

COURT OF APPEAL FOR ONTARIO

IN THE MATTER OF A REFERENCE to the Court of Appeal pursuant to section 8 of the *Courts of Justice Act*, RSO 1990, c. C.34, by Order-in-Council 1014/2018 respecting the constitutionality of the *Greenhouse Gas Pollution Pricing Act*, Part 5 of the *Budget Implementation Act, 2018, No. 1*, SC 2018, c. 12

**RECORD OF THE
ATTORNEY GENERAL OF ONTARIO**

VOLUME IV OF IV

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EQUALITY GROWTH

A Strong Middle Class

Tabled in the House of Commons
by the Honourable William Francis Morneau, P.C., M.P.
Minister of Finance

February 27, 2018

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Cat No.: F1-23/3E-PDF
ISSN: 1719-7740

This document is available on the Internet at www.fin.gc.ca

Cette publication est aussi disponible en français.

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+ INTRODUCTION

A Plan that Puts People First

Over the past two years the Government has invested in Canadians and in the things that matter most to Canadians. These investments reflected the choice to reject austerity policies and instead invest wisely in strengthening the middle class and growing the economy. With a declining debt as a percentage of the economy it's a choice that makes sense for the Canadian economy.

And thanks to Canadians' hard work those early investments are paying off.

The economy is strong and growing. In the last two years Canadians have created more than half a million jobs, the unemployment rate is near 40-year lows, and our towns and cities are better, cleaner places to live.

With lower taxes for the middle class and more help with the high cost of raising a family, Canadians are feeling more optimistic about the future. Everyday dreams—whether it's paying down debt, saving for a first home or going back to school to train for a new job—are closer to reality.

By putting the needs of Canadians first, the Government has helped to bring good jobs, more money and renewed confidence to millions of middle class Canadians and their families.

And across Canada, a growing middle class is driving the stronger economic growth that helps create new jobs and new opportunities for more people to succeed.

But more hard work lies ahead.

A single mother who is struggling to make ends meet doesn't feel relief when good gross domestic product (GDP) growth numbers are posted—she's focused on making sure her kids have what they need to be healthy, happy and strong.

A young person trying to land his first job doesn't worry about consumer confidence—he just wants a chance to find good, meaningful work.

Anna and Marc live in Burlington with their two-year-old twin daughters.

Anna was excited to return to her graphic design job after her maternity leave ended, but decided to take part-time hours to cut down on day care costs and to give her more time to spend with her family.

Although they are able to cover their monthly costs with help from the Canada Child Benefit, Anna and Marc worry about what will happen if one of their parents gets sick or if either of them loses their job and needs to find new work. This budget is for them.

Anna and Marc are realistic about what they can achieve—they remain optimistic that they will be able to give their girls a good life in a community they love.

And those who are no longer in the workforce—such as retirees—They care less about economic indicators and more about making sure they can live their retirement with dignity and security.

These are the people whose hopes and dreams continue to build the Canada we know and love—the women and men who work hard every day to take care of their families, grow their businesses and build a stronger Canada.

With a strong and growing economy in place, now is the right time to focus on the deeper challenges that hold our economy—and our people—back.

It's time to build an economy that truly reflects the kind of country we are wish to be and need to be.

A country where differences are recognized not as a barrier to success, but as a source of strength.

A place where every child has equal opportunities to achieve their dreams.

A Canada where every person has a real and fair chance at success.

All Canadians deserve the opportunity to contribute to and prosper from a strong and growing economy.

For all their hard work, and for all their efforts—seen and unseen, paid and unpaid—Canadians deserve an economy that truly works for them, built on a plan that puts people first.

This is the plan for people.

**Canada's Economy
Strong Growing**

Every day, Canadians work hard to build a better life for themselves and their families. Thanks to the efforts of Canada's middle class and all those working hard to join it.

Canada's economy is strong and growing. Canada has the fastest growing economy of all the Group of Seven (G7) countries and is expected to remain among the fastest growing economies both this year and next.

There are more good, well-paying jobs. In the last two years, Canadians have created more than 500,000 jobs—nearly all of them full-time positions.

Consumer confidence is on the rise—now well above the Organisation for Economic Co-operation and Development (OECD) average, thanks in part to strong job growth and a growing economy.

Despite these gains, **inflation is holding steady**, making it easier for Canadians to afford day-to-day costs like food, transportation and clothing, while giving businesses the confidence they need to invest and create more jobs.

When Women Succeed, We All Succeed

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— Christine Lagarde, Managing Director
International Monetary Fund, November 2016

From the 1950s on, Canada welcomed a new generation of workers. For the first time in Canada's history, well-educated, hard-working Canadian women entered the workforce en masse, helping to boost family incomes and drive economic growth.

Over the last 40 years, the rising number of women in the workforce has accounted for about a third of Canada's real GDP per capita growth. Thanks to the contributions of hard-working women, family incomes are now higher, fewer children live in poverty, and all Canadians are better off.

Layla's mom Sarah was one of the first women in her neighbourhood to go back to work after her children were born. For Layla and her brothers, it was completely normal to have both parents working, and Layla knew from a young age that she would follow in her mom's footsteps.

In recent years, women with young children have increasingly been able to enter and stay in the workforce, and in 2017 the share of working-age women in the labour force hit its highest point ever.

For Canadian families, this means greater financial security and greater peace of mind as they look to the future. With good, steady incomes, hard-working moms have more money to support their families today and save for years ahead.

With more women in the workforce, businesses benefit too—from the talent, ambition, new perspectives, and hard work that women bring to their jobs.

Canada's economy—Canada's success—is deeply tied to women's opportunity to work and to earn a good living from that work.

Experts agree that our future prosperity depends on greater equality between Canadian women and men. Equality is not just an important value for women and their families; it benefits all Canadians.

McKinsey Global Institute estimates that by taking steps to advance greater equality for women—such as employing more women in technology and boosting women's participation in the workforce—Canada could add \$150 billion to its economy by 2026.

Similarly, RBC Economics estimates that adding more women to the workforce could boost Canada's GDP by as much as 4 per cent. Closing—and eventually eliminating—the gap between the percentage of women and men who work may even offset expected economic declines brought on by an aging population.

And the Peterson Institute for International Economics has found that increasing the share of women in leadership positions from zero to 30 per cent translated into a 15 per cent boost in profits—that's more money for businesses to invest in new jobs that will benefit more people.

Simply put when women have the support and opportunities they need to fully contribute to Canada's economy the entire economy does better—today and well into the future.

For Canadian businesses hiring promoting and retaining more women does more than boost the bottom line. Women bring unique perspectives and new ideas to their work helping companies to innovate and solve problems in new ways.

When more women work we build stronger companies—and stronger communities.

But the challenges that make it difficult for many women to earn a good living from their work are real and systemic and the Government recognizes that.

Even when women are paid equally they do not always have equal opportunities or equal treatment.

For too many Canadian women the barriers to getting hired and getting promoted persist. This is especially true when social identities like race religion sexuality disability and socio-economic status are considered alongside gender. These women may be pressured to take jobs that do not reflect their skills or education—such as a psychologist working in a food service job—simply because of their desire and need to work.

Discrimination and sexual harassment in the workforce unbalanced parental leave a decade of no investments in affordable child care and the shortage of leaders who will advocate for equal workplaces—these are just some of the things that make it tough for women to succeed. And when women are denied opportunities to grow and succeed we all pay the price.

There is growing consensus among Canadians that the time has come for things to change.

That begins with respect for the choices people make—whether they decide to work within the home or outside the home.

Increasing the number of women in the workforce and better supporting those who are already in the workforce is not a problem to be solved it's an economic opportunity to be seized.

It's a chance to give more Canadians equal access to good well-paying jobs.

A chance to build a country that is more equal—and more prosperous.

It's the right thing to do for Canadians and the smart thing to do for our economy.

Women at Work Opportunities to be Seized. Greater equality for women could produce significant economic benefits for Canada but it's important to know where things stand today and to recognize the barriers that make it difficult for women to fully succeed in today's economy.

Canadian women are less likely to participate in the economy and once employed more likely to work part-time. In January 2018 only 61 per cent of women were participating in the economy compared to 70 per cent of men. Women who are 25 to 54 are three times more likely to hold part-time jobs than are men—about 1 million Canadian women aged 25 to 54 work part-time—often because they are caring for children, aging family members or family members with disabilities.

The wage gap between women and men has narrowed but remains a barrier. The persistent wage gap between what Canadian women and men earn can make it difficult for women to get ahead. On average, women earn 69 cents for every dollar earned by men on an annual basis.

Canadian women are underrepresented in positions of leadership. Though they account for nearly half of the Canadian workforce, only a third of senior managers and one in 20 chief executive officers are women (Catalyst Canada).

Businesses in Canada are overwhelmingly owned by men. The share of small and medium-sized businesses owned by women is increasing but remains at 16 per cent.

The number of women in science, technology, engineering and mathematics (STEM) fields remains low. While close to 60 per cent of science and technology graduates are women, that number falls to only one-third of students studying engineering, math and computer science. What's more, women who graduate from STEM fields earn, on average, \$9,000 a year less than their male peers.

The demands of unpaid work can make it difficult for women to pursue opportunities for paid work. Canadian women devote approximately 4 hours a day to unpaid work, compared to about 3 hours for Canadian men. This could include caring for children or elderly parents, or simply doing the day-to-day work needed to support their families.

Not all women face the same challenges. Women with disabilities, visible minorities, Indigenous women, members of the LGBTQ2 community, new Canadians and others with marginalized intersecting identities often find it more challenging to find and keep a good job—not because of the quality of their work, but because of systemic biases that exclude them from opportunities open to other women and men. Despite having higher levels of education than Canadian-born women, only 58 per cent of recent immigrant women aged 25 to 54 are employed, compared to nearly 80 per cent of their non-immigrant counterparts.

Workplace harassment and gender-based violence have a real cost. For too many Canadian women, these challenges can make working difficult, or even impossible. Nearly one in three women in Canada have experienced some form of sexual harassment at work, according to a recent study by Employment and Social Development Canada.

Equality in Action

In previous budgets the Government took strong and decisive steps toward building a more equal Canada—one where women and men are empowered to make positive changes that benefit their own lives and our economy as a whole. These measures include

The Canada Child Benefit (CCB) which gives more help to the families that need it most such as those led by single mothers.

From baby clothes to bikes to braces to child care raising children is expensive. The CCB helps families keep up with these high costs. Since its launch in July 2016 the CCB has been supporting more than 3.3 million families with children putting almost 2 billion each month tax-free into the bank accounts of families who need it most.

For single-parent families—most often led by single mothers—the CCB is especially helpful. Last year single mothers earning less than 60 000 a year received about 9 000 in benefit payments on average making it easier for them to afford the things that give children a good quality of life—things like a safe place to live healthy food summer programs and new winter boots.

For an unemployed single mother who is struggling to make ends meet the CCB could help with child care costs making it more affordable for her to return to work. For a working single mother it may provide the extra financial security needed so that she can work fewer hours giving her more time to spend with her children.

Historic investments in infrastructure including new money for public transit to help reduce long commute times and give families more time to spend together and significant new investments in green infrastructure to ensure that Canada's communities are healthy and productive places to live.

More money for social infrastructure that families need means substantial new investments in early learning and child care to give children the best start in life and women the chance to support their families through work.

Though more and more men are taking on family responsibilities women still carry the heaviest burden when it comes to looking after children and other family members such as aging parents.

The lack of affordable and accessible child care in many communities means that for too many women it just doesn't make financial sense to return to work after parental leave ends. This puts a strain on families whose budgets rely on the support that two incomes can provide and deprives Canadian workplaces of the talents skills and insights that working mothers bring to their jobs.

To create more of the high-quality affordable child care spaces that Canadian families need and to make it more affordable for parents to return to work the Government is investing 7.5 billion over 11 years.

This investment will increase the number of affordable child care spaces for low- and modest-income families by supporting up to 40 000 new subsidized child care spaces over the first three years after agreements are in place with provinces and territories. This will in turn allow thousands of parents—especially women—to return to the labour market, increasing their family’s financial security and contributing to economic growth that benefits all Canadians.

Housing for women and children escaping family violence as part of the first-ever National Housing Strategy that gives more Canadians a safe and affordable place to call home.

Across Canada, 1.7 million families don’t have a home that meets their basic needs. For these families, the lack of a safe and affordable home makes every other choice more difficult. Moving to a more affordable neighbourhood could mean less access to public transit, health care, and other services—and fewer opportunities to find and keep good well-paying jobs.

Rheal and Sam recently moved to a small apartment closer to Sam’s work. While this means that Sam will be able to walk to work, the couple is paying more in extra rent than they are saving on public transit. They also both worry about Rheal’s sister, who wants to leave an abusive relationship but can’t afford an apartment on her own.

Because of their relatively low household incomes, single mothers, women with disabilities, and senior women living alone often find it especially hard to find affordable housing. And for the thousands of Canadian women and children who are homeless due to family violence, housing in shelters doesn’t just provide a safe place to sleep—it saves lives.

To help more Canadians find safe and affordable places to call home, and to protect those already living in community housing from being displaced, the Government is implementing a comprehensive National Housing Strategy. Investments of more than \$40 billion over the next 10 years will create over 100 000 new housing units and repair 300 000 housing units for Canadians. This means that 530 000 households will be removed from housing need, 435 000 will benefit from the maintenance and expansion of community housing in Canada, and the estimated number of chronically homeless shelter users will be reduced by 50 per cent. Moreover, at least 25 per cent of National Housing Strategy investments will support projects that specifically target the unique needs of women and girls, including senior women who are more likely than senior men to need affordable housing.

As part of the National Housing Strategy, the National Housing Co-Investment Fund commits to build and renew shelter spaces for survivors fleeing family violence, reducing the wait list for shelter spaces and lowering the number of women who might otherwise risk returning to an unsafe relationship or the street. Government investments in housing will create and repair at least 7 000 shelter spaces for survivors of family violence.

Greater support for women entrepreneurs whose businesses have room to grow.

Priya runs a small export consulting business out of her home. She routinely has more work than she and her business partner can handle but without additional capital they are not able to hire the extra staff and secure the office space they need to service more clients.

With close to half of all new businesses in Canada now started by women it's clear that women entrepreneurs are a growing force in the Canadian economy.

At the same time when it comes to business ownership men still outnumber women by a large margin. Two-thirds of small and medium-sized

businesses in Canada are still majority-owned by men with fewer than one in six businesses 16 per cent majority-owned by women. Because small businesses owned by women tend to be smaller than businesses owned by men there is additional room for these businesses to grow. This growth potential was recognized by the 2015 Expert Panel on Championing and Mentorship for Women Entrepreneurs chaired by Arlene Dickinson.

To help more women entrepreneurs take their businesses to the next level the Business Development Bank of Canada BDC launched a 50 million fund in 2016 to give women-led technology firms greater access to venture and growth capital—and based a highly promising pipeline the fund was

increased to 70 million in November 2017. The BDC's 2015 commitment to increase term lending to majority women-owned businesses to at least 700 million over three years has also been surpassed and as of January 31 2018 the BDC has lent 912 million to an additional 1 636 women-owned firms resulting in a 49 per cent increase in its women-

Marilyn is a widow who has lived alone since her husband passed away. She doesn't want to move in with her adult daughter who is busy raising her own family and is grateful for the staff at the local food bank who help to keep her cupboards stocked and spirits up.

owned portfolio since the start of the initiative. These investments are expected to fuel the growth of these businesses and create jobs for Canadians across the country while helping more women entrepreneurs become successful role models for the next generation of enterprising girls.

Improvements to the Guaranteed Income Supplement which provides greater income security for low-income seniors especially senior women.

Retirement is meant to be the reward after a lifetime of hard work but for too many senior women in Canada it simply means financial hardship.

Senior women are 1.5 times as likely to live in poverty as senior men.

To give Canadian seniors greater security and a better quality of life in 2016 the Government boosted the Guaranteed Income Supplement paid to low-income single seniors. This enhancement gives those seniors most in need as much as 947 more each year and is helping to lift 13 000 vulnerable seniors—12 000 of them senior women—out of poverty.

More support for Canadians—most often women—who care for their loved ones.

Today millions of Canadians provide informal care and support for family members who are seriously ill. For those who need help the care they receive from their families is priceless. For those who offer help however balancing work and family responsibilities can be emotionally physically and financially draining.

Johanne works full-time as a college instructor. Her dad who lives alone is recovering from a stroke. Thanks to the EI Family Caregiver Benefit Johanne was able to take time off to help her dad without losing all her income or her job.

To help lessen the burden on caregivers the Government introduced a new Employment Insurance EI caregiving benefit that allows eligible caregivers to claim up to 15 weeks of EI benefits while they are temporarily away from work to support or care for a critically ill or injured family member.

Because women are more likely to provide care than men—accounting for about 70 per cent of claims under a previous compassionate care program—and because women spend more time per week engaged in caregiving compared to men women are expected to get the most from this new benefit.

Equality Growth A Strong Middle Class

Canada is a country built on hard work a place where people take care of each other and work together to solve big challenges.

For the past two years that hard work has helped to strengthen and grow Canada's economy creating more opportunities for the middle class and all those working hard to join it.

It is time for the Government and for all Canadians to tackle the next big challenge making sure that every person has an equal chance to contribute to and share in Canada's success.

Budget 2018 is a plan to deliver more prosperity and growth to Canadians fuelled by greater equality for all Canadians.

This plan focuses on

Growth—A strong economy starts with a strong and growing middle class. Budget 2018 introduces a more generous and accessible Canada Workers Benefit for low-income workers (formerly the Working Income Tax Benefit) and improved parental benefits, alongside continued investments to help Canadians find and keep good, well-paying jobs. Combined with historic pay equity legislation and new measures to improve tax fairness, these measures will give Canada's middle class the help it needs to grow and prosper.

Progress—Investments in Budget 2018 will build on Canada's tradition of innovation, helping to create positive change for ourselves and the world. These investments in entrepreneurs, researchers and scientists will help build the Canada of tomorrow—and the strong middle class of today.

Reconciliation—Building on earlier investments, the distinctions-based investments to deliver clean water, housing, training, health care and other programs in Budget 2018 will help to secure a better quality of life for Indigenous Peoples, while laying the foundation for a renewed relationship based on the recognition of rights, respect, cooperation and partnership.

What is GBA

GBA is an analytical tool used to assess how different groups of women, men and gender-diverse people may experience policies, programs and initiatives.

The plus acknowledges that GBA goes beyond biological sex and socio-cultural gender differences to consider intersecting factors such as race, ethnicity, age, disability and sexual orientation.

GBA provides the foundation for gender budgeting—ensuring that the impacts of individual budget proposals on different groups of people are understood, supporting better policy-making, priority-setting and decision-making.

Advancement—The country we share and the values that connect us help to define who we are as Canadians. Through Budget 2018, the Government highlights these points of connection with investments that protect Canada's natural legacy, affirm our place in and commitment to the world, uphold our shared values and help make Canada a safer, more just country.

Equality—Where Budget 2017 included the Government's first-ever **Gender Statement**—a high-level review of the ways in which the policies put forward affect women and men in different ways—Budget 2018 goes further, integrating considerations of gender impacts at each step of the budgeting process, and introducing a new **Gender Results Framework**. This

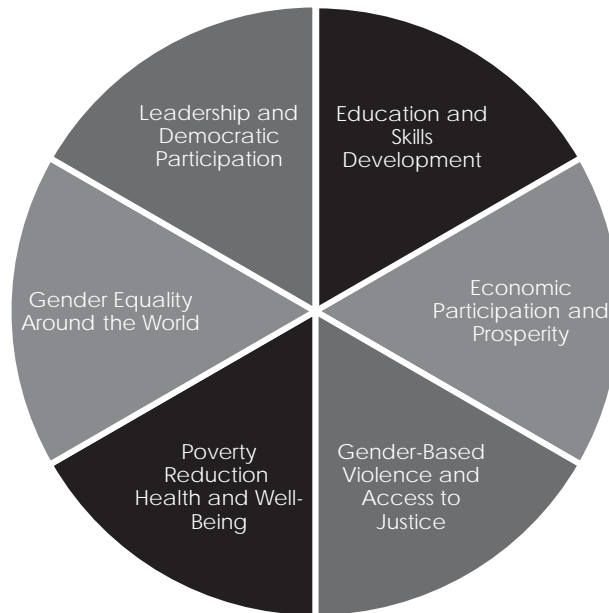
Framework includes goals and indicators that will guide the Government's decisions and measure Canada's progress in achieving greater gender equality.

In Budget 2018, no budget decision was taken without being informed by Gender-based Analysis Plus (GBA+). And to ensure that gender remains a key consideration for future governments, the Government will introduce new GBA+ legislation to make gender budgeting a permanent part of the federal budget-making process.

Results that Matter for Canadian Women and Men

The Gender Results Framework has informed the investments made in Budget 2018 and each chapter of this budget shows how these investments are advancing the objectives of Canada's new Gender Results Framework.

Figure 1 Pillars of the Gender Results Framework



Conclusion

Budget 2018 recognizes that Canada's future economic success rests not only on the hard work of Canadians but on giving more people—people like Anna and Marc Layla Sarah Rheal and Sam Priya Marilyn and Johanne—a real and fair chance to succeed.

For all they do all Canadians deserve to be equal partners in society and to share equally in the benefits that come from their hard work.

Budget 2018 will help make this goal a reality.

+ OVERVIEW



Introduction

Less than three years ago—with very low growth and stubbornly high unemployment—the Government chose to invest in strengthening the middle class and growing our economy rather than implement austerity policies including spending cuts or tax increases.

While austerity can come from fiscal necessity, it should not turn into a rigid ideology about deficits that sees any investment as bad spending. That approach has failed around the world—and in Canada.

Canadians understand that a country can't cut its way to prosperity. They have the confidence to invest in the future—and the Government has the ability to do so. Canada's strong fiscal fundamentals—anchored by a low and consistently declining debt-to-GDP/gross domestic product ratio—means that Canada can make the investments that will strengthen and grow the middle class—and lay a more solid foundation for our children's future.

The result: Instead of continued low growth from unneeded austerity, Canada now has the fastest growing economy in the Group of Seven. G7 and the International Monetary Fund (IMF) has argued that Canada's economic policies should go viral. The Government's investments in people and in the communities they call home are delivering greater opportunities for the middle class—and for all Canadians. Targeted investments—combined with the hard work of Canadians—have helped create good, well-paying jobs—and will continue to strengthen the economy over the long term.

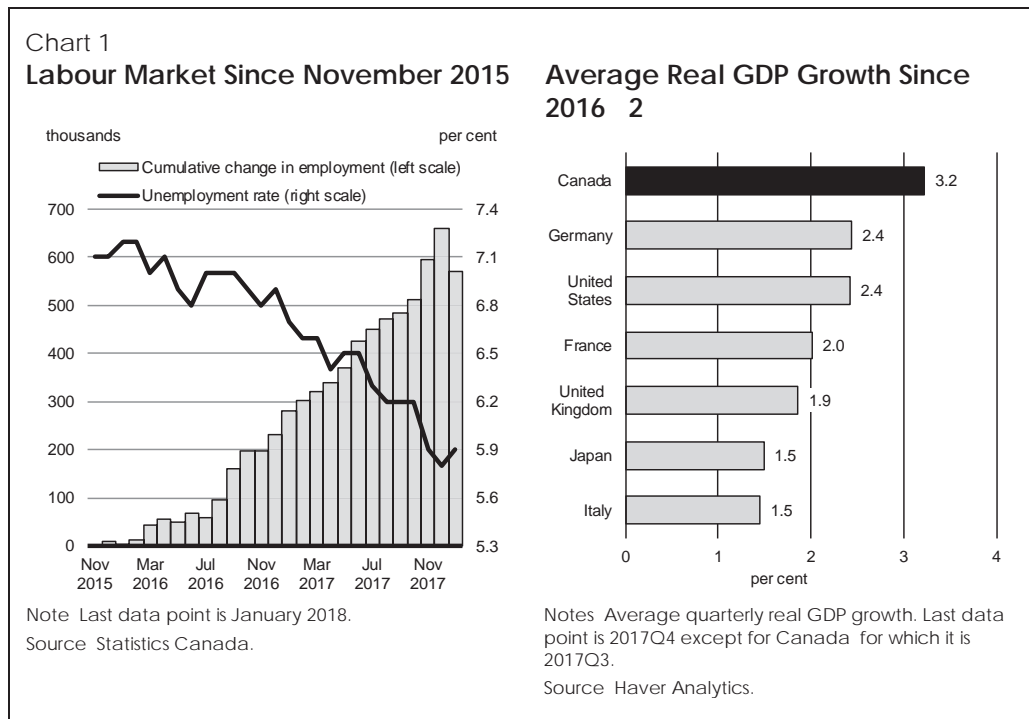
Measures like the middle class tax cut and the new Canada Child Benefit mean that Canadian families now have more money to save invest and spend in their communities. Historic investments in public transit green infrastructure and social infrastructure—such as early learning and child care and affordable housing—combined with investments in an ambitious Innovation and Skills Plan will ensure that all Canadians have the support they need to compete and succeed.

Budget 2018 builds on this plan of investment over austerity while maintaining a clear focus on fiscal responsibility and continuously improving fiscal results.

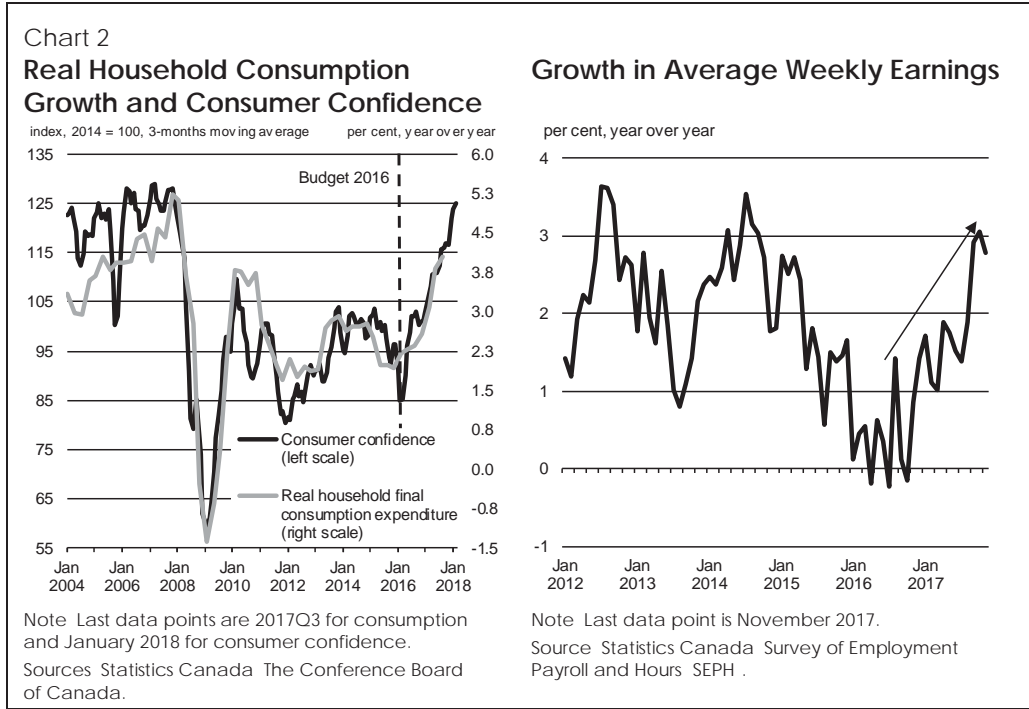
Canadian Economic Context

The Government’s plan to invest in people in communities and in the economy has put more money in the pockets of Canadians has helped create more well-paying obs and is giving Canadians greater confidence in their future.

Since November 2015 Canadians have created almost 600 000 new obs and the unemployment rate has fallen from 7.1 per cent to 5.9 per cent—close to its lowest level in over four decades. The Canadian economy has been remarkably strong growing at a pace well above that of all other G7 countries since mid-2016 Chart 1 .



Strong output growth and a robust labour market—along with the measures that the Government has put in place to support the middle class over the past two years—are driving higher levels of Canadian consumer and business confidence and supporting wage growth. Chart 2. This positive sentiment and higher earnings are translating into solid growth in household spending and a recovery in business investment, which should continue to support economic growth.



Going forward, growth is expected to remain robust—however, upside and downside risks remain which could affect the economic outlook. In particular, global growth could surprise on the upside, and elevated confidence in Canada could continue to boost household spending here at home. However, uncertainty about the future of the North American Free Trade Agreement, tighter financial conditions, and ongoing market volatility could weigh on Canadian growth prospects.

Time to Look to Canada

o are loo ing or a co ntr that has the di ersit the resilience the ositi it and the con idence that ill not st manage this change t ta e ad antage o it there has ne er een a etter time to loo to Canada

—Prime Minister Justin Trudeau

1. Highly skilled inclusive diverse mobile labour force

- Most educated talent pool in the Organisation for Economic Co-operation and Development (OECD)—over 55 per cent of the population aged 25-64 has a post-secondary degree
- Best availability of skilled labour in the G20 (International Institute for Management Development (IMD) World Competitiveness Center)
- Highest workforce-ready immigration inflows in the G7
- Budget 2018 plan to increase labour force participation of women, new Canadians and Indigenous Peoples

2. World-class science research and innovation ecosystem

- Leading the G20 in research and development (R & D) spending in higher education as a share of GDP (OECD)
- One of the best R & D tax incentives in the G7
- Budget 2018 largest investment in fundamental research—3 billion in Canadian history

3. Rich and diverse natural environment and resources

- Exceptional endowment of energy and mineral resources
- Responsible and predictable climate change policies
- New, more predictable environmental assessment process
- Budget 2018—1.3 billion in investment to protect Canada's nature legacy

4. Sound regulatory financial and trade frameworks

- Easiest place to start a business in the G20 (World Bank)
- Network of free trade agreements covering over half of global economic activity
- Promotion of investment and attraction of leading global firms through the new investment in Canada (H)
- One of the world's soundest banking systems—ranked first in the G7 (World Economic Forum)

5. Strong stable and predictable public institutions

- Growth-enhancing, responsible fiscal policy
- Lowest net public debt as a share of GDP in the G7
- Successful inflation-targeting regime

Budget 2018 Investments

The Government continues to strengthen the middle class and make investments to support Canada's long-term economic growth. Challenges posed by population aging, global climate change and rapid technological innovation underscore the importance of strong leadership and a forward-looking approach to strengthen growth for the middle class.

Budget 2018 continues the Government's plan to invest in the middle class and puts a special focus on ensuring that all Canadians have the skills and opportunities they need to participate fully and equally in our economy. Budget 2018 also makes investments to put Canada at the forefront of scientific and technological innovation, protect Canada's natural heritage and create opportunities for Indigenous people.

Table 1

Economic and Fiscal Developments Since the 2017 Fall Economic Statement FES 2017 and Investments Included in Budget 2018

billions of dollars

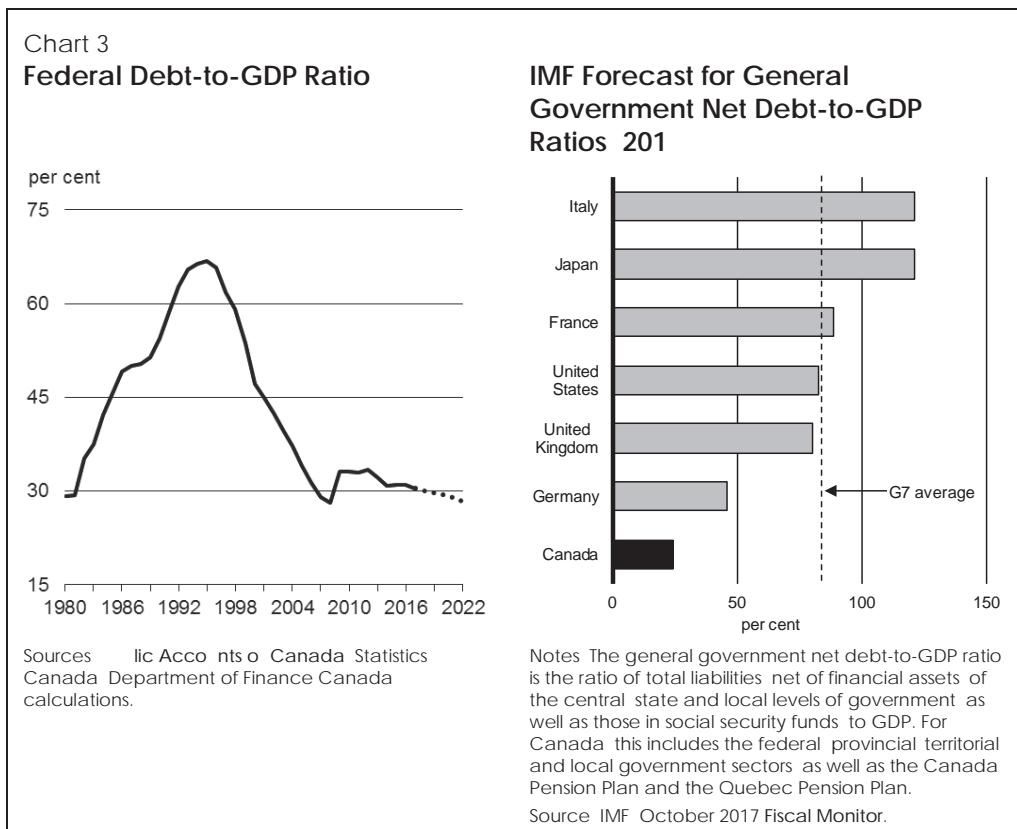
	Pro jection					
	2017 – 2018	2018 – 2019	2019 – 2020	2020 – 2021	2021 – 2022	2022 – 2023
FES 2017 budgetary balance	-19.9	-18.6	-17.3	-16.8	-13.9	-12.5
Ad justment for risk from FES 2017	1.5	3.0	3.0	3.0	3.0	3.0
FES 2017 budgetary balance without risk ad justment	-18.4	-15.6	-14.3	-13.8	-10.9	-9.5
Economic and fiscal developments since FES 2017	3.0	3.6	4.1	3.5	2.8	2.8
Revised budgetary balance before policy actions and investments	-15.4	-12.0	-10.3	-10.3	-8.1	-6.1
Policy actions since FES 2017	2.4	2.2	-1.7	-1.6	-0.5	0.3
Investments in Budget 2018						
Growth	0.0	0.3	-0.1	0.3	0.2	0.3
Progress	0.0	-0.9	-1.2	-1.4	-1.4	-1.6
Reconciliation	-0.1	-1.4	-1.2	-0.8	-0.7	-0.6
Advancement	-4.2	-1.8	-1.3	-1.3	-1.2	-0.6
Other Budget 2018 investments	-2.1	-1.6	1.1	1.1	0.9	-0.4
Total investments in Budget 2018	-6.3	-5.4	-2.6	-2.0	-2.2	-3.0
Total policy actions and investments	-4.0	-3.1	-4.3	-3.6	-2.1	-2.6
Budgetary balance	-19.4	-15.1	-14.5	-13.9	-10.8	-9.3
Ad justment for risk		-3.0	-3.0	-3.0	-3.0	-3.0
Final budgetary balance with risk ad justment	-19.4	-18.1	-17.5	-16.9	-13.8	-12.3
Federal debt – per cent of GDP	30.4	30.1	29.8	29.4	28.9	28.4

Notes: A negative number implies a deterioration in the budgetary balance. A positive number implies an improvement in the budgetary balance.

