holdings in a blind trust.

• (1230)

Mr. Joël Godin (Portneuf—Jacques-Cartier, CPC): Madam Speaker, I want to begin by congratulating my colleague on becoming the parliamentary leader for the second opposition party. He ran a good campaign and I congratulate him.

I was listening to you in your speech and you made a list of the things that the Minister of Finance did that are unacceptable. I think that you described part of the problem—

The Assistant Deputy Speaker (Mrs. Carol Hughes): I must remind the hon. member that he is to address the chair and not his colleague.

Mr. Joël Godin: Madam Speaker, I would like the hon. member to tell me what the Minister of Finance's attitude might suggest.

How can the Prime Minister defend the indefensible actions of his Minister of Finance? As the hon. member said so well, in the past, some parliamentarians have had to resign for a lot less.

What is hidden behind the finance minister's attitude?

Mr. Guy Caron: Madam Speaker, I cannot know what the Minister of Finance is thinking, but I do know that he refuses to be accountable or accept that he is accountable to Canadians and that he is currently in an absolutely untenable situation.

When the Conflict of Interest and Ethics Commissioner gave him permission to move forward, it was not exactly permission to move forward. It was more a way of telling the minister what he could not do. He decided to use a loophole to move forward without giving up his holdings. That is a problem.

The government boasts about being transparent and accountable to Canadians, but then turns around and uses all sorts of tricks to get out of being accountable. I would wait all day for an answer to the following question:

How are the Minister of Finance's actions no less serious than the awarding of a contract 15 years ago to a company that belonged to a minister's ex-girlfriend or the awarding of a contract to a college that belonged to the solicitor general's brother? Instead of the answering the question, the government seems to want to change the channel.

I hope that the government will understand the meaning of the word "accountability" sometime soon.

[English]

Mr. Joël Lightbound (Parliamentary Secretary to the Minister of Finance, Lib.): Madam Speaker, I am pleased to rise in this chamber to speak about the government's plan to support tax fairness for Canadians, its efforts to help the middle class, and the Minister of Finance's efforts to make Canada's economy one that grows and is prosperous for every Canadian.

[Translation]

As members know, earlier this month, the government finished its consultations on its proposals to address tax planning using private corporations. These consultations went on for a number of months, and we heard from Canadians across the country.

I think it is fair to say that we heard from a record number of Canadians during this government's consultations. The Minister of Finance received 21,000 responses. The minister met with Canadians from St. John's to Vancouver, at round tables and also held online town halls.

I know that a number of members did the same for their constituents. As the new Parliamentary Secretary to the Minister of Finance, it is important for me to meet as many Canadians as possible, including small business owners, farmers, and representatives from the agricultural sector to discuss the proposals.

I also used a variety of forms of media to speak to Canadians in our two official languages.

On behalf of the Minister of Finance, I would like to thank everyone that took part in the discussion. I especially want to thank them for their frank and extensive dialogue, which helped our government strike the right balance in carrying out the promise it made to Canadians in 2015 to improve tax fairness, reduce inequality in this country, and secure the means to achieve our ambitions.

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Last Monday, the Prime Minister, accompanied by the Minister of Finance and the Minister of Small Business and Tourism, announced the steps our government plans to take to further support Canada's small businesses. This important announcement delivered on a core commitment of our election platform. Before I get into that, however, I would like to remind my colleagues how we got to where we are today.

First and foremost, I want to assure all parliamentarians that our government is committed to guaranteeing a healthy, business-friendly economic climate, as well as protecting the ability of Canadian businesses to invest, grow, and create jobs.

In the two years since we took office, more than 400,000 jobs have been created, most of which are full-time. Due in part to strong economic growth and our government's sound, strategic investments in Canadians and for Canadians, our budget situation is better today than what we had foreseen in March. Indeed, the fiscal year that ended on March 31 saw a budget deficit of \$17.8 billion, \$11.6 billion less than what he had anticipated in 2015.

We are currently the fastest growing economy in the G7 by far. In the second quarter of this year, economic growth was at an impressive 4.5%. Over the last four quarters, our economy has posted the fastest growth since 2006.

• (1235)

[English]

This strong economic growth is proof that the plan we put in place two years ago is working. We laid the foundation for this economic growth the moment we took office. The first thing we did when we started our mandate two years ago was raise taxes on the wealthiest 1% so we could cut taxes for the vast majority of Canadians, in fact for nine million Canadians. That middle-class tax cut has been benefiting nine million Canadians, and we are proud of that. Single individuals who benefit from this tax cut are saving an average of \$330 each year, and couples who benefit are saving an average of \$540 each year.

Our government has also made child benefits more generous and progressive and better targeted to those who need them the most. With the new Canada child benefit, we have lifted hundreds of thousands of children out of poverty. Since July 2016, nine out of 10 Canadian families with children have received more in child benefits than they did under the previous system.

We also expanded the Canada pension plan to ensure that Canadians are better off financially in retirement. The strengthened CPP will provide more money to Canadians when they retire so they can worry less about their savings and focus more on enjoying time with their families. Strengthening the CPP will increase the maximum benefit by about 50% over time, giving retired Canadians a more dignified retirement.

Now we are moving on to the next step in our plan to grow the economy and achieve better tax fairness for middle-class Canadians. We will be the first to point to small business as one of the reasons this economy is in the enviable position it is in.

[Translation]

Our government has committed to ensuring that businesses are able to prosper in Canada. In keeping with that commitment, I am proud to inform the House that the Prime Minister has announced that our government intends to lower the small business tax rate in 2019, while presenting proposals aimed at correcting a tax system that is intrinsically unfair to the middle class.

Our government plans to lower the small business tax rate to 10% as of January 1, 2018, and to 9% as of January 1, 2019.

This small business tax cut is offered in recognition of small businesses' important contribution to the lives of Canadians, and their contribution to the Canadian economy. Small businesses are at the heart of the Canadian economy, represent 98% of all businesses, and account for 70% of all private sector jobs. Canada's low corporate tax rates are aimed at encouraging capital investment in businesses. Those investments, whether to acquire equipment or more efficient technology or to hire additional staff, make businesses more productive and more competitive.

Those investments also stimulate economic growth, help create jobs, invest in our communities and raise salaries. For example, as the government lowers taxes for small businesses, we must ensure that Canada's low corporate tax rates support businesses, rather than confer benefits we believe to be unfair and unwanted to a small number of wealthy individuals with high income, who use private corporations primarily as a tax planning tool.

We inherited a tax system that encourages the wealthiest to set up corporations to obtain a tax advantage. That creates a situation in which people earning hundreds of thousands of dollars a year can sometimes have a lower tax rate than middle class workers that earn far less. That is not fair. Our government is committed to correcting that situation.

The government has presented the approach that it plans to use to better target tax schemes used by a relatively small number of high-income individuals who gain the most from the current tax rules. To that end, we rely on the comments gathered from Canadians during recent consultations on tax planning through private corporations.

[English]

We have listened to small business owners, professionals, farmers, and fishers during the consultation, and we will act on what we have heard to avoid unintended consequences.

•(1240)

[Translation]

In all cases, the changes by the government will support small businesses and their contribution to communities and to the Canadian economy, maintain a low small business tax rate and support small business owners, so they actively invest in their growth, create jobs, strengthen entrepreneurship and stimulate growth—

The Assistant Deputy Speaker (Mrs. Carol Hughes): Order. There is a point of order.

[English]

Mr. Nathan Cullen: Madam Speaker, I know this is a difficult thing to weigh in on, yet today, in terms of staying on topic, my friend is not even making an attempt. Usually we require some attempt to at some point glance back to the topic at hand. Reciting the government's economic plan has literally nothing to do with the topic we are talking about today. At some point he has to at least reference ethics, the Ethics Commissioner, or Bill C-27.

I know there is a lot of discretion, and we allow a lot of latitude. However, I have listened to the first number of minutes of my friend's speech, and he has not made reference to what we are talking about here today once. It is just hard to say that this is an attempt, even a small attempt, to try to talk to the matter before Parliament today.

The Assistant Deputy Speaker (Mrs. Carol Hughes): I want to thank the member. As he has mentioned, there is a lot of latitude when we are debating. However, the member does have to also take into account the motion.

[Translation]

I will ask the member to only speak on the motion, although there is some flexibility for discussion.

Mr. Joël Lightbound: Madam Speaker, regarding the motion before us, I think that it is important to note that the Finance Minister has always worked in a very proactive and very transparent manner with the Conflict of Interest and Ethics Commissioner since he took office. He even did so before taking office. The Conflict of Interest and Ethics Commissioner's recommendations to the finance minister were, among others, to set up a screen preventing conflicts of interest, and to make it known to the public, which he did. That was the first thing he did. I think that what is expected of all parliamentarians is to ensure that they always follow the recommendations and rules as they were designed by the Conflict of Interest and Ethics Commissioner around the general direction that was laid out for parliamentarians. That is what the finance minister did.

The minister indicated last week that he had first called the Conflict of Interest and Ethics Commissioner to ensure that she was able to conduct an in-depth review of his situation and so he could be in full compliance with her recommendations at all times. He also announced that he would go beyond her initial recommendations. He decided to place all his assets in a blind trust and to divest himself of his shares in the company in question, Morneau Shepell.

If I may, I will continue my speech, which deals with the steps the finance minister has taken and the work that he has done for all

Business of Supply

Canadians. All politically-motivated distractions aside, the Minister of Finance has done legitimate work; I believe that to be the issue here, and that is what I am talking about.

One thing that was clear following our consultations is that it is important to limit unnecessary red tape for hard-working small business owners and to recognize the importance of preserving family farms, working with Canadians to ensure that family farms can still be transferred to the next generation, and relying on a gender-based analysis of the final proposals so that any changes to the tax system promote genre equity.

As the Prime Minister confirmed, we are preparing simplified proposals aimed at limiting the ability of a small number of high-income owners of private corporations to reduce their personal income tax by sprinkling their income to family members who are not involved in the business.

It must be noted that the vast majority of private corporations will not be affected by the proposed changes to income sprinkling. Indeed, only 50,000 private family businesses split their income, according to our estimates. That is a small percentage, about 3% of Canadian-controlled private corporations.

We are making changes to eliminate tax benefits that are only available to the wealthiest individuals, who can hire sometimes very costly accountants. We have listened to small business owners, professionals, farmers and fishers, and we are acting on what we heard to avoid unexpected and unwanted consequences.

The finance minister, who heard small business owners, announced that our government would not go ahead with the implementation of measures related to the conversion of income to capital gain. During the consultation period, business owners, including many farmers and fishers, informed the government that those measures could have unexpected consequences, particularly on taxation at the time of death, and create problems when a business is transferred to the next generation.

Our government will work with family businesses, including farming and fishing enterprises, so that the transfer of a business to the next generation can be as easy and efficient as possible. We also continue to carefully review all observations received by the government.

•(1245)

[English]

In terms of some key accomplishments, in addition to the middle-class tax cut and the Canada child benefit I mentioned earlier, I would like to highlight some of the government's other achievements to help support middle-class Canadians.

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[Translation]

For example, over the past two years the government prioritized the movement of people and goods by making historic investments in our infrastructure. Our government made long-term investments in our infrastructure because it believes it to be crucial to the future of our country and our economy.

That is why, in our first budget, we set aside \$11.9 billion over five years to support public transit, green infrastructure, and social infrastructure.

In the 2016 fall economic statement, we announced a further \$81.2 billion that will go towards critical infrastructure over a period of 11 years. These funds will support public transit, green infrastructure, social infrastructure, transportation that supports trade, Canada's rural and northern communities, and its smart cities. These are investments that will improve the way Canadians live, commute and work and will also benefit our economy.

[English]

Mr. Dan Albas: Madam Speaker, I rise on a point of order on relevance. The member clearly understood the previous concern. He is contemptuous of this place if he does not speak to the motion. We all support recycling, but so far, the only thing he is recycling are the minister's own talking points. We are here not to talk about green infrastructure but ethical infrastructure, particularly within the institutions of Parliament. If he could please get off the talking points and get on with the motion, I think many of us would actually welcome what he has to say.

The Assistant Deputy Speaker (Mrs. Carol Hughes): First of all, thank you very much for the point of order. As I mentioned before, there is some latitude during debate, but I would remind the parliamentary secretary to look at the words of the motion, talk about the ethics, and bring it back to that motion. Members will have an opportunity to ask questions and comments and to bring that subject around again.

The hon. parliamentary secretary.

Mr. Joël Lightbound: Madam Speaker, I will remind the member in English what I said in French, that the Minister of Finance from the very beginning, before he took office, met with the Ethics Commissioner and her staff, as is expected of all parliamentarians, including all parliamentary secretaries, ministers, and MPs, to make sure that each member, based on their given situation, respects the path she sets for us as parliamentarians and the guidelines and recommendations she puts forward.

One of the recommendations for the finance minister was to put up a conflict of interest wall that would be made public, which he did. He has always followed the recommendations of the Ethics Commissioner and, as always, worked with her and will continue to do so, even going above and beyond—

Some hon. members: Oh, oh!

Mr. Joël Lightbound: I am talking about the substance of the motion if members will let me continue without heckling.

The finance minister also mentioned last week that he would go above and beyond what the Ethics Commissioner had recommended

and divest all his shares in Morneau Shepell and place all of his assets in a blind trust.

As parliamentarians, we have to look to the work of the Ethics Commissioner and her recommendations for us as we move forward to make sure that the integrity of Parliament is at all times respected. The finance minister on that front has always been forthcoming in working with the Ethics Commissioner, and will continue to do so.

[Translation]

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Madam Speaker, it is disappointing to hear my colleague list the actions of his government when the motion before us is very clear. I get the impression that he did not read it.

I will nonetheless ask my colleague a question about the motion in order to maybe finally have some information about it. My question is about the fact that several of his colleagues have mentioned that they were misled by the minister. One of his colleagues from the Toronto area stated that he was sure that the minister had placed his assets in a blind trust just the day before we learned that, in fact, that was not true.

So I wonder if my colleague himself was deceived by the Minister of Finance. What was his understanding of the issue before learning that the finance minister had not placed his assets in a blind trust? When did my colleague learn that he had been deceived by the finance minister?

Maybe he could shed a bit of light on how his caucus learned that the minister had placed his assets in a blind trust, which everyone thought had already been done long ago.

● (1250)

Mr. Joël Lightbound: Madam Speaker, my understanding was always that the Minister of Finance, as is expected of all parliamentarians, worked with the Conflict of Interest and Ethics Commissioner to ensure that the rules that govern all of us in the House were respected, which he did when he took office, right after the election.

My understanding is also that recommendations that the Conflict of Interest and Ethics Commissioner might make were respected, as any parliamentarian can be expected to respect the determinations and recommendations of the Conflict of Interest and Ethics Commissioner when she examines a parliamentarian's situation and makes recommendations, and that those recommendations are enough not only to comply with the law, but also to avoid any appearance of conflict of interest, which the minister did immediately after taking office. He has always implemented the recommendations that he has received from the commissioner.

Last week, he announced that he would go even further, and I would remind my honourable colleague, whom I hold in high regard, that the minister would place all his assets in a blind trust, and the he would dispose of all shares that he and his family may hold in Morneau Shepell. I think that the idea is to ensure that we always work with the Office of the Conflict of Interest and Ethics Commissioner, an institution responsible for safeguarding the integrity of this Parliament.

For me, that is where I always knew the finance minister was. He is a man of great integrity who has dedicated himself to public service for the last two years and achieved remarkable results for Canadians, as I noted in my speech.

[*English*]

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Madam Speaker, the parliamentary secretary again recycled a lot of talking points, but on the weekend on *The West Block*, he said that since Bill C-27 had not been adopted by Parliament, there was no conflict of interest for the Minister of Finance. When people hold something in a blind trust, they are not aware if the shares have been sold or diversified. When they hold their shares in a numbered company as the Minister of Finance has done, as a loophole so to speak, the markets react to that. Again, the efficient market hypothesis says that publicly available information is immediately digested by the markets. When we table a piece of legislation, the markets respond, putting the minister in a conflict of interest.

Does the parliamentary secretary not understand that he is actually putting up a false front for the minister? Where the heck is the minister? Should he not be coming here to speak to his own actions—

The Assistant Deputy Speaker (Mrs. Carol Hughes): I just want to remind the member for Central Okanagan—Similkameen—Nicola that he is not entitled to say who is and who is not in the House.

[*Translation*]

Mr. Joël Lightbound: Madam Speaker, as I mentioned, the Minister of Finance has always worked with the Conflict of Interest and Ethics Commissioner. That is what members of Parliament are expected to do when they begin working in the House after they are elected.

The letter that the Conflict of Interest and Ethics Commissioner gave to the Minister of Finance with her recommendations was made public last week. In the letter, she clearly states two things: first, that he is acting within the law and, second, that he should set up a screen to prevent conflicts of interest. That is what the minister did, and the screen has always ensured that he would have no involvement in any matter that could potentially affect the company in question. That was the recommendation of the Conflict of Interest and Ethics Commissioner, which he followed.

Now, he continues to work with the Conflict of Interest and Ethics Commissioner in a proactive manner. He called her last week, wrote to her and announced that he was going to go beyond her initial recommendations by placing his investments in a blind trust and divesting himself of his shares in Morneau Shepell. I believe that these two actions show that the minister is prepared to go the extra mile.

Over the last two years, the minister left the private sector to devote himself to public service, which he has done admirably. We have the fastest growing economy of all G7 countries, our performance is higher than it has been in 10 years and unemployment is at an all-time low. I think the minister has a good track record.

Business of Supply

[*English*]

Hon. Peter Kent (Thornhill, CPC): Madam Speaker, I will be splitting my time with the member for Louis-Saint-Laurent.

I rise today regretfully to speak in support of the motion before us. I am regretful, not because I do not support the motion moved by the third party, which I certainly do, but because we find ourselves debating not only the finance minister's original deliberate violation of the spirit of the Conflict of Interest Act and his subsequent actions, which, by all accounts, have enriched the minister as a result of his original decisions, but as well, the minister's apparent inability and refusal to recognize his several lapses of judgment, his unwillingness to accept responsibility for his poor decisions and actions, his attempt to shift responsibility and to blame the Ethics Commissioner, and, as important, his refusal to apologize to Canadians.

When an adult faces choices, he or she exercises judgment. For decades, long before the Conflict of Interest Act, with its various provisions, was passed into law in 2004, ministers of the crown either placed their wealth, including those fortunate enough to have family fortunes, into blind trusts or divested themselves of those holdings, which otherwise might benefit from their actions as public office holders, that is, as ministers.

The Prime Minister's mandate letter to the finance minister, when he was sworn in two years ago, was not specific in these details, but the PM stated, "As Minister, you must ensure that you are aware of and fully compliant with the Conflict of Interest Act". As well, the Prime Minister stressed that "you must uphold the highest standards of honesty and impartiality, and both the performance of your official duties and the arrangement of your private affairs should bear the closest public scrutiny." I repeat, "closest public scrutiny". "This is an obligation that is not fully discharged by simply acting within the law."

The Prime Minister also pointed out:

If we want Canadians to trust their government, we need a government that trusts Canadians. It is important that we acknowledge mistakes when we make them. Canadians do not expect us to be perfect—they expect us to be honest, open, and sincere in our efforts to serve the public interest.

Canadians have learned very well that the Liberal government is far from perfect. In fact, in so many ways it is far from perfect, but we are here today because trust has been violated. We are talking about standards here, and because neither the finance minister nor the Prime Minister has been willing to acknowledge the many mistakes made by both in this sorry affair, this scandal is entirely of their own making. The finance minister has told us that the Ethics Commissioner advised him to choose a third choice between a blind trust or divestment, a choice not taken by any other minister of the Liberal government.

Business of Supply

The Ethics Commissioner is on the public record saying that she informed the finance minister that there was that third way. We do not know whether she specifically red-flagged that third alternative in so many words as a loophole that she had already recommended the government should close, but I believe that any reasonable adult, certainly anyone with the business experience of the finance minister, not to mention the many financial advisors he has at his beck and call, would see that third way as a loophole that offends not only express intent of the Conflict of Interest Act but also the spirit of the law.

Then there is the matter of Bill C-27, the act tabled in the finance minister's name, that would make a number of significant amendments to the Pension Benefits Standards Act. The minister, in his previous life, spoke of the need for exactly these same sorts of amendments, amendments that his family firm, Morneau Shepell, would use to expand its client base and grow the company. We know that by not divesting all of his millions of shares in the family company, the minister had already seen his shares increase significantly in value. At the time of his election, shortly before being appointed finance minister, the shares of Morneau Shepell traded at around \$15 a share. They have since increased to more than \$20 a share.

• (1255)

However, worse than the basic violation of the spirit of the Conflict of Interest Act was the minister's sponsorship of Bill C-27, which would, as the motion before us states, "reasonably be expected to [further] profit Morneau Shepell and the Minister of Finance in light of his continued ownership of shares...through [a numbered] company he controls", which he will continue to profit from until his belated decision to sell those shares in what he described as an "orderly" fashion. We see here a clear and evident example, a textbook example, of conflict when the minister is in charge of regulating an industry in which he has a significant personal interest.

I will reflect back on the Prime Minister's mandate letter to the Finance Minister, and the specific direction that he arrange his private affairs to bear the closest public scrutiny. Someone, the Finance Minister, and any who were aware of his choice two years ago, should have heard alarm bells, which brings me to questions that the Finance Minister and the Prime Minister have refused to answer in the House or anywhere else: When did the Finance Minister inform the Prime Minister? When did the Prime Minister learn that the Finance Minister had neither put his holdings into a blind trust or divested all of his shares two years ago?

Last week, the latest revelations from investigative journalists, the Ethics Commissioner herself in media interviews, and finally the Finance Minister himself, confirmed that he had been informed by the commissioner of a technical gap in the Conflict of Interest Act, a capital "L" loophole, if you will, that no other member of the current Liberal cabinet, and no other member of previous governments, to my knowledge, exploited. However, he used it again, in clear and deliberate violation of the spirit of the act, to push his considerable stock holdings in the company that bears his name through that loophole. This is in stark contrast to the months of hollow, so-called consultations on tax reform proposals dropped on Canadians in the middle of the summer, which were aimed at alleged loopholes too

long exploited, it was said, by hard-working, middle-class small businesses, in effect characterizing Canada's hardscrabble, hard-working, middle-class small business owners as tax cheats.

It is important to remember that this is an attack on plumbers, pizza shop owners, farmers, dentists, and doctors. These so-called reforms have been pitched by bureaucrats, academics, and theoreticians inside the Finance Department for years. It is also important to remember that these reforms have been pitched to a succession of previous finance ministers, both Conservative and Liberal, and flatly rejected for all of the reasons put forward now by practising tax and pension management experts, and the thousands of middle-class self-employed entrepreneurs who see this as an unfair and destructive attack on family businesses and their employees.

There was a way that the Finance Minister might have avoided the deepening outrage and protest across the country. He might have responded by saying that he was surprised by the tens of thousands of responses, and that he needed to extend the so-called consultation period, with real consultations across the country, to familiarize himself with the multitude of different ways his reforms would negatively impact hard-working taxpayers. Instead, the Finance Minister and the Prime Minister doubled down and framed their refusal to amend or scrap the worst of the proposals in language that came dangerously close to the divisive characterizations of class war.

The Finance Minister, as has been previously quoted, has described the nation-wide opposition and our criticism of his clumsily proposed tax reforms as a distraction. It is a distraction, and a day-to-day still-deepening distraction of his own making. Now, the Prime Minister seems to have lost confidence in the Finance Minister. The PM's bigfooting of the Finance Minister at a press conference last week, saying that he would answer the minister's question, sent an ominous, not to mention arrogant message to the minister and to Canadians.

The motion before us calls on the government to immediately close these loopholes and apologize to the House and to all Canadians.

• (1300)

[*Translation*]

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Madam Speaker, I would like to thank my colleague for his contribution to this debate, which is as important as it is timely given everything that is going on with the Minister of Finance.

Does my colleague have anything to say about this easily closed loophole that is now being called the Morneau-Shepell loophole? The motion before us today proposes to close that very loophole. What does he think about that?

I know that his government was in power when the Conflict of Interest and Ethics Commissioner recommended closing the loophole. I was wondering if he had any information for us about why it was not done before. Given his experience in politics and the many ministers he has seen come and go in the House even before he was elected, since I know he was a journalist before he became a member, has he ever seen similar situations and, if so, how did they turn out?

Earlier, my NDP colleague said that some ministers in similar situations had resigned, so now I would like his views on what he has seen happen in the past.

● (1305)

[English]

Hon. Peter Kent: Madam Speaker, I thank my hon. colleague for a couple of very important and relevant questions to this debate. It is true that in 2013, the Ethics Commissioner made quite a few recommendations in her annual report for improvements that might be made to the Conflict of Interest Act, which was at that time about nine years old. The reason it was not acted upon was that there was no clear and pressing need to block attempts, such as we have seen by the current finance minister, to exploit some of those imperfections in the original act. To my knowledge, going back decades, there has never been an instance where a minister of government, Liberal or Conservative, has tried to avoid either placing their holdings into blind trusts or divesting those interests.

I agree with the previous speaker's suggestion that this is in some ways more serious than some of the previous instances where we have seen ministers who had to be disciplined, in a variety of ways, for impropriety.

Mr. Steven MacKinnon (Parliamentary Secretary to the Minister of Public Services and Procurement, Lib.): Madam Speaker, one thing we have to bear in mind as we go through this debate is the economic performance of Canada for Canadians that we have seen.

Some hon. members: Oh, oh!

The Assistant Deputy Speaker (Mrs. Carol Hughes): Order, I want to remind members that they will have an opportunity to respond on this side. Please allow the parliamentary secretary to speak without being heckled.

Mr. Steven MacKinnon: Madam Speaker, after 10 years of anemic growth, we now have growth that leads the G7, which was over 4% in the last quarter. Since we came to office, we have created over 400,000 jobs, most of them full-time jobs. Last week, the Minister of Finance did something that represents a consensus in the House. He lowered small business taxes to 9%, which puts us among the lowest in the western world.

I would ask the hon. member if all of this conjured and contrived debate today is not just an effort to obscure the economic facts and the very real good news that Canadians are enjoying.

Hon. Peter Kent: Madam Speaker, my hon. friend and his counterparts on the benches opposite may consider this a contrived debate, but the public voice defending liberalism in the country, the *Toronto Star*, in its lead editorial had this to say. Remember, the *Toronto Star*, by its founder, elected to speak only support for the Liberal Party.

As the finance minister attempts to justify the ethical morass of his personal finances, he is showing himself again to be tone-deaf and out of touch, the exact frailties that have jeopardized his government's vital push for tax fairness.

The Assistant Deputy Speaker (Mrs. Carol Hughes): I did not mean to interrupt the member while he was responding. I was in the process of getting up to remind members.

Business of Supply

● (1310)

[Translation]

If the hon. member for Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix and the hon. member for Longueuil—St-Hubert wish to have a personal discussion, they should leave the House because they are being disrespectful of those who have the floor.

Resuming debate, the hon. member for Louis-Saint-Laurent.

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Madam Speaker, I am honoured to follow my distinguished colleague from Thornhill, who was also a journalist, but at a time when I could not yet read or write, which goes to show the wisdom of the man and especially of what he says.

It is with great pride and pleasure that we second this motion, even if it was moved by the NDP; this it is not a question of partisanship but of ethics. Let us be very clear. Nothing can do more harm to a politician's reputation than ethical issues.

[English]

I want to be clear that when we talk about ethics, we talk about a very fragile issue, so that is why we have to take it seriously. First I want to pay all my respect to the Minister of Finance, not for what he has done but for running in politics. We can see this guy is a knight on Bay Street, but on the other hand, when he is so high, he must have a higher standard of ethics. Unfortunately, that has not been the case for the last two years.

[Translation]

When the current Minister of Finance entered politics, it was a good thing because of his experience on Bay Street. When a figure of such stature becomes involved in politics, the political class as a whole is the better for it. However, politics come with strict ethical standards, standards the minister has failed to meet over the past two years.

Morneau Shepell, a company founded by his father and that he managed to grow quite well, applies federal tax and budgetary measures, the very measures that are crafted by the Minister of Finance. That is what is called a total conflict of interest between his current duties and his former duties in the private family business. The Minister of Finance should have avoided any appearance of conflict of interest from the outset, which, unfortunately, he failed to do.

Business of Supply

[English]

Let us talk about the Minister of Finance's *bilan* for the last two years. It is not good. I heard the parliamentary secretary a few minutes ago talk about the economic situation of Canada. Let me remind him that the current government was elected under the hope of a small deficit of \$10 billion and zero deficit in 2019. The reality is that the government and the minister tabled a budget that is three times the deficit expected, and it has no idea when Canada will get back to a zero deficit. This is a shame. We have to go back to the worst years of the Trudeau government, the father not the son. That was the government that invented and created the deficit when we were not at war or in a huge crisis. Unfortunately, the son is taking the footpath of his father.

[Translation]

Deficits are three times higher than expected, and no one knows when we will return to a balanced budget. The government pays lip service to lofty principles by saying it will make the wealthiest 1% pay, and yet, three weeks ago, the Department of Finance tabled a study that shows that the wealthiest Canadians pay \$1 billion less in income tax than they did two years ago under the Conservative government. Once again, the Liberals pat themselves on the back for their lofty principles when, in truth, they are not getting the job done.

Also, the Liberals cannot go 30 seconds without mentioning how they are helping families and the middle class, when that is not true at all. The Fraser Institute concluded that 80% of middle class families have been paying \$840 a year more in taxes since the Liberals came to power. These people say one thing and do the exact opposite, and, when I say “these people,” I mean the Minister of Finance, whom we are discussing today.

Let us now look at the crux of today's NDP motion, the issue of conflict of interest. As I said, the Minister of Finance called the shots at Morneau Shepell, a publicly traded company worth \$1 billion. That is fantastic, but that company is in a direct conflict of interest with the Minister of Finance, since he comes up with tax measures and Morneau Shepell applies them. This is the very definition of conflict of interest. I will come back to this in greater detail later.

On top of that, the Minister of Finance is showing that he has a selective memory. The member for Carleton stood up in this House less than a month ago with a document that proves beyond any reasonable doubt that Morneau Shepell has a business in the Bahamas, a tax haven. The Liberals had a little egg on their face when they realized that.

• (1315)

They just forgot to mention that they had this company in a tax haven. CBC had to use some hard-core journalistic tactics to find out that the Minister of Finance owns a villa in Provence, in France, and forgot to mention that. This is another example of his selective memory.

It was the same thing when the *Globe and Mail* revealed barely two weeks ago that the Minister of Finance had not reported all of his assets to the Conflict of Interest and Ethics Commissioner and that he had not put them in a blind trust or sold them. Once again, it was not handled properly. It is sad to say, but the reality is that the truth did not come out until he was backed into a corner, until he had

no choice but to set the record straight. That is what happened with the Bahamas, with the villa in Provence, and with his assets. What a dismal state of affairs we saw last week. We are talking about the Minister of Finance, after all. His week began so well that the Prime Minister said:

[English]

“I am the Prime Minister. I will answer all the questions. You have the chance to speak with the Prime Minister. I am here to answer all the questions.” That was the Prime Minister himself.

[Translation]

Apparently he thinks pretty highly of himself. The Prime Minister's treatment of his right-hand man was insulting. I do not want to take anything away from anyone. There are 338 of us here, we are all equal, and so on and so forth, but the fact is that there is the Prime Minister, and then there is the Minister of Finance. We all know that the finance minister is the government's heavy hitter. When the Prime Minister treated him like a newbie, that was an insult to our whole system of government. That is the problem.

He explained the whole thing by admitting that there was a loophole in the rules that allowed him not to declare it. How sad to see such an honest, upright, upstanding man fumble around with such pathetic excuses. No Bay Street baron should ever have to utter such blithering nonsense. Such a person deserves the utmost respect. That is my whole point: this motion is about ethics. When one is Minister of Finance, one's conduct must be 110% ethical, and when one has been at the head of a Canadian corporate jewel with a brilliant international reputation, one must act with utmost dignity.

Unfortunately, the Minister of Finance failed to do so, and now here we are with this motion. I remind members that, in recent months, this minister has been conducting a full-on attack on SMEs, because his leader, the Prime Minister, said that most SMEs were simply used as ways to avoid paying taxes. That is shocking, contemptuous, and insulting. The Prime Minister has an utterly unacceptable bias against small and medium-sized companies.

This minister did everything he could to take millions of dollars from Canadian business owners, when he should have been doing everything he could to help them, to grow their assets, and to create more jobs and wealth. The Minister of Finance finally understands and has taken a step back because of the hard work of the official opposition, led by our extraordinary leader and, frankly, the quarterbacking by the member for Carleton. This member, with the support of members of Parliament, led chambers of commerce from across the country in an attack against the minister's comments.

Business of Supply

Once again, we see these people attacking our least fortunate citizens. This weekend, we learned from the Canadian Diabetes Association that the government is trying to squeeze more taxes out of people with diabetes, which is unconscionable. The Minister of National Revenue acknowledged as much and said that they would look into it, because it is very concerning. To me it is not just very concerning, but unacceptable. Only when cornered does this government finally admit fault. That is why, despite my great respect and esteem for the Minister of Finance, we are going to vote in favour of this motion. When the Minister of Finance is also the heir to a hugely successful family business, it is all the more important for him to demonstrate rigour and ethics and avoid any conflict of interest. Unfortunately, over the past two years, this government has had a whole slew of conflicts of interest.

• (1320)

Mr. Pierre Nantel (Longueuil—Saint-Hubert, NDP): Madam Speaker, I would like to thank my colleague for his speech. He is quite the orator; it should be said from time to time.

However, beyond the litany of offences to democracy showcased in the many examples he gave involving the government, it is really beyond the pale to think that the Minister of Finance would work on Bill C-27, which benefited him directly, without first placing his assets in a blind trust.

I would like to hear the member's thoughts on that.

Mr. Gérard Deltell: Madam Speaker, I thank my colleague and applaud him for his undeniably Canadian turn of phrase.

There is no doubt that finance ministers should not get involved, and above all, should avoid any conflict of interests. If the minister was fortunate enough to be able to grow his business when he was in the private sector, then he would be obligated to set up a blind trust or to sell all his shares in order to act freely.

That is not what happened, however. He designed, tabled and debated Bill C-27, which has a direct impact on pensions and is directly linked to the business he worked with. This is exactly what we were saying. Regrettably, he did not take the necessary steps to distance himself from his past affairs before taking on his current duties.

Mr. Steven MacKinnon (Parliamentary Secretary to the Minister of Public Services and Procurement, Lib.): Madam Speaker, I thank my hon. colleague.

The member might have emphasized the government's economic accomplishments, but instead he talked about full-on attacks on SMEs, if I remember correctly. Last week, SMEs benefited from lower tax rates at 9%, the lowest in the western world. They also got clarifications after a long consultation on the new rules that will get us closer to tax fairness.

The attacks came from a party that was unable to keep its promise to balance the books during its decade in power. I do not think we need lessons on the economy from that side of the House. Regarding the issue at hand, in light of the measures announced last week, the minister did his duty, and then some.

Does the member not think this is all just smoke and mirrors to obscure the good economic news that Canada is getting today?

Mr. Gérard Deltell: Madam Speaker, this member misled the House. We left the house in order with a \$2.6-billion surplus, as stated by the finance minister. It is sad that the parliamentary secretary does not even believe his own finance minister.

Must I remind members that our government passed legislation to lower the small business tax rate to 9%? However, the current government's first budget contained a measure that would abolish the law allowing companies to pay less tax. That is unheard of. The Liberals made a promise during the election campaign, which they broke when they tabled their budget, and now they are announcing that they are going to keep that promise.

They really outdid themselves, as this is the first time they make an announcement to say that a promise was broken when they themselves broke it. Way to go, guys, really top notch. That is the Liberal Party for you.

Some hon. members: Oh, oh!

[*English*]

Hon. Larry Bagnell (Yukon, Lib.): Madam Speaker, the member talked twice now about the deficit. It must be a little embarrassing for him considering the huge amounts Brian Mulroney added to the deficit. When Mr. Harper came into power with a balanced budget, even before the financial crisis, he was adding to the national debt, and did so for every year of his reign except one. It must be a bit embarrassing for the member, who I have great respect for, to talk about his party's contribution to the national debt.

Mr. Gérard Deltell: Madam Speaker, I welcome that kind of question because it gives me the chance to express to everybody here in the House and around the world that our country, behind the strong leadership of former prime minister Stephen Harper, was the first G7 country to come back after the most impressive crisis we had to address in the last century. Yes, I am proud to be a Conservative.

• (1325)

Ms. Sheri Benson (Saskatoon West, NDP): Madam Speaker, I will be splitting my time with the member for Rosemont—La Petite-Patrie.

Today we are debating what the finance minister would like Canadians and parliamentarians to believe was just a series of unfortunate events, a “distraction”, to use the minister's own words.

I do not share the Minister of Finance's assessment of the matters we are debating today. Instead, respectfully, I would say what has transpired for the minister is not a distraction, is not an administrative error, and certainly is not of the making because of the advice of the Ethics and Conflict of Interest Commissioner, but instead an error in judgment made by the minister. The minister must now find a way forward, so that Canadians can trust that their interests are first and foremost in his mind.

Let me share specifically what we are debating today since we have gone a bit off track when we heard from members on the other side.

What are these so-called distractions?

Business of Supply

After being elected to Parliament in 2015, the Minister of Finance led Canadians to believe that he had placed his shares in Morneau Shepell into a blind trust while having never done so. He used a loophole in the Conflict of Interest Act to place his shares in a private numbered company instead of divesting them or placing them in a blind trust.

On October 19, 2016, the minister sponsored Bill C-27, a bill that would reasonably be expected, by reasonable people, to profit Morneau Shepell and the Minister of Finance in light of his continued ownership of shares in Morneau Shepell and through a company he also controls.

The minister remained in charge of regulating the pension industry in which he has a personal economic interest.

Finally, he has failed to live up to the ethical standards set forth by the Prime Minister in his mandate letter to the minister.

The motion also clearly outlines what needs to happen going forward, a proposal so that the Minister of Finance is not distracted by circumstances of his own making and can resume his focus on the important work of a finance minister.

The motion provides a way forward for all ministers and all parliamentarians by asking the government to close the loopholes in the Conflict of Interest Act as recommended by the Conflict of Interest and Ethics Commissioner.

Two years ago, like many Canadians I believed that the then newly elected Liberal government was going to lead differently and bring real change. I personally, along with many others here in the House, made the decision to run for political office to change Parliament and government for the better so that we could better serve all Canadians. More specifically, I ran to advocate for the constituents of Saskatoon West, the community where I have lived and worked for over 30 years.

I have taken every opportunity to point out when I believe the government has followed through on commitments that help my constituents, when, as the labour critic, the government has made important policy changes that support workers' rights and make workplaces safer. I have also pointed out when the government did not follow through on commitments and promises that it made during the election.

When I read the Prime Minister's mandate letters to his cabinet ministers, I was optimistic that we would see a different kind of government, not only in stark contrast to the previous government but a different kind of Liberal government than we have seen in the past. I believed that what was written down on paper in the ministerial mandate letters would be acted upon and would be more than just words.

Here are some excerpts from the finance minister's mandate letter that stood out for me personally and led me to be optimistic that real change was not just possible but indeed would happen:

"We have promised Canadians a government that will bring real change—in both what we do and how we do it".

"We have also committed to set a higher bar for openness and transparency in government".

"Its important that we acknowledge mistakes when we make them."

Finally, the phrase most relevant to today's debate:

...you must uphold the highest standards of honesty and impartiality, and both the performance of your official duties and the arrangement of your private affairs should bear the closest public scrutiny. This is an obligation that is not fully discharged by simply acting within the law.

● (1330)

Last week, the finance minister, because of pressure from the opposition and an investigation by journalists, did the right thing and after two years as the finance minister, divested himself and his family of all shares in Morneau Shepell. This was the right thing to do.

Madam Speaker, I would say that the finance minister still has more to do to live up to the Prime Minister's expectations, as stated in his mandate letter. Let me elaborate by focusing on Bill C-27.

The tabling of Bill C-27 by the finance minister when he still had business interests in his company, and thus would benefit if the bill were enacted, also put the minister at odds with what was asked of him in his mandate letter from the Prime Minister. This clearly was a conflict of interest. It is possible that he may have indeed personally benefited from simply tabling Bill C-27. I say this because we know that shares in Morneau Shepell increased in value after the bill was tabled.

We also know from news reports that the Minister of Finance, while still in private life, advocated for such a bill. The bill would amend the pension act, allowing employers to change their current commitment to defined pension plans to target benefit pension plans. Morneau Shepell is a major provider of these types of benefit plans.

Bill C-27, should it be enacted, would erode pension security for thousands of federally regulated workers by allowing employers to remove their legal obligations to current and future retirees by converting defined pension plans, even retroactively, to target benefit plans. The bill would allow all the financial risk in future pension benefits to be shifted to individual workers.

Beyond the fact that the Minister of Finance would have benefited financially from the bill, and beyond the fact that he presented a bill that would make changes in regulations that he advocated for in his private life as a business owner, Bill C-27 was introduced without any consultation with Canadians, pensioners, or unions. As well, it broke a specific election promise made by the Prime Minister. When the previous Conservative government proposed similar legislation, it was met with such opposition by retirees and other stakeholders that the effort was abandoned.

I ask the minister why he introduced the legislation. Does he not see how Canadians and parliamentarians would be somewhat suspicious about in whose interest the minister acted when tabling Bill C-27? I would respectfully ask the minister to do the right thing and tell Parliament and Canadians that he will not proceed with Bill C-27.

Business of Supply

I believe that Canadians expect the Minister of Finance to go above and beyond, not simply to technically be in compliance with ethical guidelines but to do in word and deed as he was asked by the Prime Minister in his mandate letter, and that is to carry out his duties so that his actions can “bear the closest public scrutiny. This is an obligation that is not fully discharged simply by acting within the law.”

Canadians deserve a finance minister who does not see questions about ethics as distractions. Canadians deserve a finance minister who acknowledges that he has made a mistake.

I believe I have outlined a number of actions the government and the finance minister could take to move forward for the benefit of all Canadians, such as eliminating loopholes in the Conflict of Interest Act, protecting federally regulated defined pension plans, and following through on commitments made by the government during the election.

There is always an opportunity to do the right thing. I urge the Minister of Finance and the government to do the right thing as soon as possible.

• (1335)

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, whether it is the Minister of Finance or any other member, I suspect that all members of this House have been doing the right thing. We have an independent officer of Parliament, the Ethics Commissioner. We all have an obligation to report to the commissioner and to follow her advice and recommendations. That is exactly what the Minister of Finance has done.

Having said that, both opposition parties, day in and day out, have been taking the opportunity to criticize every measure this government has put forward. Whether it is the tax on Canada's wealthiest, the tax cut for Canada's middle class, or any other measure the Minister of Finance has put forward, the opposition members have opposed it.

Why does the hon. member believe that Canadians should have faith in what the opposition has to say about the Minister of Finance, when we have an independent commissioner who has the responsibility to ensure that there is no conflict, and the Minister of Finance has been following the commissioner's advice?

Ms. Sheri Benson: Madam Speaker, it is nice to hear the government side coming back to the issue at hand today.

What I mentioned in my speech is that the mandate letter the Minister of Finance received from the Prime Minister, which I would assume he would follow, asked him to go above and beyond. It asked that the activities, duties, and actions he carried out stand up to the closest public scrutiny.

To me, the next sentence in the mandate letter is extremely important. The Prime Minister said to the Minister of Finance, “This is an obligation that is not fully discharged by simply acting within the law.” My comment is that the finance minister has not followed what the Prime Minister asked of him, and I think Canadians deserve better.

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Madam Speaker, the reality of these mandate letters is that

they were not written for the finance minister or for ministers in general. They were for public consumption. They said things the government wanted the public to think were instructions to the minister, when in fact, the permissive attitude taken by the Prime Minister and the cabinet toward the finance minister makes very clear that the Prime Minister and the government do not at all take seriously the ethical injunctions that were put in those documents for public consumption.

We have a very clear case where the finance minister continued to own shares and significantly profit from something happening outside of his office while he was regulating the company he continued to own shares in. That is an obvious conflict of interest. He should not need to ask the Ethics Commissioner to know that it is completely unacceptable and unethical.

Can the member clarify her thoughts on the reality that the government does not take the ethical instructions to its ministers in the mandate letters at all seriously?

Ms. Sheri Benson: Madam Speaker, during my remarks, I said that I thought the mandate letters were more than just words on a page. My colleague has referred to the fact that they were created and put on the website but that there was not a lot of intention behind actually following what was in those mandate letters. I tried not to be cynical for a very long time, but the circumstances that have come up with respect to the finance minister lead me to believe that the mandate letters were not taken seriously and were not read. There was no expectation that they would actually inform the work plans of the ministers, which were included within the mandate letters as well. I think people refer to them to find out what is important for the government going forward, so like my colleague, I am quite disappointed that this does not appear to be the case.

• (1340)

[Translation]

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Madam Speaker, I am pleased to rise in the House to talk about the NDP motion. Although it would give me even more pleasure not to have to talk about this issue, the Minister of Finance's indiscretions give us no choice. He wounds our collective psyche by acting as though there was no apparent conflict of interest between his decisions and the companies he owns.

Before I begin my speech, I would just like to remind everyone that our entire democratic system rests in large part on confidence. Canadians elect 338 members of Parliament, the majority of whom form government and a cabinet of ministers whose job is to serve the public. The entire system rests on 36 million Canadians having confidence that those 338 people will act in their best interest and serve them. The things the Minister of Finance did and did not do destroy the confidence underpinning our system.

If the citizens we work for, such as the people I meet on Papineau Avenue or Beaubien Street in Montreal, for example, have the impression that we are here only to serve our own interests, our entire system could fall apart. This is no joke. People need to be absolutely certain that we are here for them and not to fill our pockets. For the past two years, however, the minister has only been fuelling the public's cynicism, when Canadians already fear that we are not here for them, but rather for ourselves first and foremost.

Business of Supply

The Minister of Finance could have come clean from the very beginning and distanced himself from his own pecuniary interests. The long and short of it is that he failed to do so voluntarily. That is no accident, much like when he failed to disclose that he owns a villa in France. It really is unbelievable. That is not the kind of thing that ordinary folks tend to forget.

Ms. Marjolaine Boutin-Sweet: Maybe once or twice.

Mr. Alexandre Boulerice: I stand corrected, Madam Speaker; the member for Hochelaga says it can happen once or twice.

Despite its constant refrain about the middle class and those working hard to join it, it seems like all of the decisions made by this government actually benefit the top 1%, the very elite to which the finance minister belongs. I will come back to this.

The Liberal government brags that it has helped middle-class Canadians by lowering the tax rate for some of them. However, bear in mind that the Liberal tax cut primarily benefits people earning at least \$120,000 a year. Anyone who earns less than \$45,000 a year falls under their radar. They do not exist. People who earn \$30,000, \$35,000, or \$42,000 a year do not fit in the Liberal Party's definition of the middle class and do not need help. Bear that in mind, because it is important to remember that the people who benefited most from the personal income tax rate adjustment scheme were those earning more than \$120,000 a year. It is unbelievable.

Furthermore, the Liberals broke their promise to put an end to CEO stock-option tax loopholes, which cost us \$800 million a year. The Liberals are not going to go after CEOs or the richest 1% because that would mean going after their Bay Street buddies. Instead they will keep picking on the little guy.

Not only is the tax cut utterly laughable, as it will not help the low-income Canadians who need help the most, but a tax loophole that benefits CEOs remains untouched, and Canada is still doing business with tax havens.

• (1345)

In March, the NDP moved a motion in the House, and all of the Liberal Party members voted in favour of it. Among other things, the motion called on the government to take a close look at all of our tax treaties with tax havens, such as Barbados and the Cayman Islands. The Liberals went ahead and did that. Then they said the list was incomplete and that there might be one more to add to it.

The NDP was so naive. We thought the Liberal vote meant the government would shorten the list of countries with which it does business, but the government is actually making that list longer. It added the Cook Islands, a British protectorate down around New Zealand whose corporate tax rate is zero. People who stash money there pay no tax. Then they bring it back to Canada, claim that it was taxed in another jurisdiction, and avoid paying tax in Canada.

Here is a very conservative estimate I am sure my friends will like: every year, we lose between \$5 billion and \$8 billion because of tax havens. Those numbers come from Statistics Canada. It is probably much more than that because we have no real way of knowing.

In that same vein, the Liberals never attack people who take advantage of the system and use the personal income tax rate, the

CEO loophole, and tax havens to avoid paying their fair share. What do the Liberals do instead? They introduce Bill C-27, a direct attack on our country's employee pension plans, which were negotiated in good faith with employers. These pension plans provide employees with a guaranteed amount once the employees reach old age. These are defined benefit pension plans, which means that these people know that they can count on getting a certain amount every month on retirement. This allows them to budget for expenses such as rent and vacations, and for helping out their grandchildren financially when they go to university.

The Liberal government is attacking defined benefit pension plans with Bill C-27. The thing is, the Minister of Finance's company, Morneau Shepell, specializes in managing pension plans.

An hon. member: No kidding.

Mr. Alexandre Boulerice: Indeed. What good fortune. The Minister of Finance may just have one million shares. That is debatable. He probably has two million shares in Morneau Shepell, and he introduces Bill C-27, which would bring business to his own company, from which he profits.

Bill C-27 would replace defined benefits with target benefits. These benefits are essentially like Jell-O. It is a Jell-O retirement plan in which no one has any idea how much they will have in retirement. There is a target, an objective. For example, you would like to have \$1,000 a month, but there is no guarantee that this will happen. This type of plan is extremely complicated to manage. Companies like Morneau Shepell manage them.

Did the Minister of Finance place all of his assets and shares in a blind trust, as he indicated in the beginning when he was elected?

Surprise, surprise, Madam Speaker, the answer is no. I can feel the disappointment.

The Minister of Finance is a very smart, but sometimes wily, man, and he used a loophole to avoid putting his shares and assets in a blind trust. He put them in a numbered company. He thought that no one would realize, and meanwhile, his own company, and therefore his own bank account, would profit from Bill C-27, which he introduced.

The Minister of Finance put himself in a blatant conflict of interest. As soon as Bill C-27 was introduced, it had an effect on the markets. Morneau Shepell shares went up.

An hon. member: No way.

Mr. Alexandre Boulerice: Yes, Madam Speaker. It had a direct impact. Morneau Shepell shares went up, and the Minister of Finance himself could profit from that. That is why we moved this motion today and why we are holding this debate in the House of Commons. The Minister of Finance must—

Business of Supply

• (1350)

The Assistant Deputy Speaker (Mrs. Carol Hughes): The hon. Parliamentary Secretary to the Minister of Public Services and Procurement.

Mr. Steven MacKinnon (Parliamentary Secretary to the Minister of Public Services and Procurement, Lib.): Madam Speaker, I listened carefully to my hon. colleague's speech.

What I did not hear was anything about the NDP's previous positions in favour of tax fairness. Last week the Minister of Finance travelled across Canada to talk about tax cuts for SMEs and clarify the rules in favour of SMEs, which were the subject of extensive consultations over the summer. This is a giant step forward, something that my hon. colleague advocated for, as did the candidates for the leadership of the NDP all summer long.

Some hon members: Oh, oh!

Mr. Steven MacKinnon: Is this not smoke and mirrors and obfuscation on the part of the NDP, who simply want to draw attention away from the giant step towards tax fairness that we took last week?

The Assistant Deputy Speaker (Mrs. Carol Hughes): Before I recognize the member, I have to say that I heard some yelling from across the floor. I do not know exactly who it was. I would remind the members again that if they have something to say, they can stand up during questions and comments.

The member for Rosemont—La Petite-Patrie.

Mr. Alexandre Boulerice: Madam Speaker, I find the Liberal government's definition of tax fairness fascinating.

I always thought that tax fairness meant taking more from the rich and giving it to the poor, but it turns out that the Minister of Finance and the Liberal Party are reverse Robin Hoods. They rob from the poor and give to the rich.

Mr. Joël Godin (Portneuf—Jacques-Cartier, CPC): Madam Speaker, I would like to remind members of the House that the Minister of Finance was elected two years ago, and that it took him two years to set up a blind trust. He helped pass bills that benefited his business.

I would like to ask my colleague from Rosemont—La Petite-Patrie a question: what could possibly be wrong with that? I am sure it is perfectly fine and legitimate for a Minister of Finance to do that.

Mr. Alexandre Boulerice: Madam Speaker, I thank my colleague for his comment and his question.

I know he is being ironic because everything is wrong with that. A finance minister is expected to make decisions that are good for workers and the people of this country, not his own interests and his own shares in his company. That is the whole problem; that is the issue here. Once again, the Liberals are betraying the voters' trust and breaking their election promises. The Liberals are just in it for themselves and their Bay Street buddies, not for the people of this country.

[*English*]

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

Madam Speaker, could my colleague indicate whether he has any faith in the commissioner's office? We have a commissioner's office that is truly independent, unlike the opposition, whether a New Democrat or a Conservative. I have highlighted the tax break and so many other fine things that have been accomplished. The opposition members constantly, every moment they get, criticize the Minister of Finance.

Why should Canadians believe the opposition when the Ethics Commissioner has said that nothing wrong has been done, that the Minister of Finance has followed that. Each and every one of us has responsibility for that. Even the member across the way has to be held to account in good part by the Ethics Commissioner.

Some hon. members: Oh, oh!

The Assistant Deputy Speaker (Mrs. Carol Hughes): Again, I will remind members that when someone has the floor, to please wait for the person to finish speaking to ask questions and give comments. Heckling is not appropriate in the House.

The hon. member for Rosemont—La Petite-Patrie.

[*Translation*]

Mr. Alexandre Boulerice: Madam Speaker, I do not know what universe the parliamentary secretary is living in, but it is not the same one that the people of Quebec and Montreal live in. They see what the Minister of Finance is doing and they understand full well that he made choices that benefit his company and increased the value of his shares.

Everyone agrees that this is unacceptable. It might be time for the parliamentary secretary to wake up and see things for what they really are, and come to terms with the fact that his government is not very ethical on a number of files. In fact, the Liberals are attacking people with diabetes by eliminating the disability tax credit. That is what the Liberal government is doing right now.

• (1355)

[*English*]

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, seeing no one from the opposition wants to engage on this, I am more than happy to so.

It is important to recognize, and I put it in the form of the question for the previous speaker, many wonderful initiatives have been taken by our government, led by the Prime Minister and the Minister of Finance.

Let me highlight a few of those initiatives.

Canadians are very much aware of the tax break for the middle class. When the Minister of Finance introduced that, the NDP and the Conservatives voted no, and they were critical of the Minister of Finance. The same applied when it came to the special tax on Canada's wealthiest. When that tax was put in place, again, the opposition parties jointly criticized the minister. Over the summer, when the Minister of Finance tried to bring in tax changes that would make our system fairer, once again the NDP and the Conservatives, working together, said no to the minister. Every opportunity they get, the opposition members' standard policy, whether New Democrat or Conservative, is to criticize the Minister of Finance.

Statements by Members

As a government, the Minister of Finance and the Prime Minister have made it clear from day one that the government's priority is Canada's middle class and those aspiring to be a part of it. Canada's middle class has been given number one priority in all the initiatives taken by the Minister of Finance. Time and again, on each and every one of those initiatives, opposition parties have joined forces to criticize the Minister of Finance.

Canadians should therefore not be surprised today that once again the New Democrats and the Conservatives are coming together, calling for who knows what. All we know is it is against the Minister of Finance.

There is an Ethics Commissioner. I would suggest Canadians take into consideration that each and every one of us, even New Democrats and Conservatives, has an obligation to follow, consult, and work with the commissioner. The Minister of Finance has done that in this case.

I would suggest that Canadians disregard the criticism coming from the opposition benches and listen to what the commissioner is saying. We believe Canadians will give attention to that and recognize the wonderful work being done for Canada's middle class.

STATEMENTS BY MEMBERS

[English]

EDUCATION

Hon. Judy A. Sgro (Humber River—Black Creek, Lib.): Mr. Speaker, I rise today to acknowledge the leadership and service of Monday Gala, former principal of C.W. Jefferys Collegiate Institute.

In 2000, Mr. Gala joined the staff at C.W. Jefferys, becoming vice-principal in 2007, and then principal in 2012. Incredibly connected to his students and school community, under his guidance, C.W. Jefferys has seen a turnaround and is the fastest improving school in the GTA.

Named one of Canada's 40 outstanding principals by The Learning Partnership, Mr. Gala believes in the future of his students and encourages them to aim high, genuinely believing that no student should be left behind, particularly when people in the communities of Jane and Finch often feel that they are.

I thank Mr. Gala for his dedication to our community and wish him the best at Westview Centennial Secondary School

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• (1400)

POST-SECONDARY EDUCATION

Mr. Colin Carrie (Oshawa, CPC): Mr. Speaker, it is my great pleasure to recognize and celebrate the outgoing president and vice-chancellor of the University of Ontario Institute of Technology in Oshawa, Dr. Tim McTiernan. Tim has had a profound impact on Oshawa. His work at UOIT has been instrumental in developing our community as a STEM-based institution and a research and innovation hub.

Tim is from Kilkenny, Ireland. He earned his bachelor of arts from Trinity College in Dublin and his masters and Ph.D. from the University of British Columbia. In his six years, Tim oversaw enrolment increase from 8,300 to over 10,000 students. He opened a new software and informatics research centre, increased the number of scholarships and bursaries available to students, and finalized the agreement of the joint UOIT/Durham College campus master plan. The impact of these projects will be felt in our community for generations.

Because of Tim, Oshawa's students will be focused with the skills they need to innovate and compete in a globalized environment. I thank Tim for all his great work.

Ádh mór ort! Good luck.

* * *

BAHÁ'U'LLÁH

Mr. Ron McKinnon (Coquitlam—Port Coquitlam, Lib.): Mr. Speaker, this weekend, Bahá'is in Coquitlam and Port Coquitlam celebrated the 200th anniversary of the birth of Bahá'u'lláh, the prophet founder of the Bahá'í faith. Unity of humanity and world peace are among the main principles of the Bahá'í faith, and these values are of the utmost importance.

As Bahá'u'lláh said: "The earth is but one country, and mankind its citizens."

[Translation]

These values are of the utmost importance to the entire world and certainly to Canada.

[English]

Founded more than a century and a half ago, the Bahá'í faith has spread around the globe. Members of the Bahá'í faith live in more than 100,000 localities and come from nearly every nation, ethnic group, culture, profession, and social or economic background.

Bahá'is believe that the crucial need facing humanity is to find a unifying vision of the nature and purpose of life and of the future of society.

Please join me in celebrating the birth of Bahá'u'lláh and his mission.

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HEALTH

Ms. Sheri Benson (Saskatoon West, NDP): Mr. Speaker, at the Wicihitowin Aboriginal Engagement Conference in Saskatoon, I had the honour of attending a presentation by Dr. Jaris Swidrovich. Jaris is a member of the Yellow Quill First Nation and the first self-identified indigenous doctor of pharmacy in Canada. However, after joining the profession, Jaris witnessed over and over again the systemic racism faced by indigenous people accessing these services.

Statements by Members

Dr. Swidrovich decided to change the way pharmacists practise and were trained in Canada. He gave up a professional salary, took a teaching position at the University of Saskatchewan, and did just that. He created the indigenous learning outcomes for entry-to-practice for pharmacy programs in Canada. In 2017, his work was included as learning outcomes by the Association of Faculties of Pharmacy of Canada for first degree pharmacy programs.

Inspired by calls to action number 18 to 24 of the TRC, Dr. Swidrovich has taken on ending racism within the pharmacy profession as his personal call to action. Please join me in celebrating this exceptional show of leadership in my community.

* * *

MANITOBA

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I would like to offer my most sincere congratulations to Dougald Lamont, the new leader of the Manitoba Liberal Party, and also to extend my congratulations to my daughter Cindy, and Jon Gerrard, for putting such a wonderful effort in the leadership contest itself.

I would like members across the way and all members to read the latest edition of the *Canadian Parliamentary Review*. It is a wonderful read, in particular page 8. I am a little biased because it includes something that my daughter wrote. It says: "Dear former Cindy from future Cindy, You can do this. Every day remind yourself that people are inherently good and in this job you have the opportunity to change lives for the better. Don't be discouraged by negativity, bad articles and feeling pushed outside of your comfort zone. Stay determined, remain honest, and always fight for your constituents." It continues "Politics has many highs and lows, but as long as you surround yourself with good people, you take care of yourself and you don't take anything for granted, you will be okay."

I congratulate all of those who were involved.

* * *

● (1405)

2019 CANADA WINTER GAMES

Mr. Blaine Calkins (Red Deer—Lacombe, CPC): Mr. Speaker, in February 2019, the city of Red Deer in central Alberta will host the 2019 Canada Winter Games. This will be the largest multi-sport event held in Alberta since the 1988 Winter Olympics and will have an economic impact of over \$132 million.

The 2019 games will provide a stage for Canada's future national, international, and Olympic athletes to compete. These games will leave a lasting legacy of new sports facilities such as the Gary W. Harris Canada Games Centre at Red Deer College, and improved spaces at Great Chief Park and Canyon Ski Resort.