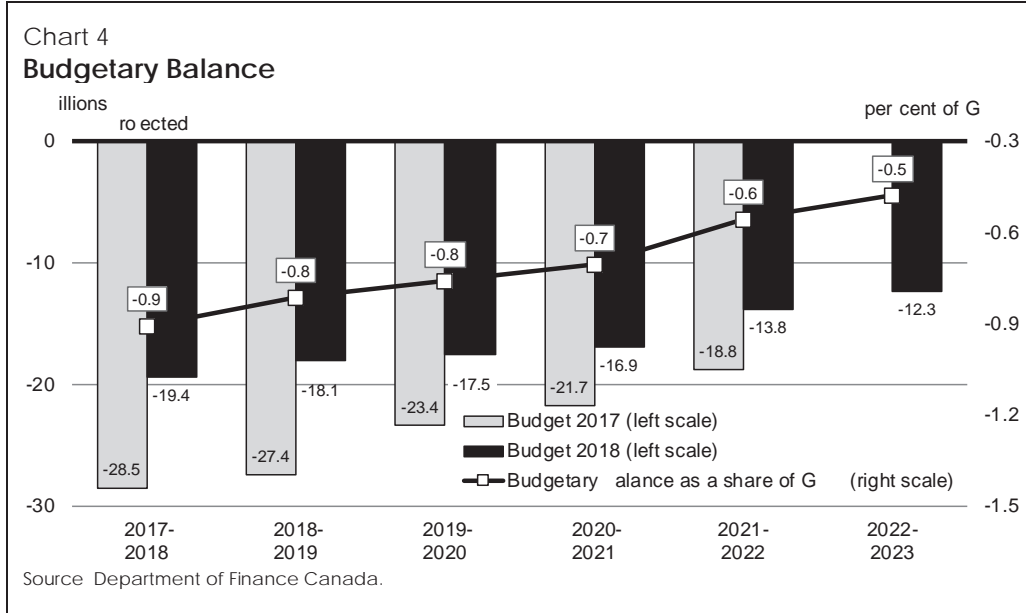
Maintaining a Downward Deficit Track

Growth-generating investments in people in communities and in the economy are balanced by sound fiscal management. The Budget 2018 fiscal track is broadly unchanged from the 2017 Fall economic statement and continues to show a decline in the federal debt-to-GDP ratio along with steady improvements in the Government’s annual budgetary balance (Charts 3 and 4).

The federal debt-to-GDP ratio is projected to decline gradually over the forecast horizon, reaching 28.4 per cent in 2022–23. According to the IMF, Canada’s net debt-to-GDP ratio is by far the lowest among G7 countries and less than half the G7 average (Chart 3).



The Government will maintain this downward deficit and debt ratio track—preserving Canada’s low-debt advantage for current and future generations. Low debt supports economic growth and intergenerational equity by keeping interest costs low and preserving flexibility to face future challenges and shocks.

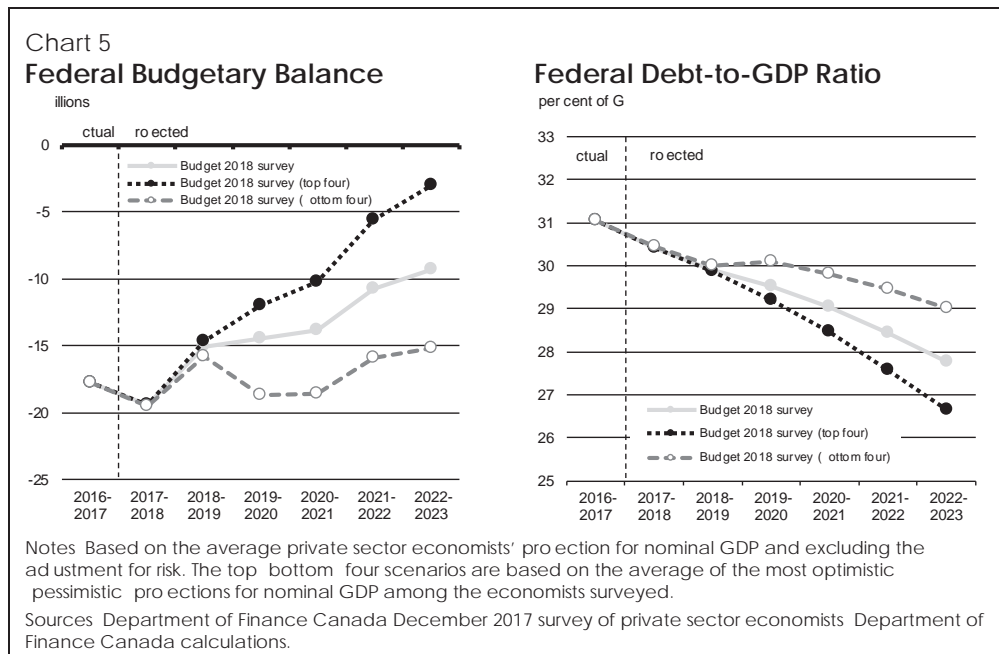


A detailed overview of the economic and fiscal outlook is included in Annex 2.

Continued Economic Strength Would Accelerate Deficit Reduction

The fiscal projections presented in this budget are based on an average of the December 2017 private sector economic outlook survey and also reflect upside and downside risks noted above identified through ongoing engagement with survey participants. Economists surveyed offered a wide range of views regarding future economic growth and therefore the path of nominal GDP the broadest measure of the tax base. Changes in economic growth assumptions can have large impacts on the budgetary balance and debt-to-GDP profile over an extended projection horizon.

For example if the Government based current fiscal projections on the average of the top four forecasts for nominal GDP growth the budgetary balance would improve by 3.0 billion per year on average and the federal debt-to-GDP ratio would fall by a further 1.1 percentage points than projected by 2022–23 Chart 5.



Conversely basing fiscal projections on the average of the bottom four individual forecasts for nominal GDP growth the budgetary balance would worsen by 3.5 billion per year on average and the federal debt-to-GDP ratio would still decline but be 1.2 percentage points higher than projected in 2022–23.



+ GROWTH

More women in leadership positions on the front lines of economic growth and strengthening our communities will also lead to innovation and change in the workplace innovation and change that powers so desperately need

—Prime Minister Justin Trudeau
January 23, 2018

Making sure every Canadian has an equal and fair chance at success isn't just the right thing to do—it's the smart thing to do. Canada's future prosperity depends on it.

To face the challenges of today and tomorrow we will need the hard work and creativity of all Canadians. And in return we need to make sure that the benefits of a growing economy are felt by more and more people—with more good, well-paying jobs for the middle class and everyone working hard to join it.

Over the last two years, Canada's economic growth has been fuelled by a stronger middle class. Canadians' hard work combined with historic investments in people and in communities helped to create more good jobs—while more help for those who need it most has meant more money for people to save, invest, and spend in their communities.

But there is more to do.

In Budget 2018, the Government is introducing new measures to help build an economy that truly works for everyone.

Introducing the Canada Workers Benefit—a strengthened version of the Working Income Tax Benefit—means that low-income workers can take home more money while they work—encouraging more people to join the workforce—and offering real help to more than 2 million Canadians who are working hard to join the middle class.

Strengthening the Canada Child Benefit will give hard-working moms and dads more money each month to buy the things their families need—with the most help going to the families who need it most.

Improving parental benefits will help parents to share the burden of care at home more equally while allowing people the flexibility to return to work sooner if they so choose.

And introducing historic pay equity legislation will give more Canadian women fair compensation for their hard work and will set the standard for how women's work is valued in the workplace. The Government is proud to lead these efforts to reduce the gender wage gap and ensure that women working in federally regulated industries receive equal pay for work of equal value.

The Government will also continue its investments in skills and training programs to give Canadians from all backgrounds the skills they need to succeed in an increasingly globalized world.

Budget 2018 also includes new measures to connect Canadian businesses with global customers by strengthening and diversifying Canada's trade relationships around the world.

Underpinning the Government's efforts to help strengthen and grow the middle class is an unwavering commitment to equality of opportunity and a belief that the wealthiest Canadians must pay their fair share. In addition to finalizing its plans to address tax planning strategies used by a few wealthy owners of private corporations, the Government is taking further action to close loopholes and combat aggressive international tax avoidance.

Chapter 1 Advancing Canada's Gender Equality Goals



Key Chapter 1 initiatives that advance objectives of Canada's new Gender Results Framework

- Improving access to the Canada Child Benefit and other benefits in Indigenous communities
- Addressing the gender wage gap by supporting equal pay for equal work in federally regulated workplaces and implementing pay transparency
- Promoting more equal parenting roles with a new Employment Insurance Parental Sharing Benefit
- Helping women enter and succeed in the trades

More Help for the Middle Class and People Working Hard to Join It

The Government has a plan to invest in the middle class and people working hard to join it. This includes more support for those who need it most to ensure that the benefits of growth are widely shared.

Over the last four decades lower- and middle-income workers have seen their wage prospects stall—making it more difficult to make ends meet each month. At the same time the number of Canadians in low-wage jobs is high by international standards and many of these workers struggle to support their families and afford basics like healthy food and clothes for growing kids.

Introducing the Canada Workers Benefit

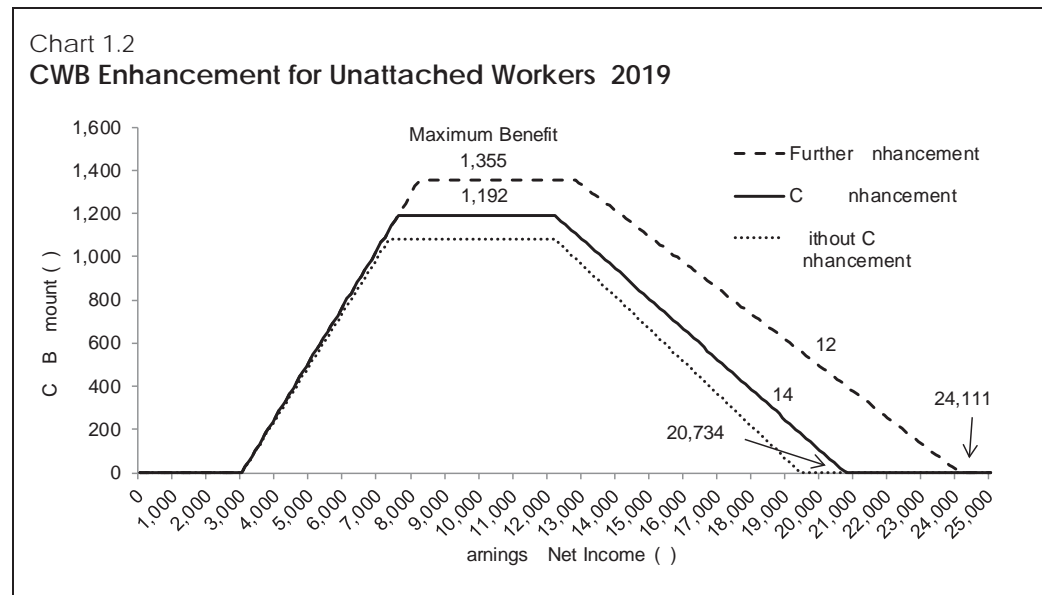
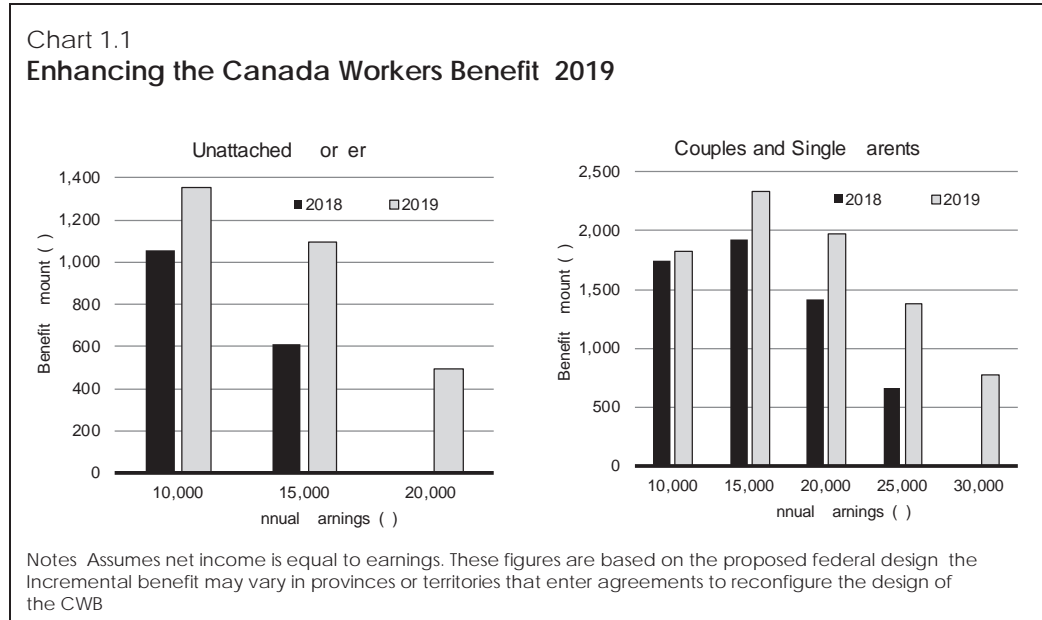
The Working Income Tax Benefit (WITB) is a refundable tax credit that supplements the earnings of low-income workers. By letting low-income workers take home more money while they work the benefit encourages more people to join and remain in the workforce and currently offers real help to Canadians who are working hard to join the middle class.

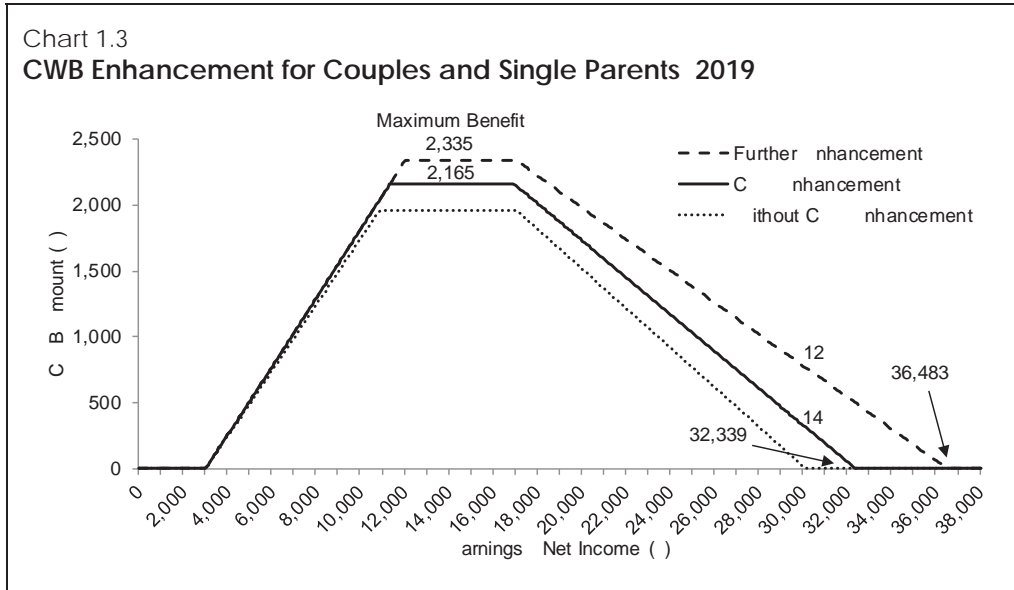
First introduced in the fall of 2005 the WITB has evolved over time. In 2016 the Government announced a \$250 million enhancement of the WITB starting in 2019 as part of the enhancement of the Canada Pension Plan. In the 2017 Fall Economic Statement the Government committed to further enhance the WITB by an extra \$500 million annually. This will put more money in the pockets of low-income workers and give people a little extra help as they transition to work.

In Budget 2018 the Government proposes to strengthen the program by making it more generous and making the benefit more accessible. This strengthened benefit will be named the Canada Workers Benefit (CWB) and will take effect in 2019.

Along with the funding announced in the 2017 Fall Economic Statement the Government proposes to increase maximum benefits under the CWB by up to \$170 in 2019 and increase the income level at which the benefit is phased out completely. The Government also proposes to increase the maximum benefit provided through the CWB disability supplement by an additional \$160 to offer greater support to Canadians with disabilities who face financial barriers to entering the workforce.

As a result of these enhancements a low-income worker earning 15 000 a year could receive up to nearly 500 more from the program in 2019 than she received in 2018. That’s more money to spend on things like groceries utility bills and other essentials.





Reaching Vulnerable Canadians

Department of Finance Canada analysis has shown that eligible workers who file their own taxes using paper forms are more likely than those who file electronically to miss out on claiming this benefit. Allowing the CRA to automatically provide the benefit to eligible filers would be especially helpful to people with reduced mobility, people who live far from service locations and people who don't have Internet access. Additional investments in outreach activities and the CRA's Community Volunteer Income Tax Program will also support access to benefits for vulnerable groups.

Improving Access to the Canada Workers Benefit

At the same time, the Government recognizes that not all low-income workers are receiving the CWB (previously WITB) payment that they are entitled to. This happens because some lower-income workers do not claim the benefit on their tax return. The Government is proposing amendments that will allow the Canada Revenue Agency (CRA) to automatically determine whether these tax filers are eligible for the benefit. An estimated 300,000 additional low-income workers will receive the new CWB for the 2019 tax year as a result of these changes. This represents a major step forward in fulfilling the Government's commitment of making sure that all Canadians receive the tax benefits and credits to which they are entitled.

CWB enhancements combined with new investments to make sure that every worker who qualifies actually receives the benefit will mean that the Government is investing almost 1 billion of new funding for the benefit in 2019 relative to 2018. The Government estimates that enhancements and improved take-up in 2019 will directly benefit more than 2 million working Canadians many of whom were not benefitting from the WITB. This will help lift approximately 70 000 Canadians out of poverty.

Access to the CWB

Andie is a single 20-year-old woman who works part-time at a second-hand store. After recovering from a serious illness Andie was eager to begin working again but has struggled to find a full-time job. Although she qualified to receive the Working Income Tax Benefit she wasn't aware of the program until a co-worker mentioned it to her after tax filing time. With the improvements the Government is proposing under the new Canada Workers Benefit workers like Andie will automatically receive the CWB starting in the 2019 tax year.

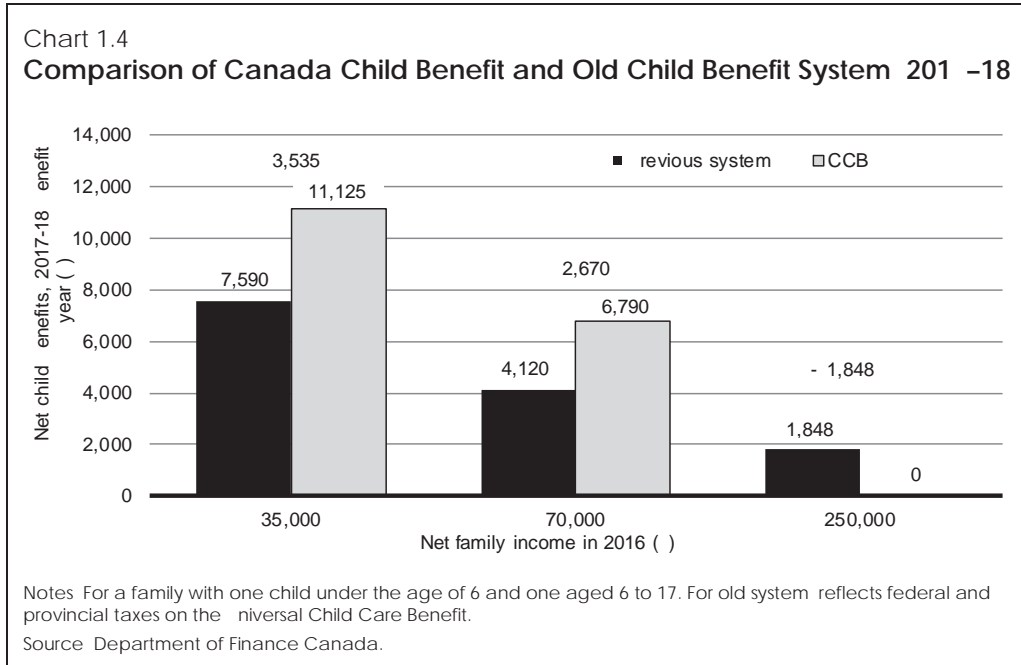
Moving forward the Government will continue to work with interested provinces and territories to harmonize benefits and help support the transition from social assistance and into work. Quebec Alberta British Columbia and Nunavut have already taken advantage of the opportunity to make province- and territory-specific changes to the design of the program.

In addition over the next year the Government will also begin work on improving the delivery of the CWB to provide better support to low-income Canadians throughout the year rather than through an annual refund after filing their taxes.

Strengthening the Canada Child Benefit

The Canada Child Benefit (CCB) introduced in 2016 gives low- and middle-income parents more money each month tax-free to help with the high costs of raising kids. Compared to the old system of child benefits the CCB is simpler more generous and better targeted to give more help to people who need it most.

Thanks to the CCB nine out of 10 Canadian families have extra help each month to pay for things like sports programs music lessons and back-to-school clothes. The benefit helps almost 6 million children—putting more than 23 billion back in the bank accounts of hard-working Canadian families. Families receiving the CCB are getting 6 800 on average this year. Since its introduction in 2016 the CCB has helped lift hundreds of thousands of Canadian children out of poverty.



To ensure that the CCB continues to help Canadian families over the long term the 2017 Fall economic statement indexed CCB benefits starting in July 2018 to keep pace with the cost of living. Indexing the CCB will provide an additional 5.6 billion in support to Canadian families over the 2018–19 to 2022–23 period.

Improving Access to the Canada Child Benefit and Other Benefits

Indigenous Peoples in particular those living in remote and northern communities face distinct barriers when it comes to accessing federal benefits such as the Canada Child Benefit. To help Indigenous Peoples access the full range of federal social benefits the Government will provide 17.3 million over three years starting in 2018–19 to expand outreach efforts to Indigenous communities and to conduct pilot outreach activities for urban Indigenous communities.

The CCB Provides Greater Support for Single Mothers

Myriam is a single mother of two children aged 5 and 8. Her net income was 35 000 in 2016. Myriam’s family will have received 11 125 in tax-free CCB payments in the 2017–18 benefit year 3 535 more than she would have received under the old system of child benefits.

Last year single mothers earning less than 60 000 a year received about 9 000 in benefit payments on average to help make things like healthy food summer programs and winter clothes more affordable.

Enhancing the Wage Earner Protection Program

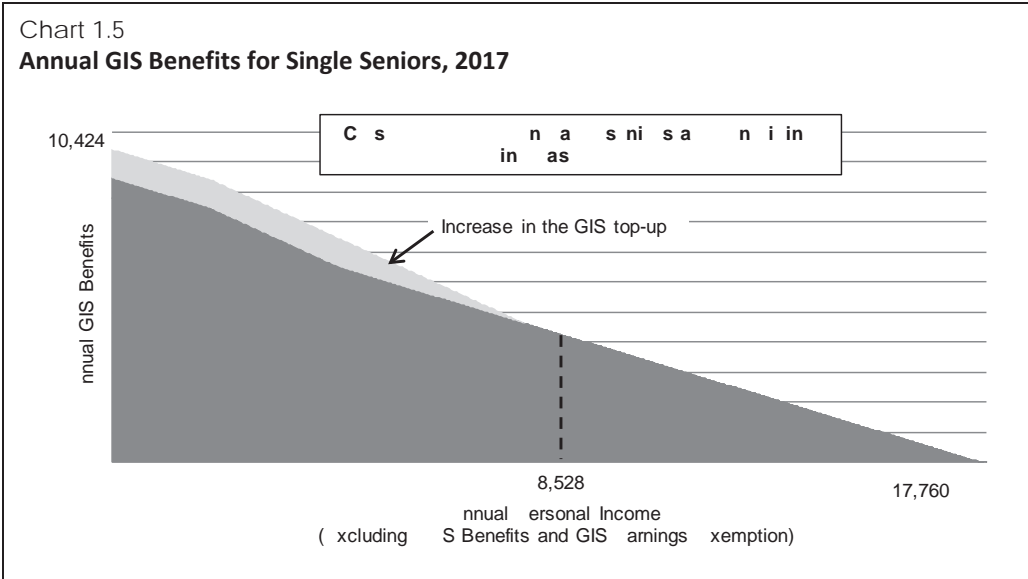
Innovation is changing how we live and work bringing with it new realities for Canadian workers. To support workers in this new environment the Government will propose legislative amendments to the Wage Earner Protection Program Act to increase the maximum payment under the Wage Earner Protection Program to seven weeks of Employment Insurance insurable earnings from four. Changes will also be made to make eligibility for the Program more equitable so that workers who are owed wages vacation severance or termination pay when their employer files for bankruptcy or enters receivership receive greater support during a difficult time.

A More Secure Retirement

Every Canadian deserves a secure retirement free of financial worries. Canada’s public pensions—the Old Age Security (OAS) program and the Canada and Quebec Pension Plans—play an important role in giving Canadians confidence that they can retire in dignity. The Government is committed to strengthening public pensions and to improving the quality of life for seniors now and for generations to come.

Since 2016 the Government has

- Increased Guaranteed Income Supplement (GIS) payments by up to \$947 per year for single recipients which is helping nearly 900 000 low-income seniors of which 70 per cent are women.
- Ensured that senior couples who receive GIS and Allowance benefits and have to live apart—because of long-term care requirements for example—can receive higher benefits based on their individual incomes.
- Restored the eligibility age for OAS and GIS benefits to 65 putting thousands of dollars back in the pockets of Canadians as they become seniors.



In June 2016 the Government reached an historic agreement with provinces to enhance the Canada Pension Plan (CPP). The CPP Enhancement which will begin to be phased in as of January 2019 means more money for Canadians when they retire so that they can worry less about their savings and focus more on enjoying time with their families. With the action taken by Quebec to enhance the Quebec Pension Plan in a similar fashion all Canadian workers can now look forward to a safer and more secure retirement.

What the CPP Enhancement Will Mean for You

The CPP Enhancement will give Canadian workers greater income security when they retire and offers a number of advantages over other types of savings

- It will provide a secure, predictable benefit in retirement so Canadians can worry less about outliving their savings and be less anxious about the safety of their investments.
- Benefits will be indexed which means that they will keep up with the cost of living.
- It is a good fit for both experienced workers and young people entering Canada's changing job market for the first time. The Enhancement will help to fill the gap left by declining workplace pension coverage and will be portable across jobs and provinces.

The CPP Enhancement will be phased in gradually starting in 2019 and will raise the maximum CPP retirement benefit by up to 50 per cent over time. This translates into an increase in the current maximum retirement benefit of more than \$7,000 from \$13,610 to nearly \$21,000 in today's dollar terms.

Building on this achievement in December 2017 federal and provincial Ministers reached a unanimous agreement in principle to take the following actions beginning in 2019

- Increase retirement benefits under the CPP Enhancement both for parents who take time off work to care for young children and for persons with severe and prolonged disabilities. For the purposes of calculating the retirement pension, parents and persons with disabilities will be credited with an amount linked to their previous earnings for periods spent out of the workforce or periods with low earnings.
- Raise survivor's pensions for individuals under age 45 who lose their spouse by providing a full survivor's pension instead of the current reduced pension that is linked to the age of the widow or widower.
- Provide a top-up disability benefit to retirement pension recipients under the age of 65 who are disabled and meet eligibility requirements.
- Increase the death benefit to its maximum value of \$2,500 for all eligible contributors.

The Government intends to introduce legislation to implement the agreement reached by Ministers along with technical and consequential amendments. The proposed changes would not result in an increase to contribution rates.

Protecting Canadians' Pensions

In recent years we have seen companies such as Sears Canada entering the insolvency process with substantial unfunded pension liabilities. As a result workers and pensioners who have paid into pension plans over their careers are faced with unexpected financial losses that impact their retirement security.

All Canadians deserve more peace of mind when it comes to their retirement and companies must act in good faith towards their employees. At the same time we recognize the challenges facing courts as they try to maximize recovery in bankruptcies that affect not just workers and pensioners but also small businesses lenders and other creditors which are owed money. Our government is committed to finding a balanced way forward.

That's why over the coming months we will be looking to obtain feedback from pensioners workers and companies. We will take a whole-of-government evidence-based approach towards addressing retirement security for all Canadians.

Building More Rental Housing for Canadian Families

Finding a safe and affordable place to call home is a challenge for a growing number of Canadians. Many of our cities lack affordable rental housing and growing populations and the rising cost of home ownership make it more challenging to find—and afford—a good place to live. The high demand for housing in many communities drives up rental rates and makes it more difficult for Canadians to live and work in the same community.

Approximately 30 per cent of Canadians rely on the rental market for housing. While patterns will vary across cities future demand for affordable rental housing is expected to rise as the population ages young professionals migrate to larger cities and immigration continues to grow our communities. Canadians who wish to buy a home now need a longer period of time to save for a down payment especially in Canada's biggest cities.

What is the Rental Construction Financing Initiative

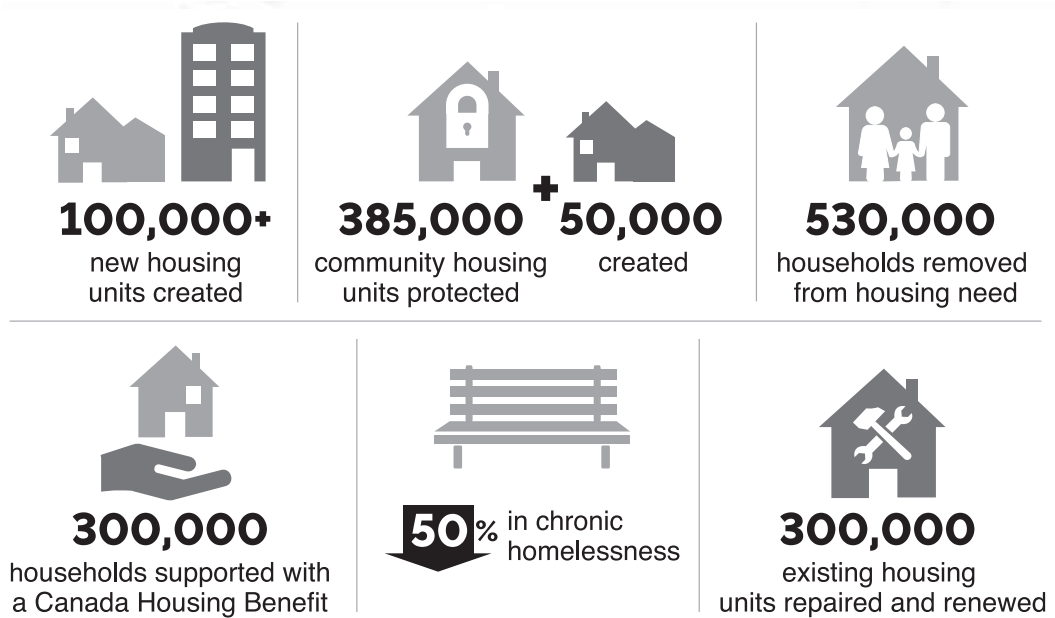
In April 2017, Canada Mortgage and Housing Corporation launched the Rental Construction Financing Initiative, which will provide 2.5 billion in low-cost loans to support the construction of new rental housing, relieving pressure in rental markets that are experiencing low vacancy rates.

To be eligible, borrowers must demonstrate that their projects are financially viable without ongoing operating subsidies. The Financing Initiative will prioritize projects that demonstrate greater social outcomes and may offer a loan for up to 100 per cent of the cost of these projects. Borrowers must meet minimum requirements for affordability, energy efficiency, and accessibility. Lower-cost loans will be provided for terms of up to 10 years, making costs more predictable during the earliest and most challenging phases of development.

Unfortunately, high demand for rental housing has not translated into an increase in supply. Vacancy rates remain low in large urban centres such as Toronto and Vancouver—at 1.0 per cent and 0.9 per cent, respectively.

To encourage a stable supply of affordable rental housing across the country, the Government proposes to increase the amount of loans provided by the Rental Construction Financing Initiative from 2.5 billion to 3.75 billion over the next three years. This new funding is intended to support projects that address the needs of modest- and middle-income households struggling in expensive housing markets. In total, this measure alone is expected to spur the construction of more than 14 000 new rental units across Canada. The Government proposes to provide 113.6 million over five years, starting in 2018–19, to Canada Mortgage and Housing Corporation to expand the Rental Construction Financing Initiative.

Figure 1.1 Canada's National Housing Strategy Over 40-Billion 10-year Investment



Equality in the Workforce

Women represent half of Canada's population and their full and equal participation in Canada's economy is essential for our future. Removing the systemic barriers to women's full economic participation will support economic growth, strengthen the middle class, and build a fairer society that gives everyone a real and fair chance at success.

Addressing the Gender Wage Gap

In Canada today women earn 31 per cent less than men do. Put another way the median income for women is 28 120 compared with 40 890 for men. The reasons behind the gender wage gap are deep-rooted and complex. Closing the gap will require leadership and a comprehensive approach involving multiple tools.

The Gender Wage Gap in Canada

The gender wage gap is the average difference between what a woman makes relative to a man in the workplace and it is a good indicator of the broader state of gender equality in society.

Right now in Canada the median annual earning for a woman is about 31 per cent lower than the median earning for a man. This is due to a number of factors including a greater proportion of women in part-time jobs and in lower-paid fields sectors and occupations. There are also a range of work family and societal issues that contribute to this gap from discrimination in the workplace to stereotypes about gender roles to unequal sharing of caregiving responsibilities leading to fewer hours worked by women.

The net result is that women in Canada have a lower earning potential and fewer opportunities to advance their career or move into a position of leadership.

One of the main causes of the gender wage gap is the undervaluation of the work that has traditionally been done by women. Requiring equal pay for work of equal value is an effective way to fix this gap. To help address this issue the Government will bring in a legislated proactive pay equity regime in federally regulated sectors which would apply to approximately 1.2 million employed individuals.

The difficulty of balancing work and family life combined with the fact that caregiving responsibilities—from child rearing to caring for aging family members—more often than not fall to women is another cause of the gender wage gap. This can lead women to work shorter hours or look for jobs that offer more flexibility which can mean fewer hours worked and fewer opportunities for advancement over a lifetime. Greater flexibility for parents receiving parental benefits including in the sharing of leave can help balance caring responsibilities within the home and provide women with

the option to return to work sooner should they wish to do so. Access to affordable child care is another key factor in encouraging women back into the workforce. Measures to advance women in leadership and promote participation in non-traditional careers can also contribute to closing the gender wage gap.

Progress Toward Equal Pay for Equal Work

When Canadian women have more opportunities to work and earn a good living, everyone benefits. McKinsey Global Institute estimates that by taking steps to advance greater equality for women—such as reducing the gender wage gap by employing more women in technology and boosting women’s participation in the workforce—Canada could add \$150 billion to its economy by 2026.

There is significant progress required. For every dollar of hourly wages a man working full-time earns in Canada, a woman working full-time earns about 88 cents. Canada ranks 15th out of 29 OECD countries based on the hourly gender wage gap. This disparity persists despite the fact that pay equity is a human right entrenched in law. As the largest employer in the country, many have called on the federal government to lead by example—and that is what the Government will do.

To ensure that employees in federally regulated workplaces receive equal pay for work of equal value, Budget 2018 will move forward with new proactive pay equity legislation. This will be included in budget implementation legislation.

This legislation will draw on models in Ontario and Quebec but will take an innovative approach to ensure that on average, women and men in federally regulated sectors receive the same pay for work of equal value. Preliminary estimates suggest this could reduce the gender wage gap by about 2.7 cents for the core public administration, to 94.1 cents on the dollar, and by about 2.6 cents in the federal private sector, to 90.7 cents on the dollar. This analysis will be refined further as the legislation moves forward.

To address the complexity of the federal sectors, this legislation would

- Apply to federal employers with 10 or more employees, with pay equity requirements built as much as possible into existing federal compliance regimes.
- Establish a streamlined pay equity process for employers with fewer than 100 employees.
- Set out specific timelines for implementation and compulsory maintenance reviews.
- Include job types such as seasonal, temporary, part-time and full-time positions.
- Provide independent oversight.
- Ensure that both wages and other benefits are evaluated in a gender-neutral way.
- Apply to the Federal Contractors Program on contracts equal to or greater than \$1 million and ensure a robust application of federal employment equity law.
- Repeal previous legislation such as the Public Sector Equitable Compensation Act which is inconsistent with the goal of pay equity.

The Government will continue to consult with employers, unions and other stakeholders in the coming months to ensure that the new regime will be applied fairly and will achieve its intended purpose. While proactive pay equity legislation is an important tool to close the gender wage gap, it needs to be part of a broader array of policy tools such as the Government's investments in early learning and child care, enhanced training and learning financing, enhanced parental leave flexibility, pay transparency and the continued appointment of talented women into leadership positions.

Pay Transparency

The Government will provide Canadians with more information on pay practices of employers in the federally regulated sector. This would include converting existing pay information filed by federally regulated employers under the *Employment Information Act* into more user-friendly online content, with specific attention paid to making existing wage gaps more evident. This will help to highlight employers who lead in equitable pay practices, while holding employers accountable for wage gaps that affect women, Indigenous Peoples, persons with disabilities and visible minorities. Experience in other jurisdictions has shown it to be helpful in raising awareness about the wage gap. The Government will commit \$3 million over five years starting in 2018–19 to implement pay transparency.

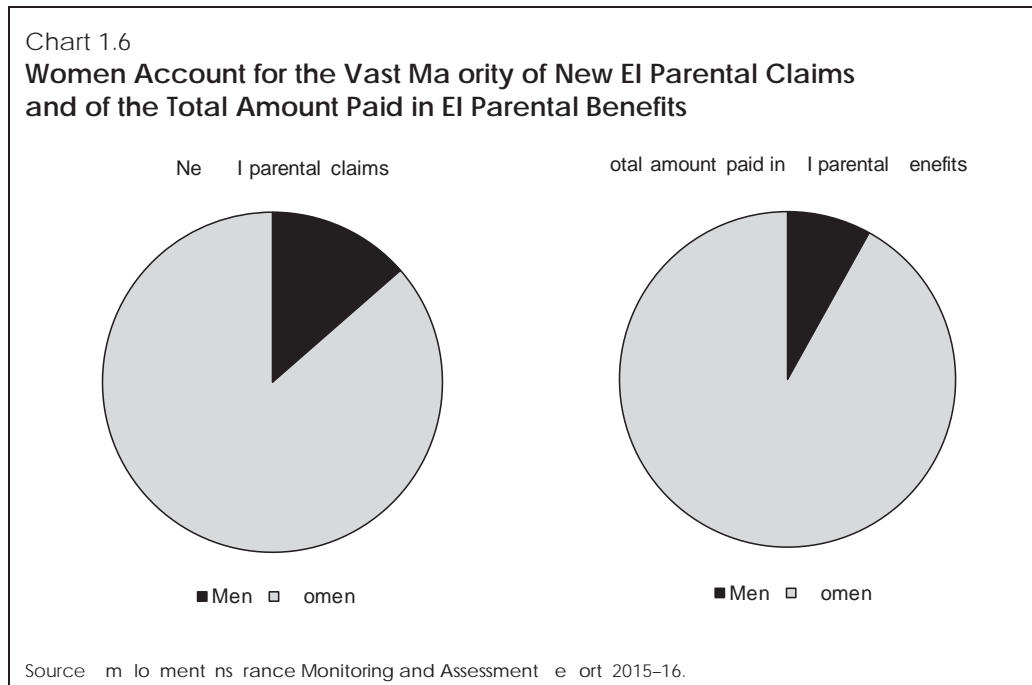
Recognizing that barriers to women's labour market participation can be complex and slow to move, the Government will also host a major symposium on women and the workplace in the spring of 2019. This symposium will bring together leaders in the private and public sectors to discuss and share best practices. The objective of the symposium would be to encourage and provide tools for Canadian employers to address issues faced by women in the workplace, from wage gaps to harassment. The Government will provide \$1.5 million over 2018–19 and 2019–20 for this symposium.

Closing the wage gap between men and women requires action on many fronts. Investing in affordable and accessible child care and family leave, increasing women's participation in traditionally male-dominated occupations, encouraging men to work in traditionally female-dominated occupations, implementing family-friendly workplace policies and challenging gender stereotypes that reinforce notions of "appropriate" work for men and women are some of these areas. Through Budget 2018, the Government will take targeted action to advance these goals—recognizing the significant work that remains to be done.

Supporting Equal Parenting and the Flexibility for Earlier Returns to Work

For most Canadians starting a family typically comes at the same time that parents-to-be are working to establish or further their careers. To help new parents care for their children during those critical early months Employment Insurance (EI) maternity and parental benefits are available. These help to provide greater financial security when parents are away from work.

EI parental benefits are available to both parents allowing either parent to take time off work. The most common scenario however involves the mother taking on the primary caregiving responsibilities once their child is born. While the second parent may take on many household and caregiving responsibilities child care duties continue to fall disproportionately to mothers both in the short term following the arrival of their child and over the longer term often due to the challenges of re-entering the workforce after time spent away.



Budget 2017 announced greater flexibility for families by allowing parents to choose to receive up to 61 weeks of EI parental benefits over an extended period of 18 months at a lower benefit rate of 33 per cent of average weekly earnings. Previously 35 weeks of EI parental benefits were available at the standard benefit rate of 55 per cent to be paid over a period of 12 months. Making EI parental benefits more flexible helps working parents navigate the challenges that come with a growing family.

To support greater gender equality in the home and in the workplace the Government proposes to provide \$1.2 billion over five years starting in 2018–19 and \$344.7 million per year thereafter to introduce a new EI Parental Sharing Benefit. The Benefit will provide additional weeks of “use it or lose it” EI parental benefits when both parents agree to share parental leave. This incentive is expected to be available starting June 2019.

This builds on best practices in Quebec and other jurisdictions which have found that incentives play a key role in who takes time off to provide caregiving. In 2016, for example, 80 per cent of new fathers in Quebec claimed or intended to claim parental benefits in part because of leave that was specifically reserved for them. In the rest of Canada, which does not provide second parent leave, this same figure is only 12 per cent.

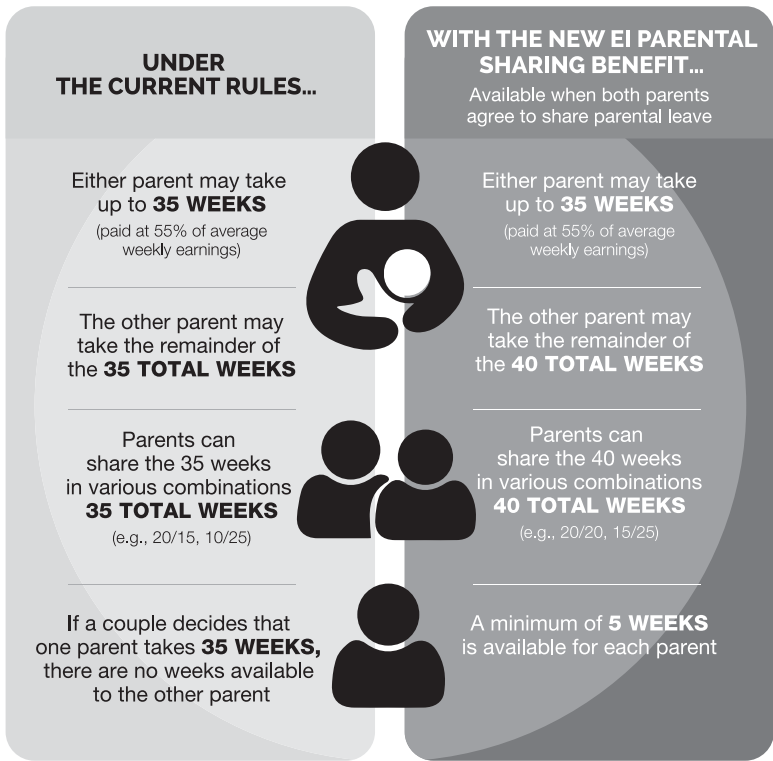
The proposal is also informed by recent recommendations from the Canada–U.S. Council for Advancement of Women Entrepreneurs and Business Leaders which has identified the need for better parental leave policies as key to the economic empowerment of women.

The proposed benefit will be available to eligible two-parent families including adoptive and same-sex couples to take at any point following the arrival of their child. This Benefit would increase the duration of EI parental leave by up to five weeks in cases where the second parent agrees to take a minimum of five weeks of the maximum combined 40 weeks available using the standard parental option of 55 per cent of earnings for 12 months. Alternatively, where families have opted for extended parental leave at 33 per cent of earnings for 18 months, the second parent would be able to take up to eight weeks of additional parental leave. In cases where the second parent opts not to take the additional weeks of benefits, standard leave durations of 35 weeks and 61 weeks will apply.

Providing additional weeks of benefits will help encourage greater equality when it comes to child care and improve the distribution of family and home responsibilities. It will also provide greater flexibility—particularly for mothers—to return to work sooner if they so choose, knowing their family has the support it needs. More equitable parental leave will also help lead to more equitable hiring practices, reducing conscious and unconscious discrimination by employers.

To implement this change to the EI program, the Government proposes to amend the Employment Insurance Act. In addition, the Government proposes to amend the Canada Labour Code to ensure that workers in federally regulated industries have the job protection they need while they are receiving EI parental benefits.

Figure 1.2 EI Parental Sharing Benefit



Extended Parental Benefits

Equivalent rules would apply to EI extended parental benefits with 61 weeks as the limit for one parent and up to 69 weeks available in total paid at 33% of average weekly earnings.

How Will the New EI Parental Sharing Benefit Work

Emman and Simon are expecting a child. In addition to the 15 weeks of EI maternity benefits that Emman is eligible for the couple is eligible to receive and share up to 35 weeks of EI parental benefits paid at 55 per cent of their average weekly earnings.

Together Emman and Simon have decided that both of them will take leave from work and share EI parental benefits to care for their child. As a result of the new EI Parental Sharing Benefit Emman and Simon are eligible for an additional five weeks of benefits when Simon agrees to take a minimum of five weeks.

They decide that Emman will take 20 weeks of parental benefits while Simon will take the balance of 20 weeks of benefits. In total Emman is off work for 35 weeks while Simon is off for 20 weeks allowing Emman the flexibility to return to work sooner. Simon's experience on parental leave allows him to bond with his child become familiar with her routines and feel more confident in his ability to meet her needs setting up patterns of equal parenting that will last a lifetime.

Examples of How the New EI Parental Sharing Benefit Will Work for a Variety of Family Situations

Same-sex parents share weeks of parental benefits and access the additional weeks

Natasha and Julie are a same-sex couple. Natasha is pregnant and expecting a child. They decide to apply for the standard parental benefits option.

Current model

When applying for standard parental benefits they decide that Natasha will access 30 weeks of benefits and Julie will access 5 weeks of parental benefits total of 35 weeks .

Proposed model

When applying for standard parental benefits they decide Natasha will access 30 weeks of benefits and Julie will access 10 weeks of parental benefits total of 40 weeks because they are sharing . Neither of them exceed the limit of 35 weeks per parent.

If Natasha and Julie had chosen the extended parental benefits option up to 8 additional weeks of benefits paid at 33 per cent are available when sharing extended parental benefits.

Adoptive same-sex parents share weeks of parental benefits and access the additional weeks

Michel and Fran ois plan to adopt a child. They decide that both of them will take leave from work and share the parental benefits to care for their child. The couple chooses the standard parental benefits option.

Current model

When applying for standard parental benefits they decide that Michel will access 25 weeks of benefits and Fran ois will access 10 weeks of parental benefits total of 35 weeks .

Proposed model

When applying for standard parental benefits they decide to distribute the additional weeks between them so that Michel will access 28 weeks of benefits and Fran ois will access 12 weeks of parental benefits total of 40 weeks because they are sharing . Neither of them exceed the limit of 35 weeks per parent.

If Michel and Fran ois had chosen the extended parental benefits option up to 8 additional weeks of benefits paid at 33 per cent are available when sharing extended parental benefits

Adoptive opposite-sex parents share weeks of parental benefits and access the additional weeks

Raoul and Maria plan to adopt a child. They decide to apply for the standard parental benefits option.

Current model

When applying for standard parental benefits they decide that Maria will access 20 weeks of benefits and Raoul will access 15 weeks of parental benefits total of 35 weeks .

Proposed model

When applying for standard parental benefits they decide that Maria will access 35 weeks of benefits and Raoul will access 5 weeks of parental benefits total of 40 weeks because they are sharing . Neither of them exceed the limit of 35 weeks per parent.

If Raoul and Maria had chosen the extended parental benefits option up to 8 additional weeks of benefits paid at 33 per cent are available when sharing extended parental benefits.

Birth parents decide not to share weeks of parental benefits

Jessica and Mark are expecting a child. They decide to apply for the standard parental benefits option.

Current model

The couple decides that Jessica will receive the maximum 35 weeks of standard parental benefits to care for their baby before returning to work. Mark will not access any weeks of EI parental benefits.

Proposed model

The couple decides that Jessica will receive the maximum 35 weeks of standard parental benefits to care for their baby before returning to work. Since they decided that Mark will not access any weeks of EI parental benefits the couple can only receive a maximum of 35 weeks total of 35 weeks because they are not sharing . The additional 5 weeks are left on the table.

If Jessica and Mark had chosen the extended parental benefits option Jessica could receive up to 61 weeks of extended parental benefits. The additional 8 weeks are left on the table

More Accessible and Affordable Early Learning and Child Care

Access to quality child care is a major challenge faced by many Canadian families—with only 1 in 4 Canadian children having access to a regulated child care space. Families are also concerned about child care affordability with daily child care fees that are high and rising.

The affordability and accessibility of early learning and child care options are important in encouraging women to go back to work after parental leave. When child care fees are too high, many families opt to have one parent stay at home instead of returning to work. This is especially the case for low-income workers, and most often it is women who forgo paid employment. Affordable child care is particularly important for single mothers, who often struggle to secure child care and engage in paid work, and who face a greater risk of poverty than two-parent families.

In Budget 2017, the Government announced a long-term investment of \$7.5 billion over 11 years, starting in 2017–18, to support more accessible and affordable early learning and child care.

This was followed, in June 2017, by federal, provincial and territorial governments reaching a historic agreement on a Multilateral Early Learning and Child Care Framework, which will guide new investments in early learning and child care towards five key principles—quality, accessibility, affordability, flexibility and inclusivity.

The Government of Canada is entering into three-year bilateral agreements with provinces and territories, with the intent to review and adjust these agreements as needed at each period of renewal over the 11-year framework. Nine agreements have been reached so far.

What Will Early Learning and Child Care Bilateral Agreements Achieve

Nine bilateral agreements have now been signed with provinces and territories. Here are some of the results Canadians can expect to see in their communities by 2020.

Newfoundland and Labrador

- Up to 540 children will have access to free or low-cost child care due to changes to the Child Care Services Subsidy Program
- Increase in quality and training for child care centres serving up to 1 750 children

New Brunswick

- As many as 300 facilities will be transformed into designated early learning centres resulting in some 9 900 children benefitting from low-fee child care

Nova Scotia

- Families in harder-to-reach communities will have greater access to affordable child care through the creation of 15 new child care centres 500 new child care spaces and 90 new family day care sites

Nunavut

- All 39 centres and as many as 210 educators in Nunavut will benefit from Territory-wide training and as many as 838 children will benefit from continued access to child care spaces

Ontario

- Up to 100 new Ontario Early Years Child and Family Centres will be created supporting as many as 100 000 more child and family drop-in visits
- Up to 11 200 children will be supported through additional fee subsidies or equivalent financial supports

Prince Edward Island

- Up to 100 children whose parents work non-standard or seasonal hours and can receive specialized child care tailored to their needs
- Up to 200 infants and preschool children will be able to access a regulated space 10 per cent increase

Saskatchewan

- Support 90 per cent of child care centres in maintaining fees without increasing costs to parents

British Columbia

- The province is developing prototype centres to test the introduction of universal child care. Children across the province will have access to low-cost infant and toddler spaces at significantly reduced parent fees including children from low-income families benefitting from free child care

Manitoba

- An estimated 1 400 more affordable child care spaces will be created to support lower-income French-language and newcomer families as well as underserved communities

The Government is also partnering with Indigenous organizations to engage with Indigenous Peoples across the country to co-develop an **Indigenous Early Learning and Child Care Framework**. This framework will reflect the unique cultural needs of First Nations Inuit and Métis Nation children across Canada. A commitment of \$360 million starting in 2017-18 has been made towards the Framework over the next three years.

In addition to bilateral agreements with other levels of government the Government will also dedicate funding towards specific initiatives to support better outcomes for early learning and child care in Canada. Over the next 11 years this includes

- 100 million for early learning and child care innovation which will support new and innovative practices across the country and help to develop more effective services to improve life outcomes for children and their families.
- 95 million to close data gaps in order to better understand what child care looks like in Canada supporting strong reporting on progress made in implementing the Multilateral Early Learning and Child Care Framework and the Indigenous Early Learning and Child Care Framework.

Once bilateral agreements with all provinces and territories have been concluded it is expected that close to 40 000 children could benefit from new subsidized child care spaces over the next three years. This means fewer parents that have to make the difficult choice between working and staying home to raise their families.

Children in the House and Parental Leave for Parliamentarians

Our country is stronger when we empower decision-makers who reflect the diversity of Canada. Part of encouraging the next generation of young women to run for office is demonstrating that our institutions are modern and family-friendly and that the experiences they bring to the table will contribute to their success.

The Government is supportive of and will work with Parliament on the recommendations put forward in the report of the Standing Committee on Procedure and House Affairs entitled *Port or Members of Parliament with Young Children*. This includes ensuring that the House of Commons is flexible compassionate and reasonable in making accommodations for Members with needs that are related to their parliamentary functions improving work-life balance providing access to child care and designated spaces for the use of Members with infants and children and a change to the Standing Orders of the House of Commons to allow an infant being cared for by a Member of Parliament to be present on the floor of the House of Commons. The Government will also bring forward amendments to the *Parliament of Canada Act* to make it possible for Parliamentarians to take maternity and parental leave.

Supporting Community Women’s Organizations

When women come together change happens. This is true around the world and it’s true here in Canada. Across the country women’s organizations play an important role in raising social awareness and mobilizing communities to change laws attitudes and social norms.

Created in 1973 the Women’s Program provides funding support for women’s organizations and community-based groups working to implement systemic change through projects at the local regional and national level. These projects strive to advance gender equality by addressing the following priorities ending violence against women and girls improving women’s and girls’ economic security and prosperity and encouraging more women and girls to reach leadership and decision-making positions.

To support more initiatives that build the capacity of equality-seeking organizations reduce gender inequality in Canada and promote a fairer and more productive society the Government proposes to provide \$100 million over five years to Status of Women Canada to enhance the Women’s Program. This investment will increase organizational and sector capacity on a needs basis allowing organizations to participate in ongoing training skills development and community engagement while reducing competition among equality-seeking organizations for funding. This investment will also ensure better funding for organizations focused on vulnerable women including groups such as Indigenous women women with disabilities members of the LGBTQ2 communities and newcomer and migrant women.

City for All Women Initiative

The Women’s Program provided funding of close to \$400,000 to support the City for All Women Initiative a 36-month project working to improve the economic security of women and girls by addressing the gendered impacts of poverty in Ottawa.

The organization is conducting a Gender-based Analysis Plus to develop recommendations on poverty reduction measures. Key stakeholders are being engaged in identifying strategies to influence policies practices services and budgets in Ottawa’s municipal institutions to increase their effectiveness for women and girls.

A National Conversation on Gender Equality With Young Canadians

Gender-based Analysis Plus (GBA+) is a tool used to assess how diverse groups of women, men and gender-diverse people may experience policies, programs and initiatives. The “plus” in the gender-based analysis is an acknowledgment that we need to go beyond sex and gender differences as we have multiple identity factors that intersect and inform who we are, including race, ethnicity, sexuality, religion, age and mental or physical ability. Facilitating a national dialogue on the importance of integrating GBA+ in the development of public policies, programs and initiatives is expected to strengthen analytical capacity across the country and provide a means of sharing results and best practices. To this end, the Government proposes to provide Status of Women Canada with \$1.3 million in 2018–19 to host a national roundtable on GBA+. The Government also proposes to provide Status of Women Canada with additional funding of up to \$7.2 million over five years to lead a national conversation on gender equality with young Canadians.

Engaging Men and Boys to Promote Gender Equality

Gender equality is not just about women and girls. That is why the Government of Canada will introduce a strategy focused on men and boys. The Government will provide \$1.8 million over two years to Status of Women Canada to develop an engagement strategy for men and boys that promotes equality and pilots innovative, targeted approaches to addressing inequality. Few governments have a strategy focused on men and boys as part of their work to create a more egalitarian society; investing in this effort would make Canada a world leader in this area.

Men and boys have a vital role in creating workplaces that are free of discrimination and in helping to build a society where harassment and gender-based violence are no longer tolerated. They must be part of the solution. At the same time, men and boys also have gendered, intersecting identities and experience inequality, and are not all a homogenous group. This work will recognize that gender is not synonymous with women.

Evidence-Based Policy

In order to properly address gender inequality and track our progress towards a more equitable society, we need to better understand the barriers different groups face. The Government of Canada intends to address gaps in gathering data and to better use data related to gender and diversity. This includes proposing \$6.7 million over five years, starting in 2018–19, and \$0.6 million per year ongoing, for Statistics Canada to create a new Centre for Gender, Diversity and Inclusion Statistics. The Centre will maintain a public-facing GBA+ data hub to support evidence-based policy development and decision-making—both within the federal government and beyond.

The Centre will work to address gaps in the availability of disaggregated data on gender, race and other intersecting identities to enrich our understanding of social, economic, financial and environmental issues. The work conducted at the Centre will include collecting, analyzing and disseminating data on visible minorities to understand the barriers different groups face and how best to support them with evidence-based policy.

As part of the Government's commitment to address gaps in gender and diversity data, the Government is also proposing to provide 1.5 million over five years, starting in 2018–19, and 0.2 million per year ongoing, to the Department of Finance Canada to work with Statistics Canada and Status of Women to develop a broader set of indicators and statistics to measure and track Canada's progress on achieving shared growth and gender equality objectives.

Budget 2018 also proposes to provide 5 million per year to Status of Women Canada to undertake research and data collection in support of the Government's Gender Results Framework. One of the first projects this would support is an analysis of the unique challenges visible minority and newcomer women face in finding employment in science, technology, engineering and mathematics occupations. This research will fill important gaps in knowledge as to how to achieve greater diversity and inclusion among the high-paying jobs of tomorrow.

Recognizing the importance of poverty data in evidence-based decision-making by all levels of government, the federal government additionally proposes an investment of 12.1 million over five years, and 1.5 million per year thereafter, to address key gaps in poverty measurement in Canada. This includes ensuring that poverty data is inclusive of all Canadians, data on various dimensions of poverty are captured, and the data is robust and timely.

Skills for Tomorrow's Economy

Our economy is evolving rapidly with new opportunities and technologies driving growth and reshaping the world of work. To make the most of these emerging opportunities governments employers and workers must work together to ensure Canadian workers have the skills they need to succeed in an evolving economy.

Canada Summer Jobs 2019–20

A summer job helps students pay for their education and gives them the work experience they need to find and keep a full-time job after they graduate. Starting in Budget 2016 the Government supported an additional 35 000 summer jobs under the Youth Employment Strategy's Canada Summer Jobs program. The Government proposes to provide an additional 448.5 million over five years starting in 2018–19 to the Youth Employment Strategy. This funding will support the continued doubling of the number of job placements funded under the Canada Summer Jobs program in 2019-20 and provide additional resources for a modernized Youth Employment Strategy in the following years building on the input of the Expert Panel on Youth Employment. A renewed Youth Employment Strategy will be announced over the course of the next year.

Improving the Quality of Career Information and Program Results

Better information leads to better outcomes. The Government of Canada is investing in a digital platform to provide the accurate and up-to-date information Canadians need to make informed career decisions including how much money they can expect to earn in a given field and what skills are in demand by employers. The Government proposes to invest up to 27.5 million over five years starting in 2018–19 and 5.5 million per year ongoing from Employment and Social Development Canada's existing resources to support an Education and Labour Market Longitudinal Linkage Platform. This secure data platform which will be housed within Statistics Canada will help to better track and make available important labour market information. The information will be accessible to everyone and will be used to monitor government programs to ensure they are achieving their objectives.

Making Employment Insurance More Responsive and Effective

The Employment Insurance (EI) program is an important support for Canadian workers providing temporary income support to people who have lost their job or have to be absent from work for an extended period of time. In addition to improving the design of parental benefits Budget 2018 proposes a number of measures to make EI supports more responsive to the needs of Canadians who are dealing with major life events.

Improving Working While on Claim

The EI Working While on Claim pilot project allows claimants to keep 50 cents of their EI benefits for every dollar they earn up to a maximum of 90 per cent of the weekly insurable earnings used to calculate their EI benefit amount. This pilot project is scheduled to expire in August 2018. The Government proposes to introduce amendments to the *Employment Insurance Act* to make the current EI Working While on Claim pilot rules permanent providing \$351.9 million over five years starting in 2018–19 and \$80.1 million per year ongoing. The legislation will also include a provision to grandfather claimants who have chosen under the current pilot project to revert to more flexible rules of a previous pilot project introduced in 2005. Claimants will be able to continue to do so for up to three years until August 2021.

While these provisions already apply to parental and caregiving benefits they do not currently apply to maternity and sickness benefits. In these instances Canadians who wish to stage their return to work after an illness or the birth of a child have limited flexibility to do so without jeopardizing their EI benefits. Extending the Working While on Claim pilot provisions to EI maternity and sickness benefits will enable greater flexibility so Canadians can keep more of their EI benefits when they need them most.

Helping Workers in Seasonal Industries

For most Canadians losing a job is a temporary one-time occurrence. The length of time it takes to find a new job will depend on the circumstances of each individual and the local job market they face at a particular point in time. This is why EI provides benefits that vary depending on the regional unemployment rate.

However a number of Canadians also work in jobs like tourism and fish processing which fluctuates by season. Because EI benefits vary from year to year in each region this dynamic can cause disruption for workers whose main jobs are seasonal. For those who are not able to find alternative employment until the new season begins this can represent a challenging and stressful loss of income especially if EI benefits vary significantly from year to year.

To test new approaches to better assist workers most affected by these circumstances Budget 2018 proposes to invest \$80 million in 2018–19 and \$150 million in 2019–20 through federal-provincial Labour Market Development Agreements. In the coming months the Government will work with key provinces to co-develop local solutions that can be tested to support workforce development. This builds on short-term actions the Government is already taking in collaboration with key provinces to address this challenge this fiscal year. In addition Employment and Social Development Canada will reallocate \$10 million from existing departmental resources to provide immediate income support and training to affected workers. These measures will help ensure that unemployed workers in Canada's seasonal industries have access to the supports they need when they need them most.

Budget 2018 proposes legislative amendments as required to assist workers in seasonal industries.

Improving Access to the Canada Learning Bond

Education and training are the keys to finding and keeping good jobs. The Canada Learning Bond and Canada Education Savings Grant are contributions that the Government of Canada makes to Registered Education Savings Plans (RESPs) to help Canadians save for a child's education after high school. Through these tools, the Government of Canada is helping to make education more affordable and accessible.

Building on Budget 2017 measures, the Government of Canada is working with the Province of Ontario to integrate RESP referrals into the Ontario online birth registration service. This means more children from low-income families will be able to access the Canada Learning Bond.

Parents will be able to open an RESP at the same time as they apply for other services under the Ontario online birth registration service. Once an RESP is open, eligible children may begin to receive the Canada Learning Bond to help support future studies at a trade school, college or university, or in an apprenticeship program—without any contributions required by their parents or others.

Labour Market Transfer Agreements

Through Budget 2017, the Government made significant additional investments of \$2.7 billion over six years, beginning in 2017–18, in Labour Market Transfer Agreements with provinces and territories to help Canadians prepare, find, advance in, and keep good jobs. These investments help improve skills training and employment supports for unemployed and underemployed Canadians. This means that more Canadians—including those who face significant barriers to employment—will get access to the training and supports they need to earn more money, improve their job security and succeed in a changing economy. The new agreements also give additional flexibility to provinces and territories to address their own needs, to expand eligibility and to focus on outcomes.

Flexible Skills and a Resilient Labour Force

To build a strong flexible and resilient labour force Budget 2018 proposes to

- Give young Canadians valuable work experience by continuing to double work placements through the Canada Summer Jobs program. To this end Budget 2018 proposes to invest an additional 448.5 million over five years starting in 2018–19 in the Youth Employment Strategy.
- Provide information to Canadians about the relationship between careers and skills so that they are well-equipped to make smart education and employment decisions. Budget 2018 proposes to invest 27.5 million over five years starting in 2018–19 and 5.5 million per year ongoing from Employment and Social Development Canada's existing resources towards creating an Education and Labour Market Longitudinal Linkage Platform.
- Legislate the current Employment Insurance (EI) Working While on Claim pilot rules and expand them to EI maternity and sickness benefits so that workers can maintain their connection to the labour force during periods of temporary unemployment. Budget 2018 proposes to invest 351.9 million over five years starting in 2018–19 and 80.1 million per year ongoing to meet this objective.
- Provide an additional 230 million over two years starting in 2018–19 through the Labour Market Development Agreements to co-develop local solutions to unique challenges faced by workers in seasonal industries.

Progress on Lifelong Learning

Canadians' overall approach to learning has changed. At one time Canadian workers could expect to train for a good well-paying job and then keep a single job through to retirement. Today workers and employers alike are challenged to keep pace with evolving technologies and rising competition. Canadians today must approach learning as a lifelong commitment and the Government of Canada is working hard to support this.

The Government continues to make progress on its Budget 2017 commitments to enhance student aid for adult learners. It has expanded eligibility for Canada Student Grants and Loans for part-time students and for full- and part-time students with children and introduced a three-year pilot project that will provide adults returning to school on a full-time basis after several years in the workforce with an additional 1 600 in grant funding per school year. The pilot will also make it easier for adult full-time students to qualify for grants given their drop in income while they are in school. Canadians will be able to benefit from these measures starting August 1 2018.

The Government has also made it possible for more youth to gain work experience by doubling the number of placements under Canada Summer Jobs. This has resulted in nearly 70 000 students per year getting hands-on work experience through summer employment and generating income for their post-secondary education. In this way the Government has supported more youth—many of whom would not otherwise have found equivalent work experience—save approximately one-third of their educational expenses for the following school year and gain key skills needed for employability.

The Government has also made progress with provincial and territorial partners to promote and expand the use of Employment Insurance EI flexibilities to ensure that unemployed adults who pursue self-funded training are able to keep their EI benefits. Together these measures will help Canada's workers to improve their skills and upgrade their credentials throughout their working lives positioning them to benefit from and contribute to shared economic growth.

Helping Women Enter and Succeed in the Trades

Red Seal Trades

The Red Seal Program is the Canadian standard of excellence for skilled trades. Formally known as the Interprovincial Standards Red Seal Program it sets common standards to assess the skills of tradespersons across Canada. Tradespersons who meet the Red Seal standard receive a Red Seal endorsement on their provincial or territorial trade certificates.

There are currently 56 designated Red Seal trades ranging from bakers to welders and agriculturalists to hairstylists.

Red-Seal.ca

The skilled trades represent high-quality and well-paid middle class jobs that are critical to Canada's economic growth. Yet few women choose the most highly skilled fields and those that do can face significant barriers to entry and advancement in these careers.

There is a substantial gender gap in apprenticeship training with women accounting for only 11 per cent of new registrants in interprovincially recognized Red Seal skilled trades.

This pattern of women's under-participation in higher-paid male-dominated trades has meant that women are not only comparatively underpaid in the trades sectors but also wrongly perceived as uninterested in or incapable of pursuing careers in the higher-paid male-dominated fields.

To encourage women to pursue careers in male-dominated—and better-paid—Red Seal trades and to ensure that women are increasingly able to model leadership to other aspiring female tradespeople the Government is allocating 19.9 million over five years starting in 2018–19 to pilot an Apprenticeship Incentive Grant for Women. Under the Grant women in male-dominated Red Seal trades would receive 3 000 for each of their first two years of training up to 6 000. This in combination with the existing Apprenticeship Completion Grant valued at 2 000 will result in a combined 8 000 in support over the course of their training for a female apprentice training to become a welder machinist pipe fitter or any other skilled trade that is male-dominated. Nearly 90 per cent of Red Seal trades would be eligible for the Grant.

Pre-Apprenticeship Program

Understanding the value and promise of careers in the skilled trades and the importance of these professions to Canada as a whole the Government of Canada is also proposing to introduce a new Pre-Apprenticeship Program. This program will encourage underrepresented groups—including but not limited to women Indigenous Peoples newcomers and persons with disabilities—to explore careers in the skilled trades. Working in partnership with provinces territories post-secondary institutions training providers unions and employers the Pre-Apprenticeship Program will help Canadians explore the trades gain work experience make informed career choices and develop the skills needed to find and keep good well-paying jobs in the trades. The Government will provide 46 million over five years starting in 2018–19 and 10 million per year thereafter for the Pre-Apprenticeship Program.