It is clear that events such as this are only successful with the support of the entire community. I would like to thank partners like Nova Chemicals, the City of Red Deer, Red Deer County, and the hard-working games committee under the direction of Lyn Radford, and a army of volunteers.

I would also like to take this opportunity to congratulate 12-year-old Mackenzie Van Damme for her outstanding design of the games' mascot, Waskasoo. Mackenzie's design was selected from more than

300 entries and truly captures the warmth and spirit of the people of Red Deer. I congratulate Mackenzie. We can truly say that Red Deer is ready.

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[*Translation*]**LIETTE MASSÉ**

Mr. Yves Robillard (Marc-Aurèle-Fortin, Lib.): Mr. Speaker, this being Women's History Month, I rise in the House to acknowledge an inspiring woman from Marc-Aurèle-Fortin, Liette Massé, president of the Sainte-Rose Meals on Wheels program.

For more than 20 years, Ms. Massé has made a mark on this Laval community. She is also involved in the local soup kitchen and the Saint Vincent de Paul society.

She leads by example through her dedication to these organizations and proves daily that the little things can make a big difference. What Ms. Massé and her colleagues do for the less fortunate, especially people with diminishing independence, is truly remarkable. The humanity and compassion she shows them is priceless.

On behalf of my constituents in Marc-Aurèle-Fortin, I thank Ms. Massé and everyone like her.

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[*English*]**MANITOBA**

Mr. Doug Eyolfson (Charleswood—St. James—Assiniboia—Headingley, Lib.): Mr. Speaker, I am proud to rise today to share that Manitobans gathered this past weekend to select a new leader of the Manitoba Liberal Party, Dougald Lamont. Dougald is a leader committed to changing politics in Manitoba. He knows that everyone matters and that for democracy to thrive, we need to have an economy that is focused on the many and not the few.

In a competition with excellent candidates, Dougald's campaign focused on empowering Manitobans with grassroots job creation; local control of health care; and reconciliation by addressing the first five recommendations of the Truth and Reconciliation Commission, which are all concerned with the number of indigenous children in care. Dougald's extensive experience and expertise in government and business give him a unique perspective and insight into making Manitoba a better place.

I offer my heartiest congratulations to Dougald. I thank him and his fellow contestants Cindy Lamoureux and Jon Gerrard for their tireless service to Manitobans.

*Statements by Members***FOREIGN AFFAIRS**

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Mr. Speaker, the appointment of Robert Mugabe as a WHO goodwill ambassador was the extreme height of stupidity. “Goodwill” and Robert Mugabe do not belong in the same sentence. His government brutalizes its own people and has done severe damage to the country's economic and social infrastructure.

Mercifully, this appointment has now been rescinded, but questions remain about how anyone could have thought this was a good idea in the first place. This event provides an opportunity to highlight human rights abuses in Zimbabwe and we must also take this occasion to demand greater accountability from international institutions, accountability to suffering around the world and to the lofty principles of the Universal Declaration of Human Rights.

Current members of the UN Human Rights Council include Pakistan, Qatar, Cuba, Saudi Arabia, Venezuela, and China. The UN-Women Executive Board includes many of the same countries, with the notable addition of Iran.

Canada must demand accountability and reform from international organizations and an end to the absurd spectacle of obviously unfit leadership in key areas. As long as autocrats and abusers run UN human rights bodies, and as long as Robert Mugabe continues to terrorize his own people, the work is far from done.

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[*Translation*]

SKIING IN LAURENTIDES—LABELLE

Mr. David de Burgh Graham (Laurentides—Labelle, Lib.): Mr. Speaker, ski season is just a few weeks away, and the people of Laurentides—Labelle cannot wait for it to start.

The Laurentian mountains are the birthplace of skiing in Canada. Thanks to pioneers like “Jackrabbit” Johannsen, Émile Cochand, Lucile Wheeler, and even my own grandmother, Pat Paré, skiing has become an industry.

Alpine skiing, snowboarding, telemark skiing, and cross-country skiing are made possible through the efforts of thousands of men and women across my riding, and I want to pay tribute to them today.

I applaud all of the ski instructors and trainers, customer service workers, administrative staff, cooks, ski patrollers, trail groomers, maintenance workers, mechanics and technicians, lift operators, parking attendants, rental technicians, and food service and accommodation workers who work hard every winter to make our region the ultimate skiing destination.

I want to thank them and wish them a great ski season.

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● (1410)

[*English*]

MISSISSAUGA

Ms. Iqra Khalid (Mississauga—Erin Mills, Lib.): Mr. Speaker, over the month of October, my city of Mississauga was engulfed in a generosity frenzy. Under the leadership of the mayor, Bonnie Crombie, Mississauga participated in the One Bag Challenge, raising

food and money donations for the Mississauga Food Bank and Eden Food for Change.

Thanks to the tireless efforts of Mayor Crombie and incredible partnerships with local community groups, businesses, and individuals, the One Bag Challenge exceeded its goals, raising 265,611 pounds of food and \$225,409, enough to distribute food to over 880,000 families.

I want to thank Mayor Crombie for efforts, energy, and passion in building stronger communities. I also want to thank the thousands of Mississauga residents for their generosity. Together, we can.

* * *

SUICIDE PREVENTION

Mr. Todd Doherty (Cariboo—Prince George, CPC): Mr. Speaker, this morning I received word of yet another first responder who took their own life. This is the sixth first-responder suicide in a month. Every day I receive messages from people across Canada who desperately want Bill C-211 passed.

In 129 days, eight paramedics, six firefighters, eight police officers, three correctional officers, and four military officers, a total of 29 first responders' lives were lost unnecessarily. These serving men and women have lost their lives in the time since Bill C-211 was passed by the House this past June. They were someone's father, mother, sister, brother, son, and daughter. They all wanted to make their community and country a better place. They served your family, Mr. Speaker, and mine.

It has been 129 days since we stood together and sent the message that we were fighting for those who fight for us. To our colleagues in the Senate and those in the House who have influence, I urge them to put aside partisan politics and let us get to work passing C-211. Lives are depending on it.

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DIABETES

Ms. Pam Goldsmith-Jones (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.): Mr. Speaker, as chair of the all-party juvenile diabetes caucus, I have the privilege of working closely with JDRCF, Diabetes Canada, and their volunteers and constituents. This government recognizes the impact that diabetes has on the lives and health of Canadians.

Oral Questions

In 2016, our all-party caucus worked with JDRF and the Canadian Institutes of Health Research to jointly fund the historic \$30-million partnership to defeat diabetes. Recently, a serious problem has arisen with the disability tax credit. It is critical to understand that for this government, there has been absolutely no change to the decision-making process. Rather, nurses who were cut by the Conservative government have created problems for all disability tax credit claims. Our Minister of National Revenue will address this problem with the full support of the all-party juvenile diabetes caucus.

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PENSIONS

Mr. Scott Duvall (Hamilton Mountain, NDP): Mr. Speaker, for two years, I have called on the Liberal government to keep its election promise to improve the retirement security of Canadians. Unfortunately, the government has failed to respond. Now the government wants to wage a war on secure defined benefit plans, which many Canadian workers depend on for their retirement.

Bill C-27 would make it easier for companies to convert their defined benefit plans to targeted benefit plans. Employers would benefit by facing much less risk. Employees would be given all the risk. Gone are the days when people could look forward to retiring with a pension that allowed them to live with the dignity they deserve. The finance minister's company will make millions off of Bill C-27. In fact, the value of his stock went up almost \$2 million in the five days after he introduced the new legislation. That is more than most Canadians make in a lifetime.

Is this a conflict of interest? Canadians certainly think so. Do the right thing for Canadian workers and withdraw Bill C-27 immediately.

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PATRICE VINCENT AND NATHAN CIRILLO

Mr. James Bezan (Selkirk—Interlake—Eastman, CPC): Mr. Speaker, three years ago yesterday, Corporal Nathan Cirillo of the Argyll and Sutherland Highlanders was gunned down while guarding the Tomb of the Unknown Soldier. He was a proud soldier who loved his country, his family, and his dogs. Just 48 hours prior to that, Warrant Officer Patrice Vincent was killed when a terrorist turned his vehicle into a weapon in Saint-Jean-sur-Richelieu. Warrant Officer Vincent was looking forward to a quiet retirement after 28 years in the armed forces. These members of the Canadian Armed Forces were specifically targeted because of their service to their country.

As we honour the memories of these two brave soldiers, we are reminded that Canada is not immune from the threat of jihadi terrorism. Many parliamentarians, me included, remember the terror that filled these halls only three years ago. We are forever grateful for the quick and courageous response by the parliamentary security officers, the RCMP, and Ottawa police.

Less than 24 hours after the attack, Parliament returned to work. Our determination was only strengthened that day. Terrorism will not stop the work we do, it will not shake our democratic institutions, nor will it intimidate us as Canadians.

● (1415)

NATHAN CIRILLO

Mr. Sean Casey (Charlottetown, Lib.): Mr. Speaker, three years ago yesterday, a shooter attacked the National War Memorial and Parliament Hill. Corporal Nathan Cirillo was killed, and others were injured.

On this sad anniversary, all Canadians join Corporal Cirillo's friends and family, along with his fellow members of the Argyll and Sutherland Highlanders Regiment of Hamilton, to remember him with pain and with pride.

[*Translation*]

We also remember the courage of all of the first responders who responded to this call. Again, we thank them.

This act of terror was directed at the seat of our democracy and the monument that commemorates the brave men and women who gave their lives to protect it. Despite our grief, we are more committed than ever to the democratic values that these institutions represent: freedom, solidarity, and the conviction that our strength lies in our diversity.

* * *

[*English*]**PATRICE VINCENT AND NATHAN CIRILLO**

The Speaker: I now invite the House to rise and observe a moment of silence for the anniversary of the deaths of Warrant Officer Patrice Vincent and Corporal Nathan Cirillo in October 2014.

[*A moment of silence observed*]**ORAL QUESTIONS**[*English*]**ETHICS**

Hon. Pierre Poilievre (Carleton, CPC): Mr. Speaker, type 1 diabetes requires half a dozen blood tests a day and regular insulin treatment, without which patients can suffer heart failure, comas, amputation, or even death.

Diabetes sufferers have been eligible for the disability tax credit for over a decade, but now the government is stripping it away and raising taxes by over \$1,000 on these vulnerable Canadians.

Why did the finance minister use a loophole to make \$65,000 a month from a company he regulates while targeting vulnerable disabled Canadians with a tax increase?

Oral Questions

Hon. Diane Lebouthillier (Minister of National Revenue, Lib.): Mr. Speaker, our government is committed to ensuring that all Canadians have access to the credits and benefits to which they are entitled. I understand the concern of the diabetes groups. The father of my children passed away from diabetic complications.

The CRA is hiring nurses to assess DTC applications in the first step of the process. I have asked the agency to improve its data collection for the DTC in order to better understand the portrait of claims and the decision-making process of the agency.

• (1420)

Hon. Pierre Poilievre (Carleton, CPC): Mr. Speaker, the Minister of Finance introduced a bill allowing his family business to make millions of dollars setting up targeted benefit pension plans. As a \$20-million shareholder in that company, the finance minister stood to profit from his own bill. He used public powers for his private profit.

Did the finance minister have the permission of the Ethics Commissioner to introduce a law that would profit his own company?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, I know the members opposite are going to continue to focus on my personal finances. I am going to continue to focus on the finances of Canadians and of Canadian families.

The work that we have been doing is making an enormous difference for Canadian families. We have seen, over the last quarter, 4.5% growth, hugely important for families. More importantly, what we have seen over the last year is 400,000 new jobs.

Canadians care about an economy that works for them and their families. We are going to stay focused on that.

Hon. Pierre Poilievre (Carleton, CPC): Mr. Speaker, the reality is that the minister keeps blaming the Ethics Commissioner for his own actions but, wait, the minister committed to that same commissioner, in writing, to abstain from matters related to Morneau Shepell.

Again, did the finance minister get written permission to introduce Bill C-27, a bill that profited him and his family business?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, again, while others might want to focus on something different, I want to focus on Canadians.

Since the question is directly related to pensions and Canadians' success in retirement, what I would like to talk about is how well we have done helping Canadians to retire. We enhanced the Canada pension plan, importantly for future generations. For current generations, we augmented the guaranteed income supplement, helping 900,000 seniors. In the future, Canadians can take the old age security at age 65, so they can actually have a dignified retirement.

We are going to continue to focus on how we can help Canadians retire. That is important to all of us.

[*Translation*]

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Mr. Speaker, the government has completely lost control of public finances, to say the least.

Now we really have seen it all. To make up for its mismanagement and after attacking our SMEs, now the Liberal government is attacking people who are sick and who have diabetes. This is unheard of, unprecedented, and completely unacceptable.

The government decided to eliminate a tax credit for these people, who are suffering enormously. Meanwhile the Minister of Finance is benefiting from certain things he forgot to disclose in paying his taxes and, more importantly, in managing the public purse properly.

Why does the minister support this double standard? Why is he going after people who have diabetes?

Hon. Diane Lebouthillier (Minister of National Revenue, Lib.): Mr. Speaker, our government is committed to ensuring that all Canadians have access to the credits and benefits to which they are entitled.

I fully understand the concerns of people with diabetes and their families. My husband died of diabetes-related complications a few years ago.

We met with diabetes advocacy groups last year, we are meeting with some again this week, and we will continue our work.

In addition, the Canada Revenue Agency is currently hiring nurses to assess disability tax credit applications in the first step of the process. I have asked the agency to improve its data collection process for the disability tax credit.

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Mr. Speaker, that is precisely the problem. They take action only when they realize they have been cornered and people are criticizing them. That is what is happening with the Minister of Finance.

Morneau Shepell is applying the government's laws and the Minister of Finance is the one writing those laws. It is a direct conflict of interest and we saw that with Bill C-27.

My question is quite simple: when did the Minister of Finance get permission from the ethics commissioner to introduce Bill C-27?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, while the opposition concerns itself with my personal finances, I am concerning myself with the financial situation of Canadians and Canadian families. That is what is important.

We currently have the highest economic growth rate in a decade. It is very important for Canadian families. Over the past year, we have created more than 400,000 new jobs. Things are going very well for Canadian families and that is what matters to me.

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, I teach my children to take responsibility for their actions. I may be able to give the Minister of Finance some advice in that regard.

Oral Questions

Last week, he tried to avoid answering our questions, but he was forced to change tack and finally put his assets in a blind trust. Rather than admitting that what he did was foolish, he is calling it all a distraction. I can understand him wanting to move on to other things, but this government promised Canadians higher ethical standards.

My question is simple: what has become of those higher ethical standards?

●(1425)

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, Canadian families are a top priority for us, and it is our job to make life better for them.

Fortunately, things are better because of our policies. In just two years, we have achieved the highest levels of growth in the G7. Families are doing better because they have more money in their pockets now. That is better for them and better for our economy, and that will continue to be our priority.

[English]

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): I will say it again, Mr. Speaker. I am teaching my kids to be responsible for their actions. I certainly will not trust the finance minister to tell them to take responsibility for their actions, because he does not take responsibility for his own.

The fact is the minister led everyone to believe that he placed his interests in a blind trust. That is what the media was told. That is what Morneau Shepell was told. That is what his own colleagues, including the member for Spadina—Fort York, were told. Most importantly, Canadians believed it.

What is it going to take for the finance minister to finally admit that he did something wrong?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, all of us on this side of the House are living up to the highest standards of integrity asked of us by the Prime Minister. I will continue to do so.

I will also make sure that I focus on the goals that we have. We continue to work to make sure that families in Canada do well, that the middle class does well. Investing in middle-class Canadians helps them to have more money in their pockets, helps them to spend more on their families, and helps our economy to do well. That virtuous circle is what we are focused on. We know that in the long term that is much better for our economy and for our country.

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): A good Liberal can never admit he is wrong, Mr. Speaker.

I am sure that the finance minister desperately wants to change the channel and he will try again tomorrow with the economic update. He has broken any trust that Canadians could have had in him. It is crystal clear. He tabled legislation that could benefit his company and himself directly. He did not put his assets in a blind trust.

Was he so blind that he could not see the conflict of interest of his own conduct?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, I appreciate the member opposite talking about the financial statement

that we are going to give to Canadians tomorrow. It is important for us to report on the kind of progress that we have made.

A couple of years ago, we told Canadians that we would invest in middle-class families. We told them that we would lower their taxes. We told them that we would increase their Canada child benefits. What we have seen is that in fact Canadian families are better off and our economy is better off, with the best growth in a decade, the most new jobs in a decade. This is really important and that is what we will be focused on. I am looking forward to talking more about that tomorrow.

[Translation]

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Mr. Speaker, the Minister of Finance could use a remote control, because he is really trying to change the channel. He is cleaning his rose-coloured glasses with tomorrow's economic update, but he still has to explain himself.

He has millions of shares in Morneau Shepell, and two years ago he indicated that he would put them in a blind trust, which he did not do. He introduced a bill that could benefit his company, and therefore himself.

The question is very simple: how much money has he made from Morneau Shepell since he became Minister of Finance?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, I know that the opposition wants to talk about my finances. I want to talk about Canadians' finances. These finances are very important, and this was our goal from the beginning. We will continue with our policy and with our plan to improve the lives of Canadian families. We will have more to say tomorrow, but what I can say now is that our economy is in a very good position, and things are looking very good for Canadian families.

[English]

Mrs. Shannon Stubbs (Lakeland, CPC): Mr. Speaker, there is nothing virtuous about a circle where the finance minister uses his power to make decisions to benefit himself and his company. In 2013, when the current finance minister was the executive chair of Morneau Shepell, he said, "We need legislation enabling Target Benefit Plans." Then, once he became the finance minister, he introduced that very legislation. The finance minister has been receiving roughly \$65,000 a month from Morneau Shepell the entire time. That is an obvious conflict. Did the finance minister recuse himself from all discussions about Bill C-27?

●(1430)

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, while the opposition obsesses about my personal finances, I am going to continue to focus on what is going on for Canadians. That is what we really care about. What we are talking about is how the economy actually works. We know that by investing in Canadian families, by giving Canadian families more money, whether for healthier food or books for their kids, they can put money into the economy. What that does is improve our economy, helping those families not only today but tomorrow. Therefore, we will continue with our program, a program that is working.

Oral Questions

Mrs. Shannon Stubbs (Lakeland, CPC): Mr. Speaker, last October, the current finance minister himself introduced Bill C-27, which will set up the same target benefit plans that he had called for as executive chair of Morneau Shepell. The finance minister has finally put his assets in a blind trust, but that does not fix the problem. Canadians are concerned about how he has admitted that he has no moral compass of his own. For the last two years, he introduced and crafted legislation that directly benefits himself and his billion-dollar family company. Why did the finance minister not recuse himself from all discussions about Bill C-27?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, I know the members opposite will look for specific examples about me, but maybe I can provide some examples for Canadians: the example of old age security, making sure that people can get their old age security at age 65; the example of the guaranteed income supplement, which we are increasing so Canadian seniors can be in a better situation; or, enhancing the Canada pension plan so that Canadians in the future will have a better retirement. These are the sorts of retirement actions we are taking to make sure that Canadians can do well today and tomorrow, and that they will have a dignified retirement. That is our goal, and we are going to stick with it.

[Translation]

Hon. Maxime Bernier (Beauce, CPC): Mr. Speaker, in 2013 the current Minister of Finance was an executive at his own company, Morneau Shepell. At that time, he talked about the need to bring in legislation in Canada specifically to change the private pension system. That is one of the first things he did after being elected. On top of that, he continues to make money from Morneau Shepell. He put himself in a direct conflict of interest.

My question to the Minister of Finance is simple: did he reach out to the Conflict of Interest and Ethics Commissioner to ensure that his behaviour met all ethical standards?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, the opposition keeps talking about my finances, but I will continue to focus on retirement security for Canadians. That is very important. As I have said, it is very important for Canadians to have an improved guaranteed income supplement so they can be in a better situation. It is also very important that people be able to retire at 65 with the old age security pension. Lastly, we improved the Canada pension plan for the future, and that is very important. We care about retirement in Canada. It is going to be—

The Speaker: Order. The hon. member for Beauce.

Hon. Maxime Bernier (Beauce, CPC): Mr. Speaker, we have questions about the minister's conflicts of interest.

He tabled a bill that will benefit him personally. He told Canadians he would put his assets in a blind trust but then failed to do so. He is up to his neck in conflicts of interest.

All we want to know, yes or no, is whether the minister recused himself from all discussions, especially those around Bill C-27.

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, I know that it is very important for members of the House to avoid conflicts of interest. That is exactly what I have done.

Going forward, our top priority will be thinking about how we can make things better for Canadian families across the country. That is our goal.

Fortunately, two years into our government's mandate, Canada is doing great. We have a very high growth rate, there are more jobs for Canadians, and Canadian families are better off. That is still our goal.

• (1435)

[English]

Mr. Mark Strahl (Chilliwack—Hope, CPC): Mr. Speaker, as a Bay Street executive, the finance minister lobbied for pension legislation that would directly benefit his company. As Minister of Finance, he introduced the very same legislation, and his Morneau Shepell shares jumped in value. The minister promised the Ethics Commissioner that he would never involve himself in any matters involving Morneau Shepell. Did the minister receive written approval from the Ethics Commissioner to allow him to break that promise and use his position in government to introduce legislation that would directly benefit him and his company?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, I have been focused on trying to improve the retirement system in Canada for a long time. I came into office looking at how we can continue to do that good work. Unfortunately, the previous government raised the retirement age for people getting old age security. Unfortunately, the people opposite did not support our goal of enhancing the Canada pension plan.

I am so proud that we have come into office and actually worked on how we can improve the retirement outcomes for Canadians by making sure we have a situation where people can retire at age 65, where those who need it have an increased guaranteed income supplement—

The Speaker: The hon. member for Chilliwack—Hope.

Mr. Mark Strahl (Chilliwack—Hope, CPC): Mr. Speaker, the Minister of Finance introduced pension legislation that directly benefited his own company. It is very telling that not a single Liberal member thought that the finance minister introducing the very legislation he had lobbied for as chairman of Morneau Shepell could present a bit of an ethics problem. Did the finance minister receive written approval from the Ethics Commissioner to allow him to introduce pension legislation that he would personally profit from, or does the finance minister, like the Prime Minister, believe that the ethics rules do not apply to Liberals like him?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, I will continue to work up to the highest standards of integrity of this House. What I know we can do to meet Canadians' expectations is to do that while doing things to improve the economy but also improve their family situation. That is what we continue to focus on.

The good news for Canadians is that the people they voted for put in place programs that have made a real difference for them and their families. They have more money, which means they can spend more, which has helped our economy to grow. The good news is that tomorrow we will be able to show Canadians how well that has gone, and our program for the future.

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PENSIONS

Mr. Scott Duvall (Hamilton Mountain, NDP): Mr. Speaker, it is simple. The finance minister still owns a million shares in Morneau Shepell, a company that would directly profit by the passing of his bill, Bill C-27. This is a major conflict of interest.

Also, the government could have prevented the devastating effects of the Sears bankruptcy by simply changing Canada's bankruptcy insolvency laws. However, in true fashion, the Liberals continue to protect their rich corporate friends instead of protecting the pensions and benefits of middle-class Canadians. When will the finance minister stop this attack on workers' pensions, abandon Bill C-27, and protect workers?

Hon. Navdeep Bains (Minister of Innovation, Science and Economic Development, Lib.): Mr. Speaker, we have risen on this situation several times in the House and expressed our deep concern for the Sears workers, their families, and the many communities that have been impacted. That is why, as a government, we are working with Sears representatives to see them through this difficult time and provide assistance. Service Canada, for example, has been meeting with representatives of Sears Canada, and has held over 80 sessions. It continues to engage with the company.

With respect to the CCAA process, that matter is before the courts. We are monitoring the situation, and we will continue to work with the workers and their families.

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, in Timmins, North Bay, Sudbury, and Thunder Bay, the pension savings of Sears workers are on the line as the hedge fund creditors move in. This kind of pension theft is not only legal in Canada, but they get paid bonuses for doing it.

Our finance minister said that he has set up a virtuous circle. It works like this. He is making a fortune off Morneau Shepell's shares and they are in charge of the Sears pension fund. Therefore, his being caught and having to sell those shares is not virtuous enough. Will he work with us to change the law to protect pensions in corporate bankruptcy, or will he continue to do the bidding of his friends at Morneau Shepell?

Hon. Navdeep Bains (Minister of Innovation, Science and Economic Development, Lib.): Mr. Speaker, our government has been very clear when it comes to securing pensions. This is a priority for us. We want to work with the workers and the companies. We want to make sure that we have a process in place that gets the best possible outcome.

With respect to Sears, I understand that the current Sears Canada pension funds are held in trust and must be used solely for the benefit for pensioners. We are monitoring the situation that is before the courts under the CCAA process, and we will continue to work

with the workers, their families, and the many communities that are being impacted.

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● (1440)

ETHICS

Mr. John Brassard (Barrie—Innisfil, CPC): Mr. Speaker, the finance minister talks about a virtuous circle, and maybe he should focus on a virtuous line. This is a virtuous line that has seen his share in Morneau Shepell's stock rise by 31% since he became the finance minister. For the past two years, he has also been in charge of treaty negotiations with Barbados where Morneau Shepell has a subsidiary. It is simple: the sweeter the Barbados deal is, the better it is for him.

Did the finance minister follow the law and recuse himself from all discussions regarding the tax treaty with Barbados?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, maybe I can draw a distinction between different economic approaches. The members opposite had an idea for a decade that we could have trickle-down economics and maybe just wait for the benefits. We have a different idea. We have an idea that we are actually going to help people. What we are going to do is give more money to middle-class Canadians that will allow them to spend more money on their families and improve our economy in the short and the long term.

We are going to continue with our program that is working. We know that is what Canadians expect of us.

[Translation]

Mrs. Sylvie Boucher (Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix, CPC): Mr. Speaker, it only makes sense for the Minister of Finance to put his holdings in a blind trust.

However, things become unacceptable when the minister puts himself in a conflict of interest, as he did in the file involving the tax agreement with Barbados.

Can he answer the question that is on everyone's lips?

Did the minister recuse himself from the discussions on Barbados or any other file that would open the door to potential conflicts of interest?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, I know that it is very important to have a tax system that works well. We have been clear on that. We will continue to improve our tax system to ensure that it is fair and works the way it is supposed to.

That is what we discussed last week with Canadians across the country. We lowered taxes for small businesses across the country, which is a very good move for investments in our economy.

*Oral Questions**[English]*

Hon. Candice Bergen (Portage—Lisgar, CPC): Mr. Speaker, it certainly would be nice to have a villa in the south of France. However, it does get chilly in the south of France. To escape the harsh Canadian climate, one would need a warmer destination, such as Barbados. The Minister of Finance knows all about the benefits of Barbados, such as a nice climate, beautiful beaches and, of course, a place to avoid paying taxes.

I ask the finance minister simply: Did he recuse himself from discussions around the Canada-Barbados tax treaty?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, while the members opposite obsess about my personal situation, I am going to remain resolutely focused on what we were elected to do, which was to help Canadians. They have been subjected to a decade of a government that was not actually focused on helping them. We immediately turned the channel on that approach by helping families with the Canada child benefit and by working to improve our economy. The good news is that two years later we are all feeling more confident about our future.

Hon. Candice Bergen (Portage—Lisgar, CPC): Mr. Speaker, one would have to be stuck on an island with their head firmly stuck in the sand to not see how bad a conflict of interest this is. Morneau Shepell set up an office in Barbados to avoid taxes. The finance minister owns and controls shares in Morneau Shepell while at the same time being responsible for regulating a tax treaty with Barbados, which was benefiting him directly.

Again, we ask a simple question. Did the Minister of Finance recuse himself from any discussions around the Canada-Barbados tax treaty?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, as often as the members opposite want to focus on my personal situation, I am going to come back to them and tell them how well the economy is doing for Canadians. We know that is what we are here to do. We know that the actions we have taken, the middle-class tax cut, the Canada child benefit, have helped families.

What we are going to be able to report on tomorrow is excellent news for Canadians. They made a great choice. They chose a team that has helped families, which is helping the economy, which is going to help their families and their future generation to do better.

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● (1445)

*[Translation]***NATIONAL DEFENCE**

Ms. Christine Moore (Abitibi—Témiscamingue, NDP): Mr. Speaker, today CBC/Radio-Canada reported that the sexual assault conviction rate is much lower in the military justice system than in civilian courts.

In addition, victims do not enjoy the same legal rights and protections. More often than not, the alleged offenders get a slap on the wrist and carry on working in the same place as their victims. The consequences are administrative, not criminal. It is not like in a civilian court.

Can the Liberals understand the impact on victims in the armed forces and provide them with better support?

[English]

Hon. Harjit S. Sajjan (Minister of National Defence, Lib.): Mr. Speaker, inappropriate sexual behaviour of any kind is completely unacceptable and will not be tolerated in the Canadian Armed Forces. Our investigators now have better training. We will provide more support to victims. Furthermore, career action is being taken against perpetrators and extensive training has been provided to prosecutors on sexual misconduct prosecutions.

We will not stop until sexual misconduct is stomped out of the Canadian Armed Forces.

Ms. Irene Mathyssen (London—Fanshawe, NDP): Mr. Speaker, today the CBC reported that the conviction rate for prosecutions for sexual assault in the military was well below the prosecution rate for the general population, and we know how low that bar is. More often than not, alleged offenders are simply found guilty of the lesser charge of disgraceful conduct. In addition, victims fear reprisal or being ostracized when they testify in military court.

Will the Prime Minister, if he is really a committed feminist and believes in equality, take concrete actions to help these survivors?

Hon. Harjit S. Sajjan (Minister of National Defence, Lib.): Mr. Speaker, as I stated, inappropriate sexual behaviour of any kind is completely unacceptable and will not be tolerated. Every person who willingly serves his or her country, despite the many dangers and sacrifices of military service, deserves a professional environment in which he or she is treated with respect and dignity.

There is still work to be done, and we remain committed to ensuring the military's culture reflects dignity for all.

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FOREIGN AFFAIRS

Mr. Michael Levitt (York Centre, Lib.): Mr. Speaker, Canadians have been horrified by reports of the abhorrent treatment of Rohingya Muslims in Myanmar. Hundreds of thousands have been forced to flee their homes into neighbouring Bangladesh. Their villages have been burned to the ground and there are terrifying reports of brutal killings of civilians. These are crimes against humanity.

Our government has repeatedly spoken out against the ethnic cleansing being perpetrated against the Rohingya by the security forces in Myanmar. Would the Minister of Foreign Affairs tell us what further steps the government is taking to address this terrible violence?

Hon. Chrystia Freeland (Minister of Foreign Affairs, Lib.): Mr. Speaker, I would like to thank the member for York Centre for his very hard work on this issue. I know we all agree that the ethnic cleansing and the crimes against humanity being perpetrated against the Rohingya must stop.

Today the Prime Minister announced the appointment of the Hon. Bob Rae as his special envoy to Myanmar. I think we can also all agree that this great Canadian is going to help ensure that our country continues to lead globally on this pressing issue. The time to act and seek accountability for the Rohingya is now.

Oral Questions

[Translation]

ETHICS

Mr. Jacques Gourde (Lévis—Lotbinière, CPC): Mr. Speaker, the Minister of Finance's shares in Morneau Shepell put him in conflict of interest with the position he holds. We also know that he has shares in a number of other holding companies.

When will the Minister of Finance meet with the Conflict of Interest and Ethics Commissioner as promised, and will he finally disclose all of his other investments to the House so Canadians will know if he is still in conflict of interest?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, while the opposition focuses on my finances, I am going to focus on the finances of Canadians. That is very important. We will continue with our program to help Canadian families do better, and I can assure everyone that our program is working. We now have the highest level of growth in a decade, and we created nearly 400,000 new jobs in this country last year. Things are going very well. Tomorrow we will have more to say about our positive economic situation.

[English]

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Mr. Speaker, by his own filings, the Minister of Finance has multiple corporate entities. We know he has a numbered company in Alberta that has held publicly traded shares in Morneau Shepell, and this has led to controversy here and consternation right across the great country.

The minister must recognize this ongoing controversy impairs his ability to carry out his office and undermines Canadians' fundamental trust in our system of public disclosure. As this very same situation might exist with his other corporate holdings, why not clear the air and simply disclose all of his investments in these companies? Will he do so?

•(1450)

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, I will continue to live up to the highest standards of integrity. I know that is important for Canadians to have confidence.

I know what is most important for Canadians to have confidence is for them to see they are in a good economic situation and for them to see they have the ability to invest in themselves and their families for today and tomorrow.

The programs we have put in place that have helped families, such as the Canada child benefit and a reduction in taxes for middle-class families, are working. Our economy is doing well. We have more jobs. That is the kind of confidence we need to keep focused on for the future.

Mr. Michael Cooper (St. Albert—Edmonton, CPC): Mr. Speaker, the Minister of Finance cannot be trusted. For two years, he misled Canadians into believing he had placed millions of dollars of shares in Morneau Shepell into a blind trust. He did not. Instead he made millions off a company that he regulates as Finance Minister.

In light of that record of deception, why should Canadians believe the minister when he says he is not hiding other conflicts of interest in eight numbered companies that he owns?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, as I have said, while the members opposite may obsess over my personal situation, I think what Canadians expect us to do is to continue to focus on their situation. The really good news is that our work on behalf of Canadians is having the kind of impact Canadians expected it to have, that we expected it to have.

The kind of growth we are seeing, growth that we did not see in the years before we came into office, is really making a big difference for Canadian families, with new jobs, more money for them to invest in their families, and a better future for all of us.

Mr. Michael Cooper (St. Albert—Edmonton, CPC): Mr. Speaker, the Finance Minister had \$20 million of Morneau Shepell shares until he got caught. He hid from Canadians his private offshore company in France until he got caught. Now the minister is trying to hide his investments in eight numbered companies.

If the minister really has nothing to hide, then why will he not disclose his investments?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, I will continue to live up to the highest standards that the Prime Minister expects of me and that Canadians expect of me. I know that confidence is important. I know that for Canadians, the confidence they get from being in a good economic situation is critically important.

Therefore, the good news is that we are going to be able to announce tomorrow a very positive economic update. We have a situation where we have worked for a couple of years. We know there is much more work to be done. However, that interim report card is going to be so important for Canadians to have confidence in their futures and the futures of their families.

* * *

IMMIGRATION, REFUGEES AND CITIZENSHIP

Ms. Linda Duncan (Edmonton Strathcona, NDP): Mr. Speaker, since May of this year, the European Union has been granting visa-free access for Ukrainians to the EU, yet Canada continues to reject large numbers of visa requests by Ukrainians. The reasons for the high rejection rate are unclear since the government has lauded its trade agreement with Ukraine.

Granting visa-free access would promote trade between our nations and expand opportunities for supporting democratic reform in Ukraine.

Will the government immediately take measures to implement visa-free access to Canada for Ukrainians?

Hon. Ahmed Hussen (Minister of Immigration, Refugees and Citizenship, Lib.): Mr. Speaker, our government values our relationship with Ukraine.

I want to inform the hon. member that the visa policy decisions are based on a holistic assessment of risks and benefits. Our evaluation concludes that Ukraine, just like any other country, must secure travel documents, manage its borders effectively, and cooperate well internationally on migration and security matters.

Oral Questions

We are working closely with Ukraine. I have met the Ukrainian ambassador. I continue to proactively engage them in terms of what it would require to move ahead on the visa issue.

* * *

[Translation]

PUBLIC SERVICES AND PROCUREMENT

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Mr. Speaker, issues with the Phoenix pay system continue to plague thousands of employees, and their families as well.

In Sherbrooke, a brother and sister, both students, have been suffering the consequences of Phoenix every day since the death of their father, a former federal public servant. For the past year and a half, Mr. Fortin's children and their notary have been struggling with Phoenix issues that prevent them from settling the estate and dealing with their loss. It is completely unacceptable and inhuman for this kind of thing to happen to families because of the federal government's incompetence.

How much longer will Mr. Fortin's children have to wait before they can settle their father's estate and finally find closure? I appeal to the minister's compassion.

• (1455)

Hon. Carla Qualtrough (Minister of Public Services and Procurement, Lib.): Mr. Speaker, our thoughts are with this family. Resolving this as quickly as possible is our priority. These issues have caused real hardships for many public servants and their families. They should not have to face this kind of situation. We will leave no stone unturned.

* * *

[English]

TAXATION

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Mr. Speaker, the Liberal government thinks that small business owners, retail employees, and now people living with type 1 diabetes are not paying their fair share of taxes, while the Minister of Finance uses complex corporate structures to dodge conflict of interest disclosures and, presumably, to reduce his own taxes.

Do the Liberals really think that people living with type 1 diabetes, who have been certified by a physician for the disability tax credit, are not paying their fair share?

[Translation]

Hon. Diane Lebouthillier (Minister of National Revenue, Lib.): Mr. Speaker, our government is committed to ensuring that all Canadians can access the credits and benefits to which they are entitled. I fully understand what these groups are going through in dealing with an illness like diabetes. The father of my two sons passed away from complications with diabetes several years ago.

The Canada Revenue Agency is in the process of hiring nurses to assess DTC applications in the first step of the process. I have also asked the agency to improve its data collection for the disability tax credit in order to better understand the application profile and the agency's decision-making process.

Hon. Steven Blaney (Bellechasse—Les Etchemins—Lévis, CPC): Mr. Speaker, as the Minister of Finance is mired in conflicts of interest, we know that he wanted to tax employee discounts. Now he is attacking vulnerable people with diabetes.

In fact, for months now, thousands of people with diabetes have been denied the \$1,500 tax credit they used to receive to cover part of their costs.

Seeing as vulnerable people living with diabetes are not part of the minister's elite inner circle, is he now consigning them to a life of poverty?

Hon. Diane Lebouthillier (Minister of National Revenue, Lib.): Mr. Speaker, I would remind the House that our government is committed to ensuring that all Canadians have access to the credits and benefits to which they are entitled.

I would remind my colleagues opposite that it was their government that cut services at the Canada Revenue Agency. The CRA is currently hiring nurses to assess disability tax credit applications in the first step of the process.

[English]

Mr. Dean Allison (Niagara West, CPC): It is your government that is cutting services to vulnerable people with disabilities.

Mr. Speaker, the Liberals are denying access to the—

Some hon. members: Oh, oh!

The Speaker: The hon. member is an experienced member and knows he must direct his comments to the Chair. I would ask him to do so.

Mr. Dean Allison: Mr. Speaker, through you to the minister, the Liberals are denying access to the disability tax credit to those with diabetes under the age of 18.

First they attacked farmers and small business owners and then employees with discounts. Now the Liberals are targeting those with diabetes. When Jim Flaherty was finance minister, these children would never have been cut off from disability credits.

The Conservatives care about young Canadians. Why do the Liberals see diabetic children and their families as tax targets?

[Translation]

Hon. Diane Lebouthillier (Minister of National Revenue, Lib.): Mr. Speaker, I would remind my colleagues opposite that the law has not changed in any way. How the law is interpreted has also not changed in any way.

I would remind the House that it was the Conservatives who cut services at the Canada Revenue Agency and that we are currently hiring nurses to assess these tax credit applications in the first step of the process.

Some hon. members: Oh, oh!

The Speaker: Order. The hon. member for Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix should calm herself.

The hon. member for Saint-Léonard—Saint-Michel.

*Oral Questions***HUMAN RIGHTS**

Mr. Nicola Di Iorio (Saint-Léonard—Saint-Michel, Lib.): Mr. Speaker, news out of Myanmar and Bangladesh about the Rohingya is nothing short of alarming. There are horrifying media reports of women and girls being raped and murdered, and thousands of children who have witnessed the unspeakable are on their own, trying to survive amid the chaos and with the ever-present threat of disease hanging over them.

Can the Minister of International Development and La Francophonie tell the House what the government has been doing lately to provide humanitarian assistance to the Rohingya?

Hon. Marie-Claude Bibeau (Minister of International Development and La Francophonie, Lib.): Mr. Speaker, I thank my colleague from Saint-Léonard—Saint-Michel for his question.

We are all very concerned about the humanitarian situation in Myanmar. There are now 900,000 refugees in Bangladesh. That is why, this morning, I announced additional aid in the amount of \$12 million for a total of \$25 million in humanitarian aid to the region this year. The funds will be allocated to our trusted partners to save lives, meet basic needs and women's needs, and protect children.

* * *

● (1500)

[English]

TAXATION

Mrs. Karen Vecchio (Elgin—Middlesex—London, CPC): Mr. Speaker, kids' hockey and soccer, piano and singing lessons, college and university tuition, textbooks, bus passes, and Uber—what do these things have in common? The Liberals have raised taxes on all of them.

Will the finance minister advise Canadian families how much money he has taken from hard-working families by increasing all these taxes?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, I would like to thank the member opposite for providing me an opportunity to talk about what we have done for Canadians. We have lowered taxes on middle-class Canadians: \$540 per family, and \$330 per individual. More importantly, by introducing the Canada child benefit, taking away cheques from those who did not need it and giving more to families who actually need it, we have given, on average, including all those issues we just heard brought up, \$2,300 more per family after tax. It is a very good situation for Canadian families, which has led to a better economic outcome for our country.

* * *

[Translation]

THE ENVIRONMENT

Ms. Anne Minh-Thu Quach (Salaberry—Suroît, NDP): Mr. Speaker, say that I own a business that tows a shipwreck to Shediac without the proper authorization or expertise. Then, bowing to public pressure, I sell the wreck to a sketchy company and keep making money. For six years, the government did little to nothing about it and the wreck is on the verge of falling apart.

Would the Minister of Fisheries, Oceans and the Canadian Coast Guard give me \$19 million to secure and dismantle the wreck that I myself towed into his backyard?

If the answer is no, then why is he pulling the same dirty trick on the people of Beauharnois and awarding the contract for the *Kathryn Spirit* to the company that brought her there?

Is that what it means to respect the polluter pays principle?

Hon. Marc Garneau (Minister of Transport, Lib.): Mr. Speaker, I will take this opportunity to say that our government is determined to protect the health and safety of Canadians and our waters.

We are doing what it takes to ensure that the permanent removal of the *Kathryn Spirit* is done safely and effectively, something that the previous government did not do.

Between July 2016 and July 2017, Public Services and Procurement Canada conducted the environmental studies and assessments required for dismantling the ship. We are keeping our promise.

* * *

AGRICULTURE AND AGRI-FOOD

Mr. René Arseneault (Madawaska—Restigouche, Lib.): Mr. Speaker, as we all know, Canadian farmers are essential to the vitality of our rural regions and make a significant contribution to our national economy.

[English]

Our government has placed a focus on agriculture, investing \$100 million in agricultural science, improving the transportation system for grain farmers, and setting a target of \$75 billion in exports by 2025.

Can the minister of agriculture please also update this House on Canada's agricultural policy framework for the next five years?

Hon. Lawrence MacAulay (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I was proud to stand with my provincial and territorial colleagues to sign the Canadian Agricultural Partnership. This \$3-billion investment will strengthen the Canadian agricultural sector, ensuring continued innovation, growth, and prosperity. Together with our government's investment in trade, science, and innovation, the Canadian Agricultural Partnership will help farmers and processors create middle-class jobs right across this country.

* * *

ETHICS

Hon. Peter Kent (Thornhill, CPC): Mr. Speaker, as we continue in a few moments with debate on the opposition day motion calling on the finance minister to apologize for failing to live up to the Prime Minister's mandate letter's ethical standards and for breaking trust with Canadians, there are a couple of still unanswered questions, again.

Routine Proceedings

When did the finance minister advise the Prime Minister that he was neither establishing a blind trust nor divesting his stock holdings? Again, has the finance minister been served notice by the Ethics Commissioner of his violation of the Conflict of Interest Act?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, I am pleased to say that I want to live up to the high standards the Prime Minister has set for all of our cabinet on ethical behaviour, and that is what I will continue to do. I know that is what allows us to do the work that is so important for Canadians. That work is making sure that families feel better. They know that after 10 dark years, it is important to have people who are actually investing in their families so that they can actually do better so they can help their families succeed now and in the future. That is exactly what we have done.

* * *

● (1505)

[Translation]

INTERGOVERNMENTAL RELATIONS

Mr. Rhéal Fortin (Rivière-du-Nord, BQ): Mr. Speaker, on September 21, this House unanimously adopted a motion reiterating Quebec's right to debate and legislate on any matter within its jurisdiction.

It has taken less than a month for the Liberals to renege on that motion. It was inevitable: as soon as Quebec turns its attention to religious neutrality, Ottawa goes berserk.

Will the Prime Minister confirm that he recognizes that religious neutrality within the Quebec government falls under Quebec jurisdiction, and not federal jurisdiction?

Hon. Mélanie Joly (Minister of Canadian Heritage, Lib.): Mr. Speaker, we know that diversity is our strength, which is why Canadians expect us to stand up for the Canadian Charter of Rights and Freedoms. We will always do so. As the Prime Minister has said repeatedly, it is not up to the government to tell people what they can and cannot wear. Of course we will follow the discussions currently under way on this topic and we will be looking carefully at how the law is enforced.

Mr. Rhéal Fortin (Rivière-du-Nord, BQ): Mr. Speaker, we have a National Assembly in Quebec City whose members pass laws on issues under Quebec jurisdiction, and the people pay them for their service. Meanwhile, some here in Ottawa want to challenge those laws, even though they, too, get their paychecks from Quebec taxpayers. This is yet another example showing that federalism does not work.

Will the Prime Minister promise not to use Quebec money to challenge the Quebec government's own Bill 62?

Hon. Mélanie Joly (Minister of Canadian Heritage, Lib.): Mr. Speaker, as I just said, we know that in this country, diversity is our strength. That is why we honour the Canadian Charter of Rights and Freedoms and will always defend it. As the Prime Minister has said many times, it is not the government's business to tell people what they should or should not wear. That is why we are going to monitor the discussions over the coming weeks and carefully consider how guidelines on the application of this act are presented.

[English]

THE ENVIRONMENT

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, since my election in 2011, nothing was more painful than watching the destruction of our environmental laws in 2012. I took heart in the Liberal promises to reverse those changes and restore environmental protection, particularly in the mandate letter to the Minister of Transport, which reads that he would “review the previous government's changes to the...Navigable Waters Protection Act” and “restore lost protections”, but it now appears increasingly clear that this is not the plan. A schedule of named waterways was left intact.

Will the Minister of Transport honour his mandate letter and restore lost protections?

Hon. Marc Garneau (Minister of Transport, Lib.): Mr. Speaker, I want to reassure my colleague that I take my mandate extremely seriously with respect to the navigable waters act. I remember spending all night long with my hon. colleague—

Some hon. members: Oh, oh!

Hon. Marc Garneau: —when the previous government gutted the Navigation Protection Act. We will go beyond recovering many of the things that were lost in the last act. We are going to ensure greater transparency, and we are going to make sure—

The Speaker: I would encourage members to be careful in their wording.

The hon. member for Saanich—Gulf Islands.

Ms. Elizabeth May: Mr. Speaker, I would like to thank the hon. Minister of Transport, and I would ask for some maturity from some members in this place.

Twenty-four hours of non-stop voting was a principled stand and should not be the source of schoolyard bullying.

The Speaker: I thank the hon. member for her efforts to assist me in encouraging members to act with proper decorum.

ROUTINE PROCEEDINGS

● (1510)

[Translation]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the 41st report of the Standing Committee on Procedure and House Affairs in relation to Bill C-50, an act to amend the Canada Elections Act with regard to political financing. The committee has studied the bill and has decided to report the bill back to the House with amendments.

Routine Proceedings

[English]

GOVERNMENT OPERATIONS AND ESTIMATES

Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC): Mr. Speaker, I am pleased to present, in both official languages, the 10th report of the Standing Committee on Government Operations and Estimates in relation to Bill C-24, an act to amend the Salaries Act and to make a consequential amendment to the Financial Administration Act.

* * *

DEPARTMENT OF VETERANS AFFAIRS ACT

Mr. John Brassard (Barrie—Innisfil, CPC) moved for leave to introduce Bill C-378, An Act to amend the Department of Veterans Affairs Act (fairness principles).

He said: Mr. Speaker, I rise this afternoon to introduce an act to amend the Department of Veterans Affairs Act. This legislation would introduce fairness principles to the duties of the Minister of Veterans Affairs. These principles come from veterans across Canada, veterans I had the pleasure to serve with in my role as opposition critic for veterans affairs.

[Translation]

The principles that I hope we will adopt by passing this bill will ensure greater respect, dignity, and fairness for our Canadian Armed Forces veterans and their families. They deserve our respect, our support, and fair treatment.

[English]

These principles form the basis of the Armed Forces Covenant passed in 2011 by the U.K. Parliament. The Armed Forces Covenant is a pledge that together we acknowledge and understand that those who serve or who have served in the armed forces, and their families, should be treated with fairness and respect in the communities, the economy, and the society they serve with their lives.

With this legislation, I hope to have these principles added to the Department of Veterans Affairs Act to guide the current and future governments in the treatment of Canadian Armed Forces members, veterans, and their families. I hope that with this legislation, all veterans will receive the obligation owed to them by the Government of Canada and all Canadians.

I look forward to speaking further on the bill.

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

* * *

BANK ACT

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC) moved for leave to introduce Bill C-379, An Act to amend the Bank Act (use of word “bank”, “banker” or “banking”).

He said: Mr. Speaker, it is a pleasure to rise in this place on behalf of the constituents of Central Okanagan—Similkameen—Nicola to table a private member's bill based on consultations I have done with my own constituents and have heard right across this great country.

Credit unions and caisses populaires are key drivers of our economy, particularly in rural areas, where there is not a lot of access to other financial institutions. There have been a lot of questions raised by a compliance order placed by the Office of the Superintendent of Financial Institutions that basically are contrary to the traditional use of the words banking, banker, or whatnot. This legislation seeks to address that and to make it completely certain so that when people walk into a credit union, they can ask if it does online banking, and the institution would be able to say yes.

This private member's legislation would work on trying to build that certainty that would allow our credit unions the traditional usage of those terms, making sure that they were following clearly, according to law, the long-standing practice.

I hope I can gather all-party support. I certainly have received a lot of positive feedback from members in this place and also from the all-party parliamentary credit union caucus.

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

● (1515)

Ms. Sheri Benson: Mr. Speaker, I request the unanimous consent of the House to adopt the following motion: That the House calls upon the Speaker, as one of those responsible for the Parliamentary Protective Service, to ask the director of the PPS to immediately cancel all planned disciplinary actions against guards who have been staging a reasonable and measured protest against their difficult working conditions; and furthermore, that the House wishes to thank all our security staff for the honourable and professional way they have been doing their job under such circumstances.

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

Some hon. members: Agreed.

Some hon. members: No.

* * *

[Translation]

PETITIONS

The Speaker: I would remind all members that the time provided for presenting petitions is not to be used for debate. It is for presenting petitions only.

The hon. member for Edmonton Strathcona.

[English]

NUCLEAR WEAPONS

Ms. Linda Duncan (Edmonton Strathcona, NDP): Mr. Speaker, I am tabling a petition from the residents of Ottawa, London, Scarborough, St. Catharines, Sault Ste. Marie, and Halifax.

The petitioners call on the government, which is obliged under international law, to work for the total elimination of nuclear weapons. They therefore call on the government to sign and ratify the agreement to ban nuclear weapons.

Routine Proceedings

CLEAN WATER

Ms. Julie Dabrusin (Toronto—Danforth, Lib.): Mr. Speaker, I am presenting a petition on behalf of one of my constituents with respect of access to clean water. I know my constituents care very deeply about ensuring that all Canadians have access to clean water.

I would like to thank Stephanie Mills for her advocacy and work on this petition.

THE ENVIRONMENT

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

The first petition is to the issue of the importance of educators, particularly in pursuing environmental education toward healthy, sustainable, and flourishing communities.

KILLER WHALES

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, the second petition is to an issue that is increasingly urgent, which is the plight of the southern resident killer whale population of the Salish Sea.

The petitioners ask that the government take action to protect critical habitat, increase vessel distances away from the whales, and to create other safety measures, including reduced speeds.

[*Translation*]

FALUN GONG

Mrs. Sylvie Boucher (Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix, CPC): Mr. Speaker, I wish to present a petition from my constituents about Falun Gong.

[*English*]

ALGOMA PASSENGER RAIL SERVICE

Mrs. Carol Hughes (Algoma—Manitoulin—Kapusksing, NDP): Mr. Speaker, I have tabled many petitions on behalf of the Algoma passenger train and residents of Algoma—Manitoulin—Kapusksing. The petitioners are from Debra and Walla. Other MPs will be happy to know that there are members from their communities as well, from Richmond, Manotick, Elgin, Nepean, Kanata, Ottawa, Stittsville, Sault Ste. Marie and Goulais River.

The Algoma passenger train subsidy was removed in 2014. The residents, businesses, and other passengers have had substantial hardships since the train has not been running.

The petitioners ask the Minister of Transport to ensure the mission of Transport Canada “To serve the public interest through the promotion of a safe and secure, efficient and environmentally responsible transportation system in Canada” is fulfilled.

I want to thank the petitioners for their ongoing commitment on their efforts.

• (1520)

THE ENVIRONMENT

Ms. Irene Mathysen (London—Fanshawe, NDP): Mr. Speaker, I have a petition from residents across southwestern Ontario in support of protection for our river systems and lakes.

As the House will recall, under the Conservative government, the Navigable Waters Protection Act was stripped of its strength and regulation, making rivers, including the Thames River in my city of London, at risk.

The petitioners therefore ask the Liberal government, which promised to reinstate the environmental protections and those protections that look out for rivers and lakes, to support my bill, Bill C-355, that commits to prioritizing protection of all rivers and lakes, including the Thames, by amending the Navigation Protection Act.

CANADA POST

Ms. Sheila Malcolmson (Nanaimo—Ladysmith, NDP): Mr. Speaker, I stand today to present petitions from citizens in my riding of Ladysmith—Nanaimo and Duncan. This is a petition brought forward by the Canadian Union of Postal Workers.

Because there is increased closure of banking services in rural areas and nearly two million people in Canada who are exploited by payday lenders, the petitioners urge Canada Post to add postal banking, with a mandate for financial inclusion. It would be a way to keep branches open and viable throughout the country.

The petitioners also urge the government to release the study not yet released on the benefits of postal banking.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the following questions will be answered today: Nos. 1114, 1118 and 1138.

[*Text*]

Question No. 1114— **Mr. Tom Kmiec:**

With regard to Employment Insurance (EI) parental benefits: (a) does the 12 months (and eventually increasing to 18 months) of parental leave as defined in Budget 2017 refer to (i) 12 months of parental leave in addition to 15 weeks of maternity leave for biological mothers, (ii) 12 months of parental leave which includes 15 weeks of maternity leave for biological mothers, thus equalling approximately eight months of parental leave for non-biological mothers; (b) are adoptive parents entitled to the full 12 months of EI parental leave; and (c) if the answer to (b) is negative, (i) what is the total annual estimated cost of implementing 18 months of parental leave for birth parents, (ii) what would be the additional annual estimated cost to extend 18 months of EI parental leave to adoptive parents?

Mr. Adam Vaughan (Parliamentary Secretary to the Minister of Families, Children and Social Development (Housing and Urban Affairs), Lib.): Mr. Speaker, as announced in budget 2017, the combined 12 months of maternity and parental leave refers to the combination of 15 weeks of EI maternity benefits and the 35 weeks of EI parental benefits and corresponding leaves of 17 maternity weeks and 37 parental weeks, up to a total maximum of 52 weeks, under the Canada Labour Code for federally regulated sectors.

Business of Supply

Once budget 2017 measures are implemented, the 18 months of parental leave will include the 15 weeks of EI maternity benefits and 61 weeks of extended parental benefits, and corresponding leaves of 17 maternity weeks and 63 parental weeks, up to a total maximum of 78 weeks of combined leave under the Canada Labour Code for federally regulated sectors.

The EI parental benefits and leaves are available to birth and adoptive parents, and can be shared by both parents at the same time or consecutively. Parents may choose between either the current standard parental benefits of up to 35 weeks with 37 weeks of leave under the Canada Labour Code, or the new extended parental benefit of up to 61 weeks with 63 weeks of leave under the Canada Labour Code.

A key distinction between EI maternity and parental benefits is that parental benefits can be shared by both parents and are available to biological and adoptive parents, while the maternity benefit is only available to the biological mother, including a birth mother who places her child for adoption. Adoptive parents are not eligible for EI maternity benefits.

The cost of the budget 2017 announcement regarding EI parental benefits is \$152 million over five years, starting in 2017–18, and \$27.5 million per year thereafter for birth and adoptive parents combined. Please consult the federal budget at www.budget.gc.ca/2017/home-accueil-en.html.

The budget 2017 estimated cost to extend parental leave to 18 months includes benefits for both birth and adoptive parents.

Question No. 1118— **Mr. David Tilson:**

With regard to the office of the Minister of Immigration, Refugees and Citizenship since January 11, 2017: (a) what are the details, including costs and specific work done, of any renovations which have taken place at the Minister's office at Immigration, Refugees and Citizenship Canada Department headquarters at 365 Laurier Avenue West in Ottawa; (b) what are the details of any moving or similar expenses allowed for staff transfers following the appointment of the current Minister; (c) what are the details, including costs and dates, of any private car services used by the Minister or on his behalf by exempt staff; (d) how much was spent on contracts for (i) temporary employment, (ii) consultants, (iii) advice; (e) what are the names of the individuals and companies that correspond to each of the amounts in (d); and (f) for each person and company in (e), what were their billing periods and what type of work did they provide?

Hon. Ahmed Hussen (Minister of Immigration, Refugees and Citizenship, Lib.): Mr. Speaker, insofar as Immigration Refugees and Citizenship Canada is concerned, there have been no renovations performed within the minister's office at IRCC headquarters at 365 Laurier Avenue West in Ottawa since January 11, 2017.

Question No. 1138— **Mr. Dave Van Kesteren:**

With regard to meetings between Environment and Climate Change Canada, including the Minister of Environment and Climate Change and her office, and the Council of Canadian Innovators or its member companies, since November 5, 2015: what are the details of any such meetings, including for each meeting the (i) date, (ii) attendees, (iii) purpose of meeting, (iv) agenda items, (v) location, (vi) titles and file numbers of any related briefing notes?

Hon. Catherine McKenna (Minister of Environment and Climate Change, Lib.): Mr. Speaker, this government has demonstrated its clear commitment to openness and transparency. We believe in evidence-based policy-making and meaningful consultation with Canadians.

Meetings with key stakeholders and experts help to inform the policy development process. For a listing of lobbyist interactions, please visit the Registry of Lobbyists, which is the central source of information about individuals, not-for-profit organizations, and for-profit corporations that lobby the federal government. It can be found at <https://lobbycanada.gc.ca/app/secure/ocl/lrs/do/clntSmmrySrch?lang=eng>.

[English]

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

BUSINESS OF SUPPLY

OPPOSITION MOTION—MINISTER OF FINANCE AND CONFLICT OF INTEREST ACT

The House resumed consideration of the motion.

The Speaker: The hon. parliamentary secretary to the government House leader has 17 minutes remaining in his comments.

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I was fortunate to have the opportunity just before question period to share some thoughts on the calling into question a number of issues with respect to the Minister of Finance, whether it is the motion before us today or the official opposition motion brought forward last week. Today, I would like to provide a different insight.

I was on the opposition benches, both in Ottawa and in my home province of Manitoba, for just over 20 years. I understand the role of opposition. We want to be constructive in our criticism and in opposition we are more inclined to look at where the government could improve itself in policies and so forth. I would argue that the opposition day motion today goes far beyond that for a couple of reasons.

Each and every one of us, including you, Mr. Speaker, will recall that when we were elected to this beautiful chamber, representing literally thousands of Canadians, there was a responsibility for us to establish communication with the commissioner's office. Forms need to be filled out and declarations were made to the commissioner. We also look for advice on what we need to do to follow the law, to be in sync with our obligations and to disclose our investments. I have done it to the very best of my ability. I do not have much, but I do have some.

Business of Supply

I fulfilled my obligation to the best of my ability, as I know the Minister of Finance has done, as have members in the opposition. It is important to recognize that Mary Dawson and her office do not only handle cabinet. They are responsible for each and every member of the House of Commons. I suspect we will likely find there are ongoing investigations of some sort, or questions being posed by the commissioner's office to opposition members as well as government members.

When that contact is made and a member gets a recommendation from the commissioner, there is an expectation the member will follow the advice and recommendations of the commissioner. After all, that is the law. It is the very same law Stephen Harper had in place. When Stephen Harper was prime minister of Canada, his cabinet followed the very same process that this government's cabinet has followed. It is not only the government members. Even back then, it included opposition member as well, including me. We all had to follow the law.

From what I understand, the commissioner's office, directly or indirectly, has met with all 338 current members. There is a reason we have that. It is because at times it gets so politically charged in the House that it is somewhat hard for the opposition, and periodically even the government benches, to not be overly biased.

In my two years on the government side, time after time opposition members have united against the Minister of Finance. Virtually from day one, from Bill C-2, to budgets, to all forms of announcements, they have attacked the Government of Canada through the Minister of Finance, as well as the Liberal caucus as a whole.