Women in Construction Fund

In addition to the above measures the Government will be launching the Women in Construction Fund in 2018–19 with an investment of 10.0 million over three years from Employment and Social Development Canada's existing resources. The Program will build on existing models that have proven to be effective in attracting women to the trades. These models provide supports such as mentoring coaching and tailored supports that help women to progress through their training and find and retain jobs in the trades.

The Government has also launched the new **Union Training and Innovation Program**. A key component of this Program is to support women to enter and succeed in the trades. Projects are now starting to roll out and most are aimed specifically at increasing the participation and success of women in the trades.

Getting Into and Staying in the Workforce and Career Pathways for Visible Minority Newcomer Women in Canada

Fawzia's Story

Fawzia immigrated to Canada in 2009 from Somalia where she was a practicing gynecologist obstetrician. After spending a year attempting to get recertified to practice medicine in Canada she decided to volunteer at a local hospital where she spends her time helping escort patients between departments. She loves being back in a hospital setting but misses being able to care for her own patients one-on-one and worries about losing the practical skills that are an important part of her profession.

Employment is key to the successful integration of newcomers to Canada supporting their financial independence and allowing them to make social connections and retain and build job skills. However newcomers sometimes face significant barriers to finding and keeping good jobs including language challenges lack of Canadian experience a lack of social networks and in some cases discrimination. For many visible minority newcomer women there are additional barriers including both gender- and race-based discrimination precarious or low-income employment lack of affordable and accessible child care lower language and literacy levels lack of community and social supports and limited or interrupted education in their home country. To

help reduce these barriers the Government will launch a three-year pilot to support programming for newcomer women who are also members of visible minorities and provide \$31.8 million over three years starting in 2018–19.

Helping Vulnerable People Access Government Funding

The Government of Canada provides grants and contributions funding to organizations across the country that deliver social services to Canadians. These organizations often serve our country's most vulnerable people including Indigenous Peoples newcomers and persons with disabilities providing them with supports to improve basic skills and language proficiency and achieve foreign credential recognition. However many of these organizations do not have the organizational capacity to pursue government contracts or maximize available funding opportunities. Recognizing the importance of the work that these organizations undertake the Government will reallocate \$7.8 million over five years beginning in 2018–19 from Employment and Social Development Canada's existing resources to help community organizations build this capacity.

Investing in Skills for the Future

Keeping up with future skills needs is a daunting task for Canadian workers, employers, governments and educational leaders. The Government recognizes that innovative approaches are needed to take advantage of emerging opportunities, technologies and trends and ensure that middle class Canadians benefit from economic growth.

Future Skills for Canadians

Since 2016, the Advisory Council on Economic Growth has provided expert advice to the Government on policy actions that can be taken to help create the conditions for strong and sustained long-term economic growth. In February 2017, the Advisory Council released their second report, calling on the Government of Canada to build a highly skilled and resilient workforce by investing in a FutureSkills Lab. To this end, Budget 2017 committed \$225 million over four years, starting in 2018–19 and \$75 million per year thereafter, to establish a new organization tasked with identifying the skills sought and required by employers, exploring new and innovative approaches to skills development, and sharing information to inform future investments and programming.

Working with provinces and territories, the private sector, educational institutions and not-for-profit organizations, the Government will launch Future Skills this spring. Future Skills will bring together expertise from all sectors and leverage experience from partners across the country. It will also include an independent Council to advise on emerging skills and workforce trends, and a research lab focused on developing, testing and rigorously measuring new approaches to skills assessment and development.



PREPARING CANADA'S LABOUR FORCE FOR THE SKILLS OF TOMORROW



SKILLS INNOVATION COUNCIL

Up to 15 expert independent members who report publicly through the Minister of Employment, Workforce Development and Labour.



SKILLS LAB

Autonomous research lab to pursue projects to prototype, test and disseminate evidence on skills development and measurement.

Horizontal Skills Review

From basic literacy and numeracy support to specific skilled trades training to financial supports and work experiences offered to students, the Government provides a wide range of skills programming to meet a variety of needs. To maximize the effectiveness of these programs, particularly in the way that they offer support to workers wishing to take advantage of emerging opportunities, the Government will undertake a horizontal review of skills programming over the next year. In support of this review, the Government proposes to provide \$0.75 billion in 2018–19 to the Treasury Board Secretariat. This, in conjunction with the Future Skills organization, will provide Canada's labour force with the information and training needed to meet future challenges and opportunities head on.

Strengthening and Diversifying Trade

Canada's economic success rests not only on the hard work of Canadians but also on strong trade relationships in an increasingly globalized world. Canada is—and always has been—a trading nation, and Canadians recognize that done properly, trade can be a positive force for change. It can drive economic growth, create good, well-paying jobs for the middle class, and open up opportunities for Canadian businesses to grow and expand.

To ensure that trade benefits Canadians, and to ensure that those benefits are felt by everyone, the Government is

- Actively deepening trade relationships through modern, progressive free trade agreements in North America, Europe and new, fast-growing markets in Asia. As a result of the recently concluded Canada-European Union Comprehensive Economic and Trade Agreement (CETA) and Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), preferential market access for Canadian goods and services abroad has more than doubled, from 31 per cent to 63 per cent of world gross domestic product (GDP).
- Making new, transformative enhancements to Canada's export programs to help Canadian businesses find customers around the world.
- Ensuring that trade is done responsibly, in a rules-based way.

Modernizing the North American Free Trade Agreement

Since its inception in 1994, the North American Free Trade Agreement (NAFTA) has been a significant contributor to growth and jobs in Canada, the United States and Mexico, improving the lives of workers and families in all three partner countries. Our combined trading relationship has increased three-fold in that time, and is now worth approximately \$1 trillion each year.

Under NAFTA, North America has become the biggest, most comprehensive economic bloc in the world, comprising a quarter of the world's GDP, with only seven per cent of its population.

Our inter-connected supply chains mean Canadians, Americans and Mexicans not only sell to one another, we build things together and sell them to the world.

While economic gains under the agreement have been positive for all three countries, NAFTA requires an update. It should be modernized for the 21st century, to ensure the benefits of trade are shared more broadly, with more people.

That's why we are working hard to renegotiate an updated and improved North American Free Trade Agreement that is win-win-win—one that will foster greater opportunity for the middle class, and those working hard to join it in Canada, the United States and Mexico.

We will always uphold and defend Canadians' interests and values. The Government of Canada is committed to reaching a good deal.

Europe

The Government is also looking beyond North America, to establish closer trade relationships with large and emerging markets.

In Europe, this has meant the delivery of CETA. As of September 2017, all significant parts of the agreement have been brought into force, deepening our ties with the world's second-largest single-market economy and providing Canadian businesses with unprecedented access to a market of 500 million people, with a GDP of \$22 trillion.

With commitments on labour rights, environmental protection, sustainable development and cultural diversity, CETA represents a model for a modern and progressive trade agreement.

Asia-Pacific

The Government is also actively pursuing trade opportunities for Canada in the fast-growing Asia-Pacific region.

One landmark achievement is the recently concluded CPTPP, which, together with the Canada-Korea Free Trade Agreement that came into force in 2015, will solidly anchor Canada's place in the Asian market.

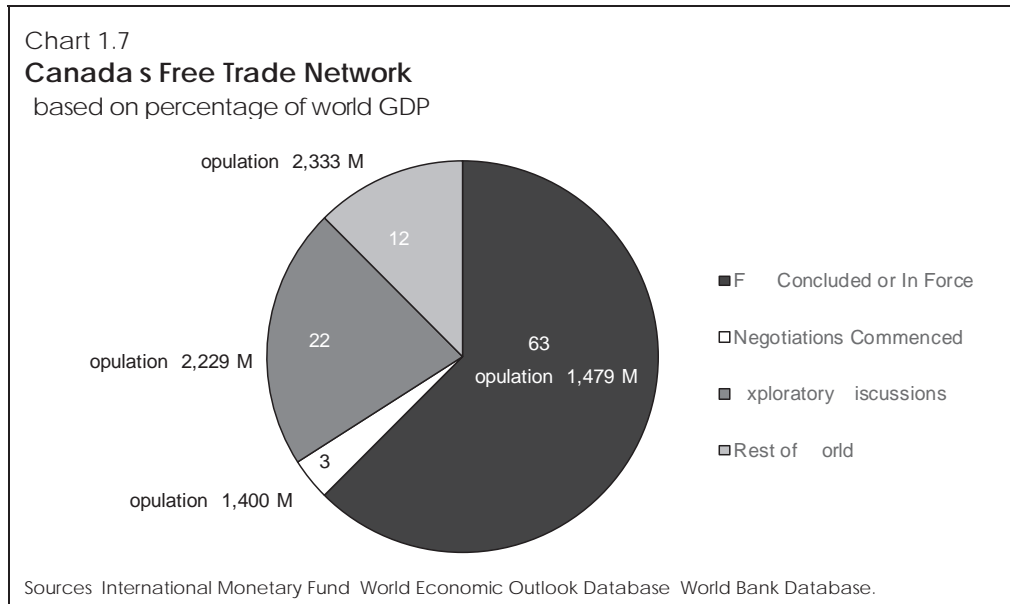
The CPTPP the largest regional trade deal in history will establish a network of open markets in the Asia-Pacific region representing 495 million people with a combined GDP of 13.5 trillion. This includes important Asian markets such as Japan Malaysia and Vietnam with significant potential for further growth over time as additional countries join the agreement.

In addition to opening markets the Government worked hard to ensure that the CPTPP safeguards the importance of preserving cultural identity and diversity and promoting corporate social responsibility gender equality and Indigenous rights. It also enshrines the strongest labour and environmental provisions of any trade deal in history.

As it pursues new opportunities for trade the Government will work with key sectors—such as the auto sector and supply managed sectors—to evaluate the potential economic impacts of trade agreements and ensure these key sectors remain strong and competitive.

Pursuing New Markets

In addition to NAFTA CETA and the CPTPP the Government is continuing to pursue other opportunities for free trade agreements around the world including ongoing exploratory talks with China and discussions with a number of important partners and regional groupings such as the Pacific Alliance Chile Colombia Mexico and Peru MERCOSUR Argentina Brazil Paraguay and Uruguay and the Association of Southeast Asian Nations ASEAN.



As a further accelerator for more exports to Asia the Government will be making targeted enhancements to its export programming for the region. In particular this new strategy aims to develop stronger bilateral relations with China—Canada's second-largest single-nation trading partner—in order to

create more jobs in Canada through expanded trade. Canada and China have a shared goal of doubling bilateral trade by 2025.

The Government proposes to provide up to \$75 million over five years starting in 2018–19 with \$11.8 million per year thereafter to Global Affairs Canada to establish a stronger Canadian diplomatic and trade support presence in China and Asia. This includes bolstering the number of Canadian diplomats and trade commissioners on the ground in China as well as new initiatives to promote Canada's trade with China and other Asian markets.

Ensuring Rules-Based and Responsible Trade

As we seek to open up markets around the world we also need to support domestic industries in the wake of trade actions and need to take steps to ensure a robust rules-based trading system that balances the interests of Canadian stakeholders at home and abroad.

To that end the Government is committed to supporting and defending the Canadian forest industry in the face of unjustified U.S. duties. The Government proposes to provide \$191 million over five years starting in 2018–19 to Global Affairs Canada and Natural Resources Canada to support softwood lumber jobs including through litigation under the World Trade Organization and the NAFTA dispute settlement mechanisms. The Government will also continue its negotiating efforts towards a durable softwood lumber agreement with the U.S. that will bring stability on both sides of the border.

The Government has also taken steps in recent years including through amendments to the Special Import Measures Act to ensure that the trade remedy system is effective and fair. In light of the essential function that the Canadian International Trade Tribunal performs in Canada's trade remedy system the Government proposes to amend the Canadian International Trade Tribunal Act to ensure that it continues to effectively deliver on its mandate. In addition the Government recently reviewed the level of anti-dumping duties applied to imports of gypsum board from the U.S. and has concluded that they are preventing injury to domestic producers while ensuring adequate supply in the market. The Government will continue to monitor this situation to ensure the duties are having the intended effect.

Because it believes that trade is best when it works for everyone the Government has announced it is creating an independent Canadian Ombudsperson for Responsible Enterprise. This represents a new global standard in promoting responsible business conduct. The Ombudsperson will work to ensure that Canadian firms operating abroad exercise leadership in ethical social and environmental practices. Funding of \$6.8 million over six years starting in 2017–18 with \$1.3 million per year thereafter will be provided for this initiative.

A Fair Tax System for All Canadians

When middle class Canadians have more money to invest, save and grow the economy, all Canadians benefit. That's why our first substantial piece of legislation was to restore fairness to Canada's tax system, by raising taxes on the wealthiest one per cent, so that we could cut taxes for the middle class.

To have an economy that works for everyone, we need a tax system that is fair, and we need all Canadians to pay their fair share. After all, the taxes we pay as Canadians build the infrastructure that gets our goods to market, and helps create good, well-paying jobs. The taxes we pay help to set broken bones, and push cancer into remission. And the taxes we pay mean that if a hard-working Canadian loses her job, she might not have to lose her house.

Delivering the programs and services that Canadians need, while keeping taxes low for small businesses and middle class families, is important to this Government, and to all Canadians.

That's why in each of its budgets, the Government has taken steps to strengthen the Canada Revenue Agency's ability to crack down on tax evasion and combat tax avoidance. The Government has also taken action to close tax loopholes that result in unfair tax advantages for some at the expense of others.

Cracking Down on Tax Evasion and Combatting Tax Avoidance

Improving the Fairness and Integrity of the Canadian Tax System

Tax evasion and tax avoidance has a serious financial cost for the Government and all taxpayers. By cracking down on tax evasion, particularly abroad, our Government can ensure that it has the money needed to deliver programs that help the middle class and people working hard to join it. And by preserving the integrity of the tax system, Canada remains positioned as an attractive place to work, invest and do business.

In recent years, the Canada Revenue Agency (CRA) has implemented transformational changes to its compliance programs. By targeting non-compliance in the highest-risk areas, including wealthy individuals with offshore accounts, the CRA is able to more effectively limit tax evasion and avoidance.

These efforts are showing concrete results for Canadians.

Over the last two fiscal years, the Government reviewed all large money transfers between Canada and eight countries of concern—a total of 187,000 transactions worth a total of over \$177 billion that merited closer scrutiny.

Working closely with partners in Canada and around the world, there are now over 1,000 offshore audits, and more than 40 criminal investigations with links to offshore transactions.

The Government is also aggressively going after those who promote tax avoidance schemes and so far has imposed 44 million in penalties on these third parties.

Thanks to these and all other audit efforts the Government has identified 25 billion in fiscal impact from the past two fiscal years.

To further combat tax evasion and tax avoidance the Government will invest 90.6 million over five years to address additional cases that have been identified through enhanced risk assessment systems both domestically and internationally.

As the CRA has a proven track record of meeting expectations from targeted compliance interventions Budget 2018 accounts for the expected revenue impact of 354 million over five years. These amounts do not reflect the gain that will be realized by provinces and territories whose tax revenues will also increase as a result of these initiatives.

To ensure taxpayers understand and meet their tax obligations the CRA proposes to continue to expand its outreach efforts. These efforts improve tax compliance through a “get it right from the start” approach that educates, informs and supports taxpayers by improving service and encouraging voluntary compliance.

To ensure that Canada’s federal courts including the Tax Court of Canada receive adequate support to address a growing and increasingly complex caseload the Government will provide 41.9 million over five years and 9.3 million per year ongoing to the Courts Administration Service. This investment includes support for new front-line registry and judicial staff most of whom are expected to support the Tax Court of Canada.

Increased Reporting Requirements for Trusts— Beneficial Ownership

Better information on who owns which legal entities and arrangements in Canada—known as beneficial ownership information—will help authorities to effectively counter aggressive tax avoidance, tax evasion, money laundering and other criminal activities perpetrated through the misuse of corporate vehicles.

To improve the availability of beneficial ownership information the Government proposes to introduce enhanced income tax reporting requirements for certain trusts to provide additional information on an annual basis applicable for the 2021 and later taxation years.

In December 2017 federal, provincial and territorial Finance Ministers agreed in principle to pursue legislative amendments to their corporate statutes to require corporations to hold accurate and up-to-date information on beneficial owners and to eliminate the use of bearer shares.

The Government proposes to introduce legislative amendments to the Canada Business Corporations Act to strengthen the availability of beneficial ownership information.

The Government will continue to collaborate with the provinces and territories to assess potential mechanisms to enhance the effectiveness of the overall system.

Combatting Aggressive International Tax Avoidance

Strengthening Canada's International Tax Rules

The Government is also taking action to fight aggressive international tax avoidance by introducing measures to protect the integrity and improve the fairness of Canada's international tax system. This system includes rules to prevent taxpayers from avoiding Canadian income tax by shifting property income into foreign resident corporations. It also includes rules aimed at ensuring that non-residents pay their fair share of tax on income derived from Canadian sources.

To strengthen Canada's international tax rules the Government is proposing measures to

- Ensure that these rules cannot be avoided through the use of so-called tracking arrangements which allow taxpayers to track to their specific benefit the return from assets that they contribute to a foreign resident corporation .
- Prevent unintended tax-free distributions by Canadian corporations to non-resident shareholders through the use of certain transactions involving partnerships and trusts.

Update on International Tax Avoidance—Base Erosion and Profit Shifting

The Government is committed to safeguarding Canada's tax system and has been an active participant in the Organisation for Economic Co-operation and Development Group of Twenty OECD G20 project to address both the inappropriate shifting of profit offshore and other international planning to avoid tax by corporations and some wealthy individuals known as the Base Erosion and Profit Shifting BEPS Initiative. The Government will continue to work with its international partners to improve international dispute resolution and to ensure a coherent and consistent response to fight cross-border tax avoidance.

Improving Domestic Rules That Affect Cross-Border Activities

Strengthening the Controlled Foreign Corporation Rules

Canada has long had a robust set of rules to prevent the avoidance or deferral of tax through the use of foreign affiliates. The Government continues to monitor the effectiveness of these rules and to adapt them as needed including through the introduction in Budget 2018 of proposals to address tracking arrangements.

Reinforcing Substance Requirements

Preventing Treaty Abuse

Canada intends to adopt new rules in its tax treaties to more effectively address treaty abuse such as treaty shopping. These include anti-treaty abuse provisions that may be adopted under the Multilateral Convention to Implement Agreed-Related Measures to Prevent Base Erosion and Profit Shifting or in the process of negotiating new or renegotiating existing tax treaties.

Aligning Transfer Pricing Outcomes With Value Creation

Canada has adopted the revised OECD Transfer Pricing Guidelines and has played an important role in developing additional guidance on issues identified in the course of the BEPS project. These issues include the attribution of profits to permanent establishments, the use of the profit split method, and the treatment of hard-to-value intangibles. Additional guidance is due to be published over the course of 2018.

Improving Transparency and Certainty

Country-by-Country Reporting

Large multinational enterprises in Canada and elsewhere are now required to file country-by-country (CbC) reports containing information on their global allocation of income and taxes, as well as the nature of their global business activities. These reports are exchanged with other tax authorities with whom Canada has a bilateral exchange agreement or with whom an exchange relationship has been activated under the OECD multilateral competent authority agreement for the exchange of CbC reports. CbC reports are an important tool in combatting BEPS by providing the CRA and other tax authorities with new information to better assess transfer pricing risks.

Harmful Tax Practices

The CRA spontaneously exchanges information on certain tax rulings with other tax administrations. Such exchanges form part of a coordinated international effort to counter harmful tax practices.

Supplementary Actions

Multilateral Instrument

In 2017, Canada, along with 71 other jurisdictions, became a signatory to the Multilateral Convention to Implement Agreed-Related Measures to Prevent Base Erosion and Profit Shifting, known as the Multilateral Instrument or MLI. The MLI is intended to allow participating jurisdictions to modify their existing tax treaties to include measures developed under the OECD G20 BEPS project without having to individually renegotiate those treaties. The MLI is a high priority for the Government and an important tool in combatting international tax avoidance. In 2018, Canada will be taking the steps necessary to enact the MLI into Canadian law and to ratify the MLI as needed to bring it into force. Canada continues to expand and update its network of tax treaties and tax information exchange agreements. As one example, Canada will seek to bring into force the tax treaty with Madagascar that was signed in November 2016.

Common Reporting Standard—Sharing of International Tax Data

The recent implementation of the OECD G20 Common Reporting Standard that allows jurisdictions to automatically exchange information on financial accounts held by non-residents will help advance the Government's commitment to promote compliance and combat tax evasion. To ensure that the information received is properly leveraged to address the highest-risk population of tax evaders the Government will provide 38.7 million over five years to the CRA. This will allow the CRA to expand its offshore compliance activities through the use of improved risk assessment systems and business intelligence and will facilitate the hiring of additional auditors.

Holding Passive Investments Inside a Private Corporation

In October 2017 the Government announced it would lower taxes on small businesses from 10.5 per cent to 9 per cent by 2019 while making sure the small business tax rate was not being used to gain a personal tax advantage for a very small number of wealthy individuals.

Corporate income is taxed at lower rates than personal income to provide businesses with more money to invest grow and create obs. Currently however some wealthy corporate owners can gain significant tax advantages by holding corporate income inside their corporation for personal savings purposes. Action is needed to ensure that the tax system encourages corporate owners to use low corporate tax rates to support their business not for significant personal tax advantages.

The Government has engaged Canadians in an open dialogue on tax planning strategies using private corporations and has listened to their feedback. With respect to efforts to limit the benefits of passive investments held within private corporations in October 2017 the Government committed that in any changes it would make it would ensure that

- Passive investments already made by private corporations' owners including the future income earned from such investments are protected
- Going forward a 50 000 threshold on passive income in a year equivalent to 1 million in savings based on a nominal 5-per-cent rate of return would be available to provide more flexibility for business owners to hold savings for multiple purposes including savings that can later be used for personal benefits such as sick leave maternity or parental leave or retirement and
- Incentives would be maintained such that Canada's venture capital and angel investors can continue to invest in the next generation of Canadian innovation.

During the period of consultation the Government heard that its proposals could be very complex and add significant burdens on businesses. Consistent with the Government's outlined principles and consistent with the helpful contributions of many Canadians in the consultation period the Government proposes two new measures to limit deferral advantages from holding passive savings in a corporation but in a more targeted and simpler manner than was proposed in July 2017.

Limiting Access to the Small Business Tax Rate to Small Businesses

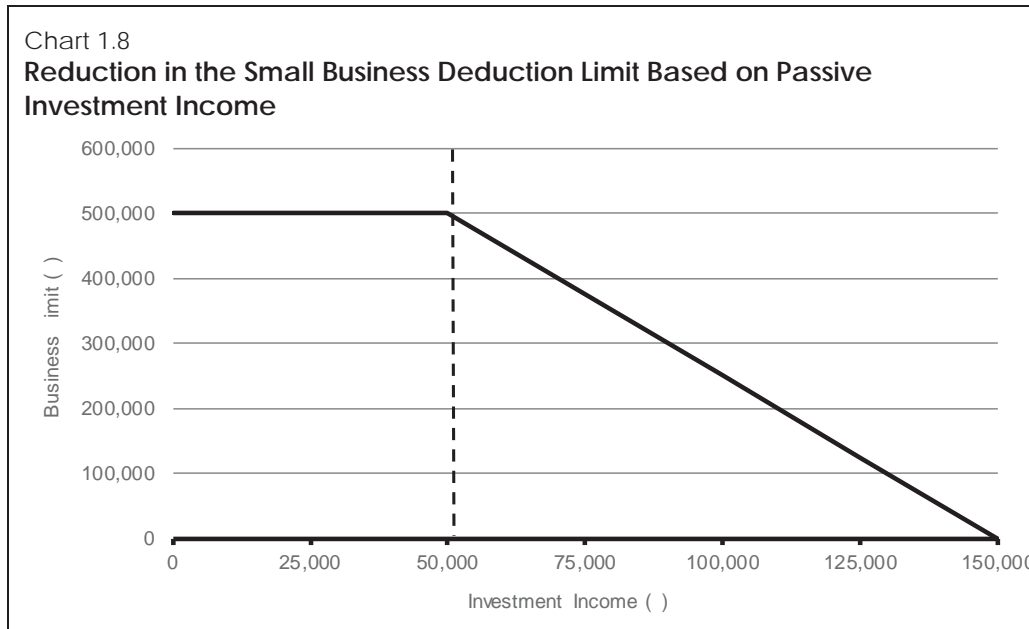
The first measure proposes to limit the ability of businesses with significant passive savings to benefit from the preferential small business rate. The current small business deduction limit allows for up to \$500,000 of active business income to be subject to the lower small business tax rate. Access to the lower tax rate is phased out on a straight-line basis for associated Canadian-controlled private corporations (CCPCs) having between \$10 million and \$15 million of aggregate taxable capital employed in Canada.

In the consultation many tax experts and advisors suggested that the main reason for the use of private corporations as a tax planning tool was the significant difference between personal tax rates and the low small business tax rate. Rather than remove access to the refundable taxes as proposed in July 2017 an alternative proposed approach is instead to gradually reduce access to the small business tax rate for corporations that have significant passive investment income. Such an approach would reinforce the principle that the small business rate is targeted to support small businesses which tend to have more difficulty accessing capital so they can re-invest in their active business not accumulate a large amount of passive savings.

Consistent with this principle Budget 2018 proposes to introduce an additional eligibility mechanism for the small business deduction based on the corporation's passive investment income.

Under the proposal if a corporation and its associated corporations earn more than \$50,000 of passive investment income in a given year the amount of income eligible for the small business tax rate would be gradually reduced. For the limited number of corporations earning that level of passive income their corporation's active business income would potentially be taxed at the general corporate income tax rate.

It is proposed that the small business deduction limit be reduced by \$5 for every \$1 of investment income above the \$50,000 threshold equivalent to \$1 million in passive investment assets at a 5-per-cent return such that the business limit would be reduced to zero at \$150,000 of investment income equivalent to \$3 million in passive investment assets at a 5-per-cent return.



The proposal represents an important departure from the July approach. Importantly the design does not directly affect taxes on passive investment income. Under this proposal the tax applicable to investment income remains unchanged—refundable taxes and dividend tax rates will remain the same unlike the July 2017 proposal. No existing savings will face any additional tax upon withdrawal thereby maintaining the Government’s commitment to protect the tax treatment of all past savings and investments.

The new approach will be much simpler to comply with will not require the tracking of new and legacy pools of passive investments and will target only private corporations with more than 50 000 in passive investment income per year or approximately 1 million in passive investment assets assuming an average 5-per-cent return .

Furthermore capital gains realized from the sale of active investments or investment income incidental to the business e.g. interest on short-term deposits held for operational purposes will not be taken into account in the measurement of passive investment income for purposes of this measure. With the proposed approach incentives will be maintained such that Canada’s venture capital and angel investors can continue to invest in Canadian innovation.

Limiting Access to Refundable Taxes for Larger CCPCs

The second measure will limit tax advantages that larger CCPCs can obtain by accessing refundable taxes on the distribution of certain dividends.

The tax system is designed to tax investment income earned by private corporations at a higher rate—roughly equivalent to the top personal income tax rate—and to refund a portion of that tax when investment income is paid out to shareholders.

In practice, however, any taxable dividends paid by a private corporation can trigger a refund of taxes paid on investment income, regardless of the source of that dividend—i.e., whether coming from investment income or lower-taxed active business income.

This means that larger CCPCs can pay out lower-taxed dividends from their pool of active income, taxed at the general corporate rate, and still claim a refund of taxes paid on their investment income, which is intended to be taxed at higher tax rates. This can provide a significant tax advantage. Budget 2018 proposes that CCPCs no longer be able to obtain refunds of taxes paid on investment income while distributing dividends from income taxed at the general corporate rate. Refunds will continue to be available when investment income is paid out.

Targeting the Impact of Passive Investment Changes

In total, Budget 2018's proposals on passive investments are targeted—less than 3 per cent of CCPCs will be affected—approximately 50 000 private corporations.

Overall, more than 90 per cent of the tax revenues from the two measures would be generated from corporations whose owners' household income is in the top 1 per cent of the income distribution. Owners below the top 1-per-cent threshold whose corporations are affected by the measures would nevertheless typically have significant accumulated wealth.

The two measures will apply to taxation years that begin after 2018.

In total, inclusive of the Government's changes to income sprinkling rules, the Government expects to raise from these measures 925 million per year by 2022–23.

Table 1.1

Measures to Limit Tax Planning Using Private Corporations

millions	201–18	2018–19	2019–20	2020–21	2021–22	2022–23	Total
Holding Passive Investments Inside a Private Corporation							
	0	43	305	650	630	705	2 333
Income Sprinkling Using Private Corporations December 201							
	45	190	200	205	215	220	1 075
Total	45	233	505	855	845	925	3 408

How These Changes May Affect Businesses That Hold Passive Investments

Elise owns a catering business. Her corporation earns 100 000 after tax in business income each year and pays out 75 000 as dividends to cover Elise's living expenses. She saves the other 25 000 in each of the next three years to build up a fund for her planned parental leave. Elise will not be affected by the new rules because the investment income on her savings will be well below the 50 000 threshold and she does not earn business income taxed at the general corporate rate.

Simon is an incorporated farmer. Whenever possible he puts aside excess income to manage weather and other risks affecting his livelihood. His goal is to save 500 000. He chooses to save through his corporation in the AgrilInvest program to take advantage of matching government contributions. Investment income from AgrilInvest is not considered passive income. As such Simon will not be affected by the new rules.

Claire launched a successful retail business and now uses the retained earnings in her corporation to invest in promising start-ups. She sold her 20-per-cent stake in a growing clean-tech firm and realized a 1 million capital gain which she reinvested into two new start-ups. Claire will not be affected by the new rules because her ownership stake in this active business is such that her capital gain will not count towards the 50 000 threshold and she is actively reinvesting.

Amrita owns a hotel. Her income depends on a number of factors outside her control so she sets aside funds each year to ensure she can continue to pay salaries and expenses in case of a downturn. She has 400 000 in savings in her corporation that she invests in low-risk bonds. Amrita will not be affected by the new rules because the investment income on her savings will be well below the 50 000 threshold and she does not earn business income taxed at the general corporate rate.

Saanvi owns a retail store and keeps cash deposits to pay her suppliers and the salary of her employee. She earns interest income on these deposits which in her circumstances is considered incidental to her business. As a result Saanvi will not be affected by the new rules.

Louis owns a very profitable private corporation that earns more than 500 000 annually. He has accumulated a portfolio with a value of 5 million which he intends to pass on to his children. Given his level of savings and level of income Louis will no longer receive the benefit of the small business rate to fund further passive investments starting in 2019. All of his business' income will be taxed at the general corporate rate.

Closing Tax Loopholes

The Government is committed to closing tax loopholes that benefit small groups of taxpayers at the expense of those Canadians who pay their fair share of taxes. Budget 2018 continues the Government's efforts to make legislative adjustments to ensure that the tax system is functioning as intended. Ongoing legislative adjustments help to make sure that as new avoidance schemes emerge the Government is able to continue to safeguard the tax system and build an economy that works for everyone.

To make Canada's tax system more fair

- The Government proposes to improve existing anti-avoidance rules meant to prevent a small group of taxpayers typically Canadian banks and other financial institutions from gaining a tax advantage by creating artificial losses that can be used against other income through the use of sophisticated financial instruments and structured share repurchase transactions.
- The Government also proposes to clarify the application of certain rules for limited partnerships in order to prevent taxpayers from obtaining unintended tax advantages through the use of complex partnership structures.

Chapter 1—Growth

millions of dollars

	201 – 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	Total
1.1 More Help for Those Who Need it Most							
Introducing the Canada Workers Benefit	0	125	505	510	515	520	2 175
Less F nds anno nced in Fall onomic tatement							
Improving Access to the Canada Workers Benefit	0	45	191	195	200	200	830
Improving Access to the Canada Child Benefit and Other Benefits	0	5	6	6	0	0	17
Less roected e en es							
Building More Rental Housing for Canadian Families	0	31	35	36	9	4	114
1.1 More Help for Those Who Need it Most Total	0	80	236	236	202	192	94
1.2 Equality in the Workforce							
Pay Transparency	0	1	2	0	0	0	5
Supporting Equal Parenting and the Flexibility for Earlier Returns to Work	0	4	257	310	320	332	1 223
Less roected e en es							
Supporting Community Women's Organizations	0	10	15	25	25	25	100
A National Conversation on Gender Equality With Young Canadians	0	2	1	2	2	2	8
Engaging Men and Boys to Promote Gender Equality Evidence-Based Policy	0	1	1	0	0	0	2
	0	10	10	9	9	9	45
1.2 Equality in the Workforce Total	0	-68	10	61	60	62	124
1.3 Skills for Tomorrow's Economy							
Canada Summer Jobs 2019–20	0	2	112	112	112	112	449
Improving the Quality of Career Information and Program Results	0	6	6	6	6	6	28
Less F nds o rced rom isting e artmental eso rces							
Making Employment Insurance More Responsive and Effective	0	141	223	75	76	78	592
Less roected e en es							
Less F nds o rced rom isting e artmental eso rces							
Less ear o er ear eallocation o F nding							

Chapter 1—Growth

millions of dollars

	201 – 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	Total
Helping Women Enter and Succeed in the Trades	0	4	4	4	4	4	20
Less Funds allocated from existing departmental resources							
Pre-Apprenticeship Program	0	6	10	10	10	10	46
Getting Into and Staying in the Workforce and Career Pathways for Visible Minority Newcomer Women in Canada	0	11	11	11	0	0	32
Horizontal Skills Review	0	1	0	0	0	0	1
1.3 Skills for Tomorrow's Economy Total	0	115	252	101	88	86	642
1.4 Strengthening Trade							
Foregone Tariff Revenues Related to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)	0	0	455	492	565	597	2 108
Pursuing New Markets	0	15	15	15	15	15	75
Ensuring Rules-Based and Responsible Trade	1	40	40	39	39	39	198
1.4 Strengthening Trade Total	1	55	510	546	619	651	2 381
1.5 A Tax System for All Canadians							
Cracking Down on Tax Evasion and Combatting Tax Avoidance	0	-32	-46	-45	-41	-21	-184
Combatting Aggressive International Tax Avoidance	0	5	6	9	10	9	39
Holding Passive Investments Inside a Private Corporation	0	-43	-305	-650	-630	-705	-2 333
Closing Tax Loopholes	0	-365	-560	-540	-540	-560	-2 565
1.5 A Tax System for All Canadians Total	0	-435	-905	-1 226	-1 201	-1 2	-5 044
Chapter 1—Net Fiscal Impact	1	-253	103	-282	-232	-286	-950



+ PROGRESS

Canadians are innovators

“Innovators share traits. We are all born with curiosity, courage, creativity and a collaborative spirit combined with an intense focus on discovering the truth that discovery is only part of the equation. All important is bringing innovations to life for the betterment of everyone.”

—Neil Turok, Director,
Perimeter Institute for
Theoretical Physics

We have always understood that better is possible—and time after time we have used curiosity, courage, creativity and collaboration to create positive change for ourselves—and the world.

This spirit of innovation that Canadians share helped to create the industries and jobs that created and grew Canada’s middle class. Today, that same drive to innovate creates new jobs and export opportunities in growing industries as it transforms jobs in existing ones.

The innovations we make today will create new and exciting job prospects for existing workers and better opportunities for our children and grandchildren. We ask them what they want to be when they grow up—but many of them are likely to work in jobs and industries that haven’t been invented yet. After all, the largest companies in the world today didn’t exist just a generation or two ago.

At the same time, by making smart investments today—the kind that give more people a real and fair chance at success—we can build a forward-looking economy for Canada, one that our children and

grandchildren will want to be a part of in jobs they are qualified for and excited to have.

Everyone—from junior researchers to veteran scientists to the CEOs of the companies whose businesses are leading the way in innovation—has a role to play in building Canada's future economy. So too does government. Investing in the people and projects that will change our world for the better is not just the right thing to do; it's the smart thing to do for Canada's economy.

It starts with a question

As innovators, Canadians seek answers to difficult questions and look for new ways to apply what we've learned. The desire to understand how the human heart works led to pioneering efforts in open heart surgery and the invention of the artificial pacemaker. Curiosity about how we learn and think led to breakthroughs in machine learning and artificial intelligence—discoveries that help us to navigate traffic with the help of our smartphones today and in the future will help us get to work and school in self-driving cars.

The Government proposes to make significant new investments to ensure that Canada's current and future scientists and researchers have the funding and support they need to do their work. Budget 2018 proposes an investment of nearly 4 billion in Canada's research system to support the work of researchers and to provide them access to the state-of-the-art tools and facilities they need.

These investments are not simply to enhance the status quo. In recognition of the historic opportunity for real change, investments made through Budget 2018 will be tied to clear objectives and conditions so that Canada's next generation of researchers—including students, trainees and early-career researchers—is larger, more diverse and better supported.

Canada's Granting Councils

Canada supports its researchers and scientists through three agencies: the Social Sciences and Humanities Research Council, the Natural Sciences and Engineering Research Council and the Canadian Institutes of Health Research. Together, they support and promote high-quality research in a wide variety of disciplines and areas, from how to make workplaces safer to how to build longer-lasting batteries to finding new ways to help ovarian cancer patients live longer lives.

Federal scientists’ research touches everything from clean air and water to food security to developing drugs and vaccines that play a crucial role in protecting and improving the lives of Canadians. Budget 2018 proposes measures to re-imagine the National Research Council—at the centre of research excellence and collaboration bringing together the best innovative minds from across the country to deliver solutions and breakthroughs that matter to Canadians. Budget 2018 also proposes to invest in Canada’s world-class federal science laboratories and facilities to enable scientists to continue to conduct research that promotes evidence-based decision-making.

To better support Canada’s innovators Budget 2018 proposes to provide 2.6 billion in incremental support over five years. In addition to new funding Budget 2018 announces measures that will transform Canada’s innovation programs—making them easier to access and to use and expanding support for Canadian companies that want to scale up and sell their innovations in the global marketplace. Budget 2018 also proposes new initiatives to make business regulations more efficient and less costly and seeks to promote greater awareness and use by Canadian entrepreneurs of intellectual property important assets that can fuel the growth of innovative businesses in the modern economy. Businesses and entrepreneurs in rural areas are important contributors to Canada’s prosperity. Budget 2018 proposes new measures to improve the business environment in rural areas.

Chapter 2 Advancing Canada’s Gender Equality Goals

Key Chapter 2 initiatives that advance objectives of Canada’s new Gender Results Framework

- Improving diversity in the research community through investments in the granting councils data collection initiatives early-career researchers and new gender equality planning.
- Helping women entrepreneurs grow their businesses through the new Women Entrepreneurship Strategy.
- Supporting the advancement of women in senior positions by publicly recognizing corporations committed to promoting women leaders.

Canada's Innovation and Skills Plan

Budget 2017 launched the Government's Innovation and Skills Plan—an ambitious effort to make Canada a world-leading centre for innovation; to help create more good, well-paying jobs; and to help strengthen and grow the middle class. A number of signature initiatives are now underway:

Five innovation superclusters have been announced, selected from competing proposals from across Canada. When small, medium-sized and large companies, academic institutions and not-for-profit organizations come together to generate bold ideas, the results are more good, well-paying jobs for Canadians, and groundbreaking research that benefits everyone.

Canada's New Superclusters

Building artificial intelligence-powered supply chains (SCALE.AI) in Montreal and the Quebec City-Waterloo corridor.

Promoting next-generation manufacturing (Advanced Manufacturing) in Southern Ontario.

Developing data-driven enterprises (BC Digital) in British Columbia.

Unleashing the potential of Canadian crops (Protein Industries Canada) in the Prairie Provinces.

Maximizing Canada's ocean economy (Ocean) in Atlantic Canada.

Six Economic Strategy Tables have been established for areas where there is great potential for Canadian businesses to grow and create high-quality jobs: advanced manufacturing, agri-food, clean technology, digital industries, health/bio-sciences and clean resources. The Economic Strategy Tables have identified four key areas where additional support could drive economic growth and create jobs. These include smart regulations, digitization/data, intellectual property and export services. Budget 2018 includes measures to address these opportunities.

Reforms to existing programs and transformational new investments in skills are making a difference for young Canadians and adults wanting to return to school (through enhanced Canada Student Grants), for adult workers who wish to retrain (through better access to Employment Insurance benefits), for young Canadians entering the workforce (through new job and work-integrated learning opportunities) and for unemployed and underemployed Canadians seeking training to find a new job (through skills and training initiatives funded through the Labour Market Transfer Agreements).

The federal, provincial and territorial governments have also undertaken important negotiations on the **Labour Market Transfer Agreements**. These new agreements, expected to come into force on April 1, 2018, will provide an additional \$2.7 billion over six years, starting in 2017–18, to provinces and territories to address skills and training needs, which will allow people to advance their careers.

Innovation Canada was launched in January 2018 to provide a single point of contact for Canadian innovators and entrepreneurs looking to grow their businesses. This innovative interface is an entrepreneur’s gateway to government programs and services including at the provincial and territorial level. The tool generates targeted results connecting businesses with exactly the resources they need.

This past year the Government also launched a range of funds and initiatives aimed at supporting Canadian businesses that want to grow and create more good well-paying jobs

- The **Strategic Innovation Fund** to consolidate and simplify legacy industrial support business programs and attract and support new high-quality business investments.
- The **Venture Capital Catalyst Initiative** to increase the availability of late-stage venture capital to support the growth of innovative Canadian firms.
- The **Impact Canada Initiative** focused on accelerating outcomes-based funding approaches across government.
- The **Innovative Solutions Canada** procurement program fulfilling a longstanding request from Canadian companies to help connect with government as a collaborator and first customer.

Investing in Canadian Scientists and Researchers

The world is in the midst of a shift to a knowledge-based global economy driven by the creation of ideas and their translation into commercial value. This transformation brings with it the prospect of new jobs and new solutions to some of the world’s greatest problems. But this shift will also bring change—change to the nature of work, the nature of middle class jobs and the skills needed to succeed in them.

Canada is well-positioned to lead in the coming years. Home to a highly skilled workforce and some of the world’s top researchers, Canada’s prospects are bright—thanks in part to earlier investments in science research and innovation. These investments built world-leading Canadian universities and colleges and created a strong research environment—one that has resulted in global recognition and has succeeded in attracting top talent in important emerging fields like artificial intelligence. The next step is to build on this success and make Canada a beacon that attracts the very best researchers from across the globe.

Figure 2.1 Research is the Engine that Drives an Innovative Economy



Supporting the Next Generation of Research and Researchers

Research expands our basic understanding of the world, generates new ideas, leads to new jobs for our children and grandchildren when they grow up, and helps to build a workforce that is better able to respond to challenges with creativity and confidence. This doesn't just have economic benefits—it also makes Canada and the world a safer, healthier, better place to live.

In the past year the Government of Canada received the report from the expert panel on Canada's Fundamental Science Review led by Dr. David Naylor. While Canada spends more on higher-education research and development as a share of gross domestic product than any other Group of Seven G7 country the Review identified a number of challenges that require urgent attention. These include declining funding per researcher and the need to fundamentally shift how when and where Canada invests—encouraging more global collaboration fostering more interdisciplinary research and better supporting research that has the potential to be groundbreaking. The Review also identified a need to focus on the next generation of researchers including students early-career researchers and a science community that looks more like Canada—more diverse and with a greater number of women.

Since the recommendations of the Fundamental Science Review were released in 2017 the Government has heard the strong and united message from Canada's research community on the importance of investing in the future of Canadian research—one that supports young researchers and embraces the increasingly international interdisciplinary high-risk and fast-breaking nature of leading-edge research.

In response the Government is proposing measures to make Canada's research environment more responsive agile and modern in order to attract the world's best researchers to Canada and take Canadian research to new heights. Budget 2018 proposes a historic investment in support for researchers in big data and in the equipment Canadian researchers need to succeed—and lead. This includes more than 1.7 billion over five years to support the next generation of Canadian researchers through Canada's granting councils and research institutes and would provide the single largest investment in fundamental research in Canadian history. It also includes over 1.3 billion over five years for investments in the laboratories equipment and infrastructure researchers rely on every day.

Some of the most innovative and impactful research outcomes arise when researchers step beyond their traditional fields of study and beyond country borders to bring together different expertise and perspectives. Solutions from interdisciplinary and international research can have a profound impact on the daily lives of Canadians and are also the source of innovations that simply do not emerge out of any one field of study or geographic region. For example Indigenous-led social scientists focused on Indigenous histories and landscapes are working with experts in geochemistry to bring together multiple research disciplines to improve our understanding of the history of Indigenous Peoples in Canada.

Fundamental research often pushes the knowledge frontier to ultimately lay the foundation for new innovations that drive the development of new products and services for global consumers. These investments in the work of researchers also support the Government's efforts to help Canadians strengthen their skills and ensure that Canada has the talented people needed to compete in a global economy.

Women Leaders in Science Technology Engineering and Mathematics STEM

Professor Raquel Urtasun is a pioneer in the area of machine perception. A University of Toronto researcher **Canada Research Chair** and Head of **Per Advanced Technologies Group Toronto**, Professor Urtasun has developed algorithms that allow vehicles to perceive and understand the environment in three dimensions and in real time. Her work is enabling autonomous vehicles to navigate the streets safely and swiftly while detecting other vehicles and obstacles on the road and accounting for factors such as motion, speed and traffic flow. A key goal of Professor Urtasun's work is doing more with less—using fewer cameras and sensors to capture greater amounts of information and detail about a dynamic environment. As a result, her research is advancing the state of the art for industry and helping to make personal robotics more accessible and affordable for everyone.

Granting Councils

Canada's three granting councils are arm's-length organizations that provide federal funding for the work of researchers at post-secondary institutions and research hospitals. In Budget 2018, the Government is proposing a historic investment to support this work—the most new funding for fundamental research through the granting councils in Canadian history.

The Government proposes to invest \$925 million over five years, starting in 2018–19, and \$235 million per year ongoing.

- \$354.7 million over five years, \$90.1 million per year ongoing, to the Natural Sciences and Engineering Research Council (NSERC).
- \$354.7 million over five years, \$90.1 million per year ongoing, to the Canadian Institutes of Health Research (CIHR).
- \$215.5 million over five years, \$54.8 million per year ongoing, to the Social Sciences and Humanities Research Council (SSHRC).

To accelerate Canada's transition to a more modern approach to research, Budget 2018 also proposes to create a new tri-council fund to support research that is international, interdisciplinary, fast-breaking and higher-risk. The Government proposes to provide \$275 million over five years, starting in 2018–19, and \$65 million per year ongoing, for this innovative approach, which will be administered by SSHRC on behalf of the granting councils.

These two proposed investments would increase the granting councils' annual budgets for fundamental research by over 25 per cent when they reach their peak in three years time. The proposed funding would provide increased support and training opportunities for about 21 000 researchers students and high-quality personnel across Canada every year by 2021–22 including 6 000 top-tier researchers and principal investigators 3 500 early-career researchers 8 000 undergraduate master's and doctoral students 1 300 postdoctoral students and 2 000 research assistants and technicians.

With this investment the granting councils will be tasked with developing new plans strategies and targets to ensure greater collaboration between NSERC CIHR and SSHRC and support for interdisciplinary research as well as plans to achieve greater diversity among research funding recipients including improved support for women underrepresented groups and early-career researchers. To support these goals the Government proposes to provide 6 million over five years 0.5 million ongoing for surveys to collect improved data on researchers and 15 million over five years to implement programs that support improved equality and diversity in academia at post-secondary institutions.

Canada Research Chairs

To attract and retain leading early-career researchers at post-secondary institutions across the country Budget 2018 proposes a new investment of 210 million over five years starting in 2018–19 with 50 million per year ongoing for the Canada Research Chairs Program. The purpose of this investment will be to better support early-career researchers while increasing diversity among nominated researchers including increasing the number of women who are nominated for Canada Research Chairs. This funding will provide the flexibility to improve the program to meet researcher priorities and could result in for example 250 additional Chairs for early-career researchers by 2020–21 and a sizeable increase in funding provided to early-career researchers. The Government expects the granting councils to target new funding to early-career researchers whose diversity better represents Canada's population.

Over the next year the Government will be doing further work to determine how to better support students the next generation of researchers through scholarships and fellowships.

Canada Research Chairs

Dr. Catherine Lippel is a professor in civil law at the University of Ottawa where she has held the Canada Research Chair in Occupational Health and Safety Law since 2006. She was named Fellow of the Royal Society of Canada in 2010 and in 2017 won SSHRC's highest award the Gold Medal.

Her research has expanded our understanding about the effectiveness of occupational health and safety regulations. Her seminal work is a SSHRC-funded study showing the impact of applying different compensation systems to people with disabilities. Her findings have been cited by scholars and policymakers around the world.

Women Leaders in STEM

Professor Deborah McGregor a cross-appointed **Canada Research Chair** at York University in Toronto is advancing our understanding of environmental justice by melding the law environmental studies and traditional Indigenous knowledge systems to investigate sustainability water governance and security and First Nations land management. Professor McGregor who is Anishinaabe from Whitefish River First Nation is currently the primary investigator on two SSHRC-funded projects.

Women Leaders in STEM

One out of three Canadians rely on medications to manage a chronic condition. Many struggle to stick to the treatment plan prescribed by their doctor. **Mary A. De Vera** **Canada Research Chair** in medication adherence utilization and outcomes examines different strategies to ensure people take their medications as required. By increasing the number of Canadians who use their medications as prescribed Mary A. De Vera's research will help improve the health and quality of life of millions of Canadians who rely on medications to manage their chronic conditions while helping to reduce costs across the health care system.

Research Support

To ensure that researchers are provided with the necessary space and support at universities to undertake high-quality multidisciplinary research the Government will increase the Research Support Fund. This Fund provides universities with resources to cover the indirect costs of research including overhead costs such as those related to the maintenance of laboratories and other research space that are shared widely and therefore not covered through the granting council's direct research funding. Budget

2018 proposes to provide 231.3 million over five years starting in 2018–19 with 58.8 million per year ongoing to SSHRC which administers this program on behalf of the granting councils.

Investing in the Equipment Researchers Need—Canada Foundation for Innovation

The Canada Foundation for Innovation provides access to the state-of-the-art tools and facilities that researchers need to carry out the promising and innovative research that makes Canada a leader on the global stage. This includes the equipment and labs that are right now allowing Canadian researchers to make discoveries in areas like new composite materials for jets and cars new diagnostic techniques for childhood diseases and new methods for cracking the quantum computing challenge.

In order to do this important research however researchers need state-of-the-art equipment and good places to do their work. Providing ongoing stable funding to the Canada Foundation for Innovation will allow the Foundation to provide access to cutting-edge research tools for about 17 500 researchers and 27 000 students and post-doctoral fellows every year.

Budget 2018 proposes to provide the Canada Foundation for Innovation with 763 million over five years starting in 2018–19 to provide the tools researchers need. This includes 160 million for increased support to Canada’s nationally important research facilities through the Foundation’s Major Science Initiatives Fund. The Government also proposes to establish permanent funding at an ongoing level of 462 million per year by 2023–24 for research tools and infrastructure supported through the Canada Foundation for Innovation.

Major Science Initiatives Fund

The Canada Foundation for Innovation’s Major Science Initiatives Fund supports national science facilities that make international-calibre research possible in Canada. Supported facilities include

- Canadian Light Source in Saskatoon Saskatchewan enabling synchrotron-based research in sectors such as mining energy life sciences and advanced manufacturing. Recent discoveries hold potential gains in the fight against climate change including higher-quality fuels from biowaste and a technique to reuse carbon dioxide and methane.
- SNOLAB’s physics research centre near Sudbury Ontario is helping scientists understand the basic building blocks of our universe. Its facility works to illuminate the mysteries of dark matter and allows scientists to study the impact that deep mines have on workers. SNOLAB has supported a variety of world leading research including that of Nobel Prize winning physicist Dr. Art McDonald of Queen’s University.
- The Canadian Research Icebreaker Amundsen provides a platform for scientists to explore the vast reaches of the Arctic. Discoveries in dozens of fields from marine ecosystems to human health have been made possible by the vessel.

Harnessing Big Data

Digital research infrastructure is the collection of connectivity, computing power and storage services needed to support data-intensive and computationally-intensive research. Big data has become an essential tool for progress in science, underpinning world-class research across all disciplines. Improved technologies, such as cloud computing and faster networking, allow for new opportunities to address scientific challenges. For example, medical researchers in genomics can use advanced research computing to analyze genetic sequences to look for DNA-related changes that might cause cancer or dementia. Eventually, researchers may be able to develop personal medical treatment plans for patients based on genetics, age and behavioural data, improving health outcomes. Improved access to essential digital research tools and services will strengthen Canada's reputation as a global leader in science, research and innovation.

The Government proposes to provide \$572.5 million over five years, with \$52 million per year ongoing, to implement a Digital Research Infrastructure Strategy that will deliver more open and equitable access to advanced computing and big data resources to researchers across Canada. The Minister of Science will work with interested stakeholders, including provinces, territories and universities, to develop the strategy, including how to incorporate the roles currently played by the Canada Foundation for Innovation, Compute Canada and CANARIE, to provide for more streamlined access for Canadian researchers.

What Will Success Look Like for Canadian Science and Research

- ✓ A coordinated and harmonized system that is simple, effective and geared to meet the needs of Canadian researchers and modern research priorities
- ✓ A research system that attracts global talent, promotes diversity and supports talent development across career stages
- ✓ More researchers and students with access to cutting edge research infrastructure, equipment and laboratories

Leveraging the Full Potential of Business-Academia Collaboration

Fundamental and basic research support through the three federal granting councils and the Canada Foundation for Innovation provides the fuel for Canada's research system. Over the years these institutions have enabled discoveries in artificial intelligence and regenerative medicine discoveries that will shape the economy of tomorrow and deliver tangible benefits to Canadians.

Canada continues to face challenges when it comes to translating the ideas generated from its world-class research into goods and services that people can use. An established role governments can play is to help bring together researchers and specialized equipment that resides at post-secondary institutions with businesses that have research needs but lack the skills and equipment to undertake their research in-house.

To modernize simplify and improve the programs that bring together post-secondary researchers and businesses Budget 2018 proposes to consolidate programming within each granting council in the following way

- The Natural Sciences and Engineering Research Council will consolidate the Engage Grants Industrial Research Chairs Connect Grants Strategic Partnership Grants for Networks and Projects and Experience Awards Grants into a single Collaborative Research and Development Grant program.
- The Canadian Institutes of Health Research will consolidate the eHealth Innovations Partnership Program and Proof of Principle Program into a single Industry Partnered Collaborative Research program. The Government will also introduce legislation to separate the functions of the President from those of the Chair of Governing Council at this granting council in order to implement best practices in organizational governance.

Colleges and polytechnics are innovation intermediaries that actively collaborate with small and medium-sized businesses in their communities to solve business challenges. The Government proposes to provide 140 million over five years starting in 2018–19 to increase support for collaborative innovation projects involving businesses colleges and polytechnics through the College and Community Innovation Program.

Colleges and Polytechnics Within Canada's Innovation Ecosystem

Colleges and polytechnics partner directly with local employers to provide access to skilled students and faculty and specialized equipment to solve pressing business challenges through the College and Community Innovation Program. This program allows small and medium-sized enterprises the ability to undertake applied research to develop novel products for the market or to improve production processes that give businesses the edge to compete—all without having to develop in-house research and development capacity. In maintaining close linkages with their local communities colleges build awareness among businesses of new and best practices and technologies to support local and economic development.

Colleges are also home to 30 Technology Access Centres (TACs) located across the country—innovation intermediaries that provide access to research facilities and connect the expertise of students and faculty with clients and partners looking to solve innovation challenges. In 2015–16 almost 2 000 companies were served by TACs over 75 per cent of which were small and medium sized enterprises and close to 1 000 students were involved in TAC-delivered services—representing almost 89 000 hours of innovation-related skills acquisition.

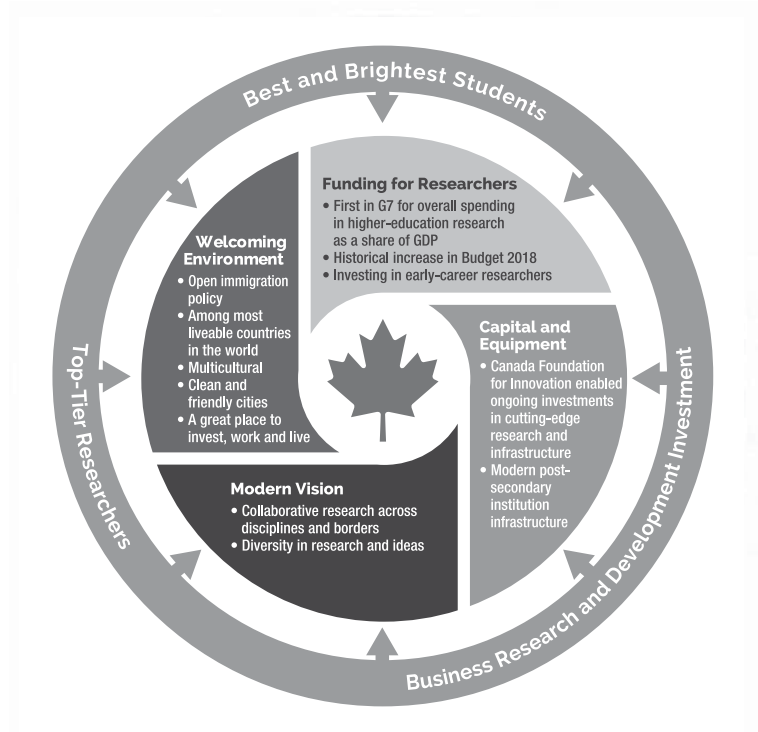
Research Institutes and Organizations

At present the Government allocates funding to a number of third-party research organizations that study a broad range of topics from quantum science to regenerative medicine. The government will consider a new approach to determine how to allocate federal funding to third-party research organizations as advocated by Canada's Fundamental Science Review. The three federal granting councils and the Canada Foundation for Innovation for example use a competitive model to determine funding allocations.

To improve the adaptability and effectiveness of federal research funding the Government will communicate in the coming year new competitive processes for research institutes and organizations. In the meantime Budget 2018 proposes to provide support for the organizations below.

Institute for Quantum Computing	This world-leading Canadian research facility focuses on the development of new quantum technologies. The Government proposes to provide the Institute with renewed funding of 15 million over three years starting in 2019–20 to continue to undertake high-calibre quantum research.
Centre for Drug Research and Development	This not-for-profit organization works in partnership with academia, industry, governments and foundations to identify and evaluate promising discoveries in drug technology. The Government proposes to provide 48 million over three years starting in 2019–20 in renewed support for the Centre's efforts to translate promising drug discoveries into commercialized health innovations and therapeutic products.
Rick Hansen Institute	Founded by the Man in Motion, this not-for-profit research organization focuses on creating more accessible and inclusive communities and supporting research aimed at better treatment and a higher quality of life for people living with spinal cord injuries. The Government proposes to provide renewed funding of 23.6 million over four years starting in 2018–19 through Western Economic Diversification to support the Institute's efforts to achieve breakthroughs in spinal cord injury research and care.
Centre of Excellence on the Canadian Federation	The Government proposes to contribute 10 million in 2018–19 to the Institute for Research on Public Policy to endow a Centre of Excellence on the Canadian Federation, a permanent research body to promote shared understanding of the Canadian federal community. The Centre will undertake research on issues such as the impact of emerging economic and social trends on Canada's federal arrangements.

Figure 2.2 Canada Is a Beacon to Researchers Around the World



Stronger and More Collaborative Federal Science

Federal government scientists enrich Canada's research environment contributing to research focused on the public interest as well as the kind of discovery science that breeds innovation. Federal scientists seek to advance environmental remediation energy and materials science advanced manufacturing and health and food safety. Thousands of scientists and the network of federal laboratories—including at the National Research Council—reinforce Canada's research capabilities and strengths including through collaboration with post-secondary institutions and businesses.

Gender-based Analysis Plus Diversity in Research

As the National Research Council re-imagines itself to deliver on the Innovation and Skills Plan it will be taking targeted action to include more women youth Indigenous Peoples persons with disabilities and visible minorities among its researchers. Targeted actions include ensuring there are no unintended barriers to the participation of women researchers and entrepreneurs in the National Research Council's programs as well as increased outreach to diverse groups of Canadians so they are fully aware of its programs and the opportunity to participate.

Governments around the world leverage their own research assets and talent to help businesses undertake commercially relevant but high-risk research which can in turn lead to successful global companies. The National Research Council has the facilities expertise and networks to convene strategic large-scale national teams committed to cutting-edge innovation. Budget 2018 announces a re-imagined **National Research Council** and proposes to provide \$540 million over five years starting in 2018–19 and \$108 million annually for measures that will reinforce its research strengths and role as a trusted collaboration partner of industry.

- To catalyze transformative high-risk high-reward research with the potential for game-changing scientific discoveries and technological breakthroughs the Government proposes to provide \$150 million over five years with \$30 million per year ongoing to the National Research Council to fund its scientists to work with innovators from post-secondary institutions and businesses on multi-party research and development programs. This research will be modelled on the highly successful Defense Advanced Research Projects Agency in the United States.
- To encourage test and validate transformative research ideas generated by the National Research Council's world-class scientists the Government proposes to provide \$30 million over five years with \$6 million per year ongoing to the National Research Council to establish an ideation fund to target breakthrough research ideas through a competitive peer-reviewed process.
- To enhance collaboration with businesses and improve access to the National Research Council's specialized facilities and equipment scientists and technical services the Government proposes to provide \$62 million over five years with \$12.4 million per year ongoing to lower access fees charged to small and medium-sized enterprises and universities and colleges.
- To allow for better long-term research planning and delivery the Government will convert the National Research Council's longstanding temporary funding into ongoing permanent funding by providing \$298 million over five years and \$59.6 million per year ongoing. Total funding proposed under Budget 2018 will raise the National Research Council's total annual budget to \$1.1 billion.

The National Research Council is only one of the Government's science-based organizations. The Government has recently announced significant new funds in support of activities in other science-based federal departments and agencies.

Major Science Investments

Canada's world-class federal science supports evidence-based decision-making which improves our quality of life, our economy and our future prosperity. This Government has made significant federal science investments since it took office to ensure that Canada remains a global leader in research and innovation, especially in critical areas like the environment. This includes

- 100 million to support agricultural science research and innovation, with a focus on addressing emerging priorities such as climate change and soil and water conservation.
- 139 million over five years to federal laboratories and other federal assets to advance science, research and innovation.
- Approximately 500 million over six years for oceans and freshwater science.

The Government will also build on this renewal of federal science by launching the first phase of an ambitious plan to **renew federal laboratories**.

- Public Services and Procurement Canada will begin the process for the construction of multi-purpose, collaborative federal science and technology facilities. Rather than work in silos, this new approach to federal science and discovery will look to bring together federal scientists and science facilities across government including Agriculture and Agri-Food Canada, Natural Resources Canada, Fisheries and Oceans Canada, Environment and Climate Change Canada, the National Research Council and others in order to advance interdisciplinary research on, among other things, climate change, ocean protection and human health. The Government proposes to provide 2.8 billion on a cash basis, 58 million on an accrual basis, over five years, starting in 2018–19, with 4.5 million per year ongoing. The new facilities will be built to achieve a net zero carbon footprint, and funding will support a new science infrastructure program management office to support the renewal of federal laboratories.

- Canada's **National Microbiology Laboratory** located in Winnipeg is a world-leading facility that has helped advance critical work on infectious diseases including helping to develop one of the world's first vaccines to combat Ebola. To build on this expertise and deepen the cluster of expertise in infectious disease in Winnipeg the Government proposes to provide \$9.4 million over five years starting in 2018–19 to establish a Centre for Innovation in Infectious Disease Diagnostics funded from the Public Health Agency of Canada's existing resource levels.
- To advance our knowledge of the Canadian Arctic the Government proposes to provide \$20.6 million over four years starting in 2019–20 with \$5.1 million per year ongoing to **POLAR knowledge Canada**. This funding will support the Canadian High Arctic Research Station (CHARS) campus and enable world-class cutting-edge research strengthening Canadian leadership in polar science and technology. In addition the Government proposes to amend the Canadian High Arctic Research Station Act to support the transfer of the CHARS campus to POLAR knowledge Canada.

These investments will be carried out in a way that is more coordinated and agile creating greater opportunity for collaboration across government and within the wider research system.

In addition to ensure the Government continues to have access to world-class independent scientific assessments to inform policy development in priority areas the Government proposes to provide the Council of Canadian Academies a not-for-profit research organization with renewed funding of \$9 million over three years starting in 2020–21.

What Will Success Look Like

- ✓ Reinforced role of federal government scientists with a greater focus on disruptive technologies
- ✓ Better linking scientific research to improving the lives of Canadians
- ✓ Increased collaboration between federal government scientists and private sector and academic researchers
- ✓ More opportunities for early career researchers

Innovation and Skills Plan—A More Client-Focused Federal Partner for Business

At its core, the Innovation and Skills Plan is about building an economy that works for everyone—an economy where Canadians have access to high-quality jobs and where Canadian businesses are well-placed to compete in a rapidly evolving and competitive global marketplace.

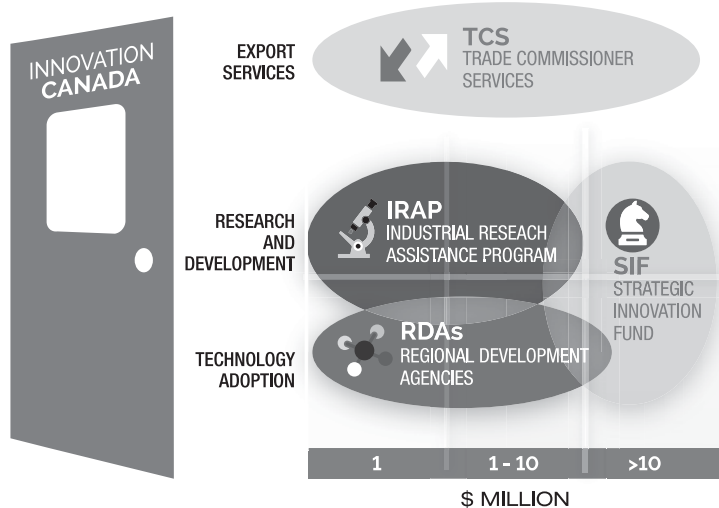
The Government currently supports businesses of all types and sizes through a vast and complicated array of programming. As recommended by the Advisory Council on Economic Growth, Budget 2017's Innovation and Skills Plan announced a review of all innovation programs that serve the business community in an effort to make the services provided more responsive to client needs, more efficient and better able to promote business growth.

The review took place across 20 federal departments and agencies, making the review the first effort to date to review the entire business innovation program suite.

What Will Success Look Like for Canadian Entrepreneurs

- ✓ Programs that are simple, effective and geared to meet the needs of Canadian workers and entrepreneurs
- ✓ A single window where Canadian businesses and entrepreneurs can access federal support rather than having to search for help across the entire government
- ✓ Services and programs that help Canadian entrepreneurs and high-growth Canadian businesses expand and create jobs
- ✓ Seamless help for growing businesses so that they are re-oriented between programs without inconvenience or interruption as their needs change

Figure 2.3 Simplifying Access to Innovation Programs



As a result of the review the Government is proposing a series of fundamental changes based on the following three principles

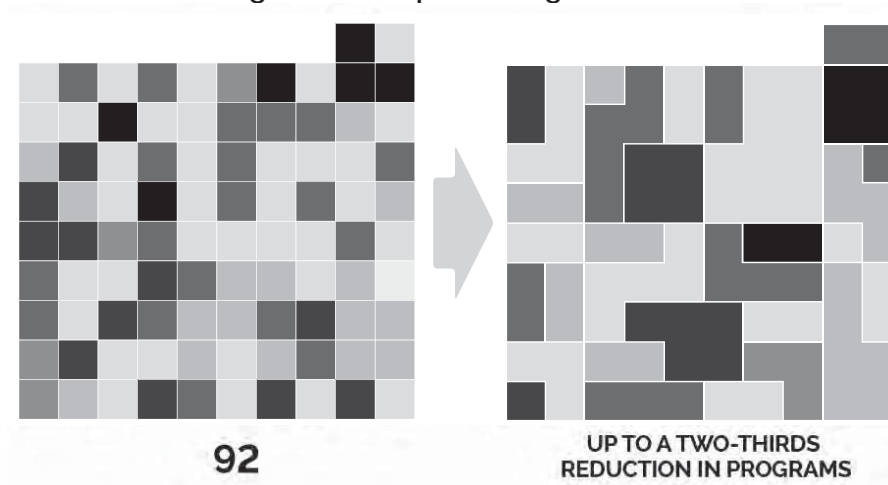
- **A business-centric lens**—Shifting to a focus on business needs allows for the design of a program suite with the main client—Canadian businesses—at the centre. This principle encompasses consolidating programs streamlining the program suite and strengthening the single window through which businesses can easily navigate all program offerings—**Innovation Canada.**

High-potential firms typically invest more innovate constantly and expand into the global marketplace. Supported by an executive team with a strong desire to achieve and a high-risk tolerance high-potential firms play a disproportionately larger role in the Canadian economy in terms of both job creation and gross domestic product growth.

- **Focus on growing high-potential firms**—Solidifying support for high-potential firms as a core commitment of all federal business innovation programs to deliver on the Budget 2017 commitment to double the number of high-growth companies in Canada from 14 000 to 28 000 by 2025.
- **Accountability**—Putting in place mechanisms to generate program performance data that focuses on firm-level results against indicators such as revenue growth productivity performance and export intensity to ensure the program suite is delivering value for Canadians.

Following these principles the Government is proposing an historic reform of business innovation programs to create a suite of programs that is easy to navigate and will respond to the challenges and opportunities facing Canadian businesses today and into the future. Total overall funding for innovation programming will increase but the reform will see a reduction in the total number of business innovation programs by up to two-thirds.