• (1525)

I do not know if it was Winston Churchill who commented that Parliament and democracy were quite messy at times. Some have said it is a blood sport. Churchill went on to say something to the effect that it is still the best system in the world. I believe that to be the case, that we do have a fantastic system, the parliamentary process. However, there are certain aspects of the parliamentary process that we want to be truly independent. We have established officers of Parliament to ensure that independence.

One of those is Elections Canada itself. All Canadians are aware of Elections Canada and its fine work for all of us. That institution is known throughout the world for contributing so much to the well-being of democracy, not only here in Canada but outside of our borders. It has an independent officer of the Parliament of Canada. The commissioner is independent as well. We have an Ethics Commissioner who is independent, meaning that he or she should not be influenced by the government of the day, the Conservative Party or the New Democrats. That is the way it should be.

That is why it is really important that throughout this debate Canadians understand no violation has taken place by the Minister of Finance, despite the many assertions being made by the members opposite. The minister himself has made it very clear that to appease the concerns that are out there, he is prepared to divest himself of his personal finances in certain areas and to put other things into a blind trust. He sought the advice and recommendations of the Ethics Commissioner, and has followed that advice, as well as any recommendations provided to him. Moreover, he has seen fit to go

over and above that in order to establish the right perception, which is important, because he wants to ensure that we can move on in the best way we can to what this government has said is its first priority since day one in office.

From a media outlet I found an interesting clip with respect to the member for Skeena—Bulkley Valley, the person who introduced today's motion. From what I understand, the member across the way, the person who has now decided to attack the Minister of Finance, is reported to have said that if there's a silver lining in this controversy, it is that it might push the government to close loopholes in the Conflict of Interest Act. With that sort of a comment, even the NDP recognize there is nothing illegal taking place and that the Minister of Finance has done virtually the same thing that every member of the House is obligated to do. The member is suggesting that maybe we should be changing the Conflict of Interest Act. I would much prefer to have that sort of a discussion, rather than the character assassination that we have been witnessing by both the NDP and the Conservatives and, I would ultimately argue, the undermining of the independent office of the commissioner. That is what I have been witnessing from both opposition parties. I say that because whenever the Conservatives or the NDP have any hint of an opportunity to be critical of this Minister of Finance, they have jumped all over it every time.

If we ask ourselves what the Government of Canada's priorities are, there is a litany of things that we have done to reinforce how important Canada's middle class is and those aspiring to be a part of it.

• (1530)

The Conservatives are so out of touch with what Canadians want and the NDP seem to so want to buy into the Conservative spin and the issues of the day that they vote together. Their opposition motions are now following each other's. I would suggest they are going in the wrong direction. One of the things that Conservatives have demonstrated over the last two years is that they continue to be out of touch with what Canadians really and truly want and expect of government. Instead, as I say, every opportunity they get, they are critical of the Minister of Finance.

I would like to go through some examples, and then argue, using these examples, that we have a joint opposition that is out of tune with what is important in the everyday lives of Canadians. We can start from day one of the government. Our Prime Minister who made a commitment to Canada's middle class that we were going to put Canadians as the number one priority. I believe it was Bill C-2 that provided a tax cut for Canada's middle class. It was incorporated into the budget bill.

Business of Supply

There was a great debate on that first budget. If members followed the debate at that time, we had Conservative after New Democrat stand in their place, being nothing but critical of the Minister of Finance. The Conservative and New Democrat members criticized the government for giving a tax break to Canada's middle class, the most significant tax break in generations focused on the middle class, while at the same time increasing the taxation of Canada's wealthiest 1%. That is not an attack on the 1%, but rather it is saying that Canadians, including the constituents I represent, want a sense of fairness in taxation policy. In that very first budget, Canadians got to see a significant redistribution of wealth and responsibility in taxation. It was a fairer reflection of what it is that Canadians wanted to see. That is one of the reasons we got the mandate that we did.

Let us look at what happened immediately following that. Whether it was a Conservative member of Parliament or a New Democrat member of Parliament, they jumped all over it and criticized the government. In fact, all members need to do is read the *Hansard*. The difference between the two did not matter, because it was hard to tell the parties apart at times they were so close together. We saw both parties voting against the tax break for Canada's middle class. They voted against the tax on Canada's wealthiest 1%.

There were other initiatives in the budget that tried to deal with the economic conditions of Canadians. An example of that would be the Canada child benefit program. No surprise, because once again both parties voted against it.

The Minister of Finance brings forward something and we have the joint opposition being critical of the minister. On that particular point, I must say that it was the budget that ultimately ended millionaires' ability to receive the Canada child benefit, and gave more money to those individuals who had less. It literally lifted thousands of children out of poverty. I wonder if their criticisms were of the merits of the bill or if they had something personal against the Minister of Finance.

• (1535)

What about the guaranteed income supplement program? It is the same principle at play. What did the opposition parties do? We have to conclude that they just do not support the Minister of Finance, because when he made that change they were critical of the minister. It is hard to believe they voted against an initiative that would lift thousands of seniors out of poverty in every region of Canada.

The Minister of Finance is the one who leads the way. Let us go to the summer. Last summer, the Minister of Finance went out to all the regions. We had members of Parliament charged with the responsibility of listening to what their constituents had to say and report back. I am proud to say that Liberal members of Parliament did just that. From the initial announcement to the opening of consultations with Canadians, we saw tangible results from Liberal members of Parliament. They went into their constituencies and worked hard and effectively to improve and bring forward a fantastic tax change program that would make the system fairer. Once again we have the Conservative and NDP members screaming at the Minister of Finance whenever they have the opportunity to do so.

I see that I only have a few seconds left, so let me suggest to those who are following this debate that the Conservatives and NDP members have clearly demonstrated that they do not like the Minister

of Finance. I can tell everyone that the advice of the independent office of the Ethics Commissioner is what the Minister of Finance is following, and he has made a commitment to continue to follow any such advice and recommendations by that office. He has even gone further, as shown by some of his personal actions.

• (1540)

[*Translation*]

Mr. Pierre Nantel (Longueuil—Saint-Hubert, NDP): Mr. Speaker, it is good to be able to say something after hearing my colleague across the aisle speak for so long.

Evidently, his rhetoric lacks nuance. It is like a horn blaring, whether he is talking about the noodles he had at lunch or about the worst scandal ever to involve a Minister of Finance. It is appalling to see such an important thing trivialized. The hon. member cannot say that we should trust the Minister of Finance and praise him for all the wonderful things he has done. Come, now, it is a huge conflict of interest, one for the history books.

I would like to ask my colleague if he can get the message across to the people around him that the problem is serious. They do not seem to realize it at all.

Is my colleague on automatic pilot as usual, or does he really understand what is going on?

[*English*]

Mr. Kevin Lamoureux: Mr. Speaker, I understand. That is why I am disappointed that the combined opposition did not want to use this day to possibly look at the same rules that Stephen Harper, and other prime ministers, but in particular Stephen Harper, had in place for their ministers, rules that we all had in place. As opposed to attempted character assassination, why not allow for a good healthy debate on ways that we can maybe improve the conflict of interest legislation? Let us hear the ideas that members might have that would be applied to not just one member—who, by the way, has been following the rules—but to all members of the House. That would be a far healthier debate, as opposed to continuing this one.

I was proud of the Minister of Finance today in question period when he stood up and said that while the opposition is concerned about his personal finances, the Liberal caucus, at the very least, is concerned about the finances of Canadians. That is where our concern will continue to be in the years ahead.

Mr. Alexander Nuttall (Barrie—Springwater—Oro-Medonte, CPC): Mr. Speaker, I find it very difficult to take some of the points the hon. member has put forward to the House today when we look at what the Minister of Finance and the Prime Minister have been saying. This is a minister who is going around the country essentially calling small business people tax cheats who are looking for and finding tax loopholes.

Business of Supply

What did we then find out? The minister did not need to look very far to find people who were looking for loopholes and using them; he just had to look in the mirror. That is all he had to do. If he were looking for someone who was using loopholes, all he had to do was to look in the mirror. That is a result of how he set up his corporate holdings to avoid some of them going into a blind trust. We know that because of the amount of money he has made through the decisions he has made as the finance minister on bills that he is putting forward to the House.

When will the Liberal Party stop focusing on hard-working honest Canadians and instead start focusing on their own morals and ethics, which are so lacking?

Mr. Kevin Lamoureux: Mr. Speaker, as I said, these are the same rules in which the member's own party under Stephen Harper had in place, and that is conveniently being overlooked by the Conservatives.

The member made reference to small businesses. The outreach that this government and all its members have conducted over the last number of months has been simply amazing. We have taken a package and, at least on this side of the House, Liberals have taken it seriously. We are seeing a fantastic reform package, which is going to make our taxes even fairer and better for Canada's middle class and those aspiring to be a part of it.

The member made reference specifically to small businesses. Last week, we had a reduction in small business taxes from 10.5% to 9%. This was an election platform issue, and that—

Some hon. members: Oh, oh!

The Assistant Deputy Speaker (Mr. Anthony Rota): I am sorry, but I am trying to hear the hon. member's answer and I keep getting this nattering in my ear.

I will let the hon. member continue.

• (1545)

Mr. Kevin Lamoureux: Mr. Speaker, this is very good news for small businesses. Last week, we had an announcement where taxes on businesses will be reduced from 10.5% down to 9%. This was an election campaign platform, and that is an election campaign platform that has been kept.

When the member asks what about Canadians, imagine, over 400,000 jobs were created in less than two years by this government. Putting that in the perspective of the Harper government with just over one million jobs in 10 years, I would say that this government is delivering.

The Assistant Deputy Speaker (Mr. Anthony Rota): I want to remind members that there are quite a few people who have questions for the hon. parliamentary secretary, and we would like to get in as many as possible. I would ask members to keep their questions precise, as well their answers.

The hon. member for Hamilton West—Ancaster—Dundas.

Ms. Filomena Tassi (Hamilton West—Ancaster—Dundas, Lib.): Mr. Speaker, on behalf of my constituency, I am very pleased to have an opportunity to ask the member a question this afternoon.

The first thing I would like to say is how impressed I am, as a new member, in the work ethic of all members of this House. To see the diligence and work ethic is extremely impressive. That has been very uplifting for me as a new member.

However, there is an area that I am not so pleased with, and that has to do with the tone and demeanor in this House. What I have experienced is that it is a win in this place to make someone else look bad, to discredit, and to make someone feel put down. I would like to see much more collaboration and people working together in order to heighten what we can produce in this place, and I know my constituents feel the same way.

I would ask the member if he agrees that there is more to be done, so that we have a collaborative spirit in this place where we can get more legislation passed and work in the best interest of Canadians. If so, what things could he present that would help us attain that goal?

Mr. Kevin Lamoureux: Mr. Speaker, I appreciate the fine question from my colleague. I know that she is very genuine in what she is talking about, and we all want to see more productivity out of the House of Commons. There is always room to be better, as our House leader reminds us virtually on a daily basis, which I think is a good thing.

This is one of the reasons I highlighted that we need to respect that the office of the commissioner is independent. If we recognize the importance of the independence of all of our parliamentary offices, it would be a positive thing.

[*Translation*]

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Mr. Speaker, I usually thank my colleagues for their contributions, but it is somewhat difficult to do so when it comes to this colleague in particular.

I would like to ask my colleague a simple question about what is written in the motion. It is about acknowledging that the Conflict of Interest and Ethics Commissioner uncovered an obvious loophole in 2013. She was talking about the fact that the law specifies “direct control,” which can be interpreted to mean that indirect control is acceptable. She pointed out that this was contradictory to the spirit of the law, and that indirect control is as objectionable as direct control.

Can my colleague address this part of the motion and give his opinion concerning the loophole that the Conflict of Interest and Ethics Commissioner was talking about? My colleague keeps saying that we need to trust the commissioner. This is the opportunity he has been waiting for to show his trust in the commissioner and accept her recommendation. Will he do so?

[*English*]

Mr. Kevin Lamoureux: Mr. Speaker, one of the things I truly respect about the House is the fact that we have some fantastic personalities, great working groups, and standing committees. Whether it is the Board of Internal Economy or the procedure and house affairs committee, there are all sorts of informal discussions that take place.

Business of Supply

We have had these rules in place for many years. I have often made reference to Stephen Harper, and these are the same rules when he was the prime minister. No doubt, things could always be better. We can look at ways in which we can strengthen the legislation, for instance, raising the issue at the Standing Committee on Procedure and House Affairs.

I suggest that the best way to do this is not necessarily to tie it to an individual, but rather collectively, because all of us have to report to Mary Dawson and that particular commission. We are open to all sorts of ideas and possible recommendations. I would suggest to the member that he bring it up with his house leadership team or the procedure and House affairs committee, or so forth.

● (1550)

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, it is always a great honour to rise in the House to represent the people of Timmins—James Bay.

Over my last 14 years in Parliament, I have seen all manner of scandals. I have seen scandals that were just plain idiotic, tawdry behaviour, and scandals that were not really scandals at all, just that sometimes people made mistakes and had to account for errors in judgment. However, they were still accountable to the people of Canada. What we are talking about today in terms of a conflict of interest with the Minister of Finance, to me, speaks to the cynicism of the government and its approach to ordinary working Canadians who work hard and play by the rules.

The conflict of interest we are seeing with the finance minister is that, as the privatized pension king of Canada, he had a very clear financial interest in changing pension legislation. When he was presented as the finance minister for this Parliament, he did not explain to Canadians that he had set up—how would one even describe it—this numbered company that he moved his dividends and profits into, which maintained his connection to Morneau Shepell, the privatized pension operation of Canada.

What we hear from the Liberals is that this is a separate account and not really something that he had control of. It is the same as folks back home putting \$100 into a cookie jar, being asked if they have \$100, saying no, the cookie jar has \$100, then being asked who owns the cookie jar, saying they do, being told that means they have \$100, and then saying no, it is in the cookie jar. However, we are not talking about \$100. We are talking about millions of dollars of direct benefit for Morneau Shepell.

I want to talk about three issues. The first is the Barbados tax haven that the finance minister has interest in and has been negotiating treaties for without recusing himself. The second is the issue of Bill C-27, which he brought forward without explanation or any prior public consultation, that would benefit the investors at Morneau Shepell, and the third is the one before us today across Canada, the abominable treatment of Sears workers. We were all shocked and appalled when we heard that Sears executives attempted to cut off the financial, dental, and medical rights of Sears pensioners as Sears was facing bankruptcy and, at the same time, paying \$9.2 million to its executives. That kind of pension theft is not only legal in Canada, but executives get corporate bonuses for doing it.

I have been attacked on Twitter by the Liberal trolls who said that this was no bricks and mortar issue, it just went the way of the dodo. Sears was a top-notch corporation that was run into the ground by the hedge fund operator Eddie Lampert, who pretty much lost \$10 billion of value. One does not cry for corporate bandits like Eddie Lampert and his crew, because as Sears was getting into trouble, its hedge fund operators basically loaned \$500 million to Sears through taking 46 key properties as collateral assets. If Sears went down, those hedge fund operators walked away with the property. Therefore, they are sitting pretty.

We approached the finance minister and asked him to change that loophole to protect the pension rights of Sears workers. That is not asking for anything special. It is asking to ensure that when people have paid into a pension for their whole lives, it is not at the back of the line when creditors come, that it is considered part of the credit that has to be protected. The finance minister will not do it, and we did not know until October 17 that Morneau Shepell was getting the contract for the Sears workers. Is there a direct link? The direct link is that the dividends go to Morneau Shepell investors, of which the finance minister is one. That needs to be explained to Canadians.

I am deeply concerned about Bill C-27, because in 2013, as the head of Morneau Shepell, the current finance minister talked about the role that Morneau Shepell played in moving towards targeted benefit plans and how there was a need in Canada to change the legislation to benefit the investors of Morneau Shepell. When he became finance minister, he introduced Bill C-27, which was the legislation to do just that. What is striking about Bill C-27 is that there were no prior public consultations or public meetings. Therefore, who gave the advice to the finance minister to change legislation that would have an enormous impact on the company that he and his father helped found?

● (1555)

Bill C-27 is a clear conflict of interest. It is a conflict of interest that touches Canadians who are worried about the future of their defined pension benefits across the country. It is a right of Canadians to believe that parliamentarians will put the interests of the public ahead of their own pecuniary interests. That is the whole question of conflict of interest.

In the case of the Minister of Finance, bringing forward legislation that would have a direct benefit to his company without recusing himself is an abuse of his role as a minister of the crown and needs to be explained. It is also an abuse of the House, because we did not know that he was receiving dividends from Morneau Shepell throughout this period.

To note, I will be splitting my time with the member for Sherbrooke.

Business of Supply

Now we find out about the Barbados tax havens. The Minister of Finance is signing a tax treaty with Barbados. I know Barbados sounds like a great place for sand and hanging on the beach, but it is notorious as a fiscal paradise for companies that do not want to pay their share. What is really disturbing about Barbados is that we found out that Morneau Shepell is involved down there. There is a direct financial interest. The minister did not recuse himself. How could he be working on a treaty with a place that is a notorious fiscal paradise when Canadians are paying their fair share and they are looking to the Minister of Finance for accountability?

I know my friends in the Liberal Party are in trouble on this issue, because whenever the Liberals are in trouble on a file, they start throwing out the term “middle class”. In fact, they say the “middle class and those wanting to join them”. Folks back home, if they were in some of kind university drinking game, where every time the Liberals said that in a speech they had to take a shot, they would be bombed at the end of the first five minutes.

I guess the Minister of Finance grew up in a different middle class than I grew up in. His middle class is going after dentists and farmers. His middle class is going after people who are suffering from diabetes. His middle class is going after employee discounts at restaurants in order to tax them. Meanwhile, the one first promise that the minister broke was the \$840-million corporate stock loophole that would protect 8,000 insiders on Bay Street. He reassured Bay Street that he would have their back.

Right now the Liberals are saying that they are doing all of this for the middle class. They are setting up a tax haven treaty with Barbados for the middle class. The Minister of Finance is attacking the pension rights of Canadians across the country, through Bill C-27, for the middle class. Of course, the Sears workers, well, they are out of the middle class altogether.

It reminds me of when the Liberals were caught out on the Saudi arms deal. They were dealing with House of Saud to help the middle class. That was the Prime Minister. On their abandonment of electoral reform, he said we had to do it to protect the middle class. Cash for access was the golden one, where Chinese billionaires were paying \$1,500 to meet with the Prime Minister. He was asked, “What could you possibly be meeting with Chinese billionaires about that was not a conflict of interest?” He said that they were talking about the middle class. Imagine that. Imagine that is what billionaires talk about.

This is about abuse of public trust. This is about a Minister of Finance who has broken the trust of the Canadian people and who owes an apology to this House. This is about a government that has to retract Bill C-27, because it is a clear conflict that will benefit the insiders of the Liberal Party and not Canadians.

We need to have some clarity. Canadians need to have trust that the government they elect is not going to be just looking after the interests of their friends on Bay Street but is going to pay attention, finally, to the Canadians who work hard, pay their taxes, and play by the rules, unlike the government.

Mr. John Barlow (Foothills, CPC): Mr. Speaker, I have one thing I would like to ask the member. During the speeches in debate today and again in question period, we heard that there seems to be this move that, as long as Liberals have created jobs, all the other

ethical misfortunes and law-breaking of the Minister of Finance should not matter.

Despite all the mirror work that the Liberal finance minister is doing, does the member not think that the Canadian public, and certainly this House, have lost their trust in the Minister of Finance, and that what he says tomorrow in his financial update should not take away from the ethics mismanagement and his law-breaking?

• (1600)

Mr. Charlie Angus: Mr. Speaker, the issue here is about trust. This is about when one gives someone a position of immense power, that one has to believe, whether one agrees with their decisions or not, that they are making these decisions for the benefit of this nation. We cannot say that this finance minister has put the interests of working people or the nation ahead of his own pecuniary interests. It is a shocking breach that has to be addressed, particularly given that he is the finance minister.

The Liberals said last week that we are all in this together. However, not all of us decide pension policy in this country. I do not know how many of us get to forget that we own a French villa through a numbered company, or how many of us are on the tax registry for Barbados tax savings. However, the finance minister is and, because of that, he simply cannot be trusted. Whether or not he stays in that position, we have to have some clear rules. Number one is an apology. Number two, we have to have limits on his ability to interfere in any way with pensions or with issues of tax havens in Barbados.

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the members opposite, and even the mover of the motion, the member for Skeena—Bulkley Valley, had suggested that hopefully we will see some changes to the Conflict of Interest Act. What has been implied is that there is always room for change.

However, I am sure that the member across the way will acknowledge that these are the very same rules that applied when Stephen Harper was the prime minister. Yes, maybe there is a way in which we can improve upon those rules. I am eager to find out how that is, whether through a procedure and House affairs committee, or other venue, in which we can take a look at the rules. All of us have a responsibility to follow the rules. That is something that is important for us to recognize.

What I am asking for the member to acknowledge, at the very least, is that if there is a mood to look at ways in which we can reform or make the changes that have been in place for a decade, what sorts of rules or what format would he then suggest, outside of trying to tie it to one individual?

We all have an obligation to report to the conflict of interest officer, and we all have a vested interest. It is not just one individual inside the Chamber.

Mr. Charlie Angus: Mr. Speaker, they are quoting the Liberal gospel, which is that he who is without private pension stock funds hidden in a numbered company cast the first stone, and that we are all in this together. No, we are not. This is about the finance minister.

Business of Supply

Far be it for me to ever defend the government of Stephen Harper. However, the Liberals are in such bad shape that they say, listen, these rules existed under Stephen Harper. Yes, but his finance minister never set up a numbered company to benefit personal financial interests. If he can follow the rules, why cannot the Liberals?

If these rules are in place for everyone, why is it that the member from Morneau Shepell saw such a huge opportunity? He had a loophole to interfere and change the pension laws to benefit the company he comes from. He could also deal with tax havens in Barbados for the personal benefit of his company by setting up a separate corporation to handle all his finances.

Nobody in the day of Stephen Harper thought of doing something like that, so why is it suddenly acceptable that this finance minister has made such an egregious breach of the rules?

[*Translation*]

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Mr. Speaker, I would like to thank my colleague for sharing his precious speaking time with me, allowing me to address the House concerning the motion before us today that we have been debating since this morning.

We have heard opinions from both sides of the House, but the Liberals have yet to say anything impressive in defence of the Minister of Finance. Rather, they have tried to change the channel. They have tried to take the focus off the problem at hand. For my part, for the 10 minutes allotted to me, I will stick to the motion before us.

The first part of this motion sets out the facts regarding the matter at hand, namely, the situation with the finance minister and his company, Morneau Shepell. The minister led us to believe that he had placed his shares in Morneau Shepell in a blind trust when in fact he had never done so. His story was even corroborated by his Liberal caucus colleagues. The minister had many opportunities to clarify this situation. Everyone believed that he had placed his holdings in a blind trust. The media reported that such was the case, and the minister even allowed his own company to believe that that is what he had done. When the truth came out, everyone saw that he had not in fact put his holdings in a blind trust. The minister had never bothered to set the record straight since being sworn in two years ago. Everyone believed that he was telling the truth about his holdings. The first part of the motion points out the discrepancy, which the Minister of Finance never bothered to clarify.

The second part of the motion deals with the fact that the minister used a loophole in the Conflict of Interest Act. I can confirm that there is indeed a loophole, not because I used it like the finance minister, but because I heard witnesses talking about it when they appeared before the Standing Committee on Access to Information, Privacy and Ethics, which I chaired for two years.

The Ethics Commissioner appeared before the committee to present her recommendations following her five-year review of the Conflict of Interest Act. That happened in 2013. The next review will take place in 2018 and will be a good opportunity to close the loophole that we are talking about today.

In 2013, the commissioner made over 70 recommendations to update the Conflict of Interest Act. Those recommendations apply to ministers and public office holders. They do not apply only to ministers, but also to some senior officials in the Canadian public service. These public office holders must obey this law. In 2013, the commissioner pointed out a number of problems with the act and proposed ways of making it more effective and updating it to reflect changes in technology.

In her report, she clearly states that the wording of the act specifies direct control, saying that a minister cannot have direct control over a company's shares. She says that, according to the language, a minister could have indirect control. She raised this question as if she were a visionary who could see that infringements of the act might occur. A public office holder may decide to comply only with the letter of the law, that is, to avoid exercising direct control over a company's shares, without complying with the spirit of the law.

I can just see the Minister of Finance and his army of lawyers and accountants going to the Office of the Conflict of Interest and Ethics Commissioner and asking a lot of questions, and being told that he cannot exercise direct control over shares, but that he can exercise indirect control over them.

• (1605)

His advisors and lawyers tell him that the only thing to do is to register a company without bothering to give it a name. He can just give it a number, then register it in Alberta where corporate income tax rates are lowest. He can register all of Morneau Shepell's shares in his company. Thus, he will be the sole shareholder of a numbered company in Alberta.

His lawyers are very smart, and we must give them credit, because their job was to find loopholes in the act, and that is what they are paid for. They did what the minister asked. He asked them to find a way of allowing him to control his shares while complying with the letter of the law.

They told him that they found the solution, that all he had to do was register a company. That is what he did and, for two years, he has had us believe that his situation was in order and that he had even placed his assets in a blind trust. Of course, the blind trust would respect both the letter and the spirit of the law, although this raises questions in any case, because, at the end of his term, the minister can always put the assets back in his name.

There are some misgivings about blind trusts, but that would have at least complied with the spirit of the law. However, the minister decided to do something else, and that is why he is being asked today to apologize to the House. He put himself in a conflict of interest or in a situation strongly suggesting a conflict of interest.

If any ethics professors are looking for the perfect example of a situation that suggests a conflict of interest, I think this situation with the Minister of Finance is ideal.

Business of Supply

The minister is still in control of his shares in a large Canadian company, Morneau Shepell. This company sometimes deals directly with the Government of Canada. In general, it specializes in pension administration.

The company's value even increased when the Minister of Finance, who still had control over his holdings, introduced a bill that was good for his company. We are not the ones who came up with the idea that Bill C-27 would benefit his company. He said so himself in 2013 that a bill like this could benefit his company and would be the ideal thing for the company's growth and positioning. He said that in 2013 when he was still part of the family business. We did not come up with the idea that he profited from this. We can simply look at the numbers and see that this was indeed the case. The market responded favourably when the bill was introduced even though it had not yet been passed.

As soon as the bill was introduced the markets responded favourably because investors felt that there was a potential for growth for Morneau Shepell.

The minister personally profited from the increased value in his company when he introduced the bill. Imagine what things would look like if the bill had passed.

The bill is still on the order paper, but it has not yet been passed. However, we can just imagine how much this company would profit from the bill passing.

Who benefits in the end?

The Minister of Finance does.

However, he finally gave in to the evidence and acknowledged his mistakes by changing his financial situation with the Conflict of Interest and Ethics Commissioner as a result of public pressure. He did not seem thrilled to do so. He had probably worked out some elaborate strategy to maintain control, but under pressure, the minister finally decided to change his situation.

He did so because he saw that he had no other choice.

I mused earlier about the minister and his lawyers before the Conflict of Interest and Ethics Commissioner, and I can also imagine another scenario, one where the Prime Minister called him and told him to sort this out or find another job.

• (1610)

I would say he did not have much choice. To suggest today that he did so willingly and because he wants to serve Canadians would be to take us for fools. I hope he apologizes so that we can turn the page on this once and for all.

• (1615)

[*English*]

Ms. Sheila Malcolmson (Nanaimo—Ladysmith, NDP): Mr. Speaker, I would like to get my colleague's comment on this concern from my own riding of Nanaimo—Ladysmith. Amber Henderson, who is an optometrist in Nanaimo, wrote that the finance minister's proposal for so-called tax fairness being described as “an attempt to level the playing field and bring tax fairness to the system...is misleading and suggests that business owners have somehow been

taking advantage of the system, rather than simply pursuing their taxes consistent with existing law.”

I would like my fellow New Democrat member of Parliament to comment on who he sees as the real exploiter of tax loopholes in the context of this debate and how in the member's own riding that apparent hypocrisy is playing among entrepreneurs.

[*Translation*]

Mr. Pierre-Luc Dusseault: Mr. Speaker, I thank my colleague for her question. This could not come at a better time to expose the government's hypocrisy on this whole tax fiasco that they are creating.

The latest in this tax fiasco is the attack on diabetics, who no longer have access to a disability tax credit. At the same time, the Prime Minister and his Minister of Finance claim to want more tax fairness, yet these two politicians own numbered companies.

I have nothing against numbered companies. Optometrists in their ridings, like the one the member referred to, have legitimate businesses with names. They do not simply have numbers. I think this exposes the Liberals' total hypocrisy on this subject. They are talking about tax fairness, yet they are going after optometrists, in their very own ridings. Not to mention, they are benefiting from the tax system with their numbered companies.

The Prime Minister had a reason when he said during the campaign that the majority of SMEs were simply used to pay less tax. This was his own experience. While he travels across the country, he must realize that having a numbered company to pay less tax simply reflects his own situation.

[*English*]

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Mr. Speaker, we know that the finance minister has announced a number of steps to address his ownership of shares and so forth.

In my riding of Vaughan—Woodbridge, I know that constituents are talking about our cut in the small-business tax rate from 10.5% to nine per cent and what we have done for the middle class through the CCB and our infrastructure program.

What are my colleague's constituents talking about? Those are the important things we need to focus on: growing our economy and making sure people have good jobs and a good future for their children.

[*Translation*]

Mr. Pierre-Luc Dusseault: I thank my colleague for his question about what my constituents think and want.

Business of Supply

Of course my constituents were pleased to hear that the government is finally going to keep its solemn promise to lower the small business tax rate to 9%. It is about time. The government has already wasted two years in which it could have made good on that promise. It dragged its feet. The small business tax rate was already set to drop under legislation passed by the Conservatives in 2015. It was set to drop to 9% in 2017. However, it is now 2017 and the tax rate is still at 10.5%. Business owners are obviously frustrated about this because the Liberals made a solemn promise. They are halfway through their term in office and they have to decide whether they will keep that promise.

My colleague seemed to imply in his question that there is no cause for concern regarding the finance minister's situation, but that is not so. Small business owners in my community are telling me how out of touch the Prime Minister and the finance minister are with the reality of SMEs. The Prime Minister and the finance minister do not seem to realize what an SME is or what everyday life is like for SMEs. That is what I am hearing. The Prime Minister and the finance minister are out of touch and simply do not understand. That is why they are making mistakes. The tax reform has been a fiasco because they do not know what an SME is. They do not understand. That is what I am hearing from my constituents.

• (1620)

[English]

Mr. Raj Grewal (Brampton East, Lib.): Mr. Speaker, it is always an honour and a privilege to rise in this House. I will be splitting my time with the hon. member for Pickering—Uxbridge.