Figure 2.4 Simplified Program Suite



These reforms are designed to benefit Canadian workers, entrepreneurs, small business owners, as well as Canadians employed by large companies over the long term, saving people time and paperwork. Over the next one to two years, changes will be managed to minimize disruption. Implementation details will follow, with some elements coming online quickly and others requiring more fundamental structural changes to be implemented at a more measured pace. All applications, including those from Canadian business owners that have been submitted to an existing program, will be honoured, with all current programs remaining in place until further details are announced.

Innovation Canada – Accelerated Growth Service

Efforts to support high-potential firms will be further promoted through the consolidation of the Accelerated Growth Service and the Industrial Research Assistance Program's Concierge Service, with the consolidated program and associated funding to reside within Innovation Canada at Innovation Science and Economic Development Canada.

The Government proposes to provide the new consolidated program with 13.5 million over five years, starting in 2018-19, and 3 million per year ongoing, for 15 new Innovation Advisors to support Canadian high-potential firms.

The Creation of Four Flagship Platforms

The Government will streamline the program suite in part by designating four flagship platforms:

1. Industrial Research Assistance Program
2. Strategic Innovation Fund
3. Canadian Trade Commissioner Service
4. Regional development agencies

Each will consolidate multiple programs and focus on providing the customized support that Canadian businesses need to succeed and grow. Together these platforms will provide a streamlined user experience for businesses of all sizes with a particular focus on serving the needs of all sizes of high-potential Canadian firms.

Industrial Research Assistance Program

To help Canadian entrepreneurs and small business owners develop innovative technologies and successfully commercialize them in a global marketplace the Industrial Research Assistance Program (IRAP) offers flexible funding along with consulting services. IRAP has proven to be an effective resource for growing Canadian companies and innovative entrepreneurs. This program is well positioned to support funding for larger projects above the current contribution threshold of 1 million.

To enable IRAP to support business research and development for projects up to a new threshold of 10 million the Government proposes to invest 700 million over five years starting in 2018–19 and 150 million per year ongoing. This funding will support hard-working Canadian entrepreneurs to create jobs as they grow and expand their companies.

Hassan lives in Regina where his company is working on inventing a new product to analyse soil composition for agricultural and ecological purposes. The Government will raise the threshold for eligible projects under the Industry Research Assistance Program from 1 million to 10 million widening the range of financial support available to Hassan and making it easier for him to access that support as his firm grows alongside advice to help develop and get his product to market.

Strategic Innovation Fund

To allow for more focused support for business research and development projects over 10 million the Strategic Innovation Fund will move away from supporting smaller projects to support larger projects that can lead to significant job creation and shared prosperity for Canadians. The Fund's role in facilitating the growth and expansion of firms and attracting large-scale job-creating investments will remain unchanged. At the same time the Fund's role in advancing research and development through collaboration between academia not-for-profits and the private sector will be expanded.

The granting councils currently host two programs targeted at promoting large-scale business-academia collaborations that have proven to be effective in helping firms grow to create jobs and prosperity for Canadians. In order to modernize these programs and make them more accessible for businesses the Government will consolidate the Centres of Excellence for Commercialization and Research and the Business-led Networks of Centres of Excellence programs and transfer responsibility for these programs and associated funding to the Strategic Innovation Fund.

Canadian Trade Commissioner Service TCS

To help Canadian firms unlock growth opportunities through exports the TCS will undergo transformative enhancements to simplify the client experience modernize tools and offer innovative services.

Exports are vital to the growth of our companies and economy. They help to turn small companies into big ones and support one in every six Canadian jobs with these jobs typically paying higher wages than others. As stated in Budget 2017 the Government has set a goal to push Canada ahead by growing our country's exports 30 per cent by 2025.

One ingredient for success is Canada's suite of new free trade agreements—important tools for opening up new markets for our businesses. But there is a lot involved for companies trying to capitalize on these opportunities—learning how to do business in these markets gathering market intelligence navigating local laws and regulations and making the right connections.

Vancouver entrepreneur Samantha transformed her home-based one-woman clothing company into a flourishing business. With growing sales and brand recognition throughout Canada Samantha is ready to take her business to the next level and has identified the United States and Australia as key targets. The Canadian Trade Commissioner Service will be modernizing its service offerings and salesforce abroad so it is easier for high-performing entrepreneurs like Samantha to get the support they need to expand into new markets.

The Government has a number of programs to help including Global Affairs Canada's Canadian Trade Commissioner Service. With over 1 300 trade commissioners in 161 offices around the world and across Canada the TCS provides companies with advice connections and funding to help them explore new markets. Other federal partners like Export Development Canada and the Canadian Commercial Corporation offer complementary services including financing advisory services and assistance accessing global supply chains.

To augment and modernize this platform of export support programs the Government will be making transformative enhancements in the coming year with a focus on simplifying the client experience providing targeted support to high-potential firms and offering innovative services.

To this end TCS transformative enhancements will support

- Amalgamation of multiple trade promotion programs across the Government including CanExport Canadian Technology Accelerators Going Global Innovation and Canadian International Innovation Program under TCS for simpler client navigation.
- The creation of a high-impact agile TCS workforce with strong expertise.
- Modernization of digital tools to better serve Canadian businesses including seamless client navigation across federal partners
- Orientation towards the new economy with targeted support towards growing Canada's exports in technology digital services and intellectual property.
- Enhancement of local TCS presence across Canada to connect aspiring exporters with the TCS' platform.
- Efforts to connect women entrepreneurs with export opportunities.

In addition Budget 2018 proposes to provide 10 million over five years starting in 2018–19 with 2 million per year thereafter to renew the successful Canadian Technology Accelerators program which helps high-growth Canadian technology businesses take their leading products and services to key markets in the United States.

Over the next year the Government will continue to refine its export support platform including by simplifying and improving the client experience across the TCS Export Development Canada and other federal partners.

Regional development agencies

To foster economic growth in communities across Canada the Government proposes to provide an additional 400 million over five years on an accrual basis 511 million over five years on a cash basis starting in 2018–19 to the regional development agencies to support the Innovation and Skills Plan across all regions of Canada. Of this amount 105 million will support nationally coordinated regionally tailored support for women entrepreneurs as part of the new Women Entrepreneurship Strategy. In addition 35 million of the funding will be dedicated to supporting skills development and economic diversification activities to help workers and communities in the West and in the Atlantic region adapt to Canada's transition to a low-carbon economy. This will complement the work of the recently established federal task force that will report later this year.

The Government also proposes to extend core funding of the regional development agencies that is currently time-limited

- 20 million per year on a cash basis starting in 2018–19 and ongoing to the Canadian Northern Economic Development Agency to continue its economic development programming.
- 920 million over six years on a cash basis starting in 2018–19 to renew the funding for the Federal Economic Development Agency for Southern Ontario to support economic growth in southern Ontario through the delivery of federal programs and services.

The Government will also introduce legislation to enable Western Economic Diversification Canada to collaborate more effectively with provinces in its region of activity.

As part of the broader review of innovation programs over the next year the Government will explore ways to simplify the existing suite of 22 programs offered by the regional development agencies. It is proposed that the agencies will place greater emphasis in helping firms scale up develop new markets and expand as well as assist with the adoption of new technologies and processes. The agencies could also become the main platform to support regional innovation ecosystems. Under any proposed change the regional development agencies will also maintain their current functions that support communities in advancing and diversifying their economies.

Raising the bar in food innovation in Ontario Noblegen Inc. Peterborough Ontario started as an award-winning high school science fair project for one of its co-founders and now creates bioproducts for use in food and beverage development. Four years since it was established Noblegen is in discussions with five of the largest food and beverage companies in the world. Receiving support from the Federal Economic Development Agency for Southern Ontario via its Investing in Business Innovation Initiative this clean-technology company is contributing to a sustainable supply chain for what we eat and drink every day while expanding its local workforce and doing business within the community.

Unconstruct building the innovation ecosystem in the Territories Since its inception and with sustained support from the Canadian Northern Economic Development Agency the Yu onstruct Makerspace Society Whitehorse Yukon has filled a gap in the innovation ecosystem in the territory. Following its initial success in creating the community makerspace in Canada's North—a collaborative community-operated multiuser workspace to provide access to tools and equipment to bring innovative ideas to life—Yu onstruct is now exploring options for expanding its support systems for entrepreneurs. In October 2017 Yu onstruct received the national Startup Canada Entrepreneur Support Award for demonstrating excellence in advancing Canadian entrepreneurship through leadership innovation and impact.

Placing Evidence at the Centre of Program Evaluation and Design

With these ambitious reforms to ensure business innovation programming is investing in the right place supporting high-performing businesses and meeting economic objectives the Government proposes to provide

- 1 million per year ongoing starting in 2018–19 to Statistics Canada to improve performance evaluations for innovation-related programs.
- 2 million per year ongoing starting in 2018–19 to the Treasury Board Secretariat to establish a central performance evaluation team to undertake innovation performance evaluations on an ongoing basis including using the data developed by Statistics Canada.

To ensure that business innovation programming is also contributing to improved diversity outcomes a national strategy will be developed outlining ways to boost the participation of underrepresented groups in an innovation-driven economy.

Streamlining the Innovation Program Suite

Department	Count	Programs Streams Reviewed under Horizontal Innovation Review ¹	Consolidated Program Suite under Budget 2018	Count
Global Affairs Canada	5	Canadian Trade Commissioner Service	Canadian Trade Commissioner Service	1
		CanExport		
		Canadian Technology Accelerators		
		Going Global Innovation		
		Canadian International Innovation Program		
Natural Resources Canada	9	GeoConnections Program	Cleantech for Natural Resources	1
		Impact Canada Clean Technology Program Stream		
		Green Jobs: Science and Technology Internship Program		
	9	Forest Innovation Program	Innovation for Forestry	1
		Forest Research Institutes Initiative		
		Investments in Forest Industry Transformation Program		
	9	Energy Innovation Program (ecoENERGY Innovation Initiative)	Innovation for Energy and Mineral Development	1
		Oil Spill Response Science		
		Mining Innovation Program		
Atlantic Canada Opportunities Agency	2	Business Development Program Atlantic Innovation Fund	Upcoming proposals on program consolidation. See section entitled "Regional Development Agencies"	
Canadian Northern Economic Development Agency	1	Strategic Investments in Northern Economic Development		
Canada Economic Development for Quebec Regions	5	Productivity and Expansion		
		Innovation and Technology Transfer		
		Commercialization and Exports		
		Network Structuring		
		New Business Development and Start-ups		
Western Economic Diversification Canada	2	Western Diversification Program Western Innovation Initiative		
Federal Economic Development Agency for Southern Ontario	9	Advanced Manufacturing Fund		
		Investing in Business Growth and Productivity		
		Achieving Innovation and Manufacturing Excellence Global Initiative		
		SMART Advanced Technologies for Global Growth		
		Investing in Business Innovation		
		AC Jumpstart		
		SmartStart Seed Fund		
		Investing in Commercialization Partnerships		
		Eastern Ontario Development Program		
Innovation, Science and Economic Development—Northern Ontario	3	Northern Ontario Development Program: Targeted Manufacturing Initiative for Northern Ontario		
		Northern Ontario Development Program: Youth Internships		
		Northern Ontario Development Program: Business Growth and Competitiveness Priority		
Natural Sciences and Engineering Research Council of Canada	6	Collaborative Research and Development	Natural Sciences and Engineering Research Council of Canada Collaborative Research and Development Program	1
		Engage Grant		
		Industrial Research Chairs		
		Connect Grants		
		Strategic partnership grants for networks and projects		
		Experience awards (previously Industrial Undergraduate Student Research Awards)		
Canadian Institutes of Health Research	3	Industry Partnered Collaborative Research	Canadian Institutes of Health Research—Collaborative Research and Development Program	1
		Proof of Principle Programs		
		eHealth Innovations Partnership Program		

Department	Count	Programs Streams Reviewed under Horizontal Innovation Review ¹	Consolidated Program Suite under Budget 2018	Count	
Tri-Council	3	College and Community Innovation Program		1	
		Centres of Excellence for Commercialization and Research	Consolidate programs and transfer responsibility to Innovation Science and Economic Development under the Strategic Innovation Fund	-	
		Business-led Centres of Excellence			
Public Services and Procurement Canada	1	Build in Canada Innovation Program	Consolidated within Innovative Solutions Canada	-	
Innovation, Science and Economic Development Canada		Innovative Solutions Canada	Innovative Solutions Canada	1	
		Strategic Innovation Fund			1
		enture Capital Catalyst Initiative			1
		Canada Small Business Financing Program			1
		Innovation Superclusters Initiative			1
		Sustainable Development Technology Canada			1
		Innovation Canada		Innovation Canada	1
		Canada Business Network			
National Research Council Canada	1	Concierge	Consolidated within Innovation Canada	-	
		Aerospace	National Research Council—Technology Development and Advancement Program	1	
		Agricultural and Crop Resource Development			
		Automotive and Surface Transportation			
		Construction			
		Energy Mining and Environment			
		Human Health Therapeutics			
		Canadian High Technology Development Program			
		Information and Communication Technologies			
		Medical Devices			
		Ocean Coastal and River Engineering			
		Industrial Research Assistance Program: Contributions to Firms	Industrial Research Assistance Program	1	
		Industrial Research Assistance Program: Contributions to Organizations			
		Industrial Research Assistance Program: Youth Employment Program			
		Industrial Research Assistance Program: Youth Employment Program Green			
		Industrial Research Assistance Program: EUREKA			
Canadian Accelerator and Incubator Program	Regional development agencies could increasingly take on responsibilities for accelerator and incubator support	1			
Third Party Organizations receiving funding from Innovation, Science and Economic Development Canada	6	CANARIE		6	
		Mitacs Canada			
		Stem Cell Network			
		Genome Canada			
		Centre for Drug Research and Development			
		Futurpreneur Canada			
Agriculture and Agri-Food Canada	3	Canadian Agricultural Adaptation Program		3	
		Enabling Commercialization and Adoption			
		Industry-led Research and Development			
Canadian Space Agency	3	Earth Observation Applications Utilizations		3	
		Space Technology Development Program			
		David Florida Laboratory			
National Defence	1	Defence Innovation Research Program		1	
Environment and Climate Change Canada	1	Science Horizons Youth Internship Program		1	
Crown-Indigenous Relations and Northern Affairs Canada	1	Aboriginal Entrepreneurship Program: Business Capital and Support		1	
Canadian Heritage	2	Canada Media Fund		2	
		Canada Periodical Fund			
POLAR Knowledge Canada	1	Northern Science and Technology Program		1	
Total of program streams	92			35 +	

Note: 1. Program streams largely reflect the inventory of federal business innovation and clean technology programs reviewed by the Treasury Board Secretariat in undertaking the Horizontal Innovation and Clean Technology Review. Programs listed may not align with the Treasury Board Secretariat's inventory as the scope of the relevant programs included in the Review was refined. More recent measures such as the Innovation Superclusters Initiative that were not within the scope of the Review have also been included to better represent the current suite of innovation and clean technology programming available to businesses. Program streams not listed above were not examined in the Review and are unchanged.

Expanding Access to Entrepreneurship in Canada

Entrepreneurs with different backgrounds, experience and global relationships enrich Canada's innovation system and help to create well-paying jobs for Canadians.

A New Women Entrepreneurship Strategy

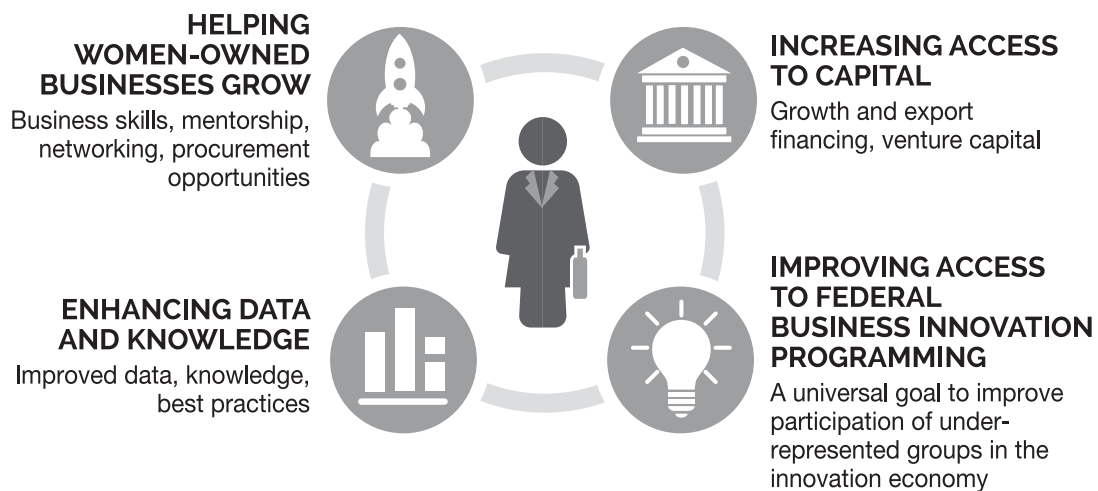
In Canada, fewer than one in six businesses (16 per cent) are majority-owned by women, and businesses owned by women tend to be smaller than businesses owned by men, although the difference varies by industry, according to the Business Development Bank of Canada (BDC) based on 2014 data from Statistics Canada.

Women entrepreneurs face unique barriers in accessing capital, supply chains and export programs compared to their male counterparts. Women entrepreneurs may also have a harder time receiving training and finding mentorship.

The Government believes that with greater support, women-led businesses could enter, compete and win on the world stage, boosting economic growth and creating more good, well-paying jobs here at home.

This is why helping women entrepreneurs scale up their businesses is a key part of the Government's Innovation and Skills Plan. Drawing on recommendations made by the Canada-United States Council for Advancement of Women Entrepreneurs and Business Leaders, the new **Women Entrepreneurship Strategy** will take a comprehensive approach addressing critical growth stages and other challenges to better support women entrepreneurs, to help them grow their businesses and to remove barriers to their success.

Figure 2.5 Women Entrepreneurship Strategy



Helping Women-Led Businesses Grow

In order to grow businesses require skills access to mentorship and networking opportunities.

- Budget 2018 proposes to provide 105 million over five years to the regional development agencies to support investments in women-led businesses helping them scale and grow as well as to support regional innovation ecosystems including incubators and accelerators and other third-party programs supporting mentorship networking and skills development. These areas are consistent with the recommendations of the Canada-United States Council for Advancement of Women Entrepreneurs and Business Leaders and the Expert Panel on Championing and Mentorship for Women Entrepreneurs chaired by Arlene Dickinson. Further details on these initiatives will be announced in the coming months.
- The federal government is the single largest procurer of goods and services in Canada. In its recent report the Canada-United States Council for Advancement of Women Entrepreneurs and Business Leaders recommended that Canada and the U.S. increase the proportion of procurement from women-led businesses. In the U.S. the federal government has set a target that 5 per cent of all federal contracts be awarded to women-led SMEs. The Government of Canada does not currently have sufficient data to be able to assess this figure for all federal procurement but we are committed to filling this gap in knowledge and reviewing potential options.
- Moreover we also recognize the importance of ensuring that women-owned businesses have equal opportunity to participate in federal procurements. Of those SMEs who participate in federal procurement 10 per cent are women-owned. The Government intends to introduce measures to increase this participation rate by 50 per cent to at least 15 per cent in order to reflect the current proportion of SMEs majority led by women entrepreneurs in the broader population.
- The Business Development Bank of Canada (BDC) will coordinate a series of boot camps across Canada for promising women entrepreneurs looking to start their business. These bootcamps will focus on enhancing business skills and financial literacy. As well the BDC will expand its suite of online learning content to better equip women entrepreneurs with the knowledge and tools they need to succeed.
- Growing women-owned firms will also need to find export opportunities. Budget 2018 proposes that the Government will invest 10 million over five years starting in 2018–19 to connect women with expanded export services and opportunities through the Business Women in International Trade Program with a specific focus of taking advantage of new opportunities arising from the Canada-European Union Comprehensive Economic and Trade Agreement and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

Increasing Access to Capital

As women-led companies grow their need for capital increases. Additional capital can help women-led companies scale into globally competitive companies and support sales into international markets.

- To better support the growth of women-led businesses into competitive sustainable world-class companies the Government will make available 1.4 billion over three years starting in 2018–19 in new financing for women entrepreneurs through the BDC. This commitment is in addition to an increase to 200 million from 70 million for investments in women-led technology firms over five years through the BDC's Women in Technology Fund.
- Women entrepreneurs also need access to financing that enables them to take advantage of opportunities in the global marketplace. To provide financing and insurance solutions for women-owned and women-led businesses that are exporting or looking to begin exporting the Government will make available 250 million over three years starting in 2018–19 through Export Development Canada (EDC). As well EDC will support the international success of women entrepreneurs by providing expert advice including through training sessions. EDC will also partner with women business associations the Canadian Trade Commissioner Service and the BDC in order to ensure more women-led companies looking to export have quick access to available federal resources.
- To support women entrepreneurs in agriculture the Government will create and launch a new lending product in 2018–19 designed specifically for women entrepreneurs through Farm Credit Canada. In addition Farm Credit Canada will continue to offer advisory services learning events and knowledge initiatives aimed at women entrepreneurs in the agriculture and agri-food sectors.
- Essential capital and guidance to women-led companies is also provided by Canada's venture capital market. The Government is committed both to improving the representation of women among venture capital firm managers and to ensuring venture capital funds are investing in Canada's promising women-owned firms. A recent report by MaRS and PricewaterhouseCoopers estimated only 30 per cent of Canadian venture capital firms have a female partner and only 12 per cent of all venture capital partners are female.
- The Government's Venture Capital Catalyst Initiative launched in December 2017 with the goal of injecting up to 1.5 billion into Canada's venture capital market includes a strong focus on gender balance and diversity. All proposals submitted under the Initiative are expected to demonstrate how they will improve gender representation among venture capital fund managers and portfolio companies and will be assessed on this basis. This gender focus is expected to reduce bias in the investment community and ensure high-performing women-owned firms can access the capital they need.

Improving Access to Federal Business Innovation Programming

Women entrepreneurs also depend on fair and efficient access to the entire suite of federal business innovation programming from research and development support all the way through export programs.

- To address potential biases and maximize the opportunities available to women entrepreneurs Budget 2018 announces that the Government's coming reform to federal innovation programs will include a universal goal to improve the participation of underrepresented groups including women entrepreneurs in the innovation economy.

Enhancing Data and Knowledge

Finally improved data knowledge and best practices will support the advancement of women-owned companies throughout the innovation ecosystem and will allow policymakers to make well-informed evidence-based decisions. Collecting gender-disaggregated data—data that shows differences between women and men—is important as is collecting data that explains differences among women. This information helps to guide decisions that will generate better results for more people.

- To accelerate the accumulation and dissemination of knowledge data and best practices for women entrepreneurs the Government will make available 9.5 million over three years to support third-party proposals through a competitive process to be administered by Innovation Science and Economic Development.

Advancing Women Business Leaders

Encouraging corporate diversity is not just about creating equal opportunities for women. It is about creating a competitive advantage for Canadian businesses by making sure that our businesses have access to the talent ambition skills and new perspectives that women bring to the job. While there is no shortage of women with senior leadership experience in Canada change is slow and women remain a minority on corporate boards holding less than one fifth 19 per cent of board seats and only 15 per cent of executive officer positions at S & P 500 Composite Index companies according to Catalyst Canada.

More women in the workforce inevitably leads to a greater talent pool—and when women hold leadership positions companies see stronger financial performance more innovation and more effective decision-making at the board level. A McKinsey Global Institute study of more than 1 000 companies in 12 countries found that the companies that had the most gender diversity on their executive teams were 21 per cent more likely to have above-average profitability compared to the least diverse companies. Further a 1 per cent increase in gender diversity in Canadian workplaces is associated with an average increase of 3.5 per cent in revenue and 0.7 per cent in workplace productivity according to the Centre for International Governance Innovation.

The Government is committed to making gender equality a priority and harnessing this competitive advantage for Canada. This includes the way that the Government itself makes decisions. In 2015 the Government unveiled Canada's first gender-balanced Cabinet. Since that time the percentage of women appointed by the federal Cabinet to senior positions has grown and women now account for more than 40 per cent of these high-level appointments. As a further example of its commitment to gender equality and its willingness to lead by example the Government has named the advancement of gender equality and women's economic empowerment one of the key themes during Canada's G7 Presidency this year.

In addition legislation recently introduced in Parliament by the Minister of Innovation Science and Economic Development proposes amendments to the Canada Business Corporations Act that would require federally incorporated corporations to make annual disclosures to shareholders regarding the diversity of their senior management teams and boards of directors.

Building on this legislative requirement the Government will further support corporate inclusion by publicly recognizing corporations that are committed to promoting women including minority women to senior management positions and boards of directors. In partnership with the private sector the Government will create an annual award for Canadian corporations showing leadership in this area.

Expanding the Diversity of Entrepreneurs

Canada's Start-up Visa Program provides permanent resident immigration status to innovative global entrepreneurs with the potential to grow their companies in Canada. In July 2017 the Government announced that the Start-up Visa Program initially launched as a pilot project will be made a permanent pathway to immigrate to Canada as of March 31 2018.

When first introduced the Start-up Visa was a small low-volume program. But in recent years it has seen increased interest from global entrepreneurs eager to come to Canada and grow their businesses. To match that growing demand Budget 2018 proposes to provide 4.6 million over five years beginning in 2018–19 and 0.8 million per year ongoing to enhance the Start-up Visa client-service experience by ensuring applicants private sector partners and immigration officials are able to process applications electronically and more efficiently.

Canada's Start-up Visa Program

During the first three years of the pilot project Start-up Visa entrepreneurs received over 3.7 million in investment capital from private-sector partners including venture capital funds angel investor groups and business incubators.

Some of the start-ups created with the help of the Start-up Visa Program have already been acquired by larger companies—an indicator of success for a new venture. For example Huzza Media—an online platform for musicians was acquired by Kickstarter in 2017.

Other examples of successful companies established through the Start-up Visa Program include

- Meetl—a social media telephony company acquired by Hootsuite in 2014 and
- Lendful—an online lending marketplace that has raised 17 million in debt and equity financing.

Notes

The program has the potential to help Canadian entrepreneurs and government innovation and skills plan has identified the next ring entrepreneurs and growth start-ups as vital important to Canada's present and future economy. Making the start-up visa program permanent is a top priority on the government's agenda.

The Honorable Ahmed Hussen
Minister of Immigration, Refugees and Citizenship

Canadians benefit through the jobs that are created when entrepreneurs come from all corners of the globe to start businesses in this country. Making the start-up visa program permanent will attract more innovative entrepreneurs who generate new business opportunities create jobs and help Canadians with the skills the need for the jobs of the future.

The Honorable Naheed Nadeau
Minister of Innovation, Science and Economic Development

Making it Easier for Entrepreneurs and Companies to Do Business

For Canadian companies to grow and thrive in the global marketplace they also need a competitive and predictable business environment that supports investment. This includes marketplace regulations and standards that support innovation and that allow businesses to better access markets at home and abroad. Budget 2018 proposes a new modern approach to intellectual property an ambitious regulatory agenda and a simpler federal procurement system to make it easier for companies to do business and grow.

What Is a Patent Collective

A Patent Collective is a way for firms to share, generate, and license or purchase intellectual property. The collective approach is intended to help Canadian firms ensure a global freedom to operate, mitigate the risk of infringing a patent, and aid in the defence of a patent infringement suit.

A New Intellectual Property Strategy

For Canadian businesses to grow and create good, well-paying jobs, they need the ability to turn their new ideas into new goods and services that can compete in the marketplace. To give businesses the confidence they need to grow and take risks, a well-defined strategy that manages and protects intellectual property is needed.

Budget 2018 proposes measures in support of a new **Intellectual Property Strategy** to help Canadian

entrepreneurs better understand and protect intellectual property and get better access to shared intellectual property.

Budget 2018 proposes to invest \$85.3 million over five years, starting in 2018–19, with \$10 million per year ongoing, in support of the strategy. The Minister of Innovation, Science and Economic Development will bring forward the full details of the strategy in the coming months, including the following initiatives to increase the intellectual property literacy of Canadian entrepreneurs and to reduce costs and create incentives for Canadian businesses to leverage their intellectual property:

- To better enable firms to access and share intellectual property, the Government proposes to provide \$30 million in 2019–20 to pilot a **Patent Collective**. This collective will work with Canada's entrepreneurs to pool patents so that small and medium-sized firms have better access to the critical intellectual property they need to grow their businesses.
- To support the development of **intellectual property expertise and legal advice** for Canada's innovation community, the Government proposes to provide \$21.5 million over five years, starting in 2018–19, to Innovation, Science and Economic Development Canada. This funding will improve access for Canadian entrepreneurs to intellectual property legal clinics at universities. It will also enable the creation of a team in the federal government to work with Canadian entrepreneurs to help them develop tailored strategies for using their intellectual property and expanding into international markets.

- To support strategic intellectual property tools that enable economic growth Budget 2018 also proposes to provide 33.8 million over five years starting in 2018–19 to Innovation Science and Economic Development Canada including 4.5 million for the creation of an **intellectual property marketplace**. This marketplace will be a one-stop online listing of public sector-owned intellectual property available for licensing or sale to reduce transaction costs for businesses and researchers and to improve Canadian entrepreneurs' access to public sector-owned intellectual property.

The Government will also consider further measures including through legislation in support of the new intellectual property strategy.

Helping All Canadians Harness Intellectual Property

Intellectual property is one of our most valuable resources and every Canadian business owner should understand how to protect and use it.

To better understand what groups of Canadians are benefiting the most from intellectual property Budget 2018 proposes to provide Statistics Canada with 2 million over three years to conduct an intellectual property awareness and use survey. This survey will help identify how Canadians understand and use intellectual property including groups that have traditionally been less likely to use intellectual property such as women and Indigenous entrepreneurs. The results of the survey should help the Government better meet the needs of these groups through education and awareness initiatives.

The Canadian Intellectual Property Office will also increase the number of education and awareness initiatives that are delivered in partnership with business intermediaries and academia to ensure Canadians better understand integrate and take advantage of intellectual property when building their business strategies. This will include targeted initiatives to support underrepresented groups.

Finally Budget 2018 also proposes to invest 1 million over five years to enable representatives of Canada's Indigenous Peoples to participate in discussions at the World Intellectual Property Organization related to traditional knowledge and traditional cultural expressions an important form of intellectual property.

Modernizing Canada's Regulatory Frameworks

In its December 2017 report the Advisory Council on Economic Growth identified three priority areas for establishing an agile regulatory system designed for the new economy

- Catalyze innovation across the economy through regulations that accommodate emerging technologies and business models especially in high-potential sectors.
- Drive coordination between agencies and jurisdictions both within Canada and internationally.
- Promote efficient and predictable regulation.

These priority areas were further supported by the early reports of the six Economic Strategy Tables.

In response to these recommendations Budget 2018 proposes to provide 11.5 million over three years starting in 2018–19 for the Government to pursue a regulatory reform agenda focused on supporting innovation and business investment. The goal is to make the Canadian regulatory system more agile transparent and responsive so that businesses across the country can explore and act on new opportunities resulting in benefits for all Canadians. The approach includes

- Targeted reviews over the next three years of regulatory requirements and practices that are bottlenecks to innovation and growth in Canada with an initial focus on agri-food and aquaculture health bio-sciences and transportation and infrastructure including emerging technologies such as autonomous vehicles.
- Canada's leadership on internal trade at the Canadian Free Trade Agreement Regulatory Reconciliation and Cooperation Table.
- Developing an e-regulation system—an online platform modelled on the successful .S. Office of Information and Regulatory Affairs website Regulations.gov—to engage Canadians on regulation in order to improve the transparency and efficiency of the overall rule-making process.

The Government also proposes to introduce legislation to reduce the regulatory burden faced by businesses. This includes streamlining Canada's Customs and Excise legislation in order to simplify its structure and administration. This measure will reduce the overall complexity of the legislation which will ease administrative burden and reduce compliance costs for Canadian businesses and government.

Simpler and Better Procurement

Budget 2017 announced the creation of Innovative Solutions Canada—a new initiative modelled on the very successful U.S. Small Business Innovation Research program. As the single largest purchaser of Canadian goods and services, the Government of Canada has a unique opportunity to support the growth of Canadian businesses. The introduction of Innovative Solutions Canada fulfilled a longstanding request from Canadian companies that need a first customer to test and validate their innovations. With this assistance, Canadian businesses that operate in areas of strategic importance to our economy are better able to scale up, create new jobs and find new customers around the world.

To simplify the suite of innovation programs across the federal government, Budget 2018 proposes to consolidate the existing Build in Canada Innovation Program, focused on the procurement of later stage innovative goods and services, into Innovative Solutions Canada.

In addition, Canadian companies have long asked the federal government to improve its relationship with suppliers—to make opportunities easier to find, simpler to navigate and faster to award, with less administrative burden. Government procurement is heavily paper-based and offers limited self-serve options for suppliers.

Moving procurement online is a key element of a more efficient procurement system. It will allow more suppliers to connect with the Government and make government procurement opportunities more accessible to potential suppliers, regardless of size or geographic location.

To this end, the Government will establish a new electronic procurement platform. This will help Canadian small and medium-sized businesses better access opportunities to work with the Government. Budget 2018 proposes to provide \$196.8 million over five years, beginning in 2018–19, to Public Services and Procurement Canada to establish this platform.

The Government also recognizes the importance of ensuring that women-owned businesses have equal opportunity to participate in federal procurement opportunities. In this regard, e-procurement will support the Government's commitment as part of the new Women Entrepreneurship Strategy to increase the participation rate for women-owned small and medium-sized businesses in the federal procurement supply chain to 15 per cent, and efforts to ensure that diverse suppliers are provided with more opportunities to compete in federal procurement processes.

Supporting the Rural Economy

The Government's Innovation and Skills Plan is about ensuring an innovative growing and sustainable economy that works for everyone. From coast to coast to coast Canadians are contributing to this shared vision in communities large and small. In addition to the new funding and simpler programming proposed for the regional development agencies earlier in this chapter in *The Creation of Four Flagship Platforms—Regional Development Agencies* Budget 2018 proposes the following measures in support of Canada's rural economy.

Developing the Next Generation of Rural Broadband

The Government recognizes that access to the internet is more than just a convenience—it is an essential means by which citizens and businesses access information offer services and create opportunities. To reach the most remote areas of Canada new technological solutions will be required. One promising example is the use of low Earth orbit (LEO) satellites.

Networks of LEO satellites have the potential to provide Canadians living in rural and remote areas with significantly improved access to Internet and wireless services at more affordable prices. LEO satellites situated closer to the surface of the Earth than traditional high orbit satellites can receive and transmit data with significantly improved response times speeding up data services while maintaining the benefits of satellite technology including the ability to provide Internet across challenging landscapes at much lower costs than fibre-optic technology. Canada is also uniquely placed with space satellite industry leaders to build and operate LEO satellite technologies creating jobs and market opportunities around the world. Budget 2018 proposes funding of 100 million over five years for the Strategic Innovation Fund with a particular focus on supporting projects that relate to LEO satellites and next generation rural broadband.