I would like to thank the government for creating the conditions for all Canadians to succeed in a changing and exciting economy. When we came into office a couple of years ago, we made a commitment to invest in our people, our communities, and our economy. We made a commitment to help grow the middle class and those working hard to join it. The truth of the matter is that our plan is working.

Mr. Kelly McCauley: Well done, Raj.

Mr. John Brassard: Those working hard just the same.

Mr. Raj Grewal: Mr. Speaker, even the opposition members agree that our plan is working, with their enthusiasm in hearing me speak in this House.

We are now the fastest-growing economy in the G7 by a wide margin. In the second quarter of this year, the economy grew by an impressive, strong 4.5%. Over the last four quarters, our economy has had the fastest growth rate since early 2006. In the two years since we came to office, 400,000 jobs have been created. In fact, in the last 12 months, nearly 90% of the jobs created were full-time jobs.

These pieces of great news are no accident, and the hon. members know that well. We laid the foundation for this economic growth the moment we took office. The first thing we did when we were elected in 2015 was raise taxes on the wealthiest 1% of Canadians while reducing them for the middle class. We are very proud of that decision. Single individuals who benefit from this tax cut are saving an average of \$330 each year, and couples who benefit are saving an average of \$540 each year. Our government has made child benefits more generous and better targeted to those who need them the most,

with the new Canada child benefit lifting hundreds of thousands of children out of poverty. Since July 2016, nine out of 10 Canadian families with children have been receiving more in child benefits, tax-free, than they did under the previous government.

We also expanded the Canada pension plan to ensure that Canadians are better off financially in retirement. The strengthened CPP will provide more money to Canadians when they retire so they can worry less about their savings and focus on enjoying time with their families. Strengthening the CPP will increase the maximum benefit by about 50% over time, giving retired Canadians a more dignified retirement.

The next step in our plan was to lower the small business tax rate from 11%—

Mr. Kelly McCauley: Mr. Speaker, I appreciate that there is leeway, and we have discussed relevance repeatedly today, but I have yet to hear anything in the member's speech that is relevant to the current motion.

The Assistant Deputy Speaker (Mr. Anthony Rota): As I have mentioned in the past, I will leave it to the individual members. I have heard speeches go off on a tangent that I have questioned myself sometimes. However, hon. members do have a way of wrapping it up and actually proving a point, so I am going to leave it with the hon. member for Brampton East for now and let him continue, but I thank the member for bringing that up.

Mr. Raj Grewal: Mr. Speaker, I thank the member for bringing that up as well. He is a good friend of mine. I would like to thank you, Mr. Speaker, for your firm but fair decision.

The next step in our plan was to lower the small business tax rate from 11% when we came into office in 2015 to 10% in 2018, and then to 9% in 2019, while moving forward on proposals to fix a tax system that is inherently unfair to the middle class. The Prime Minister along with the Finance Minister made this intention clear last week during an announcement in Markham, and I certainly support it. To support this change, our government is also taking additional steps to ensure that Canadian-controlled private corporation status is not used by high-income earners to reduce their personal income tax obligations rather than supporting small businesses and job creation.

After announcing our intention to move forward with these proposed changes in budget 2017, the Minister of Finance launched a consultation to hear from Canadians on how to fix the system so that it works for the middle class. As a result of the feedback that we have heard from small business owners, we will not be moving forward with measures relating to the conversion of income into capital gains.

Business of Supply

During the consultation period, we heard from business owners, including farmers and fishermen, that the measures could result in several unintended consequences, such as in respect to taxation upon death and potential challenges with intergenerational transfers of businesses. Our government will work with family businesses, including farming and fishing businesses, to make it more efficient and less difficult for them to hand down their businesses to the next generation.

In the short term, our government intends to simplify the proposal to limit the ability of owners of private corporations to lower their personal income taxes by sprinkling income to family members. The vast majority of private corporations will not be impacted by the proposed income-sprinkling measures. Only an estimated 50,000 family owned private corporations sprinkle income, which represents only a fraction, 3%, of Canadian-controlled private corporations. In all cases, our changes will support small businesses, the middle class, and their contributions to the economy. We know that small businesses are the backbone of our economy and will do everything to help them grow.

Colleagues, in this day and age in which there is so much misinformation, it is crucial that we set the record straight and stick to the facts, which is what we are trying to do here today. From the very beginning, we have been perfectly clear about our intentions and our commitment to make sure that as our economy grows, the benefits go to the middle class and those working hard to join it, and not just to those who have already been successful.

• (1625)

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, what is important, I think, is talking about consistency—

The Assistant Deputy Speaker (Mr. Anthony Rota): I am trying to hear the hon. member for Windsor West. He is down at the other end of the hall, but there is some chatter going back and forth there. Please have consideration for the Speaker who is very interested in what the hon. member has to ask.

The hon. member for Windsor West.

Mr. Brian Masse: Mr. Speaker, my colleague spoke in the House of Commons on September 28 about taxation. He sits on a committee that brought recommendations forward about accountability and transparency and he raised that issue here in the House.

It is hard to listen to Liberal members. This could not have been what the Liberals ran on in 2015. Basically, a millionaire is telling working Canadians one thing while he himself profits and then cannot even come clean about it. It seems that in explaining this behaviour, the member for Brampton East is almost facilitating this behaviour.

I say this because on September 28, the member for Brampton East stood in the House and asked the Minister of National Revenue to find solutions for what the Minister of Finance and others in this country were doing in using offshore accounts and numbered companies to hide their assets. Not only are they using them to hide their assets, but they are using them to make it difficult for people to research their assets. The Liberals had a bill in the House of Commons that could have provided more accountability and transparency about numbered companies such as the minister has.

I would ask the member to reflect on his comments in this place on September 28 about the need for more transparency. Why is it okay for some members, like the Minister of Finance, to use offshore accounts? Does he think that is fair to the working class? Does he think it is fair to people who are paying taxes? Does he think it is fair to those individuals who can barely get by, let alone use the tax system to hide their money to pay less?

Mr. Raj Grewal: Mr. Speaker, I thank my hon. colleague for his very spirited question.

The question that I asked of the hon. Minister of National Revenue on September 28 was about tax evasion and tax avoidance and what our government has done to ensure that all Canadians pay their fair share of taxes. Our government is investing money back into the Canada Revenue Agency after 10 years of substantial cuts to that agency, thereby allowing it to go after tax cheats in this country and ensuring that people are not putting their assets offshore so they do not have to pay taxes in Canada.

It is always difficult for me to hear the NDP talk about the middle class and small businesses, because when those members had the opportunity to help the middle class and to help Canadian children, they voted against a middle-income tax cut and the Canada child benefit. The latter has been deemed the number one social services program in the last decade, and has lifted 300,000 children out of poverty. The NDP gets up in the House time and time again and yet when that party has an opportunity, it votes no.

• (1630)

[*Translation*]

The Assistant Deputy Speaker (Mr. Anthony Rota): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Vancouver East, Immigration, Refugees and Citizenship; the hon. member for Nanaimo—Lady-smith, Child Care; the hon. member for Selkirk—Interlake—Eastman, National Defence.

[*English*]

Ms. Jennifer O'Connell (Pickering—Uxbridge, Lib.): Mr. Speaker, I rise today to speak to the motion and to update this House on our work and the progress we have made in delivering on our promise to build a stronger middle class. As with all members of Parliament, the Minister of Finance worked closely with the Ethics Commissioner when taking office. As we all know, the Ethics Commissioner is tasked with preventing conflicts between private interests and the public duties of all 338 members of the House of Commons.

Last week, the Minister of Finance announced that he was going above and beyond the Ethics Commissioner's recommendations by establishing a blind trust for all assets held by him and his family. These steps are being taken by the minister so he can maintain the public's trust and so there are no distractions from his important work to strengthen and grow the middle class.

Business of Supply

From the moment we took office, we have implemented changes that will benefit middle-class Canadians. One of the government's first actions was to cut taxes for the middle class and to raise taxes on the wealthiest 1% of Canadians. This middle-class tax cut has benefitted and will continue to benefit nine million Canadians.

We also brought in the new Canada child benefit, which has lifted hundreds of thousands of children out of poverty. As a result of the CCB, nine out of 10 Canadian families are receiving more in benefits than they did under the previous system. With the CCB, we have ensured that child benefits are more generous and that those benefits are better targeted to those who need them most. According to economists and the Governor of the Bank of Canada, the CCB has directly contributed to increased household consumption and effectively stimulated our economy.

Our government also expanded the Canada pension plan to ensure that Canadians have security after a lifetime of hard work. The strengthened CPP will provide more money to Canadians when they retire so they can worry less about their savings and focus more on enjoying time with their families.

As everyone can see from our actions, the principle of fairness is embedded in our efforts to strengthen and maintain Canada's middle class. It is clear to us that when we have an economy that works for the middle class we have a country that works for everyone.

Now, let us talk about small business. We all know that small businesses are the backbone of our economy. Small businesses are a key driver of Canada's economy, accounting for 98% of all businesses and more than 70% of all private sector jobs. In recognition of how critical small businesses are to Canada's economy, the government is taking action to help them grow, invest, and create well-paying jobs. Our recent announcements regarding small businesses will continue that work.

Last week, the Prime Minister announced the government's intention to lower the small business tax rate to 10% in 2018 and then to 9% in 2019. As a result, the combined federal, provincial, and territorial average tax rate on small businesses would go from 12.9% from 14.4%, by far the lowest in the G7, and fourth lowest among OECD countries. This lower rate will mean small businesses can retain more of their earnings to reinvest in and grow their businesses while supporting the creation of jobs.

The Prime Minister also announced the government's intention to move forward on proposals to fix a tax system that is inherently unfair to the middle class. Right now, the fact remains that we have a tax system that encourages wealthy individuals to incorporate. It leads to a situation wherein someone making \$300,000 can save as much in tax as the average Canadian earns in a year. That is not fair and our government is determined to fix it.

We have listened to small business owners, professionals, farmers, and fishers during the consultation and are acting on what we have heard to avoid unintended consequences. That is precisely why we are moving forward with a simplified proposal to limit the ability of a small number of high-income owners of private corporations to lower their personal income taxes by sprinkling their income among their family—

● (1635)

The Assistant Deputy Speaker (Mr. Anthony Rota): The hon. member for Markham—Unionville has a point of order.

Mr. Bob Saroya: Mr. Speaker, this speech is totally irrelevant to the motion.

The Assistant Deputy Speaker (Mr. Anthony Rota): As I mentioned earlier when the other hon. member brought it up, I have to trust the hon. members that sometimes what seems like a tangent gets brought back around.

I will leave it with the hon. member for Pickering—Uxbridge to continue.

Ms. Jennifer O'Connell: Mr. Speaker, perhaps the hon. member missed the opening remarks of my speech when I spoke about the motion.

I will continue with the important work our government is doing in ensuring our system is fair and that personal income taxes are not being unfairly used to simply lower a family member's tax for people who do not work in the business.

The vast majority of private corporations will not be impacted by this proposed income sprinkling measure. Only an estimated 50,000 family-owned private businesses are sprinkling income. This represents only a small fraction, around 3%, of Canadian controlled private corporations.

In addition, the government announced it would not be moving forward with proposed measures to limit access to lifetime capital gains exemption or with measures relating to the conversion of income into capital gains.

During the consultation period, our government heard from business owners, including many farmers and fishers, that the measures could result in several unintended consequences, such as taxation upon death and potential challenges with intergenerational transfers of businesses.

In the coming year, our government will continue its outreach to farmers, fishers, and other business owners to develop proposals to better accommodate intergenerational transfers of businesses, while protecting the fairness of our tax system.

As we continue to make progress, we will also continue to carefully consider the submissions the government has received.

As I conclude my remarks, I want to reassure my hon. colleagues that our government's plan to grow and strengthen the middle class is working. Job creation has been robust since we came into power, with 400,000 jobs created. In fact, over the last 12 months, nearly 90% of the jobs created were full-time positions. In the second quarter of this year, the economy grew by an impressively strong 4.5%.

Over the last four quarters, our economy has had its fastest growth since early 2006. The fact is that the Canadian economy is the fastest growing economy in the G7. This is news of which Canadians can be proud.

Business of Supply

The Government of Canada continues to work to create a healthy and growing economy in which businesses generate well-paying jobs and where the middle class and those working hard to join it have confidence that they can succeed.

Mr. John Brassard (Barrie—Innisfil, CPC): Mr. Speaker, when my kids were younger, we used to watch a show called *Barney & Friends*. I recall there was a song in that show “If all the raindrops were lemon drops and gum drops Oh what a rain that would be.” That was the kind of speech we just heard, but it had nothing to do with the motion.

We are talking about the ethical standards of the finance minister, which shakes the very foundation of trust in our finance minister with respect to stock holdings in a private corporation in Alberta. By the way, Morneau Shepell shares have risen by 31% since the finance minister has taken power. It begs this question. How much of the decision making the finance minister has made has affected not just his personal wealth but the personal wealth of his friends as well?

Let us get back to the topic. Let us talk about the ethical standards. How can the member sit here and completely ignore what Canadians now know, that the minister did not act ethically in declaring not just those stocks in Alberta, but also by not declaring that French villa in a private corporation? How much has he profited from this? The member cannot ignore that.

• (1640)

Ms. Jennifer O'Connell: Mr. Speaker, what I cannot ignore is the irony by the members opposite. I spoke at the onset about the fact that the Minister of Finance followed the rules by the Ethics Commissioner. On top of that, he is going above and beyond her recommendations to ensure Canadians can have trust in their Minister of Finance.

What is ironic, coming from the members opposite, is that the rules were put in place by the previous government and they were followed by the Minister of Finance.

Let me remind them that former employment minister Jason Kenney was fined by the Ethics Commissioner for breaking the rules and for not disclosing stocks that were traded. Former minister Peter MacKay was fined twice. In this instance, I have a lot of faith and trust in our government for not only following the rules, but for going above and beyond the recommendations and not acting like the previous government where members were fined on multiple occasions.

[Translation]

Mr. Pierre Nantel (Longueuil—Saint-Hubert, NDP): Mr. Speaker, I must say that I quite liked the member for Barrie—Innisfil's question, because the government really does seem to be sending out members who, in good conscience, say that they have confidence in their government.

Like all Canadians, they had confidence. Naturally, no one thinks the Minister of Finance would do this. However, he did. That is a fact. We will go down in history for debating the biggest conflict of interest case ever seen in the House. All of the mid-term reports make it clear what kind of media storm you are in. You have lost

control. You are sending out young members of Parliament to try to make excuses for the inexcusable. That is not right.

The Assistant Deputy Speaker (Mr. Anthony Rota): Before we continue, I remind the member, who often forgets, that he must address the Chair. The member for Pickering—Uxbridge has the floor.

[English]

Ms. Jennifer O'Connell: Mr. Speaker, I did not quite hear a question in that statement, but I find it a little offensive to suggest that the government has asked young members to speak on behalf of the Minister of Finance. I was duly elected by the voters of Pickering—Uxbridge. I will stand in the House to speak on issues that are important to them. I am not forced to go out by anyone in the government. I am here to represent my community.

I will continue to fight and speak up on the fact that the Minister of Finance followed the rules and recommendations by the Ethics Commissioner, went above and beyond that, and continues the good work to help people in Pickering—Uxbridge and across the country. We have seen the results, with the impressive economic numbers that have been released over the last number of months.

Ms. Sheila Malcolmson (Nanaimo—Ladysmith, NDP): Mr. Speaker, I am honoured to be sharing my time with the member for Victoria.

This is such an interesting discussion. The member lauded the performance of the finance minister, but I want to take us back to the mandate letter that was given to the finance minister by the Prime Minister. He called on him to respect the values of a government. It stated:

We have promised Canadians a government that will bring real change—in both what we do and how we do it...We have also committed to set a higher bar for openness and transparency in government...It is important that we acknowledge mistakes when we make them. Canadians do not expect us to be perfect – they expect us to be honest, open, and sincere in our efforts to serve the public interest...you must uphold the highest standards of honesty and impartiality, and both the performance of your official duties and the arrangement of your private affairs should bear the closest public scrutiny. This is an obligation that is not fully discharged by simply acting within the law.

In summary, to me, this meant that not only the letter of the law must be upheld; the Prime Minister asked his ministers to go well beyond the letter of the law.

The finance minister let the public believe, including his fellow Liberal MPs and Bay Street colleagues, that he had placed his assets in a blind trust and he let them continue to sustain that belief for two years without correcting the record. Instead, he has been in a position to profit from policies he has advanced as finance minister over that two year period. The finance minister let that untruth stand. He took action last week, two years too late. It seems the only reason he took that action was because he was finally caught.

Business of Supply

The finance minister was directed to take the highest ethical path. Instead, the government is barely scraping by. The minister's self-congratulatory tone last week about his belated tidy up of his ethical lapse is totally out of line. He belatedly took action that he should have taken two years ago if he had followed the Prime Minister's direction or the Ethics Commissioner's secondary advise, and if he had any common sense or clue about how this would play out in public.

This is particularly troublesome, given the hard summer we have had in the small business and entrepreneurial community, being accused of similar ethical lapses and exploitation of tax loopholes.

Paul Williams, a constituents from my riding of Nanaimo—Ladysmith, wrote:

While I certainly believe in tax fairness, I do not support what the Finance Minister is proposing and the uncertainty and harm that will result. The changes being contemplated go against the notion of tax fairness. In essence, the changes being contemplated will single out privately held business owners—many of whom are middle-class income earners—treating them worse than publicly held and foreign controlled businesses.

I have hundreds of letters like this. The finance minister's proposal scared small business owners and it unjustly accused them of wrongdoing.

As it turns out, the real tax loophole exploiter was the finance minister, which really is the icing on the cake of a really bad four months in the government. His self-congratulatory air last week of suddenly dismantling a so-called tax fairness proposal, which he said back in July he would not change a word of, and had in fact already written the legislation, was also out of line. If he had done what a real legislator would have done, he would have said that it was a consultation and he would have asked people what they thought. He would told people not to be alarmed, that he might or might not do it. Now, all of a sudden, he says that he is willing to hear the advice and willing to keep his election promise on the small business tax cut, which he previously said he would cancel.

He is now dealing with legislation. He is going to accept the rules that our NDP parliamentary leader proposed on facilitating the transfer of intergenerational companies. Six months ago, the Liberals voted it down. Then last week they used it as cover for a real mess. That shows they really do not have the ear and the tone of the country.

At the time of his election, the finance minister owned two million shares in Morneau Shepell worth \$32.1 million. Apparently, that holding, as of Friday, would be worth \$42 million. That means he has profited over \$10 million over the last two years as finance minister.

• (1645)

However, he did not put them in a blind trust. He did not sell them in an arm's-length transaction, as required, within 120 days of taking office. It has since been revealed that Morneau Shepell has a contract with the Bank of Canada worth more than \$8 million. The finance minister was asked nearly 20 times about his million shares that he still owns in Morneau Shepell, worth \$20 million, before he admitted that he would actually give an answer. Finally, he failed to reveal the corporation that houses his French villa. CBC maintains that the minister only disclosed that corporation to the Conflict of Interest

and Ethics Commissioner just last month, after CBC discovered its existence, and, really, that is when he started to answer questions on it.

It is undeniable, when we turn to Bill C-27, that if it were to become law, Morneau Shepell would significantly benefit in business and revenue, and as a massive investor, the finance minister would personally benefit from the passage of that bill. The minister brought that bill to Parliament. He could have had another member of the party do that, but, instead, he was the lead on it. This was done without consultation and certainly not with the support of constituents in my riding.

Morneau Shepell is a strong proponent and manager of the services related to target benefit pension plans, and could be just one of four firms in the country that would benefit from new pension administration rules if Bill C-27 becomes law. In fact, when the finance minister was at the helm of Morneau Shepell, it lobbied for increased use of target benefit pension plans and became the lead consultant for the Government of New Brunswick in exactly implementing this.

Five days after Bill C-27 was tabled, the value of shares in Morneau Shepell increased by almost 5%, which is an increase that could have allowed the minister to make as much as \$2 million. This is really not a middle-class problem. At the very least, this is a striking perceived conflict of interest, since the minister was in a position to further his own private interests through his public duties as a finance minister.

Bill C-27, as much as it benefits Bay Street, would significantly harm workers and pensioners.

Here is what residents of Nanaimo—Ladysmith have told me about Bill C-27.

Pieter Terpstra from Nanaimo writes:

Please, say NO to bill C-27. I am a retired school teacher/logger/proprietor who relies solely on small pensions to survive. I do not want them converted to a target benefit plans. I spent my life working at many different jobs and it's wrong, for them to take away my security in my old age.

It's shameful that [the Prime Minister] promised to protect Defined Benefit Plans and now the government is considering this Bill to change that.

We also have a description of how harmful this is from Deborah Zellermeier from Ladysmith. She writes:

Bill C-27 allows employers to convert good, defined benefit pension plans, which provide secure and predictable pension benefits, into a much less secure form of plan. Target benefit plans only aim to provide benefits, and they shift all the risk to active plan members and retirees.

Even Harper did not propose the bill, although he floated it, and the opposition was so strong.

The Ethics Commissioner said that she outlined the possible conflict when the finance minister met with her two years ago. She said that there is a loophole she thought should have been fixed, as had been recommended to the previous government as well. Therefore, as New Democrats, with our leader, Jagmeet Singh, we are trying to propose positive alternatives.

Business of Supply

We want the Ethics Commissioner to launch a formal investigation into the finance minister. We want the finance minister to withdraw Bill C-27. We want the Liberal government to take the advice of the Ethics Commissioner and close these loopholes so that no future minister ever stumbles into the same morass that the finance minister has, fulfill the promise that Liberals offered to voters two years ago, and restore some faith in the current government.

• (1650)

Mr. Bob Bratina (Hamilton East—Stoney Creek, Lib.): Mr. Speaker, the matter before us is about the ethical standards of an individual who has had an unassailable personal history of ethical behaviour of the highest order. On the other hand, the important issue has been the potential impact of the proposed tax measures and subsequently the impacts of Bill C-27. What we are hearing is that the same question was asked 20 times over, so what we have had on behalf of the Canadian public is what to my mind is a terrible waste of time.

We had consultations, for instance in my own riding, on the tax reforms. We brought those consultations back. They are being reviewed by the finance minister and his staff. I just put further information before his staff and those people are happily engaged in dealing with those issues. However, we have not heard very much at all from the other side about the specifics of those reforms and the changes and potential changes. All we are hearing is an incessant personal attack against a man who has lived a life of very high ethical behaviour. Therefore, to my friend across the way, are you serving the public interest, the interest of your constituents, by avoiding the real issues, which are the tax reforms and the details of the bill, versus personal attacks against an individual?

• (1655)

The Assistant Deputy Speaker (Mr. Anthony Rota): Once again, I want to remind the hon. members to place their questions through the Chair, in the third person, not directly. That is just a little reminder. I know we get caught up in our discussions occasionally.

The hon. member for Nanaimo—Ladysmith.

Ms. Sheila Malcolmson: Mr. Speaker, I certainly heard no personal attack. I have not ascribed motives to the finance minister. I have stuck to the facts about his stock ownings and earnings. The perceived conflict, which is very strong, is evident. I do not think that this is an irrelevant issue. It is not just the members of the New Democrat caucus who are talking about this. If this is a distraction from the government's agenda, it is entirely one of its own making. I would suggest that if the finance minister had followed the Prime Minister's instructions to go beyond the requirements of the law, to take the strongest steps in every case to avoid even the perception of a conflict of interest, we would not be having this conversation today.

Nevertheless, as New Democrats, we are trying to propose something. If the member did read the motion, he would note that our motion is that, "the government...immediately close the loopholes in the Conflict of Interest Act as recommended by the Conflict of Interest and Ethics Commissioner, in order to prevent a Minister of the Crown from personally benefiting from their position or creating the perception thereof."

Mr. John Barlow (Foothills, CPC): Mr. Speaker, one thing that is bothering me the most about what is happening here today is the minister has had this history of doing the right thing all the time, but what we are talking about today is the ethical lapses that this finance minister has had. I do not care if he creates one job or two million jobs. This is about trust in the finance minister. Does the other member feel that Canadians and members in this House can trust the finance minister with the ethical lapses that he has had over the last couple of months?

Ms. Sheila Malcolmson: Mr. Speaker, I note the Ethics Commissioner's direct advice to the finance minister was, "...if an official function provides you the opportunity to further your private interests, those of your relatives or friends...you are considered to be in a conflict of interest situation." On that basis, the minister should not have been the one to introduce Bill C-27, flawed or not. He should have taken the highest standard as recommended in his mandate letter, and he has failed to do so.

Mr. Murray Rankin (Victoria, NDP): Mr. Speaker, as Jack Layton used to say, I rise more in sadness than in anger today and I resent very much comments that somehow the motion today involves, to quote the member from Hamilton, a "personal attack". If one were to read the motion before Parliament today, one would understand that we are seeking amendments to avoid the situation that the finance minister found himself in.

Legislation in other jurisdictions, I will say, adds not just the term "conflict of interest" but "apparent conflict of interest", which has been the standard, for example, in the province of British Columbia's legislation for decades. Had that section been in the act, I do not think we would be here, because most Canadians would accept that there is the perception that a reasonable person would have, reasonably well informed of the situation, that the minister has been in an apparent conflict of interest.

Whether the letter of the Conflict of Interest Act was broken, how many people could say with a straight face that the spirit of the act has not been broken? We want to avoid that in the future. Ever since the Sinclair Stevens scandal of many years ago, people have consistently sought for an apparent conflict of interest standard to be added to the legislation. When the ethics committee met in 2014 under the leadership of Pat Martin, it was accepted that there should be amendments to the legislation, and the Conservatives did none of it. After two years, the Liberals have done none of it, and here we are today.

If the finance minister had accepted the letter of the law and had simply told the Conflict of Interest and Ethics Commissioner that he would have a conflict of interest screen, then he would have had a staff member decide when he was or was not in conflict, whether that was adequate, and whether they were "controlled assets" because they were in a numbered company controlled by the member and then those shares were held by another company controlled by the member. If somehow Canadians thought that was just fine, surely the abysmal failure, error of judgment, of the minister has to be examined here today. That he is in an apparent conflict of interest that a reasonable person would have to conclude exists seems beyond doubt today.

Business of Supply

However, even if it is wrong for a finance minister who regulates the pension industry, who gave a speech in 2013 concerning Morneau Shepell's work in New Brunswick, arguing for target pension plans instead of defined benefit plans, which clearly would benefit a company like his, and then introduced Bill C-27 in October of 2016, a bill that would make the world safer for companies like Morneau Shepell, what kind of judgment does the finance minister have in doing so? How can Canadians have confidence in the minister, even if the technical requirements of the Conflict of Interest Act, weak though everyone knows it to be, including the commissioner, that error of judgment stands apart.

That is what the NDP is saying today. It is calling for an urgent amendment to the Conflict of Interest Act. If Liberals do nothing but add what British Columbia has had for decades, that there should be an apparent conflict of interest where a reasonable person, well informed, looks at the situation and says there is a reasonable suspicion of conflict, that would be enough. Then the commissioner would be able to hold a minister to account where that standard was breached.

My province is no stranger to conflict of interest. That is the section that has been used countless times by commissioners in the past. That is the section that the commissioner and others have sought to have added for years, but yet nothing gets done. We find ourselves in this embarrassing situation today, a situation, according to Bloomberg News, where the minister himself called for legislation allowing target benefit plans in a 2013 speech on the company website of Morneau Shepell and then his shares rose 4.4% in the week after the legislation, Bill C-27, was introduced, where the benchmark TSE composite index actually went down 0.2% during that period.

• (1700)

Canadians get it. This was a colossal error, unless the minister recused himself. After countless efforts to have him acknowledge or explain, I do not believe today we have had an explanation as to whether he recused himself, as the act clearly requires in circumstances of that sort. That is what is at issue. That is why we are here today.

Did he divest himself of the shares? Did he put them in a blind trust? Not really. Did people believe that he had done so, including his Liberal colleagues on Twitter? Yes, they did. However, suddenly, because *The Globe and Mail* reported that he did not do that, he decided it was time to clear the deck.

He owns a numbered company, which, as the commissioner quite properly says, is a separate legal entity. A corporation is different from the individual minister. I understand that. However, if he owns shares of a company that owns shares of a company that he controls, and he watched his shares go up by \$2 million, allegedly, during that period, after he chose, as the minister responsible for pensions, to introduce pension reform, do Canadians expect that not to be something a responsible opposition would bring forward?

The Prime Minister the other day said that this is "petty politics". This is somehow "gutter politics". With respect, this has to be fixed urgently. That is what the tenor of this motion is. It talks about calling on the Minister of Finance to apologize for breaking trust and about calling on the government to immediately close the loophole

in the Conflict of Interest Act, as recommended by the Conflict of Interest and Ethics Commissioner, to prevent a minister from personally benefiting.

This is not about intent. This not about us alleging that this was or was not done knowingly. That is not what is relevant in the current conflict of interest test. The test is whether a reasonably well-informed person would think that it has caused a problem.

Professor Lorne Sossin, the dean of Osgoode Hall Law School, when he testified in 2013 before the ethics committee, talked about lots of jurisprudence on the reasonable apprehension of bias test. It seems ironic that regulators are constantly subject to that reasonable apprehension test, which is whether a reasonable person would perceive a lack of impartiality, when a minister of the crown is not. This seems to be where we are today. That is why it is argued that this legislative change is so urgent.

When he testified before that same committee, British Columbia's conflict commissioner, Mr. Fraser, said that "if there is a suspicion or if there's a taint [of conflict of interest], then that's enough for an investigation." That, of course, has occurred on countless occasions in British Columbia, but there is no such test in the circumstances here.

This is the problem of judgment that really needs to be addressed. Should the minister have recused himself? Yes, he should have. Should he have divested before he made decisions, as the regulatory minister for pensions, that had an obvious impact that would benefit him and his company, in which he held so many shares. Yes. Knowing that, and simply saying that because we have a conflict of interest screen, that is sufficient, suggests an error in judgment that Canadians have a right to have addressed today.

In summary, the NDP is asking for the Conflict of Interest Act to be amended. It is asking for the minister to finally apologize for breaking the trust and giving politicians of all stripes a bad name. Most significantly, it is asking to get this legislation fixed so we can join the 21st century, as other provinces and jurisdictions have, so this kind of conflict does not occur again.

• (1705)

Mr. Robert-Falcon Ouellette (Winnipeg Centre, Lib.): Mr. Speaker, it is interesting how the member talked about not tainting the names of other politicians when in fact this motion brings into great disrepute all politicians here. We are poisoning the well of all of us. We are not allowing the Ethics Commissioner the opportunity to really study this issue properly, to make sure that she can share with us her recommendations concerning the situation.

Business of Supply

When we take the time to sit and question the morals and ethical judgment of someone, we have to look to what they have done. On the finance committee, for instance, with the enhancements to the Canada pension plan benefits, we saw how the Minister of Finance built a coalition of other finance ministers across the country to increase the amount of benefits that would be paid to Canadians, to make sure that Canadians would have a better future in the long term, so that our pensions would be better and would provide for us.

I am very proud of the work of the Minister of Finance. He is a very honourable individual and has done great work for this country. I hope we will take the time to allow the Ethics Commissioner the opportunity to do her work, so that we can rely on her good judgment. Once that has been done, then we can also make the judgments that we want to make here in the House.

At this time, however, I think we should really be very considerate and protect this honourable profession of politicians and politics.

• (1710)

Mr. Murray Rankin: Mr. Speaker, I thank my friend from Winnipeg Centre for his effort to change the channel. However, this is not in fact about the individual, as I keep saying, but about the reasonable perception of conflict. It is not necessarily impugning motives. It is simply asking, “How did this happen? How can you let yourself be the regulatory minister and then make a decision that has an immediate benefit to the tune of \$2 million for a company that you regulate?”

That perception is what gives politicians a bad name. That is what we are saying that we need to amend the legislation so that this perception can be removed and we can create a standard that gives the commissioner the tools she needs to do the job. She does not have those tools. She has made 100 recommendations, and they have not been accepted. The ethics committee made a recommendation. It was the Oliphant commission in 2010 dealing with Mr. Mulroney and Mr. Karlheinz Schreiber that first recommended that apparent conflicts of interest be added to the act.

This is something that has been sought for a long time. We are hoping that this Parliament takes the job seriously and amends the law accordingly.

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Mr. Speaker, my Liberal colleague from Winnipeg Centre recently commented that we should give the Ethics Commissioner time to sort this all out.

The facts are that the government has been in power for two years. The act and the code are very clear as to what is expected of members of Parliament and cabinet ministers. We constantly hear, “I am working with the Ethics Commissioner.” There should be no need to say that one is working with the commissioner, because the guidelines are clearly written and clearly laid out for all of us to see. For someone of the calibre of our current Minister of Finance to say that he was not aware of them sounds rather dubious at best.

Could my colleague comment on the fact that the guidelines are all clearly written and that there should be no question as to whether or not we should follow those rules and no need to continue dialoguing with the Ethics Commissioner if we are simply following the rules?

Mr. Murray Rankin: Mr. Speaker, the rules are the rules.

When I started my remarks, I talked about the difference between the letter of the law and the spirit of the law, even when a minister has a conflict of interest screen wherein the chief of staff gets to decide when a minister can or cannot engage about a company in which the minister has millions of dollars worth of assets. We need to change the rules so that the minister is not dependent upon an employee to signal yea or nay, but rather has clarity, as other legislation provides, so that when a situation arises in which the minister owns shares in a company, but the company is actually at the issue and not the individual, there is clarity about what controlled assets are directly and indirectly held.

The technical loophole that allowed the situation to occur is one that the Ethics Commissioner has frequently said needs to be addressed. We are simply saying in this motion that this should be clarified and the rules be changed so that this kind of situation is not allowed to occur again.

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Mr. Speaker, I will be splitting my time this afternoon with my friend and colleague who I sit with on the Standing Committee on Finance, the member for Hull—Aylmer.

Before I begin my formal remarks, I want to discuss the concept of pensions in Canada. I had the pleasure of working in downtown Toronto for a number of years. I have an economics and finance background. I sat on the CICA user advisory council panel, which is the chartered accountancy panel, and provided continuous feedback for a number of years.

I also was a pension analyst at a ratings agency. I helped put together the annual study on pensions in Canada, how solvency ratios and pensions were performing, and what the coverage ratio was. With respect to pensions, we noticed over a number of years that the defined benefit pension plans of many firms were becoming fewer and fewer for various regulatory and economic reasons.

It was this government, under the current finance minister, the member for Toronto Centre, who, working with the provinces, achieved an enhanced Canada pension plan. The prior government was unable to achieve that in 10 years. This is important. If we look at the Canada pension plan, it is transferable, indexed to inflation, people can move it from one job to another, it goes to all Canadians, and it is actuarially fully funded. It was our government, under this minister, that achieved that result. That is remarkable. That speaks not only to the character of the finance minister, but to him as an individual. He understands complex issues with respect to finance and economics based on his career. It also speaks to his ability to bring the provincial and territorial ministers around the table to reach an agreement for an enhanced CPP that will benefit millions of Canadians today and tomorrow. It will benefit my children and all of the children in this entire country. We should be proud of that.

Business of Supply

When we talk about pensions, I know that members have thrown about words like “defined contribution plans”, “hybrid plans”, “target benefit pension plans”, “RPPs”, and “RRSPs”. We will have that debate. I would have that debate all day if I need to, with everyone here, all my colleagues. However, when it comes to the facts and substance, it was this government that sat down with the provincial and territorial finance ministers and got the job done. We need to be proud of that.

Before I go into my formal remarks, I had the pleasure to host the finance minister this summer in my riding of Vaughan—Woodbridge. We had a great tour of an apprenticeship program. We met with the carpenters union in my riding. We had a tour of its facility and saw the great work its members are doing in Ontario and across the country. We also had a chance to meet with the local business owners. We heard the praise from local business owners about what we are doing for the economy, how we are investing in infrastructure and the middle class, and creating good jobs that will provide the benefits for my kids and for future generations. That is the finance minister I know, a finance minister who cares deeply about what is going on in our economy and about the future of all Canadians.

I am pleased to rise today in the chamber to speak on the recently concluded consultation that our government undertook regarding tax planning using private corporations. However, before I speak about our plan to make our tax system fairer, I would like to talk about what has brought us to this point.

Since we formed government about two years ago, we have always been clear about our priorities. We said that we would strengthen and grow the middle class. That is why our first priority was to make our tax system fairer by raising taxes for the top 1%, so we could cut them for nine million Canadians, providing over \$20 billion of tax relief over a four-year to five-year period. That is why we introduced the Canada child benefit, the CCB, lifting hundreds of thousands of children out of poverty and making a difference for millions of families across this country. By investing in our people and our communities, we have made important strides toward a fairer Canada, a better Canada.

Today the Canadian economy is resurgent. Everywhere we look there are positive indicators that tell us that the wind is in our sails. Since the fall of 2015, 400,000 new jobs have been created, most of them full time. That is a great thing. Our economy is now growing faster than any other G7 country.

However, we know that as our economy grows, we need to ensure that all of the benefits of economic growth that accrue are given to every Canadian, so that all Canadians feel they have a stake in this economy and this country, and that their standard of living is rising. All Canadians, not just the wealthy few, should experience the benefits and opportunities that come with an economy that is firing on all cylinders. Therefore, we cannot be indifferent when we find instances within our federal tax system that give some people an advantage and that others cannot access—

• (1715)

The Assistant Deputy Speaker (Mr. Anthony Rota): On a point of order, the hon. member for Kitchener—Conestoga.

Mr. Harold Albrecht: Mr. Speaker, I am not sure if my colleague has failed to read the motion that we are discussing today, but he is

not talking about this motion at all. The motion clearly outlines the concerns that we have relating to the ethical standards that the finance minister is or is not operating by. The member is simply going over some of the so-called consultation that did or did not occur over the summer.

I would ask you, Mr. Speaker, to ask my colleague to return to the motion at hand.

The Assistant Deputy Speaker (Mr. Anthony Rota): I mentioned earlier the same concern with other people who were speaking. I will leave it with the hon. member.

As I said earlier, we hear members speaking in what appears to be a tangent and we wonder where they are going with their remarks but they seem to bring them back to the argument they are trying to make.

I will leave it with the hon. member for Vaughan—Woodbridge to continue.

Mr. Francesco Sorbara: Mr. Speaker, I do like the word “tangent.”

I also like the fact that the finance minister has announced a number of additional steps, including establishing a blind trust for all assets held by him and his family. He is going above and beyond what is required and above and beyond what we want but he is doing the right thing and I applaud him for that. He is an individual for whom I have a lot of respect. He is an individual who has done a lot for his community. He has served on many boards, such as C.D. Howe, St. Michael's Hospital, and a number of others that benefit the broader community.

We cannot be indifferent when we find instances within our own federal tax system that give some people an advantage that others cannot access.

We have found that in some cases someone earning \$300,000 with a spouse and two adult children can use a private corporation to get tax savings that amount to roughly what the average Canadian earns in a year. Such tax planning strategies are legal, but that does not make them fair. Tax fairness is a prominent issue for me. It is an important issue for our caucus. It is an important issue for all Canadians. I am glad to see our finance minister taking leadership with regard to tax fairness.

The need to level the playing field is at the heart of our current consultations on proposals to ensure equity in Canada's tax system while maintaining Canada's low and competitive business tax rates that support growth and job creation.

This summer the government put forward proposals that would address tax planning strategies that may be employed by wealthy and high income Canadians to pay less tax.

Business of Supply

We inherited a system that encourages wealthy individuals to incorporate in order to pay less tax. That is a fact. This means someone making \$300,000 can save about as much on tax as the average Canadian earns in a year, \$48,000. That is not fair and we are going to fix it. Under the leadership of the finance minister, I am proud to say we are going to fix that. We are making changes to address tax advantages that only the richest individuals using high-priced accountants can take advantage of.

We have listened to small business owners, professionals, farmers, and fishers during the consultation and we will act on what we have heard to avoid unintended consequences.

I met with a number of tax experts in the riding that I represent and also with former associates who work in downtown Toronto on Bay Street, tax experts. I have listened to them and I have heard the unintended consequences that the consultation paper provided. I spent half of Labour Day and most of Thanksgiving Day on it.

We are listening, because that is what a government does. It does listen to its constituents and it does listen to stakeholders. That is what this government is doing.

We committed to reducing the small business tax rate in our platform and we followed through on that. By 2019, the tax rate will be down to 9%, saving businesses across this country up to \$7,500, that they can use to reinvest in equipment, in salaries, in training, and so forth, whatever they choose to use it for.

That is why we see SMEs and formation rates for small business in Canada at robust levels. People have confidence in our economic platform. They have confidence in the finance minister and will continue to do so.

Right now there is upwards of \$300 billion in passive savings sitting in private corporations not contributing to the fullest amount to the growth of the economy or business. Eighty per cent of this money is held by just the top 2% of the wealthiest corporate owners.

As we move forward, we will create a \$50,000 threshold on investment income annually, or approximately \$1 million in savings, to ensure business can continue to save for contingencies or future investments in growth.

Under our plan, 97% of businesses will see no tax increase on investment income. Changes will protect past investments and income from those investments.

We will also ensure that venture capital and angel investors are not impacted. We want to ensure that the next generation of innovation occurs here in Canada. The recent announcement in downtown Toronto with Google and Alphabet making their investment is literally going to transform the waterfront and create thousands of jobs—

• (1720)

[Translation]

The Acting Speaker (Mr. Anthony Rota): The hon. member for Longueuil—St-Hubert on a point of order.

Mr. Pierre Nantel: Mr. Speaker, I believe that my colleague opposite is once again bragging about the virtues of his government's various economic reforms. However, today, we are talking about a

serious ethical issue, a conflict of interest. I would like him to talk about the subject at hand.

The Assistant Deputy Speaker (Mr. Anthony Rota): As I said earlier, sometimes members go off on tangents that we do not understand, but I will allow members from all parties to share their comments and find a way to sum them all up in their conclusion.

• (1725)

[English]

The hon. member for Vaughan—Woodbridge has 15 seconds left.

Mr. Francesco Sorbara: Mr. Speaker, the Finance Minister's ethics are beyond refute. We as members always must uphold the highest standards as publicly elected officials. Knowing the Finance Minister, I know that has been done.

Mr. Tom Kmiec (Calgary Shepard, CPC): Mr. Speaker, what we just heard from the member is what we would call the "Dance of the Seven Veils" in the verbal version. He literally talked about everything but the content of the motion, avoiding, at some points brilliantly, to talk about the failure of the Finance Minister to meet the very simple and reasonable ethical requirements set forth by the law and the Liberal government by the very documents it put out in the mandate letters sent to every cabinet minister.

How can the member say truthfully and without laughing that the minister has met the requirements of the law and the expectations of Canadians on his personal ethics?

Mr. Francesco Sorbara: Mr. Speaker, the Finance Minister has announced that he established a blind trust for all assets held by him and his family. The minister is working closely with the Conflict of Interest and Ethics Commissioner and a trustee to divest all of his family's holdings in Morneau Shepell in an orderly fashion and as soon as practical.

[Translation]

Ms. Marjolaine Boutin-Sweet (Hochelaga, NDP): Mr. Speaker, the minister just put his holdings in a blind trust. He did not do it two years ago.

The letter that the Conflict of Interest and Ethics Commissioner sent the minister said that "if an official function provides you the opportunity to further your private interests...you are considered to be in a conflict of interest situation." That is exactly what the minister did.

How can Liberal members, including this MP, claim that the minister was not in a conflict of interest situation up until yesterday?

[English]

Mr. Francesco Sorbara: Mr. Speaker, the Finance Minister continues to work closely with the Conflict of Interest and Ethics Commissioner to ensure that all rules are followed, as is expected of him and all members of Parliament.

Mr. Sean Fraser (Central Nova, Lib.): Mr. Speaker, I listened intently to my hon. colleague's remarks. He did a great job of highlighting some of the contributions the Finance Minister has made, which really focus on the Canadian people, including the consultation process over the course of the summer.

Business of Supply

The issue of helping small business and adjusting some of the proposals that initially went out has consumed the public discourse for some time. When we started to release the adjustments to these proposals, I could not help but notice that the channel had been changed by the opposition.

Does my hon. colleague believe this is because the opposition knows these changes will be good for small business in Canada?

Mr. Francesco Sorbara: Mr. Speaker, these changes are not only going to be good for small business, but they are going to be great for small business. They will help grow our economy and help create good middle-class jobs. The opposition knows it and we know it.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, this is my first opportunity to take the floor in this debate on the matter of supply relating to the problem of ethics and the finance minister. I would like to thank my friend from Vaughan—Woodbridge for his speech and ask his indulgence that I state, on the record, my deep concern that Bill C-27 must be withdrawn. It appears to me that there is a blatant conflict of interest in the finance minister bringing forward this measure.

As for much of the rest of the debate, I find it regrettable that we cannot focus on the need to bring into this place, and it is part of the motion before us today, ethics rules that are binding. The code of ethics for members of Parliament that we find in our Standing Orders book says very clearly that we must avoid conflict of interest and the perception of conflict of interest, but as far as I can see, it is impossible to commit an ethical violation. On this, I refer to more than the hon. Minister of Finance, but to other members in this place who have committed, in any common-sense understanding, a violation of their conflict of interest guidelines, the guidelines are unenforceable. Would my friend from Vaughan—Woodbridge agree that we should make them enforceable?

• (1730)

Mr. Francesco Sorbara: Mr. Speaker, I have two brief points. First, retirement security and retiring in a dignified way for millions of Canadians is important to us. That is why we enhanced the CPP and boosted the GIS. If there are other avenues we could take, we will obviously look at them. We need to make sure we strengthen our retirement system.

On the other matter, the finance minister is working closely with the Conflict of Interest and Ethics Commissioner to ensure that everything is being taken care of properly.

[*Translation*]

Mr. Greg Fergus (Hull—Aylmer, Lib.): Mr. Speaker, I appreciate the opportunity to participate in this debate.

I was not in the House last week or the two weeks before that because I was participating, along with parliamentary colleagues of all political stripes, in the prebudget consultations of the Standing Committee on Finance. We had the pleasure of criss-crossing this great country to meet with people and talk about their hopes, wishes, and aspirations for the 2018 budget.

During these consultations, I read in the newspapers that there had been quite a kerfuffle here in Ottawa, but it was good to be on the ground talking with people about their concerns. These concerns, I might add, did not always match up with what we hear in the House,

which is unfortunate. I want to thank my colleague, the member for Vaughan—Woodbridge, for his comments. I appreciated his summary. As for me, I would like to briefly recap the issue before us.

Since his appointment, the Minister of Finance has been working closely with the Conflict of Interest and Ethics Commissioner to ensure that all the rules are followed, both for him and for all parliamentarians.

The finance minister announced that he would not just follow the Conflict of Interest and Ethics Commissioner's recommendations but that he would go the extra mile in order to maintain the public's confidence as we continue our work to grow Canada's middle class.

The finance minister also announced that he would take additional steps. First, he is going to set up a blind trust for his assets and those of his family. Then, he will continue to work with the Ethics Commissioner and an administrator to turn over his family's assets related to Morneau Shepell in an orderly and appropriate manner. As an additional precaution, and this is a message to all parliamentarians, he will continue to use a conflict of interest screen to prevent conflicts of interest, unless the Ethics Commissioner tells him otherwise. There. I addressed the issue before us.

I do wonder, however, why we are even talking about such ridiculous issues. We all know that the Minister of Finance is an honourable man who followed both the letter and the spirit of the Ethics Commissioner's recommendations. The fact that we are debating issues such as this one just shows that things are going well. The economy is growing. Things are going so well that the opposition parties were taken by surprise and they essentially had to make up some ethical issues. That is the real reason.

There has been a lot of good news regarding the economy, and I know it is hurting the opposition. Since December 2015, Canada's unemployment rate has been the lowest it has been in nearly a decade. That is impressive and incredible. However, that is not all. Over 400,000 jobs, most of them full-time, have been created since we took office. That is outstanding.

• (1735)

That is a great record for any government. We are proud to have made those accomplishments since this Liberal government took office in 2015. That is progress.

Business of Supply

That is not all we have done. We have also helped the Canadian economy, something I could talk about at length. As my colleague from Winnipeg North and Parliamentary Secretary to the Leader of the Government in the House of Commons often says, good news bears repeating. The Canadian economy is growing faster than it has in over 10 years. That is incredible, and it is in fact because of the measures introduced by the Minister of Finance and adopted by Parliament. We adopted those measures, but there is a certain political party that never supported them. Unfortunately, that is its official position. That party was there when we decided to lower taxes for the middle class and raise them for the wealthiest 1%. Unfortunately, that party voted against those measures. I do not take any pleasure in saying this. That party voted against the Canada child benefit that we created and that lifted over 300,000 young people out of poverty. Lifting children out of poverty is a great thing. This is good news.

Our plan to grow the economy in a way that benefits the middle class and those working hard to join it has been successful. That is why we are where we are today.

It is too bad that the opposition decided to debate this motion because we could have talked about other issues that are extremely important, not just for the Canadian economy but—

The Deputy Speaker: Order. The hon. member for Brandon—Souris on a point of order.

[*English*]

Mr. Larry Maguire: On a point of order, Mr. Speaker, it is a pity we have not heard anything in my hon. colleague's speech across the way regarding the issue before us today, the motion about the ethics of the finance minister. The Liberals do not have a plan because their plan is coming out. Maybe there will be a plan tomorrow that will try to convince Canadians that what the Liberals have done over the last two years has been to their detriment as Canadians, and to the detriment of the members across the way as government. If we could just bring the member back to the topic that is at hand, we may get some more clarification in regard to what was asked today.

The Deputy Speaker: I thank the hon. member for Brandon—Souris for bringing this point to the House. Members will know of course that relevance is one of the requirements of speeches and comments before the House. That said, I have listened to the hon. member for Hull—Aylmer and noted that at the beginning of his remarks he put into context his comments in relation to the challenge of the finance minister's work, and then he went on to present some ideas on that other side of the argument. That actually means, from the way I see it, that the speech is within the bounds of relevance.

I will just remind hon. members that members are afforded a great deal of boundary, or liberty if you will, to pose these kinds of arguments as long as they make a connection, as the member for Hull—Aylmer did in the opening comments of his remarks. However, I would remind him to keep it in that spirit and keep it in context.

We will go back to the hon. member for Hull—Aylmer.

● (1740)

[*Translation*]

Mr. Greg Fergus: From your lips to God's ears, Mr. Speaker. I agree with you. As you said, I started my speech by saying that the Minister of Finance was an honourable man who has taken steps to remedy the situation, as he has always done since becoming the finance minister. I spoke about the economy because I believe that it is the reason why the opposition moved this motion. The Canadian economy is doing so well that the opposition wants to draw Canadians' attention away from that by talking about trivial things.

It is unfortunate that I have only a few minutes remaining because I have a lot more to say on this issue and the reasons why we are having this debate today.

I would like to thank my colleague opposite because he gave me one last chance to talk about something important. We have an extraordinary economic record thanks to the hard work of Canadians across the country who had the courage to be optimistic following the 2015 election and reinvest in the economy.

Tomorrow, a great announcement will be made. The Minister of Finance will tell us about the progress he has made by presenting the fall economic statement to the House of Commons. I do not have the inside track, but I trust the finance minister when he tells me that there will be good news. That good news will simply add to his long list of accomplishments both in the private sector and as finance minister. I am sure that we will have good news tomorrow, and that all Canadians will appreciate the results of his efforts.

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Mr. Speaker, I thank my colleague for his contribution to this debate. While I do respect him, I am disappointed that he does not see how important this ethical issue is. He wants to talk numbers, and he is so excited about them that he is blind to the importance of ethical issues to our society, our democracy, and the House of Commons.

He repeatedly said that we could have talked about this or that other thing today. He seems to think the question before us and ethical issues in general are trivial matters. In his opinion, a minister who pockets thousands of dollars a month through a company governed by laws the minister himself introduces, is of no importance to Canadians and is merely a distraction.

I would like my colleague to at least acknowledge that ethical issues are important to our society, particularly when it comes to ministers and public office holders, who make decisions every day and must be held to the highest ethical standards. Can he at least talk about how important he thinks that is?

I would also like to know what he thinks of the fact that the minister misled his own caucus, the House of Commons, and Canadians about the blind trust.

Mr. Greg Fergus: Mr. Speaker, I want to thank my colleague from Sherbrooke, a man I respect very much. We share a birthday, but we were not born in the same year.

Business of Supply

I take this all very seriously because it is critical. It is why the minister consulted the Ethics Commissioner when he took office. It is also why the Ethics Commissioner has never said that the Minister of Finance was in violation of the law. On the contrary, he consulted the commissioner, followed her recommendations, and they agreed on what he needed to do in order to be able to continue his work.

I take this matter very seriously and the Minister of Finance has shown that he took it very seriously as well. As I said at the beginning of my speech, in the wake of the outcry no one can say that the minister did not follow the recommendations of the Ethics Commissioner. He even decided to go above and beyond what she expected of him. This shows that he is a man of integrity and a credit to all hon. members.

• (1745)

[English]

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Mr. Speaker, I too have a lot of respect for my colleague and thank him for his intervention, even though it was way off topic.

My colleague accused Conservatives of focusing on tiny things. Let me remind my colleague, and indeed all Canadians, that the finance minister is responsible for our pension laws, he controls \$300 billion of taxes and spending for our country, his department is in charge of billions of dollars in government bonds, he holds all of the government's shares in the Bank of Canada, and he is responsible for CMHC's hundreds of billions of dollars of mortgage insurance. No one has more power to enrich a company and its shareholders with public resources than the finance minister.

My question is very simple. The guidelines in the code and the act are very clear. They are written down for every member of Parliament and every minister. Why, after two full years of being in government, has the finance minister failed to comply with the clearly written rules of the code and the act?

[Translation]

Mr. Greg Ferguson: Mr. Speaker, I appreciate the question from my colleague from Kitchener—Conestoga, whom I know quite well. I really respect him and the work he does in the House and especially what he does outside the House on spiritual matters. I appreciate his work in that regard.

My hon. colleague raised a number of topics, including the pension system, taxes, and the Canada Mortgage and Housing Corporation. I will address them all quickly. As for the pension system, the Minister of Finance ensured the sustainability of the pension plan through the agreement reached with the provinces. As for taxes, we cut taxes for the middle class. We also made historic investments in the CMHC.

On top of all those great things the Minister of Finance did, he also acted on the advice of the Conflict of Interest and Ethics Commissioner. He has done so from the very beginning of his time in office, and continues to do so. He even went further than what the commissioner recommended.

Ms. Marjolaine Boutin-Sweet (Hochelaga, NDP): Mr. Speaker, I will be splitting my time with the member for Windsor West.

Today we are debating an NDP motion calling on the Minister of Finance to apologize to the House and to Canadians for breaking

their trust and calling on the government to close the loopholes he exploited in the Conflict of Interest Act, in order to prevent a minister of the crown from personally benefiting from their position or creating the perception thereof.

There are some people in this life who are clearly lacking in subtlety, and the Minister of Finance is unquestionably one of them. Fortunately, this gave us the chance to note that the minister had placed himself a situation that, at the very least, presented the appearance of a conflict of interest, that he had abused the trust of the House and the Canadian people, and that he had used a loophole in the Conflict of Interest Act for his own personal gain.

The Conflict of Interest Act clearly states that:

...a public office holder is in a conflict of interest when he or she exercises an official power, duty or function that provides an opportunity to further his or her private interests...

In the weeks following his election in 2015 and his appointment as finance minister, the minister suggested that he had complied with the Conflict of Interest Act, which, generally speaking, requires members to divest themselves of their shares or to place them in a blind trust if their duties could place them conflict of interest. However, we recently learned that this is not what the minister actually did. Instead, as we finally found out, the minister took advantage of a loophole in the Conflict of Interest Act to place his half of his shares in Morneau Shepell in numbered companies. In other words, the finance minister no longer holds shares in Morneau Shepell; the numbered company does. However, since he is the sole shareholder in the numbered company, this is just a matter of semantics.

The minister betrayed the trust of Canadians and the House by leading them to believe that he had followed the spirit of the Conflict of Interest Act when really he had made use of a loophole. The spirit of the act serves to ensure that those serving in the role of minister do not find themselves in a real or perceived conflict of interest. If he had truly been abiding by the spirit of the act, the minister would have placed his shares in Morneau Shepell in a blind trust or simply divested himself of all of his shares.

Instead, what he did was use a loophole to circumvent the spirit of the act and put himself in a position where he could personally benefit from the policies he implemented as the Minister of Finance. He did that for two years.

None of this passes the sniff test, especially since we are not talking about pocket change here. The shares in Morneau Shepell that the Minister of Finance directly or indirectly owns are valued at over \$20 million as of October 20, 2017. It seems to me that any reasonable person standing to become finance minister that owns more than \$20 million in shares in a company that bears his name would have seen a huge red flag with the word “danger” flashing in neon lights, and perhaps asked himself whether he should put all those assets in a blind trust so as to avoid the appearance of conflict of interest. That all seems like common sense to me.

Business of Supply

There is more, however. On October 19, 2016, on the first anniversary of his election by the way, the Minister of Finance introduced and sponsored Bill C-27, an act to amend the Pension Benefits Standards Act, 1985, which would increase the use of target benefit pension plans. The Minister of Finance's former company, Morneau Shepell, is a strong proponent of target benefit plans and manages related services. Those plans are that corporation's bread and butter. Should Bill C-27 pass and come into force, the company stands to be one of only four corporations in Canada that would benefit from the new pension administration rules.

While the current finance minister was in charge of Morneau Shepell prior to being elected, the company lobbied for greater use of targeted benefit retirement plans and became the Government of New Brunswick's lead consultant in implementing its new pension plan.

• (1750)

The Minister of Finance's company would absolutely cash in by helping existing clients switch to targeted benefit plans and producing the annual actuarial valuations that would be mandatory under the new law. The current system requires them only every three years. That would generate even more business for his company. Clearly, as a major shareholder in his company, the minister would derive personal financial gain if this bill were to become law.

The worst of it is that the Minister of Finance is the one sponsoring this bill. Ordinarily, because he still holds shares in a corporation that would directly benefit from the legislation, he should have declared his interest and recused himself from any cabinet discussion of the bill. Instead, he celebrated his first year in office with the gift of bill sponsorship. That is a pathetic way for a Canadian finance minister to behave.

To top it off, within days of the Minister of Finance introducing Bill C-27, Morneau Shepell shares were up almost 5%. We can all agree that that is no coincidence.

I repeat:

...a public office holder is in a conflict of interest when he or she exercises an official power, duty or function that provides an opportunity to further his or her private interests...

We are no longer talking about appearances here. The Minister of Finance is in a direct conflict of interest, but he waited for it to be discovered and for the media to report on it before fixing the problem. On top of that, when he was elected in 2015, the value of the minister's shares in Morneau Shepell was \$32.1 million. As of last Friday, as I mentioned earlier, his shares were worth \$42.6 million, which means that his shares generated a profit of over \$10 million in the past two years. If he still owns half of what he had in 2015, that means an extra \$5 million in his pocket, while he is the Minister of Finance.

When the information was made public last week about his shares in the company bearing his name, it took us asking him nearly 20 times before he would finally confirm that he still has considerable holdings in Morneau Shepell, as though he had something to hide. This Minister of Finance is like a kid who was caught with his hand in the cookie jar, with chocolate around his mouth, but who still denies doing anything wrong. This reminds of the time when one of

my brothers was caught licking another brother's ice cream cone, and he said that his tongue simply fell on it.

This is not a matter of cookies or ice cream. We are talking about millions of dollars. When the minister finally held a press conference to announce that he would divest himself of his shares, the price of his company's shares dropped by \$0.41 in the three following hours, costing the minister an estimated \$410,000. It is easy to see why he hesitated to respond and do what was necessary to put an end to this situation, which was strongly perceived as a conflict of interest. How can the minister continue to try to lead us and Canadians to believe that he went into politics for the right reasons and that he is really working in the interests of the middle class and those working hard to join it?

How many middle-class Canadians earn \$5 million in two years? We now see why the finance minister was reluctant to tax the wealthiest Canadians. I grew up in a family where my parents had to work hard to make sure that their children had everything they needed in life, and I want to thank them for that here. Thank you, Mom and Dad. I decided to go into politics to help families have the same opportunities that my parents gave me. We are not here to help the rich get even richer.

At the very least, the minister should apologize to Canadians and members of the House for betraying their trust and leading them to believe that he was carrying out his duties in the interest of the public, rather than in his own personal interest. Ministers have lost their limos for far less than this. The government must also immediately commit to eliminating the loophole in the Conflict of Interest Act to ensure that the sorts of antics we are seeing today never happen again and that the spirit of the Conflict of Interest Act can no longer be circumvented by semantics.

• (1755)

[English]

Mr. Colin Carrie (Oshawa, CPC): Mr. Speaker, I want to thank my NDP colleague and everyone else in the NDP and the House who has spoken to this, because it is an extremely important issue that goes to the heart of our institutions here. Frankly, the NDP and the Conservatives will quite often disagree. We have principles that we disagree on, but we do have principles.