Supporting Early-Stage Mineral Exploration by Junior Companies

The 15-per-cent Mineral Exploration Tax Credit helps junior exploration companies raise capital to finance grassroots mineral exploration away from an existing mine site. This tax credit is scheduled to expire on March 31 2018. Given the continuing challenges for junior mining companies the Government proposes to support their mineral exploration efforts by extending the credit for an additional year until March 31 2019. This measure will help junior exploration companies to raise more equity and is expected to result in a net reduction of federal revenues of approximately 45 million over the 2018–19 to 2019–20 period.

Protecting Jobs in Eastern Canada's Forestry Sector

The sustainable management of our natural resources leads to long-term economic opportunity. Research on the spruce budworm—one of the most damaging pests to spruce trees in Canada—has identified ways to protect forests against its cyclical outbreaks. This is critical to support the forest industry and—in turn—jobs in parts of the country—such as Atlantic Canada—where the forestry sector is an important part of the economy.

Through Budget 2018, the Government proposes to take action alongside Atlantic provinces and the forest industry by making available up to \$74.75 million over five years, starting in 2018–19, based on a 60/40 federal to provincial and industry cost-sharing basis, to prevent the spread of spruce budworm. Federal contributions will come from Natural Resources Canada. This will allow government, academia, industry and other stakeholders to continue to work together to protect our forests and support the economy.

Renewing Canada's Network of Small Craft Harbours

Safe and accessible small craft harbours are essential to Canada's fisheries industry as well as its coastal communities. Expanding fisheries operations and the increasing size of fishing vessels require deeper and wider harbours. Budget 2018 proposes to provide \$250 million on a cash basis over two years, starting in 2018–19, to Fisheries and Oceans Canada to renew its network of small craft harbours and work with municipalities where investments and divestitures can enhance local communities. Budget 2018 investments allow the Government to support, for example:

- Building additional berthing space to help address overcrowding in Charlottetown in Southern Labrador.
- Extending the seawall to protect the fisheries industry from the full force of waves at the entrance of the harbour in Sainte-Thérèse-de-Gaspé, Quebec.
- Rehabilitating the east and west piers of Port Dalhousie in St. Catharines, Ontario.
- Making improvements to enhance the safety of moorage facilities for the fisheries industry and other harbour users in Port Hardy and Powell River in British Columbia.

Chapter 2—Progress

millions of dollars

	201 – 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	Total
2.1 Investing in Canadian Scientists and Researchers							
Granting Councils	0	115	155	185	235	235	925
Granting Councils New Tri-Council Fund	0	35	45	65	65	65	275
Granting Councils Increasing Diversity in Science	0	5	6	4	4	4	21
Granting Councils Canada Research Chairs	0	25	35	50	50	50	210
Research Support Fund	0	29	39	46	59	59	231
Investing in the Equipment Researchers Need—Canada Foundation for Innovation	0	32	62	120	183	366	763
Harnessing Big Data	0	64	64	166	145	133	572
College and Community Innovation Program	0	20	30	30	30	30	140
Institute for Quantum Computing	0	0	5	5	5	0	15
Centre for Drug Research and Development	0	0	16	16	16	0	48
Rick Hansen Institute	0	6	6	6	6	0	24
Centre of Excellence on the Canadian Federation	0	10	0	0	0	0	10
2.1 Investing in Canadian Scientists and Researchers Total	0	340	463	692	98	942	3 234
2.2 Stronger and More Collaborative Federal Science							
National Research Council	0	108	108	108	108	108	540
Renewing Federal Laboratories Less Funds allocated from existing departmental resources	0	18	17	17	18	18	87
Council of Canadian Academies	0	0	0	3	3	3	9
2.2 Stronger and More Collaborative Federal Science Total	0	124	124	126	12	12	62
2.3 Innovation and Skills Plan—A More Client-Focused Federal Partner for Business							
Innovation Canada – Accelerated Growth Service	0	2	3	3	3	3	14
Industrial Research Assistance Program	0	100	150	150	150	150	700
Canadian Technology Accelerators Program	0	2	2	2	2	2	10
Regional Development Agencies	0	80	80	80	80	80	400
Renewal of Base Funding for the Canadian Northern Economic Development Agency	0	20	20	20	20	20	100
Renewal of Base Funding for the Federal Economic Development Agency for Southern Ontario	0	25	159	184	184	184	736
Placing Evidence at the Centre of Program Evaluation and Design	0	3	3	3	3	3	15

Chapter 2—Progress

millions of dollars

	201 – 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	Total
A New Women Entrepreneurship Strategy	0	23	23	23	23	23	115
Less Funds existing in the Fiscal Framework							
Advancing Women Business Leaders	0	0.3	0.2	0.2	0.2	0.2	1
Expanding the Diversity of Entrepreneurs	0	1	1	1	1	1	5
A New Intellectual Property Strategy	0	13	41	11	11	10	85
Modernizing Canada’s Regulatory Framework	0	4	4	3	0	0	12
Less Funds allocated from existing departmental resources							
Simpler and Better Procurement	0	52	64	36	23	22	197
Supporting the Next Generation of Rural Broadband	0	10	20	20	25	25	100
Supporting Early-Stage Mineral Exploration by Junior Companies	0	65	-20	0	0	0	45
Protecting Jobs in Eastern Canada’s Forestry Sector	0	11	17	22	25	1	75
Less Funds allocated from existing departmental resources							
Renewing Canada’s Network of Small Craft Harbours	0	47	33	3	3	3	90
2.3 Innovation and Skills Plan—A More Client-Focused Federal Partner for Business Total	0	434	55	533	525	506	254
Chapter 2—Net Fiscal Impact	0	898	1162	1351	1450	155	6435

+ RECONCILIATION



...e need to get to
a place where
Indigenous peoples
in Canada are in
control of their own
destiny, making their
own decisions about
their future.

—Prime Minister Justin Trudeau
February 14, 2018

It is unacceptable that any person living in Canada should be unable to safely drink the water that comes out of their taps. No person should be forced to live in overcrowded and unsafe homes, and no young person should have to move far from home to get a good education. Yet, all over Canada, these are exactly the challenges faced by Indigenous Peoples.

Indigenous Peoples, non-Indigenous Canadians and the Government agree that this must change.

Together we are working hard to improve the quality of life for First Nations, Inuit and Métis peoples, as we forge a new relationship—one based on recognition of rights, respect, cooperation and partnership. Budgets 2016 and 2017 began this important work, with investments of more than \$11.8 billion to help address areas of critical need in Indigenous communities, such as housing, child and family services, education, health care and access to clean drinking water.

These budgets also included investments to lay the groundwork for a renewed relationship based on recognition and implementation of Indigenous rights. Specifically Budget 2017 included support for

- New permanent bilateral processes with First Nations Inuit and the Metis Nation to identify each community's distinct priorities and how we will work together to develop solutions.
- The launch of a Working Group of Ministers to conduct a review of federal laws policies and operational practices to ensure that Canada is meeting its constitutional obligations with respect to Aboriginal and treaty rights adhering to international human rights standards including the United Nations Declaration on the Rights of Indigenous Peoples and supporting the implementation of the Truth and Reconciliation Commission of Canada's Calls to Action.

To achieve truly transformational change however further investments are needed—to support capacity-building in Indigenous communities to advance self-determination and self-government and to build a better future for Indigenous Peoples and for all Canadians.

Budget 2018 takes further steps to improve the quality of life of Indigenous Peoples in Canada and supports a new approach to recognizing and implementing Indigenous rights. The Government proposes to invest an additional 5 billion over five years to ensure that Indigenous children and families have an equal chance to succeed in life to build the capacity of Indigenous governments and to accelerate self-determination and self-government agreements with Indigenous Peoples based on the recognition and implementation of rights.

Helping Indigenous Peoples succeed is not only the right thing to do but a smart investment. The Centre for the Study of Living Standards estimates that if we close the education and labour market gaps for Indigenous Peoples in Canada by 2031 Canada's gross domestic product could gain 36 billion that year.

Advancing Reconciliation

In 2017 the Government signalled its intention to dismantle old colonial structures including replacing Indigenous and Northern Affairs Canada with two new departments to better serve Indigenous Peoples while the important work of advancing rights recognition and greater self-determination goes on.

It is the Government’s intention through **Crown-Indigenous Relations and Northern Affairs Canada** to

- Accelerate progress on existing rights and recognition tables to identify priorities for individual Indigenous communities.
- Ensure we implement the spirit and intent of existing and future agreements with Indigenous Peoples.
- Work with Indigenous Peoples to support them in their efforts to rebuild and reconstitute their nations.
- Enable Indigenous Peoples to build capacity that supports implementation of their vision of self-determination.
- Increase the number of comprehensive modern treaties and new self-government agreements in a manner that reflects a recognition of rights approach and reconciliation.
- Lead the whole-of-government approach to the renewal of a nation-to-nation Inuit-Crown and government-to-government relationship with Indigenous Peoples including implementing the permanent bilateral processes advancing distinctions-based co-developed policy and improving the Government’s capacity to consider and respond to the unique realities of Indigenous Peoples in Canada.

Through **Indigenous Services Canada** the Government will work with Indigenous partners to

- Close the quality of life gap between Indigenous Peoples and non-Indigenous people.
- Improve the quality of distinctions-based services for First Nations Inuit and the Metis Nation including on issues of housing education health care and access to clean drinking water.
- Work with Crown-Indigenous Relations and Northern Affairs Canada in support of the ultimate goal of ensuring that the design delivery and control of services are led by Indigenous Peoples for Indigenous Peoples.

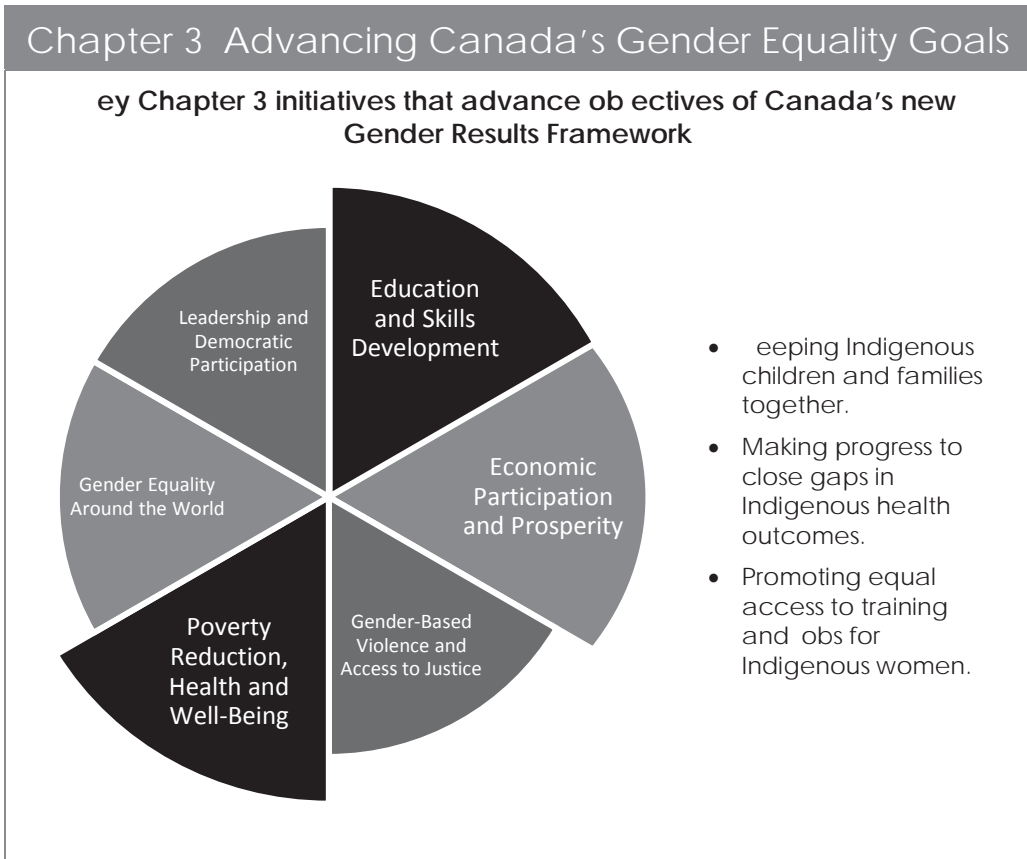
Budget 2018 proposes investments to help improve the quality of life of Indigenous Peoples and close the gap between Indigenous and non-Indigenous communities in areas such as support for families, health care and job opportunities.

These investments will

- Provide more funding to support the well-being of Indigenous children in foster care, enhance prevention resources such as support for single-mothers, and promote family reunification efforts to reduce the number of children taken into care.
- Provide funding for existing health programs, as well as greater support for distinctions-based health care, data collection and delivery, and for the expansion of Indigenous health systems that are increasingly delivered and controlled by and for Indigenous Peoples.
- Help address acute health issues—such as tuberculosis in Inuit communities and opioid addiction in First Nations communities.
- Address gaps in employment and economic opportunities by investing in skills development and training that will help Indigenous Peoples find lasting employment.
- Ensure access to clean drinking water on reserve to prevent future long-term drinking water advisories, and invest in First Nations' capacity to operate and maintain their water systems.
- Reduce overcrowding and housing in disrepair by investing in the repair and construction of housing units in First Nations, Inuit and Métis Nation communities.

The Government of Canada recognizes that a distinctions-based approach is needed to ensure that the unique rights, priorities and circumstances of First Nations, Inuit and the Métis Nation are acknowledged, affirmed and implemented.

To meet this need, Budget 2018 includes distinctions-based investments in priority areas identified by First Nations, Inuit and Métis Nation partners. The forthcoming Indigenous Early Learning and Child Care Framework, currently being co-developed with Indigenous partners, will also be supported by dedicated funding to meet the unique needs of First Nations, Inuit and Métis Nation children and families.



Achieving Better Results for Indigenous Peoples

Indigenous Peoples in Canada are more likely than other Canadians to live in poverty and fall behind on measures of quality of life. The investments in Budget 2018 continue our focus on closing the gap between the living conditions of Indigenous and non-Indigenous people.

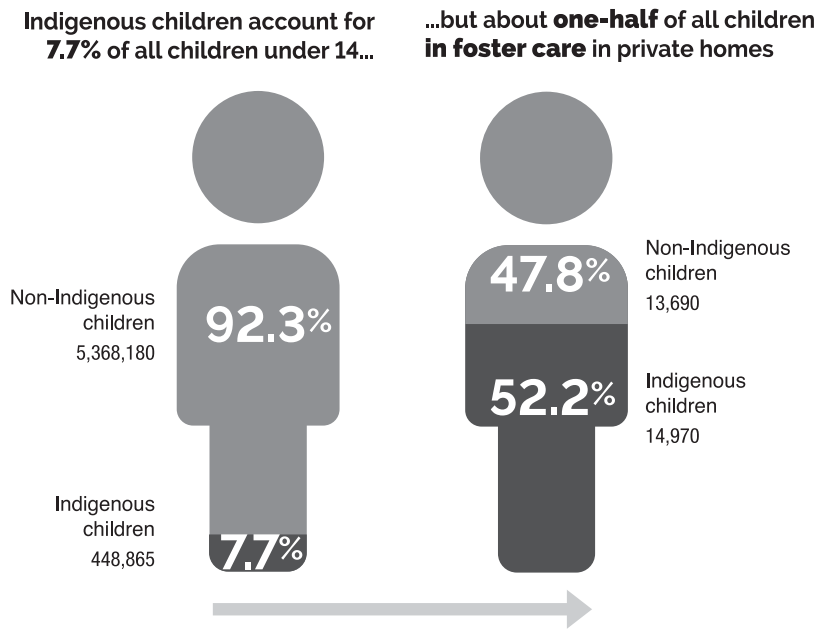
Ensuring That Indigenous Children Are Safe and Supported Within Their Communities

For all families and communities there is no greater priority than ensuring the safety, security and well-being of their children. Indigenous children under the age of 14 make up 7.7 per cent of all children in Canada, but they represent more than half of all children in foster care. This means that Indigenous children have a much higher chance of being separated from their families, communities and cultures. This needs to change.

The Government is committed to fully implementing the orders of the Canadian Human Rights Tribunal. To address the funding pressures facing child and family service agencies while also increasing prevention resources for communities so that children are safe and families can stay together, Budget 2018 proposes to provide more than \$1.4 billion in new funding over six years, starting in 2017–18, for First Nations Child and Family Services.

The Government will continue to work with First Nations, Inuit and the Métis Nation, as well as other partners, to advance the reforms to child and family services that are needed and develop Indigenous-led solutions that put the well-being of children first.

Figure 3.1 Overrepresentation of Indigenous Children in Foster Care in Private Homes



Clean and Safe Drinking Water on Reserve

The Government is firm on its commitment all long-term drinking water advisories on public water systems on reserve will be lifted by March 2021.

Budget 2016 proposed a significant investment of 1.8 billion over five years to support water and wastewater infrastructure in First Nations communities. With the help of these investments 349 water-related projects in 275 communities have been supported so far. The work done in partnership between First Nations and the Government is delivering tangible results for communities. As of February 12 2018 52 long-term drinking water advisories on public water systems have been lifted. For example

- The Pic Mobert First Nation in Ontario worked with Indigenous Services Canada to build a new water treatment plant that allowed the community to lift a long-term drinking water advisory affecting 295 residents.
- The Ahkwistahaw First Nation in Saskatchewan completed upgrades and repairs to its water treatment plant allowing it to provide clean drinking water to its residents for the first time in more than two years.

Budget 2018 builds on prior investments and reaffirms the Government's commitment by proposing to provide an additional 172.6 million over three years beginning in 2018-19 to improve access to clean and safe drinking water on reserve.

This funding will support initiatives to accelerate the pace of construction and renovation of affected water systems which will result in 25 additional projects being completed by 2020 rather than 2021.

New investments will also support repairs to high-risk water systems to prevent additional long-term drinking water advisories. In addition, these new investments will assist efforts to recruit, train and retain water operators, and establish innovative First Nations-led service delivery models.

Indigenous Skills and Employment Training Program

Indigenous Peoples are less likely to be employed than non-Indigenous Canadians, and those who do work typically earn less. To help close the employment and earning gaps between Indigenous and non-Indigenous people, Budget 2018 proposes to invest 2 billion over five years, and 408.2 million per year

ongoing, to support the creation of a new Indigenous Skills and Employment Training Program, which will replace the Aboriginal Skills and Employment Training Strategy. This includes incremental investments of 447 million over five years, and 99.4 million per year ongoing, and a stronger focus on training for higher-quality, better-paying jobs rather than rapid re-employment. This additional funding will assist approximately 15,000 more clients gain greater skills and find jobs that will support their long-term career success.

The Government has consulted with, and heard from, Indigenous partners on the importance of a distinctions-based approach that recognizes the unique needs of First Nations, Inuit and the Métis Nation. To that end, the new program will provide

- 1.1 billion over five years, and 235.7 million per year ongoing, for a First Nations stream.
- 325 million over five years, and 67 million per year ongoing, for a Métis Nation stream.
- 161.2 million over five years, and 32.6 million per year ongoing, for an Inuit stream.
- 213.4 million over five years, and 45.2 million per year ongoing, for an urban, non-affiliated stream.

These investments will support Indigenous Peoples in developing employment skills and pursuing training for high-quality jobs.

Promoting Equal Access to Training and Jobs for Indigenous Women

Despite having a generally higher degree of educational attainment than Indigenous men, Indigenous women tend to have lower incomes and poorer job prospects.

Services supported by the Indigenous Skills and Employment Training Program, such as child care, will ensure that Indigenous women have equal access to skills development and training opportunities and are able to contribute more fully to the economic success of their communities.

Support for Distinctions-Based Housing Strategies

Safe, adequate and affordable housing gives people a sense of security and helps build strong communities. But for too many Indigenous Peoples, this remains out of reach. Nearly one in five Indigenous people live in housing that is in need of major repairs, and one in five also live in housing that is overcrowded. Access to adequate and affordable housing is a particular challenge for Indigenous women. In 2011, 27 per cent of Indigenous women lived in core housing need compared to 13 per cent of Indigenous men.¹ Lack of adequate housing can compound barriers to security, employment and overall well-being, which tend to disproportionately affect Indigenous women.

Indigenous leaders have told the Government that when it comes to housing in First Nations, Inuit and Métis Nation communities, the best approach is one that respects the distinct needs of each Indigenous group. The Government agrees. As announced in Canada's first-ever National Housing Strategy, the Government and Indigenous partners are working together to improve housing conditions over the long term and to ensure that Indigenous Peoples have greater control over housing in their communities.

Through investments made in Budget 2017 and Budget 2018, the Government proposes dedicated funding to support the successful implementation of each of the distinctions-based housing strategies, including:

- An additional \$600 million over three years to support housing on reserve as part of a 10-year First Nations Housing Strategy that is being developed with First Nations.
- \$400 million over 10 years to support an Inuit-led housing plan in the Inuit regions of Nunavik, Nunatsiavut and Inuvialuit. This is in addition to the \$240 million over 10 years announced in Budget 2017 to support housing in Nunavut, where additional funding was provided for Inuit housing.
- \$500 million over 10 years to support the Métis Nation's housing strategy.

Indigenous Health – Keeping Families Healthy in Their Communities

There are significant gaps in health outcomes between Indigenous and non-Indigenous people. Infant mortality rates of First Nations and Inuit children are up to three times higher, diabetes rates are up to four times higher, and suicide rates among First Nations youth are between five and seven times higher. This gap in health outcomes can be narrowed, and providing access to quality health care close to home is an essential part of that change.

¹ A household is in core housing need if its housing is in need of major repairs, is overcrowded or if shelter costs exceed 30 per cent of the household's pre-tax income.

To keep Indigenous families healthy Budget 2018 proposes to invest 1.5 billion over five years starting in 2018–19 and 149 million per year ongoing as follows

- 498 million with 97.6 million per year ongoing to sustain access to critical medical care and services including 24 7 nursing services in 79 remote and isolated First Nations communities.
- 200 million with 40 million per year ongoing to enhance the delivery of culturally appropriate addictions treatment and prevention services in First Nations communities with high needs.
- 235 million to work with First Nations partners to transform First Nations health systems by expanding successful models of self-determination so that health programs and services are developed delivered and controlled by and for First Nations. This investment will also support access to quality and First Nations-controlled health care in remote and isolated James Bay communities as part of the Weeneebayko Area Health Integration Framework Agreement.
- 490 million over two years to preserve access to medically necessary health benefits and services through the Non-Insured Health Benefits Program.
- 109 million over 10 years with 6 million per year ongoing to respond to high rates of tuberculosis in Inuit communities and develop a better understanding of the unique health needs of Inuit peoples through the co-creation of a distinct Inuit Health Survey.
- 6 million over five years to support the Métis Nation in gathering health data and developing a health strategy.

Making Progress Toward First Nations Health Service Delivery

Meaningful improvements in Indigenous health outcomes will only be achieved if there are fundamental changes in the design delivery and control of health services. Simply put health systems have to be more responsive to community needs. Through Budget 2018 the Government will provide a contribution to the Province of Ontario to build a new hospital and ambulatory care facility to serve the health needs of remote and isolated James Bay communities such as Attawapiskat Fort Albany and Mashechewan. This contribution is part of Canada's commitment under the Weeneebayko Area Health Integration Framework Agreement to continue the process of devolving health service delivery to the Nishnawbe Aski Nation. The creation of new health care infrastructure in this area will give people in these communities better access to quality public health mental health and long-term care closer to home—and under First Nations control.

Table 3.1
Budget 2018 Indigenous Health Investments
millions of dollars

	Five- year Total
Access to critical medical care and services	498
Addictions treatment and prevention	200
Capacity-building in First Nations communities	235
Non-Insured Health Benefits Program	490
Supporting Inuit health priorities	68
Métis health data and health strategy	6
Total	1 49

Supporting Inuit Priorities

The Government of Canada is committed to a renewed Inuit-Crown relationship. The Inuit-Crown Partnership Committee is an important vehicle where the Government of Canada and Inuit Tapiriit ananami are working together to advance shared priorities. Through Budget 2018 the Government is providing 509.5 million over 10 years to make progress in the areas identified through the Inuit-Crown Partnership Committee such as health and wellness skills and training and housing including

- 27.5 million over five years to eliminate tuberculosis in Inuit Nunangat. Among Inuit the reported rate of active tuberculosis in 2015 was over 270 times higher than the rate among the Canadian-born non-Indigenous population. Through Budget 2018 the Government will support Inuit Tapiriit ananami's Inuit-specific approach to tuberculosis elimination which includes enhanced community-wide prevention detection screening treatment communications and awareness and addressing social determinants of health.
- 82 million over 10 years with 6 million per year ongoing for the co-creation of a permanent Inuit Health Survey. Funding will build capacity in Inuit communities to develop and collect survey information and support Inuit self-determination in setting the research agenda in their regions and communities.
- 400 million over 10 years for housing in the Inuit regions of Nunavik Nunatsiavut and Inuvialuit to help address significant overcrowding and repair needs in Inuit communities.

Budget 2018 proposes to invest 161.2 million over five years in the Inuit stream of the Indigenous Skills and Employment Training Program which supports employment services skills development and job training.

In addition the Government proposes to amend the Nunavut Act to resolve the legal gap for the Government of Nunavut to manage wildlife pertaining to Indigenous harvesting for game food.

Supporting Métis Nation Priorities

The Government of Canada is deeply committed to renewing the relationship with the Métis Nation based on recognition of rights respect cooperation and partnership. Reflecting commitments in the Canada-Métis Nation Accord—which outlines ways in which Canada and the Métis National Council will work together to set priorities and develop policy in areas of shared interest—Budget 2018 proposes to invest 516 million over 10 years including 500 million over 10 years to support a Métis Nation housing strategy 10 million in 2018–19 to support Métis Nation post-secondary education and 6 million over five years to support the Métis Nation in gathering health data and developing a health strategy. Furthermore as announced elsewhere in this chapter Budget 2018 also proposes to invest 325 million in the Métis Nation stream of the Indigenous Skills and Employment Training Program which supports employment services skills development and job training.

These investments in Métis Nation priorities reflect the Government's commitment to apply a greater distinctions-based lens to Indigenous funding decisions and support the Métis Nation's vision of self-determination.

Increased Health Supports for Survivors of Indian Residential Schools and Their Families

The Indian Residential School Settlement was intended to redress harm caused to students of residential schools and their families. Implementation began in September 2007 and is expected to wind down over the next few years.

For many survivors of residential schools and their families the healing process has been long and very difficult. In light of this the Settlement Agreement committed to providing survivors and their families with mental health and emotional support services to help them as they heal. Through Budget 2018 the Government proposes to provide 248.6 million over three years starting in 2018–19 for services including mental health and emotional supports to survivors and their families for the duration of the Indian Residential School Settlement.

Supporting the Gord Downie Chanie Wenack Fund

The Gord Downie Chanie Wenack Fund is part of Gord Downie's legacy and embodies his commitment and that of his family to improving the lives of Indigenous Peoples. Developed in collaboration with the Wenack family the goal of the Fund is to continue the conversation that began with Chanie Wenack's residential school story. In particular the Fund supports activities to promote reconciliation build awareness and educate Canadians about residential schools and the legacy that this experience still has for many Indigenous Peoples today.

The Fund supports tangible projects that encourage cross-cultural dialogue and awareness among Indigenous and non-Indigenous communities and that create places and spaces dedicated to reconciliation. The Fund also partners with educators and Indigenous communities to develop curricula for Canadian schools that accurately describe Indigenous history.

To support these reconciliation initiatives across Canada Budget 2018 proposes to provide 5 million in 2018–19 to support the Gord Downie Chanie Wenack Fund.

Creating a More Responsive Income Assistance Program That Addresses the Needs of First Nations Communities

Since its inception in 1964 the on-reserve Income Assistance program has remained largely unchanged. The Government proposes to invest 8.5 million over two years to work with First Nations to understand how to make the program more responsive to the needs of individuals and families on reserve and to identify the supports required to help individuals better transition from income assistance to employment and education.

While this work is being done the Government proposes to provide 78.4 million over two years for case management services to help individuals transition from income assistance to employment and education.

Supporting Indigenous History and Heritage

The Government has committed to implementing the 94 Calls to Action of the Truth and Reconciliation Commission of Canada. Call to Action 79 calls for historical commemoration activities and recognition and acknowledgement of the contributions that Indigenous Peoples have made to Canada's history. In response to this call Budget 2018 proposes to provide 23.9 million over five years starting in 2018–19 to Parks Canada to integrate Indigenous views history and heritage into the national parks marine conservation areas and historic sites managed by that agency.

Indigenous Sport

Indigenous youth are far more likely than their non-Indigenous peers to be in care not to complete high school to be unemployed and to suffer from poor health.

Community-led sport can be a powerful tool to support Indigenous youth. It promotes social inclusion builds self-esteem strengthens Indigenous identity instills a sense of pride and reduces the risks of suicide. Indigenous boys are more likely than Indigenous girls to participate in sport with adolescence being a pivotal time for predicting whether or not girls will participate in sports as they grow older. Girls who play sports at a young age are more likely to be physically active as adults. Through Budget 2018 the Government proposes to invest 47.5 million over five years and 9.5 million per year ongoing to expand the use of sport for social development in more than 300 Indigenous communities. This initiative will help to scale up a highly successful model developed by Right To Play that has led nearly 90 per cent of participants to have a more positive attitude toward school and a greater sense of identity. As this initiative is implemented the Government will look for opportunities to profile excellence among Indigenous youth in sport.

Supporting the Expansion of the First Nations Land Management Act and the Successful Participation of First Nations under the Act

The First Nations Land Management Act and associated Land Management Regime empower First Nations to exercise their jurisdiction by opting out of antiquated Indian Act provisions related to land management and replacing them with their own laws. This way communities can manage their reserve land resources and environment according to their cultural values and priorities. They also allow communities to process lands transactions more quickly and present a more attractive climate for investors which helps create jobs and spur economic development.

Expanding the First Nations Land Management Act and renewing the Matrimonial Real Property Implementation Support Program will

- Allow First Nations to exercise their inherent right to self-determination by creating their own laws related to land management.
- Support the capacity of First Nations to develop their own matrimonial real property laws.
- Create economic opportunities for First Nations through self-management of reserve lands environmental protection and natural resources.
- Provide legal protection from family violence to women and children living on reserve.
- Close gaps in the administration of justice by providing targeted training to law enforcement officers members of the judiciary court workers and social and family services officers.

To support the expansion of the First Nations Land Management Act and the successful participation of First Nations under the Act Budget 2018 proposes to invest 143.5 million over five years beginning in 2018-19 and 19 million per year ongoing. This funding will allow an additional 50 First Nations to enter into the Land Management Regime while providing pre-readiness support and capacity development to ensure their successful participation.

Renewing the Matrimonial Real Property Implementation Support Program

The Family Homes on Reserves and Matrimonial Interests or Rights Act was established in 2013 to provide protection for individuals living on reserve in cases where a relationship ends and property division is required. The law also includes special powers to deal with cases of family violence such as granting emergency protection orders prohibiting a spouse or common-law partner from accessing the family home.

To support implementation of the law, the Matrimonial Real Property Implementation Support Program was created. The Program supports First Nations in developing their own community-specific matrimonial real property laws and provides targeted training and awareness activities to law enforcement officers and members of the judiciary.

Through Budget 2018, the Government proposes to provide \$5.5 million over two years to continue the activities of the Matrimonial Real Property Implementation Support Program. In addition, this funding will support new and more targeted training and awareness activities such as the development of alternative dispute resolution mechanisms to respond to gaps in the administration of justice.

Rights and Self-Determination

The Government of Canada is committed to building a renewed relationship with Indigenous Peoples based on the recognition of rights, respect, cooperation and partnership. To that end, the Government launched a major review and reform of its laws, policies and operational practices to help ensure that the Crown is

- Meeting its constitutional obligations with respect to Aboriginal and treaty rights.
- Adhering to international human rights standards, including the United Nations Declaration on the Rights of Indigenous Peoples.
- Supporting the implementation of the Truth and Reconciliation Commission of Canada's Calls to Action.

Protecting First Nations Women and Children

The Family Homes on Reserves and Matrimonial Interests or Rights Act helps ensure that individuals on reserve, particularly women and children, have the same rights and protections as other Canadians. For example, Theresa lived in a common-law relationship in her First Nation community for 15 years when she separated from her partner. She contributed to building the home and made payments on the housing loan, but her name was not on the Certificate of Possession. Upon separation, she and her children were asked to leave the home she helped build for 15 years. Under the regime now in force, she would be entitled to half of the value of the interest in the family home, which would help ensure the safety and stability of her family following her separation.

To further this commitment the Prime Minister recently announced a national engagement process to create a Recognition and Implementation of Rights Framework. It is the Government's intention that with this Framework Indigenous rights will be recognized from the outset and the focus of the Government's work with First Nations Inuit and the Métis Nation will be on how those rights are implemented and exercised moving forward.

Supporting the Recognition and Implementation of Rights and Self-Determination

While Canada has advanced a number of modern treaties and agreements since the 1970s the pace of progress in many cases has been slow and uneven. Negotiations can take a decade or more and Indigenous communities are forced to take on debt in order to participate.

Budget 2018 outlines new steps the Government will take to increase the number of modern treaties and self-determination agreements in a manner that reflects a recognition of rights approach. These changes along with the new approach brought forward through the Recognition of Indigenous Rights and Self-Determination negotiation process will shorten the time it takes to reach new treaties and agreements at a lower cost to all parties.

As part of this new approach the Government of Canada will be moving away from the use of loans to fund Indigenous participation in the negotiation of modern treaties. Starting in 2018–19 Indigenous participation in modern treaty negotiations will be funded through non-repayable contributions.

The Government will engage with affected Indigenous groups on how best to address past and present negotiation loans including forgiveness of loans.

Through Budget 2018 the Government also proposes to invest 51.4 million over the next two years to continue its support for federal and Indigenous participation in the Recognition of Indigenous Rights and Self-Determination discussion tables.

Helping Indigenous Nations Reconstitute

The Government has committed to a forward-looking and transformative agenda to renew relationships with Indigenous Peoples. Indigenous groups are seeking to rebuild their nations in a manner that responds to their priorities and the unique needs of their communities—a message they have shared with the Working Group of Ministers on the Review of Laws and Policies related to Indigenous Peoples. This was also a key recommendation of the Royal Commission on Aboriginal Peoples and is an objective outlined in the United Nations Declaration on the Rights of Indigenous Peoples. As stated by the Prime Minister at the United Nations General Assembly the Government supports this vital work.

Through Budget 2018 the Government proposes to provide 101.5 million over five years starting in 2018–19 to support capacity development for Indigenous Peoples. Funding would be made available to Indigenous groups to support activities that would facilitate their own path to reconstituting their nations.