Could the member comment on what it will do to the institutions we are here to support if the motion before the House is not supported and members on the other side do not respect the fact that we have rules, that we have the Ethics Commissioner, and that we are not supposed to do something indirectly that we cannot do directly?

Could the member please comment on how important it is to Canadians and the institutions we support here that every member of this House support this motion?

Business of Supply

[Translation]

Ms. Marjolaine Boutin-Sweet: Mr. Speaker, it is true that we sometimes disagree, but I have to say that, during this Parliament and the previous one, even when I did not agree with what the Conservatives were saying, I understood and I knew in advance what they would say and what they were setting out to do. With the Liberals, I never know what to expect because they change like the wind.

In this case, we are talking about the Minister of Finance. Canadians have to be able to trust the Minister of Finance. If Canada's Minister of Finance finds a loophole that enables him not to break the law but to get around it, that says a lot about how the government does things.

We had the same problem when a Canadian prime minister registered his ships in another country because he did not have to pay taxes there. There is something fundamentally wrong with all this. If a government wants people to trust it, its actions must show that we can trust it. This time, the minister circumvented the rules and found loopholes. That is a poor way to earn anyone's trust.

• (1800)

[English]

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, whether someone is a New Democrat or a Conservative, this is one of the many different issues that the Minister of Finance has presented to the House. There is a litany of wonderful things, whether it is the tax break for Canada's middle class, enhancement of the guaranteed income supplement, the Canada child program, or the issue of tax fairness. However, there is one common thread on all these issues, and that is we have seen the Conservatives and NDP unite as one in opposition to criticize this government, in particular the Minister of Finance.

My question to the member across the way is related to the Ethics Commissioner. It is her job, Mary Dawson's job, and she has not only reviewed the Minister of Finance but indeed all 338 members of Parliament on the issue. If any of the 338 members of Parliament are outside the law, trust me, Mary Dawson and her office will be in touch. Why should Canadians believe the opposition when we have an opposition who consistently, at every opportunity it gets, criticizes the Minister of Finance? We have an independent office of Parliament that obviously does not have a problem with what the minister has done.

[Translation]

Ms. Marjolaine Boutin-Sweet: Mr. Speaker, given that the Conflict of Interest and Ethics Commissioner told us that there was a problem with the act as far back as in 2013, I would be very surprised if the Minister of Finance did not know about it. I have my doubts about that.

All of the speeches we have heard from the Liberals and all of the questions they have asked have sought to change the channel. Why? I think it is because the Liberals do not want to answer the real question. Perhaps they too have doubts. They are trying to elevate the finance minister to sainthood by listing all of his good deeds. It is as though I broke my sister's doll and, when my mother scolds me, I tell her that it is not a big deal because I made my bed this morning.

One has nothing to do with the other. That is exactly what we are hearing from the other side. What they are saying has nothing to do with the question we are asking today. We are asking a question about ethics.

The Liberals are not answering and they are saying that we are the ones who are changing the channel. The Liberals are the ones who are changing the channel.

[English]

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, it is a pleasure to rise today on this opposition day motion, presented by my colleague. The last bit of exchange was interesting. I hope Mary Dawson is listening to this, because it speaks to the arrogance taking place here in the way she and her office are being used by the government. The parliamentary secretary just got up and said, "...trust me, Mary Dawson...will be in touch."

The parliamentary secretary, while espousing the independence of Mary Dawson, has just indicated that she is going to take action. He is giving a directive to this chamber and to the public in general about someone else. This is one of the most disturbing things taking place today. Some of the defence that has been taking place, the shield of the ethics office, which operates under legislation made in this House with the dominance of the Liberal Party and its ethical perversions over the years, still has not resonated that it actually has the capacity to deal with the conflict of interest in this chamber. The member opposite is now suggesting that Mary Dawson is going to contact every single member of Parliament, and to trust him, she is going to do that. The amount of arrogance in that is profound. It comes to the real problem we are talking about, the confidence and trust of the people.

The motion we tabled in the House of Commons is simply to live up to the Liberals' standards and ethics. It is almost like we have to apologize, and Canadians have to apologize that the Liberals dined out on this in 2015. They said they were going to be different than their own selves. In fact, we would often hear their own members contradicting each other on the electoral campaign, including the member for Papineau talking about other Liberals in the past and their past indiscretions in regard to ethics, standards, and behaviours, going back to everything from the Chrétien years to the most recent being the former prime minister, Paul Martin. He was called out for sailing ships with different flags so he could save on taxes, and not actually have the people serving on those ships get the same standards that Canadians deserve in their own workplace. That is reality. That took place. The former finance minister used ships of convenience and flags of convenience of his own registered companies to get lower working standards, lower wages, and avoid taxation for his home country. Shame.

What have they learned from that? They have learned nothing. We are apologizing for the fact that they campaigned that they were going to be different. They said they had changed this time. They were going to drink from the other glass, not the same one they had been drinking out of during the Chrétien and Martin years, with all those ethical breaches and standards they had in the past from Dingwall, to Gagliano, to all those things in the past.

Business of Supply

Here we are. They have created their own mess because their own Minister of Finance could not figure out a basic thing that all of us know: when something in front of us seems wrong, usually it is, and do the right thing. We have to stand here and apologize and basically call them out for the fact they have not lived up to what they promised to be.

The motion is crafted in a way to deal with the facts. The first one is “(a) after being elected to Parliament in 2015, led Canadians to believe that he had placed his shares in Morneau Shepell into a blind trust, while never having done so”. It was not someone else who led people to believe that. It was the finance minister.

I am so sorry that the finance minister promised to do something and he never did. I guess it is my fault. I guess it is my colleagues' fault. I guess it is Canadians' fault that he did not do what he said he was going to do. That is what we are talking about here. It was not thrust upon him. It was something he said. He willfully went to the public, built that trust, and said he was going to do that. He never did it.

The second one is “(b) used a loophole in the Conflict of Interest Act to place his shares in a private numbered company instead of divesting them or placing them in a blind trust”. What is important is, people have seen the key moments in modern history where there have been leaks about individuals using tax havens and loopholes, from the Isle of Man, to Bermuda, to Barbados, and other places.

• (1805)

People have had enough. They cannot get prescription drugs. They have a hard time paying the rent, are worried about the future, and their jobs are more precarious. At the same time, people in our own civil society are using the system that is supposed to defend them. This place, the House of Commons for the common people, has set in place a taxation process to be fair and equitable, and it allows people with an accountant and lawyer to skirt that. It is a cottage industry that has turned into an extreme example of the inequity in society.

This has to end. I hope people take this to heart, because this is the problem that comes with fairness. This system basically defends a colonial system of taxation of the poor versus the wealthy. We have created a system where the better an accountant and lawyer one hires, the less money one pays, even after paying them off, than the neighbour down the street who is trying to do a nine-to-five job and just wants to have 40 hours a week with benefits to make sure their child can go to school in the future. That is what is at odds here.

Look at the wording of the motion. Let us remind ourselves what a numbered company is, by its definition. A general definition states, “Numbered companies may include, but are by no means limited to, new companies that have not yet determined a permanent brand identity, or shell companies used by much larger enterprises for various purposes.”

Therefore, if one can afford a lawyer and a numbered company that does not have a permanent status, purpose, or anything, then one has the chance to shelter their money by using the tax laws, and those accountants and lawyers, to pay less taxes. It does not have to be a good idea or be innovative. No, not at all. It does not have to be

any of those things. It could be a villa or something else that one dreams up or creates that then has a number to it.

Ironically, we talk in this motion about Bill C-27, which is the next point on this, an act to amend the Pension Benefits Standards Act. That is a conflict of interest, at least on appearances. My goodness, how can we have a finance minister not even understand that recusing himself would be the number one thing?

There is another piece of legislation that has been forgotten in the debate today, which is Bill C-25. Bill C-25 looks at a series of different things that relate to not only pensions but also shareholders and the Corporations Act, to find out how shares can be hidden and sheltered. What the members on the other side did is to create a piece of legislation that buffered the real debate out of Bill C-25 for issues that are complicated, bearer shares and all these different things. They were just more ways to squirrel away the money if you are rich versus that of anyone else. It slid on through here and reinforced that this place is no longer the House of Commons, but a house that represents a taxation system for the few who can have accountants and lawyers.

That bill passed, and we had amendments on it to provide more clarity and transparency. However, what did we get? Why is it that the minister chose random numbers for personal interest? When one looks back at that in the history of time, again, it is about sheltering personal interests. Sheltering personal interests and using the law to do so should not have to be explained here, if one came for that reason. It should not have been taught.

Most importantly, as I conclude here, it is what the Liberals said they would do differently. They said they would be different than themselves. That is who they said they would be different from at that time.

I remember these things. We can go back and watch debates and check out the former Prime Minister Paul Martin and Canadian steamships. This is the second time coming.

• (1810)

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, the parliamentary secretary to the government has been talking about how we can count on the Ethics Commissioner to come calling, as my friend from Windsor has also mentioned. My concern is that the ethics code is unenforceable. The Ethics Commissioner is not going to come calling on anyone. When faced with complaints of conflicts of interest, and I have had occasion to raise them myself, I am told that it is pretty much impossible to find anyone guilty of conflict of interest under our code.

I appreciate that this opposition day motion talks about strengthening the code and the powers of the commissioner. I ask my hon. colleague to comment on that.

Adjournment Proceedings

Mr. Brian Masse: Mr. Speaker, the member's question is very pertinent to the debate. In fact, the Ethics Commissioner is a creature of the legislation in the House of Commons. That is the reality, and the parameters we have set are so confined that the Ethics Commissioner can only do so much. It is both arrogant and interesting that the parliamentary secretary can dictate to members in this chamber the Ethics Commissioner's work. That shows an indifference to the institution as it is. It is one of the reasons that it has to be fixed, because people should be up in arms about this, not because of this one occasion but the reality that we have set the system up to do what it is doing right now, and not to be fair.

• (1815)

[*Translation*]

The Deputy Speaker: It being 6:15 p.m., it is my duty to interrupt the proceedings and put forth with every question necessary to dispose of the business of supply.

[*English*]

The question is on the motion. Shall I dispense?

Some hon. members: No.

[*Chair read text of motion to the House*]

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And five or more members having risen:

[*Translation*]

Ms. Marjolaine Boutin-Sweet: Mr. Speaker, we ask that the vote be deferred until tomorrow, Tuesday, October 24, 2017, at the expiry of the time provided for oral questions.

The Deputy Speaker: Accordingly, the recorded division stands deferred until Tuesday, October 24, 2017, at the expiry of the time provided for oral questions.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[*English*]

CHILD CARE

Ms. Sheila Malcolmson (Nanaimo—Ladysmith, NDP): Mr. Speaker, I rise to pursue my concern that the cost of child care in this country is punitive for families and detrimental to women's economic justice in this country. Fees are more than \$1,200 a month in Toronto. For my little sister, the cost of child care is more than the cost of rent, \$1,400 in Vancouver.

This past week, the OECD was here on Parliament Hill investigating Canada's commitment to its feminist agenda and its gender lens on its policies and budget processes. The OECD has observed that:

Affordability and quality in childcare overall in Canada is still an issue, forcing many women to drop out of the labour market or reduce their working hours during childrearing years. This affects women's earning levels: full-time employed women in Canada earn on average 19% less than men.

That was reflected also by a study that the OECD did of Canadian families. The report found that families in Canada spend almost one-quarter of their income on child care, a ratio that is much higher than in other parts of the world. It found that Canada is among the most expensive for child care among its 35 members. This was reinforced for me in a meeting last week in the riding with James Brierley, who is the B.C. young worker coordinator for the Public Service Alliance of Canada. He said:

Monies currently allocated in the 2017 federal budget are not sufficient and as we both know, a national universal childcare system that provides affordable, quality childcare to all families in Canada and to pay Early Childhood Educators a living wage will take increased federal funding.

Mr. Brierley noted his own personal story. He said:

With another child due in January these costs are set to rise to \$1770 per month for 2 children. I have had to discuss with my wife if we can afford the family we always wanted thanks to a system that commoditizes childcare in the market environment. As a family that works decent government jobs with a household income of over \$120,000 per year this was not something I anticipated to be an issue...over 55% of our household income will be allocated to childcare and housing costs....

When will we have a childcare system that will be the envy of other countries as the liberal government is so proud to say that Canada is the envy of the world. BC numbers close to the top for child poverty. Its time for this federal government to take a stand on childcare and stand up for working Canadians!!

This lines up also with a TD Bank study saying that, "investing in early [childhood] education programs [would] help Canada address the major economic threats [it's] facing over the coming decades", and that the program could pay for itself.

Therefore, I ask the government this once again. When will it heed the advice of the OECD, the TD Bank, and families across the country and invest what the IMF says, that if it puts in \$8 billion a year, the program would pay for itself in taxation and additional economic activity as well as being a just thing for families and women in our country?

• (1820)

Mr. Adam Vaughan (Parliamentary Secretary to the Minister of Families, Children and Social Development (Housing and Urban Affairs), Lib.): Mr. Speaker, I would like to start by thanking the hon. member for Nanaimo—Ladysmith for raising this important issue in the House, and focusing on child care. It is a critical issue for many Canadians across the country.

Adjournment Proceedings

We know that child care is important. In fact, we understand that many families in this country lack affordable, high-quality, regulated child care and we know that this forces many families into making hard choices. Some parents are forced to stay at home because they simply cannot afford to pay for child care. Others are working more than one job to make ends meet.

[Translation]

Too many families have to make difficult choices because of the lack of quality, affordable child care. Some parents have to give up their careers because they cannot afford to pay for child care, while others have to work more than one job to make ends meet.

[English]

No one should have to make these tough choices, and our government is committed to making sure that Canadians have to make them less and less.

Our government recognizes that quality child care and early learning support during early years is critical to a child's social, emotional, and cognitive development, and participation in society later on. This is why in our first budget a year ago, in 2016, our government proposed to invest \$500 million immediately to early learning and child care, including \$100 million specifically targeted to indigenous early learning and child care, which will be led, designed, and delivered by indigenous communities.

However, that was just a start. This year, in budget 2017, we proposed and invested an additional \$7 billion over 10 years to support and create more high-quality, flexible, inclusive, and affordable child care right across the country, and we are making it happen. In fact, on June 12, the federal government, along with provincial and territorial partners, and the ministers responsible for early learning and child care across the country, announced a multilateral early learning child care framework, and that has been put into place. This new framework sets the foundation for governments to work towards the long-shared goal of making sure that children, no matter where they are across Canada, can experience an enriching environment of quality learning and early child care.

We have done more than that, though. Since then, three provinces and one territory have entered into three bilateral agreements. In the coming weeks and months, we will continue to work with the remaining provincial and territorial partners, with a total of \$1.2 billion to be allocated, addressing each jurisdiction's unique early learning and child care needs based on the systems that are present in different regions and provinces across this country. We will develop an action plan, together with the provinces and territories, to track progress and ensure that low and middle-income families increasingly have more access to affordable child care. The framework will complement the development of a separate indigenous early learning and child care framework between our government and indigenous partners, which will reflect the unique cultural needs of Métis nation, Inuit, and first nation children right across the country.

We are also investing another \$95 million to close the data gap to make sure we have accurate assessments. That is not just in terms of what we are doing across the country to make sure we set new

standards and achieve those new standards, but we will be tracking that progress through the life of the agreements we have signed.

We are also investing \$100 million into early learning and child care innovation, so that we can find new ways to support children as they move through the early years, to make sure it is not just child minding but child care and learning development that take place. We are working closely with provinces and territories right across this country to make sure that Canadians and children in this country get the support they need, and we will continue to work with the parties opposite to make sure we get those programs delivered.

• (1825)

Ms. Sheila Malcolmson: Mr. Speaker, the concern, given the tremendous backlog and the evidence we have, is that we know how much this harms the economic well-being for women, and how ultimately this harms the economy.

The International Monetary Fund recommended an expenditure of \$8 billion a year on child care, which would be good for the economy. Through increased workforce participation and taxation, it would pay for itself. However, the Library of Parliament has calculated that the current government at this point has only committed 8.8% of that funding, which is a 91.2% funding shortfall compared to what the IMF recommended that this country spend.

Budget 2017 does not allocate funding for any new child care spaces until 2018-19. However, as the member said, with two provinces, British Columbia and Alberta, being ready to go with construction of new child care spaces and supporting child care workers, we need a government that is willing to make the significant investment early on to create those new spaces, to get women to work, and to get child care workers the secured spending.

Mr. Adam Vaughan: Mr. Speaker, the member opposite would know that one of the challenges we face as a federal government is that when we put new dollars into a program, quite often provinces, and the NDP in Alberta is a fine example, take money out the back door, so we do not end up increasing expenditures on child care. Therefore, we need to sign comprehensive agreements with the provinces before the dollars can roll. We have done that now, which is why this program is going to add, as I said, an additional \$7 billion into the day care system over the next few years.

The member opposite cites studies that say the national spending levels should be a certain amount, and then assumes that the federal government should be 100% responsible for it. As we know, under the Constitution, under the service delivery model we have in this country, the \$7 billion that we put in, or the 9% that the member references, is only part of the national expenditure. She has identified the federal government's expenditure, but the provinces and cities also contribute to that, which gets us much closer to the amount. The member should calculate that as she does the addition.

However, if the member opposite, and particularly the NDP, were serious about child care, my question to them would be this. Why, when we had a national child care agreement fully funded with all of the provinces, moving towards a universal system of accessible, regulated child care and early learning, would they have defeated the government at the cusp of that coming into existence? If they really cared about children, why would they not have delayed that vote by a matter of two weeks, which is all it would have taken, and we would have had 10 years of solid investment and a solid program across the country?

They put their electoral fortunes ahead of the plight of children, so I will not be lectured to by the New Democrats.

IMMIGRATION, REFUGEES AND CITIZENSHIP

Ms. Jenny Kwan (Vancouver East, NDP): Mr. Speaker, the latest data available from the RCMP shows that by the end of September, a total of 15,102 individuals have been apprehended following an irregular crossing and have claimed asylum in Canada, with 13,626 occurring in the province of Quebec.

After months and months of my urging the government to take action and make funds available to the RCMP, the CBSA, the IRCC, and the IRB, we learned that during the joint briefing session on asylum crossings, the government had provided IRCC, “No additional dollars. The dollars are with the existing programs.” For the IRB, “There has been no new funding from a year ago.”

When I rose in May to ask my question of the Prime Minister regarding his empty promises around the lack of staffing and resources for the IRB, the IRB's caseload backlog was increasing by 1,000 cases per month. We learned this month that the lack of resources and staffing, combined with the continued influx of asylum seekers to Canada, has caused this backlog to grow by roughly 1,400 cases per month.

The deputy chairperson of the Refugee Protection Division of the IRB was clear. She said, “unless you put more resources to this problem, then it takes longer time to schedule so there will be longer wait times.” When asked what she meant by resources, she said, “It is a dollar issue, and it is a combination, obviously, of members, hearing rooms, and staff.” The deputy chairperson has acknowledged this, the minister has acknowledged this, and the parliamentary secretary has acknowledged this, but still no new funding is being made available and the board member seats remain vacant.

The IRB is key to the Canadian asylum system's integrity. Whether the organization is at arms length from the government or not, it relies on government funding. Government inaction is undermining the system. Last week, the media reported statistics on the irregular crossing asylum claims that has managed to be heard so far, and this result paints a very different picture than what the government has been saying.

There have been 592 claims finalized between March and September, and 408 have been accepted. That is a 69% acceptance rate. That is higher than any asylum claim method in 2016.

The government has continued to say that the United States remains a safe country to claim asylum. At committee, the minister refused to discuss the safe third country agreement in the context of a single claim that I questioned him on that was rejected in the United

States and approved here. However, now we know higher than two out of three of these similar cases are being approved.

When will the government provide the resources that the IRB needs to maintain the integrity of our system, and when will it finally recognize what everyone else is seeing? Policy changes and rhetoric in the United States have changed things on the ground. People do not feel safe and are coming to Canada.

When will the government recognize that and suspend the safe third country agreement?

• (1830)

[Translation]

Mr. Serge Cormier (Parliamentary Secretary to the Minister of Immigration, Refugees and Citizenship, Lib.): Mr. Speaker, thank you for the opportunity to speak to this issue here this evening, and thanks to my colleague from Vancouver East for her questions.

Canada's asylum system is highly regarded around the world. It is considered a fair, safe, and effective model. We are working closely with our partners, the Canada Border Services Agency, the RCMP, and the Immigration and Refugee Board, in order to make our system even more effective.

Any individual in need of protection, regardless of their country of origin, is entitled to a full, fact-based hearing before the board, an independent quasi-judiciary body that processes all asylum claims fairly.

The board decides who is a convention refugee or a person in need of Canada's protection after examining the merits of every refugee claim, based on the facts of each claim submitted and in compliance with Canada's immigration laws.

In addition to working closely with the board and our security partners, the government is committed to ensuring that protecting refugees remains at the core of its asylum policies.

I assure my colleague that the government is concerned about the backlogs and is working to resolve the situation. For example, the IRB recently announced initiatives to reduce the backlog and expedite application processing. The government is currently conducting an independent review of the IRB.

Adjournment Proceedings

I knew that my colleague would probably ask a question about the safe third country agreement. I would like to again quote the United Nations High Commissioner for Refugees in Canada. I know the member does not like it when we quote that person, but I will do it anyway. He said:

I really think that the conditions which prevailed at the time of the drafting and adoption of the safe third country agreement in 2004 are the same as [they are today], and...it will be difficult to change the policy...[that is] seen as a good co-operation, a good responsibility-sharing between two...systems [that have] the same values and the same procedural guarantees. As far as the asylum system is concerned in the United States, legally speaking, we have not seen a change.

This is from the High Commissioner for Refugees. Again, I am surprised to hear the member opposite questioning this person's expertise on the issue of the Canada-U.S. safe third country agreement.

Again, we are sparing no effort to make this system as efficient as possible, and we anticipate making further improvements to ensure it continues to garner respect around the world.

We made a commitment to Canadians to make our asylum system fair, safe, and efficient, and we are going to deliver on that commitment.

• (1835)

[*English*]

Ms. Jenny Kwan: Mr. Speaker, let us be clear. So far, two out of three asylum claims made in Canada have been accepted. They have been rejected in the United States and have now been accepted here. That is astounding. Due to the government's inaction, that is two out of three applicants who are being forced to cross through irregular crossings, risking their lives and their safety, and putting pressure and stress on the border communities. That is completely unnecessary.

With respect to the IRB, my issue is not about whether it is doing a good job; it is. What it needs is more resources from the government so it can do its job as well. Right now we know it has a huge caseload. We are seeing an increase in the backlog to the tune of 1,400 cases a month. That is astounding. With the inaction of the government, that would mean the IRB would have to create legacy cases 2.0. We already have legacy cases right now, and the government has just woke up to it after many years. The lives of people are in limbo without the government supporting the IRB with resources. That is not acceptable.

[*Translation*]

Mr. Serge Cormier: Mr. Speaker, once again I will reiterate that Canada's asylum system is highly respected around the world as a fair, safe, and efficient model.

We are working closely with all of our partners to make this system even more efficient. An independent review of the board is currently under way, as I said earlier. I am a little surprised by some of the things my colleague is saying, given that she received just over six hours of briefings on this issue in committee. These briefings was given by departmental officials, representatives of the Immigration and Refugee Board, and even two ministers, the Minister of Immigration, Refugees and Citizenship and the Minister of Public Safety. The information we received during these briefings was vital for better understanding the situation. We were able to see

that the board and its partners are doing an excellent job. We are going to continue improving the asylum system and the other components of the immigration system.

[*English*]

NATIONAL DEFENCE

Mr. James Bezan (Selkirk—Interlake—Eastman, CPC): Mr. Speaker, I am proud to be here as the last speaker at the adjournment proceedings tonight.

I am rising on a question I put to the minister back on May 15 about the defence policy review. At that time, we were waiting and waiting for the defence policy review, which was supposed to be out before Christmas. It finally showed up early in the summer. The interesting thing is that everyone got to see it before parliamentarians. The minister took it down to Washington and showed it to President Trump, and he never actually let us see it. That speaks to the transparency of the Liberal government.

Do members remember sunny ways and that the government was going to be open and transparent and would allow us to see everything? When we requested a briefing on what was going to be in the defence policy report, “Strong, Secure, Engaged”, when it came out, we thought we would get some notice and a couple of hours' briefing to tell us what was in there and how it would be announced to Canadians.

Opposition critics from the Conservatives, the NDP, and the Bloc were told to show up at National Defence for our briefing. We were put in a secure room and had all our devices taken away, of course, which we thought would be fine, because we were going to be presented with the documents and told what was in them. However, we were presented with the documents and given one hour to read through the defence policy, the backgrounders, the press releases, and all the statements by the government ministers involved. We had one hour, and then we were supposed to go out and be able to deal with the media.

To me, that was a failure of being transparent and of working with good will with other parliamentarians and other parties to ensure that we were in a position to actually talk about the defence policy.

After the defence policy was announced, it proved the fact that Canadians do not trust the Liberal government. We have already lived through the decade of darkness. We have already seen the Liberal government take \$12 billion in funding away from our troops in two consecutive budgets. It had thrown a lot of procurement into disarray. We saw it pull our CF-18s out of the fight against ISIS. The Liberals did not want to have a combat mission, unfortunately, in Operation Impact. It took forever, dragging its feet, in renewing our Operation Unifier mission in Ukraine.

Adjournment Proceedings

In the defence policy review the government did, it did not talk extensively about the threats Canada is facing, along with our allies, and because of that, it failed to look at North Korea. It failed to even consider what is happening there today and why we need to be part of a ballistic missile defence program under NORAD.

I am sure the parliamentary secretary is going to get up and say, “Canada is back”. However, if members read the news today, it showed that while the government said it was going to bring in 600 peacekeepers and 150 police officers to go on peacekeeping missions, today we have the smallest UN peacekeeping mission in the history of this country. We have only 88 peacekeepers assigned to UN peacekeeping missions.

That is a failure of the government in not being able to deliver on any of its promises when it comes to our military. The military is not getting the kit it needs on time. All the spending the government has announced has been punted down the road for over two years, until after the next election. That will only happen if there is a budget there to actually do it.

The political will of the government is in question. Canadians and our troops do not trust the Liberals.

• (1840)

[*Translation*]

Mr. Jean Rioux (Parliamentary Secretary to the Minister of National Defence, Lib.): Mr. Speaker, I thank my colleague for giving me an opportunity to talk about a policy that has been warmly welcomed by Canadian Armed Forces members.

On June 7, the minister announced the government's new defence policy, “Strong, Secure, Engaged”. Our new policy offers a new vision and a new approach to defence. It is based on an in-depth analysis of the broadest public consultations of the past 20 years about Canada's defence policy.

Throughout the consultation period, Canadians from all walks of life submitted over 20,000 proposals through the online consultation portal. Departmental officials and parliamentarians held round tables and meetings with defence experts, industry representatives, academics, and first nations leaders. Over 50 parliamentarians organized consultations in their communities. We even consulted beyond our borders to include many of our allies and partners.

The minister and other Department of National Defence officials met with their counterparts from around the world. The minister also engaged in discussions in multilateral forums such as NATO and during the Shangri-La Dialogue in Singapore in 2016.

Given that several of our allies had recently completed reviews of their own defence policies, it was crucial for us to connect with them to discuss our insights and lessons learned. Their knowledge, observations, and ideas were carefully considered, and our new policy is the culmination of everything we heard.

I would like to take a moment to thank all of those who held consultations in their ridings and regions to support the defence policy review. I would also like to acknowledge the members of the House and Senate committees for the work they did in studying defence issues.

The depth and breadth of the defence policy review, combined with such a high degree of consultation, undeniably enhanced the results and the credibility of the process. We are proud of the defence policy, which is entitled “Strong, Secure, Engaged”. In a nutshell, this policy seeks to balance priorities in an ever-changing reality, invest in our military, and make sure our soldiers and their families are well supported. It offers clear direction on Canadian defence priorities over a 20-year horizon and comes with the resources required to effectively deliver upon them.

Canada needs an agile and flexible military force that can act decisively and get results across the full spectrum of operations. To that end, the new defence policy entitled, “Strong, Secure, Engaged”, establishes eight key missions for the Canadian Armed Forces from assisting civilian authorities in disasters and emergencies, to deterring and defending against military threats.

The Canadian Armed Forces will also work with our allies and partners, including the United Nations, NATO and NORAD, to contribute to global stability. In order to follow through on our commitments, annual military spending will increase over the next 10 years, going from \$18.9 billion to \$32.7 billion annually. The size of the regular force will grow by 3,500 members, and the reserve force will be increased by 1,500.

We will also invest to grow, maintain, and upgrade Canadian Armed Forces capabilities. We will continue to engage Canadians and parliamentarians as we follow through on our commitments.

• (1845)

[*English*]

Mr. James Bezan: Mr. Speaker, I am glad that the parliamentary secretary talked about consultations. We held consultations right across this country. Hundreds of submissions came in from concerned citizens. One thing that we do have in common is that our troops need to be front and centre in defence policy, and that is what we heard and what the minister definitely heard as well in Canada's defence policy, strong, secure, and engaged.

Do we trust the Liberals? That is what it comes down to. They are talking \$32 billion and we know that is with creative accounting. They are playing a shell game over there. They will take the money from Foreign Affairs, the Coast Guard, and even Veterans Affairs, and are pushing it into National Defence.

Adjournment Proceedings

When the Liberals were in power before it was a decade of darkness. They sent our troops into Afghanistan wearing green camouflage in the desert. Since the Liberals have been government, they have taken danger pay from our troops that were in the fight against ISIS in Operation Impact. They had to return that money after being embarrassed by the opposition here in Parliament.

Our government proved itself. We bought new aircraft for our air force, new tanks, new LAVs for our army, and started the national shipbuilding program, which is now in disarray under the Liberals.

We will continue to stand up for our troops. I just wish the Liberals would do it as well.

[*Translation*]

Mr. Jean Rioux: Mr. Speaker, I am pleased that our colleague shares our interest in this policy.

During our consultations, Canadians told us one thing, and that is that they want us to look after our men and women of the Canadian Armed Forces and their families. That concern is at the core of this policy. We are looking after them, we are ensuring their well-being,

we are helping with the transition to civilian life, we are providing training, and we are ensuring that they have the equipment needed to guarantee the safety and security of Canada and North America and meet our international commitments. That is why we will give them the equipment they need.

We announced the procurement of fighter jets and frigates as part of that policy. All those procurement items were included in the budget and confirmed by five consulting firms, which told us that those commitments will be guaranteed. That is why the people of the Canadian Armed Forces and their chief of staff are so excited about this defence policy.

[*English*]

The Deputy Speaker: 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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