Permanent Bilateral Mechanisms

In December 2016 the Prime Minister announced that the Government would establish Permanent Bilateral Mechanisms with First Nations Inuit and the Métis Nation to identify each community's distinct priorities and help the Government and Indigenous Peoples work together to develop solutions. While Budget 2017 provided interim funding to support these Permanent Bilateral Mechanisms Budget 2018 proposes to invest 74.9 million over five years with 15.5 million per year ongoing to provide ongoing support to these policy co-development forums.

New Fiscal Relationship Strengthening First Nations Institutions and Community Capacity

The Government recognizes that in order to advance reconciliation with Indigenous Peoples and facilitate greater self-determination—including self-government—a new fiscal relationship is needed.

The Government and the Assembly of First Nations have worked together to articulate a vision for a new fiscal relationship for First Nations communities. To better support First Nations communities to support strong Indigenous institutions and to advance the new fiscal relationship with First Nations Budget 2018 proposes to invest 188.6 million over five years starting in 2018–19 in the following ways

- 127.4 million over two years to directly support First Nations communities in building internal fiscal and administrative capacity. This includes 87.7 million over two years to ensure that communities under default management are able to move forward on projects that form part of their management action plans and to support pilot projects in order to strengthen governance and community planning capacity in First Nations.
- 50 million over five years and 11 million per year ongoing to strengthen the First Nations Financial Management Board, the First Nations Finance Authority and the First Nations Tax Commission.
- 2.5 million over three years to support the First Nations Information Governance Centre's design of a national data governance strategy and coordination of efforts to establish regional data governance centres.
- 8.7 million over two years to continue and broaden work with First Nations leadership, technical experts, researchers and community representatives on the new fiscal relationship.

The Government, with First Nations partners, will also undertake a comprehensive and collaborative review of current federal government programs and funding that support First Nations governance. The purpose of the review will be to ensure that these programs provide communities with sufficient resources to hire and retain the appropriate financial and administrative staff to support good governance, plan for the future and advance their vision of self-determination.

New Fiscal Relationship Collaborating With Self-Governing Indigenous Governments

Through Budget 2018 the Government proposes to provide 189.2 million in 2018–19 to begin the implementation of new fiscal policy reforms that have been co-developed with self-governing Indigenous Peoples in Canada. This funding will support key priorities including the closing of socio-economic gaps infrastructure data collection and governance.

Tax Agreements With Indigenous Governments

Since Budget 1997 the Government of Canada has facilitated the implementation of sales tax and personal income tax systems for interested Indigenous governments. Under these negotiated arrangements more than 50 such tax laws have been put into effect. Recognizing the important role that tax revenues play in supporting self-sufficiency and self-determination for Indigenous governments the Government of Canada is committed to continuing to negotiate direct taxation arrangements with Indigenous governments.

Following engagements in 2017 with Indigenous self-governments and Indigenous groups in the process of negotiating self-government to seek their views on tax matters the Government of Canada is considering the perspectives heard and assessing the proposals advanced to ensure that negotiation mandates and tax arrangements with Indigenous governments are consistent with the principles underlying reconciliation and a renewed nation-to-nation fiscal relationship.

The Government of Canada also supports and encourages direct taxation arrangements between interested provinces or territories and Indigenous governments and will continue to facilitate such arrangements.

Strengthening Indigenous Data and Research Capability

Strong governance and good decision-making rely on timely access to high-quality relevant data. The importance of Indigenous-led statistical capacity to serve this need is underscored by the First Nations principles of Ownership Control Access and Possession (OCAP). To continue to support the development and management of Indigenous data and to further develop data governance and information management capacity among Indigenous governments communities and organizations Budget 2018 proposes to provide 3.8 million over five years starting in 2018–19 and 0.4 million per year ongoing to Statistics Canada to create the Indigenous Statistical Capacity Development Initiative.

This initiative will enable the Government to undertake engagement and outreach with Indigenous Peoples and organizations to better understand their statistical data governance and information management needs and to provide technical support services such as statistical training courses and tools grounded in the needs of First Nations, Inuit and Métis peoples. It will help Indigenous leadership, communities and governments build their own data and research capacities and provide greater support to Indigenous institutions and organizations.

In addition, Budget 2018 proposes to provide the Social Sciences and Humanities Research Council with \$3.8 million in 2018–19 to develop a strategic plan that identifies new ways of doing research with Indigenous communities, including strategies to grow the capacity of Indigenous communities to conduct research and partner with the broader research community.

What Will Success Look Like

- ✓ All long term drinking water advisories on reserve are lifted and all Indigenous communities have access to clean drinking water
- ✓ Indigenous children and families are safe and together at home in their communities
- ✓ Housing for First Nations, Inuit and Métis Nation communities is safe, adequate and affordable
- ✓ Indigenous peoples receive the skills training they need to participate in the economy and contribute to the success of their communities
- ✓ The government and Indigenous peoples work together to accelerate the pace and number of self-determination and self-government agreements
- ✓ Indigenous peoples and communities are rebuilding and reconstituting their nations in a manner that respects their unique priorities and needs. Public services are delivered to Indigenous peoples through strong Indigenous institutions
- ✓ Indigenous peoples have access to quality health care in their own communities

Chapter 3—Reconciliation

millions of dollars

	2018	2019	2020	2021	2022	2023	Total
3.1 Achieving Better Results for Indigenous Peoples							
Ensuring That Indigenous Children Are Safe and Supported Within Their Communities	70	295	270	265	270	278	1 449
Clean and Safe Drinking Water on Reserve	0	102	50	21	0	0	173
Indigenous Skills and Employment Training Program	0	66	93	93	96	99	447
Less F r o n t e n e e s	0	-10	-28	-29	-30	-31	-127
Support for Distinctions-Based Housing Strategies	0	285	285	291	91	91	1 044
Less F n d s e i s t i n g i n t h e F i s c a l F r a m e w o r k							
Indigenous Health Keeping Families Healthy in Their Communities	0	410	480	240	212	155	1 497
Supporting M t i s N a t i o n P r i o r i t i e s	0	10	0	0	0	0	10
Increased Health Support for Survivors of Indian Residential Schools and Their Families	0	78	83	88	0	0	249
Supporting the Gord Downie Chanie Wenack Fund	0	5	0	0	0	0	5
Creating a More Responsive Income Assistance Program That Addresses the Needs of First Nations Communities	0	43	44	0	0	0	87
Supporting Indigenous History and Heritage	0	3	5	7	5	5	24
Less F n d s a l l o c a t e d t o c o m m u n i t y a n d c u l t u r a l p r o j e c t s	0	-2	-2	-2	-2	-2	-9
Indigenous Sport	0	10	10	10	10	10	48
Supporting the Expansion of the First Nations Land Management Act and the Successful Participation of First Nations under the Act	0	15	21	29	37	41	143
Renewing the Matrimonial Real Property Implementation Support Program	0	3	3	0	0	0	6
3.1 Achieving Better Results for Indigenous Peoples Total	0	1 053	1 053	52	629	58	4 144

Chapter 3—Reconciliation

millions of dollars

	201 – 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	Total
3.2 Rights and Self-Determination							
Supporting the Recognition of Rights and Self-Determination	0	22	30	0	0	0	51
Helping Indigenous Nations Reconstitute	0	20	20	20	20	20	102
Permanent Bilateral Mechanisms	0	13	16	16	16	16	75
New Fiscal Relationship— Strengthening First Nations Institutions and Community Capacity	0	71	81	13	12	11	189
New Fiscal Relationship Collaboration With Self- Governing Indigenous Governments	0	189	0	0	0	0	189
Strengthening Indigenous Data and Research Capability	0	4	1	1	1	1	8
3.2 Rights and Self- Determination Total	0	320	148	49	49	48	613
Chapter 3—Net Fiscal Impact	0	1 3 3	1 200	802	6 8	634	4 5

+ ADVANCEMENT



No matter what challenges they faced, Canadians have always looked to the future—working hard to build a more prosperous and more just world for themselves, their children and their grandchildren.

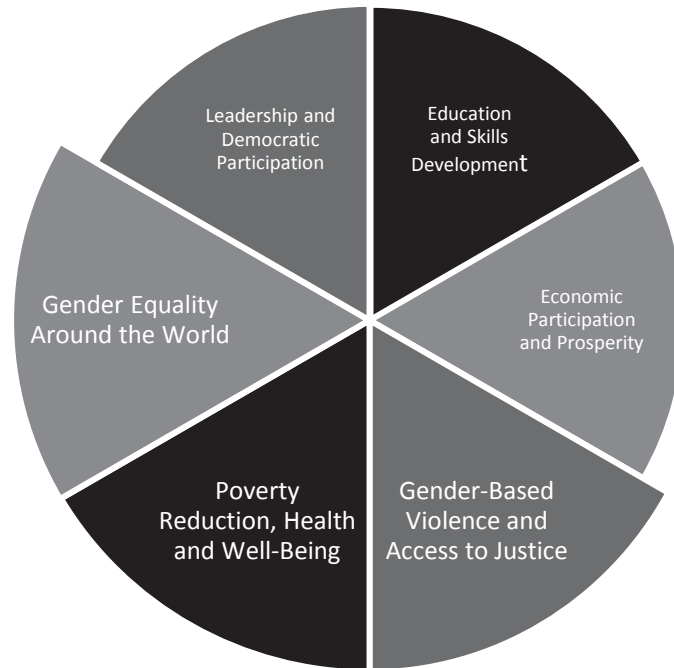
That starts with a clean environment here at home. Canadians understand that our quality of life today—and our economic success tomorrow—rests on the commitments we make to protect Canada's nature, parks and wild spaces and preserve a clean environment so that future generations of Canadians can continue to hike in our forests, swim in our lakes, watch for birds and whales, and spend time with family and friends in the natural places that mean so much to all of us.

Beyond our borders, Canadians are proud of our history of helping vulnerable people around the world. We lend a hand to those in need because we know that a safer, more prosperous world means a safer and more prosperous Canada. We understand that we are at our best and most effective when we focus our efforts. That's the approach the Government is taking to international assistance. By focusing our assistance on the full empowerment of women and girls, we are helping to change the world for the better.

Canadians are also connected through shared values. Helping to keep each other healthy, taking care of each other when we are sick, looking out for the people in our communities who need the most help, honouring our veterans and celebrating our cultural diversity—those are the shared values Canadians uphold each and every day.

And Canadians also understand that every person deserves to feel safe and protected in a rapidly changing world secure in the knowledge that their rights will be protected and their dignity respected. All Canadians should feel confident that they will be treated fairly under the law and the Government will work hard to make that so.

Chapter 4 Advancing Canada's Gender Equality Goals



Key Chapter 4 initiatives that advance objectives of Canada's new Gender Results Framework

- Providing new innovative tools to support Canada's Feminist International Assistance Policy.
- Improving the quality of life of people with dementia and ensuring that caregivers have the support they need.
- Taking action to prevent and address gender-based violence harassment and discrimination.
- Enhancing diversity of the judiciary so it better represents Canadian society.
- Moving towards an inclusive sport system by setting a target to achieve gender equality in sport by 2035.

Part 1 Canada's Natural Legacy

A Clean Environment for Future Generations

As Canadians, our quality of life and our present and future prosperity are deeply connected to the environment in which we live—and more than that, the extraordinary beauty of Canada's nature, parks, and wild spaces are central to our identity as Canadians. Whether it's building a campfire with our kids, hiking with friends and family, or swimming in cool, clean waters, spending time in nature—and protecting it for future generations—is important to us all.

At the same time, Canadians understand that a clean environment and a strong economy go hand in hand. That is why the Government has made significant investments to protect our air, water, and natural areas for our children and grandchildren, while also investing to create a world-leading clean economy.

Responding to the critical and urgent need to take action on climate change, Canada's First Ministers, in consultation with Indigenous Peoples, adopted the Pan-Canadian Framework on Clean Growth and Climate Change in December 2016. To support the implementation of this historic national plan, the Government has allocated \$5.7 billion over 12 years, including \$2 billion for the Low Carbon Economy Fund, to combat climate change. In November 2016, the Government also launched a \$1.5 billion national Oceans Protection Plan to improve marine safety and responsible shipping, protect Canada's marine environment, and offer new possibilities for Indigenous and coastal communities.

In Budget 2018, the Government is making further investments to help grow a healthy and sustainable clean economy—one that creates growth and middle-class jobs and preserves Canada's natural heritage for generations to come.

Protecting Canada's Nature, Parks, and Wild Spaces

Whether the place we call home is a city in Southern Ontario or a small community in Canada's Far North, the beauty that is part of Canada's natural landscape is a gift to us all. To ensure that our children and grandchildren can continue to hike in our majestic forests and swim in our beautiful lakes, rivers, and streams, Canada has committed to conserving at least 17 per cent of its land and inland waters by 2020 through networks of protected areas and other effective area-based conservation measures. Both protected and conserved areas will ensure healthier habitats for species at risk and improve biodiversity.

As almost 90 per cent of Canada's land and inland waters are provincial and territorial Crown or Indigenous lands achieving this goal requires open collaboration with other orders of government. To support Canada's biodiversity and protect species at risk the Government of Canada proposes to make historic investments totalling 1.3 billion over five years one of the most significant investments in nature conservation in Canadian history—a true legacy for our children and grandchildren.

This investment will contribute 500 million from the federal government to create a new 1 billion Nature Fund in partnership with corporate not-for-profit provincial territorial and other partners. In collaboration with partners the Nature Fund will make it possible to secure private land support provincial and territorial species protection efforts and help build Indigenous capacity to conserve land and species for our benefit and the benefit of future generations.

The remaining funding will

- Increase the federal capacity to protect species at risk and put in place new recovery initiatives for priority species areas and threats to our environment.
- Expand national wildlife areas and migratory bird sanctuaries.
- Increase the federal capacity to manage protected areas including national parks.
- Continue implementation of the Species at Risk Act by supporting assessment listing recovery planning and action planning activities.
- Establish a coordinated network of conservation areas working with provincial territorial and Indigenous partners.

Protecting Marine Life

Whales are vital to healthy marine ecosystems and an important part of eco-tourism in Canada's Pacific and Atlantic coastal regions and in the St. Lawrence Estuary.

A complex mix of threats—such as the availability of prey increased noise levels from passing ships and pollution in the water—are endangering many whale populations notably the southern resident killer whale the North Atlantic right whale and the St. Lawrence Estuary beluga.

To better protect preserve and recover endangered whale species in Canada the Government proposes to make available 167.4 million over five years starting in 2018–19 to Fisheries and Oceans Canada Transport Canada and Environment and Climate Change Canada. This includes funding for research to help us better understand the factors affecting the health of these whales as well as actions that we can take now to help address threats arising from human activities.

Establishing Better Rules to Protect the Environment and Grow the Economy

The Government is delivering on its promise to protect the environment, restore public trust in federal environmental assessment and regulatory processes and provide predictability for businesses. Legislation was recently tabled in Parliament to establish better rules for the review of major projects that will protect our environment, fish and waterways, rebuild public trust and help create new jobs and economic opportunities. The proposed changes include:

- Maintaining one project, one review.
- Revising the project list.
- Undertaking more comprehensive impact assessments.
- Making timely decisions.
- Ensuring transparent, science-based decisions.
- Protecting water, fish and navigation.

The Government has announced that it will invest about \$1 billion over five years to support the proposed new impact assessment system and Canadian Energy Regulator, increase scientific capacity in federal departments and agencies, implement the changes required to protect water, fish and navigation, and increase Indigenous and public participation.

Pricing Carbon Pollution and Supporting Clean Growth

Central to Canada's plan to fight climate change and grow the economy is the understanding that pollution has a real, tangible cost. It puts stress on the health of our communities, our economy and on Canadians themselves. That is why the Government of Canada is committed to putting a price on carbon pollution.

To ensure that a price on carbon pollution is in place across Canada, the Government is developing a federal carbon pollution pricing system that would apply in provinces and territories upon request, and in provinces and territories that do not have a pricing system in place that meets the federal standard by the end of 2018. The direct revenue from the carbon price on pollution under the federal system will be returned to the province or territory of origin.

Provinces and territories requesting that the federal system apply, in whole or in part, in their jurisdiction should confirm this by March 30, 2018. Provinces and territories establishing or maintaining their own system need to outline how they are implementing pricing on carbon pollution by September 1, 2018. The Government will review each system and implement the federal system, in whole or in part, on January 1, 2019, in any province or territory that does not have a carbon pollution pricing system that meets the minimum standard.

The Government recently released draft legislative proposals on the federal carbon pollution pricing system as well as a regulatory framework outlining the approach to carbon pollution pricing for large industrial facilities and intends to introduce legislation to establish that system.

To support the development and implementation of the federal carbon pollution pricing system the Government will provide 109 million over five years starting in 2017–18 to the Canada Revenue Agency and Environment and Climate Change Canada to implement administer and enforce the federal carbon pollution pricing system.

In addition to ensure that the actions established in the Pan-Canadian Framework on Clean Growth and Climate Change are transparent and informed by science and evidence the Government proposes to make available 20 million over five years starting in 2018–19 through Environment and Climate Change Canada to fulfill the Framework's commitment to engage external experts to assess the effectiveness of its measures and identify best practices.

Greening Government Operations

Government leadership is critical for Canada to achieve its goals for environmental and sustainable development. Introduced in 2017 under the oversight of the Treasury Board of Canada Secretariat the Greening Government Strategy sets an ambitious target to reduce direct and indirect greenhouse gas emissions from Government of Canada operations by 40 per cent below 2005 levels by 2030 and by 80 per cent below 2005 levels by 2050—consistent with world-leading jurisdictions. The Strategy also outlines a broader scope for the Government's greening efforts including actions on water and waste.

The Department of National Defence owns and operates more than 20 000 buildings representing about 60 per cent of the Government of Canada's reported greenhouse gas emissions. Canadian Forces Base Halifax alone represents 10 per cent of the Government's reported emissions.

To reduce emissions at CFB Halifax a planned project to refurbish the antiquated heating plant on base will be expanded to include the rehabilitation of attached buildings and distribution systems. In total this project is expected to reduce annual emissions at the base by up to 7 per cent.

Low Carbon Economy Leadership Fund

The Government through the Low Carbon Economy Leadership Fund is investing 1.4 billion in projects that will generate clean growth and reduce greenhouse gas emissions while creating jobs for Canadians for years to come.

The Low Carbon Economy Leadership Fund provides funding to make buildings more energy efficient help industries innovate to reduce emissions and help the forestry and agriculture sectors increase stored carbon in forests and soils. All provinces that have signed the Pan-Canadian Framework on Clean Growth and Climate Change can apply for support through the Fund. The first round of funding agreements was announced in December 2017 with six provinces receiving funding for project proposals.

British Columbia 162 million to support projects including the reforestation of public forests which absorb carbon from the atmosphere and store it.

Alberta Almost 150 million to help Albertans including farmers and ranchers use less energy and save money. Alberta will work with Indigenous communities to install renewable energy solutions and will also invest in restoring forests affected by wildfires.

Ontario 420 million to support projects such as renovating buildings retrofitting houses and helping farmers reduce emissions from their operations.

Quebec Over 260 million to help expand actions under the province's 2013–2020 Climate Change Action Plan. These new investments will allow more farmers and foresters to adopt best practices more businesses to retrofit their buildings and more industries to find innovative ways to reduce emissions.

New Brunswick 51 million in partnership with NB Power to help New Brunswickers improve the energy efficiency of their homes and businesses.

Nova Scotia 56 million to expand an existing home retrofit partnership with Efficiency Nova Scotia. Today only those homes heated with electricity are eligible for retrofit funding. The new funding will open up the retrofit program so that any Nova Scotian home could be eligible allowing Nova Scotians to lower their heating bills and help reduce emissions.

Announcements for the remaining jurisdictions that have signed onto the Pan-Canadian Framework will be forthcoming as project proposals are approved.

Further details regarding the competitively based Low Carbon Economy Challenge will be announced in the near future. The objective of the fund will be to maximize greenhouse gas reductions in 2030 and it will be open to all provinces and territories municipalities Indigenous governments and organizations businesses and not-for-profit organizations.

Adapting Canada's Weather and Water Services to Climate Change

Climate change is already having an impact on Canadians. Extreme weather events such as flooding and wildfires can have a devastating impact on our people, our communities and our economy.

The Government maintains Canada-wide networks to collect data and monitor changes in weather, climate, water, ice and air. These networks enable the weather, water and environmental predictions that help keep people safe. The Government is proposing through Budget 2018 the following activities and investments to improve weather and water services through Environment and Climate Change Canada:

- Complete the modernization of Canada's weather forecast and severe weather warning systems and maintain direct support to the emergency management organizations that prepare for and respond to severe weather: 40.6 million over five years starting in 2018–19 with 0.2 million in remaining amortization.
- Revitalize water stations, improve services for long-range water forecasts, test and implement new technologies and expand technical and engineering capacity: 69.5 million over five years starting in 2018–19 with 7.3 million in remaining amortization.
- Support the operation of water stations that are cost-shared with provinces and territories: 9.8 million over five years starting in 2018–19 with remaining amortization of 3.1 million.

Extending Tax Support for Clean Energy

The Government of Canada works with businesses to encourage investment in clean energy generation and to promote the use of energy efficient equipment. Tax support such as allowing accelerated deductions of the cost of eligible capital assets can help us achieve this shared goal. The existing accelerated deduction of these assets is scheduled to expire in 2020. Through Budget 2018 the Government proposes to extend the preference to property acquired before 2025 which represents an investment of \$123 million over the 2017–18 to 2022–23 period.

This renewed support will increase the after-tax income of about 900 businesses. This represents on average an additional \$27 000 annually over the next five years that these companies will be able to use to invest in and grow their operations while reducing their carbon footprint. Increased adoption of clean technology will help Canada's efforts to reduce the emission of greenhouse gases and air pollutants.

What Will Success Look Like

- ✓ More protected and conserved areas for Canadians and future generations of Canadians to enjoy
- ✓ A modern ecosystem based approach to protect and conserve species at risk
- ✓ Reducing carbon pollution will contribute to achieving Canada's international greenhouse gas reduction targets at the lowest cost while providing an incentive for clean growth and innovation
- ✓ More investment in clean energy and a clean economy

Part 2 Canada and the World

Advancing Gender Equality Around the World

Canada recognizes the importance of investing in ways that can help those in need around the world. In June 2017 the Government released its Feminist International Assistance Policy focusing on six interlinked areas: gender equality and the empowerment of women and girls, human dignity, peace and security, inclusive governance, environment and climate action, and growth that works for everyone.

Figure 4.1 Canada's Feminist International Assistance Policy



To strengthen the impact of Canada's new Feminist International Assistance Policy and advance our international leadership in key areas, the Government proposes to provide an additional 2 billion over five years starting in 2018–19 to the International Assistance Envelope. These new resources will be dedicated to support humanitarian assistance and Canada's core development priorities, in particular supporting women and girls, and will reinforce Canada's commitment to reduce poverty and to do its part to support a more inclusive, peaceful and prosperous world. Further details on the allocation of this funding will be announced in the coming year.

Canada's new Feminist International Assistance Policy represents a turning point for the Government's approach to international assistance. Through it Canada has made clear its commitment to contribute to eradicating poverty and building a more peaceful inclusive and prosperous world. In support of the United Nations 2030 Agenda for Sustainable Development the Feminist International Assistance Policy puts women and girls at the centre of its plan as agents of positive change for their families communities and countries. Gender equality will be a focus of all of Canada's international assistance investments to address economic political and social inequalities that prevent individuals from reaching their full potential.

To advance gender equality around the world the Government will

- Champion the voice and participation of women and girls including supporting local women's organizations to defend women's rights and address barriers.
- Ensure that Canada's assistance integrates and targets gender equality and the empowerment of women and girls.
- Support the full spectrum of health programming including comprehensive sexual and reproductive health and rights.
- Address climate change and mitigate its impacts by investing in renewable energy and environmental practices that support healthy resilient and adaptive communities.
- Focus on growth that works for everyone by helping to increase women's economic participation.
- Ensure institutions policies and processes are more accessible and responsive to the poorest and most vulnerable including women and girls.
- Pursue a gender-responsive approach during humanitarian crises to better respond to the unique needs of women and girls.
- Support inclusive approaches to building sustainable peace and security by helping women to participate in resolving conflicts and political crises and by ensuring that responses to transnational threats account for and meet the needs of women and girls.

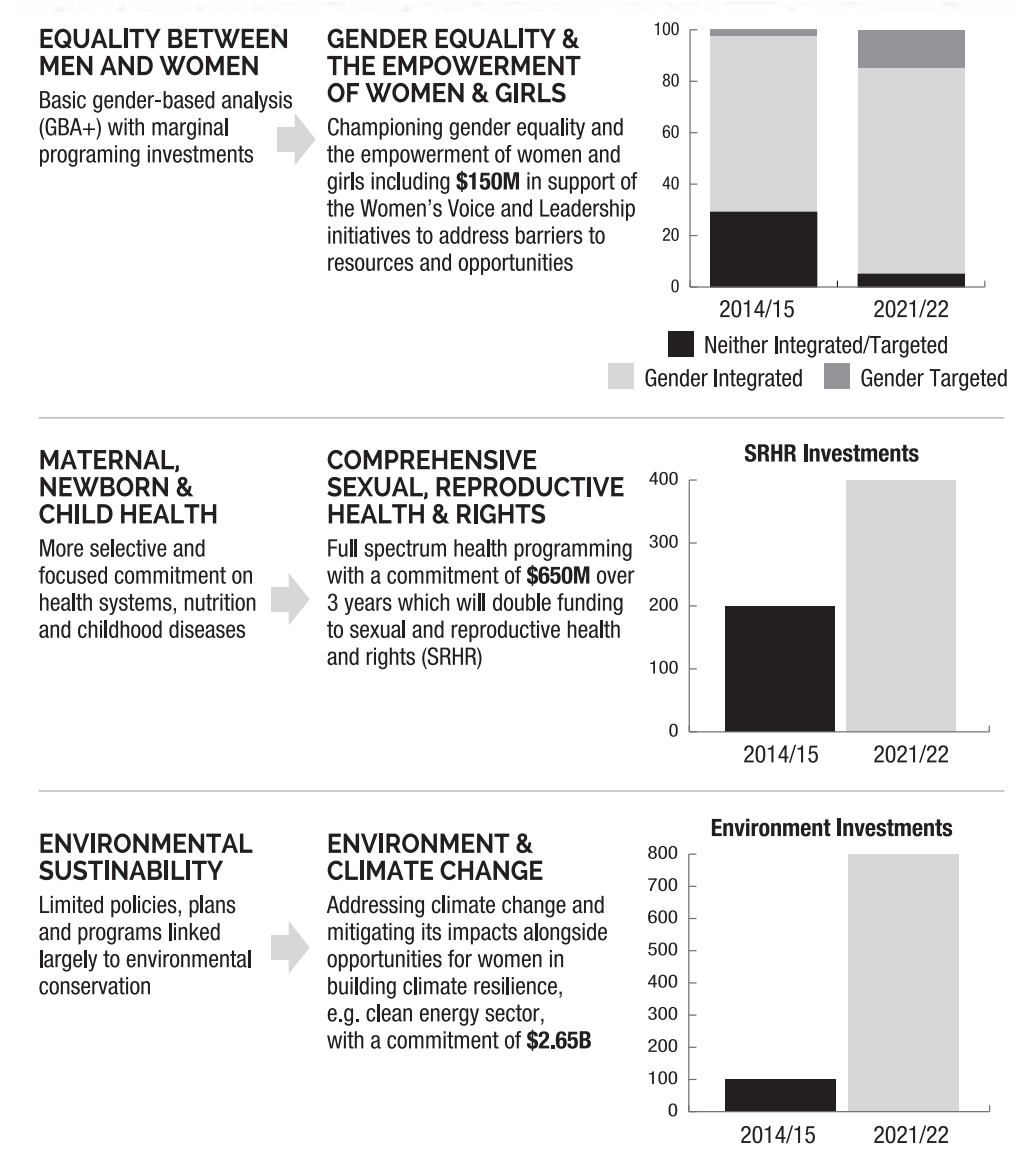
The Feminist International Assistance Policy's Recent Projects Include

- 180 million over three years for the Global Partnership for Education to support girls' education and help strengthen education systems in developing countries.
- 15 million over four years to Marie Stopes Tanzania to provide girls and women with improved access to family planning information and services.
- The launch of the Elsie Initiative on Women in Peace Operations which includes
 - 6 million to designated United Nations missions to improve their ability to support and benefit women's increased participation in peace operations.
 - 15 million to launch a global fund to support the deployment of women peacekeepers.

The Government will track and report on progress to Canadians based on a clear framework with targets for action and indicators for results aligned with the 17 goals of the United Nations 2030 Agenda for Sustainable Development. The Feminist International Assistance Policy establishes baselines and sets clear targets to

- Shift its programming with no gender equality focus from 30 per cent to 5 per cent to ensure that at least 95 per cent of Canada’s bilateral international development assistance will either target or integrate gender equality and the empowerment of women and girls by 2021–22.
- Strengthen its focus on sexual and reproductive health and rights by doubling its commitment to \$650 million over the next three years.
- Target the poorest and most vulnerable by boosting bilateral assistance to Sub-Saharan African countries from 46 to 50 per cent by 2021–22.

Figure 4.2 The Policy Shifts the Priorities of Canada’s Development Assistance as follows



Additional Support for the Feminist International Assistance Policy

Taking more innovative approaches to international assistance will also be an essential part of Canada's Feminist International Assistance Policy. In addition to the new international assistance resources announced in Budget 2018, the Government proposes to provide 1.5 billion over five years, starting in 2018–19 on a cash basis, 553 million on an accrual basis, and 492.7 million per year thereafter, from existing unallocated International Assistance Envelope resources, to support innovation in Canada's international assistance through the following two new programs:

- The **International Assistance Innovation Program**. This program will give the Government greater flexibility for financing arrangements and partnerships and ensure Canada remains at the leading edge of development financing. The Government proposes to commit 873.4 million over five years on a cash basis, and 290.5 million per year thereafter, for this new program.
- The **Sovereign Loans Program**. This pilot program will diversify the tools Canada has to engage partner countries and international development organizations. It will also better align Canada's international assistance toolkit with that of other donors. The Government proposes to commit up to 626.6 million over five years on a cash basis, and up to 202.2 million per year thereafter, for the Sovereign Loans Program.

These measures will complement existing core international assistance activities, and will increase the impact of Canada's international assistance by allowing the Government to explore new and innovative ways to engage internationally, including exploring the use of guarantees, equity and conditionally repayable contributions. These new measures are expected to double Canada's international assistance provided through innovative tools over the next five years. The Government proposes to introduce any necessary legislative measures to enable Global Affairs Canada to carry out these new programs.

Protecting Vulnerable Women and Girls

Half of the world's 22.5 million refugee population is made up of women and girls, making this population a significant segment of those fleeing war, violence or persecution in their home countries. Refugee women and girls face increased risks due to their gender, and are at risk of, or have suffered from, sexual violence and exploitation, physical abuse and marginalization.

Since 2015, Canada has demonstrated global leadership in providing protection to the world's most vulnerable refugees. As of January 2017, more than 40,000 Syrian refugees were welcomed in Canada, where they have built new lives for themselves and their families. In addition, Budget 2017 announced funding of 27.7 million over three years, beginning in 2017–18, to resettle Yazidi women and girls, who were being targeted for abduction and enslavement by Daesh fighters in northern Iraq and Syria.

Building on these efforts the Government commits to increase the number of vulnerable refugee women and girls to be resettled in Canada as government-assisted refugees. Specifically Budget 2018 proposes funding of 20.3 million over five years beginning in 2018–19 to welcome an extra 1 000 refugee women and girls from various conflict zones around the world. Providing additional support to this particularly vulnerable group will allow Canada to continue to show global leadership in helping the world's most at-risk people.

Climate Change and Gender Leading on the International Stage

In the world's poorest and most vulnerable communities women and girls are particularly at risk when it comes to climate change. Women and girls are often the primary producers of food and providers of water heating and cooking fuel for households. When the resources become more unpredictable and scarce due to for example extreme weather women and girls have to spend more time and efforts attending to basic needs such as growing food and collecting water and fuel.

Canada has been an international champion in bringing a gender lens to climate change. Canada was a leader in securing the first ever Gender Action Plan under the United Nations Framework Convention on Climate Change adopted by countries at COP23 last year. The plan aims to bring more women to the negotiation table promoting more responsive climate policies at both the grassroots and global levels.

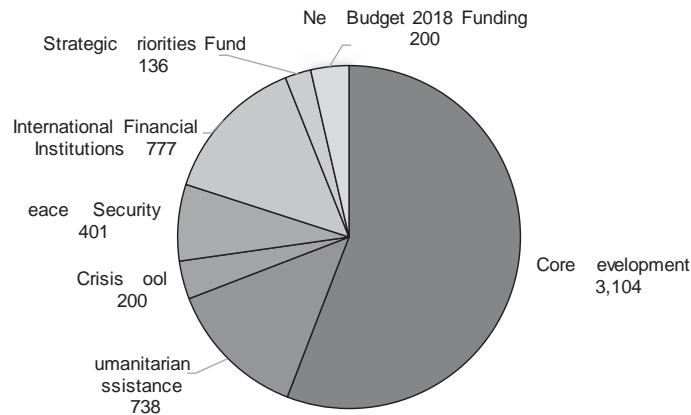
Canada is leading by example in this regard through its own Chief Negotiator and her team with Canada's climate negotiators also providing training to women negotiators from Caribbean countries to strengthen their voices at international climate talks. The Government is also integrating a gender lens in the delivery of its historic 2.65 billion commitment to support climate action in developing countries including through its contribution to the National Adaptation Plans Global Network.

In addition as part of Canada's focus on climate action and gender in the Group of Seven G7 the Minister of Environment and Climate Change Catherine McKenna will host a summit of women climate leaders in the spring of 2018 to help accelerate global momentum for climate action.

Enhancing Transparency in Canada’s International Assistance Programming

Over the last number of years the international assistance community has called on Canada to further improve communications around its international assistance budget. Previously public commitments did not always include comprehensive details including the total size and allocations of federal international assistance. To address this the Feminist International Assistance Policy has committed to clarify Canada’s federal contributions to international assistance.

Chart 4.1
New International Assistance Envelope Funding Structure—2018–19 millions



New International Assistance Resources and Allocations
 millions

	2018–2019	2019–2020	2020–2021	2021–2022	2022–2023	5-year Total
New Resources	200	300	400	500	600	2 000
Allocation of Existing Resources						
New Innovation Program	55	114	177	237	291	873
New Sovereign Loans Program	2	63	157	202	202	627
Ongoing Program Funding e.g. Peace and Security Global Fund	143	303	376	376	376	1 573

The Government is also bringing forward a reform to the International Assistance Envelope funding structure regarding humanitarian assistance and core development assistance. For many years the Minister of International Development has had to manage a single pool of funding to address core development priorities as well as humanitarian assistance priorities. With the increasing scope of conflicts around the world demand for humanitarian assistance has increased and under the current funding structure this has led to reductions in resources for other programs. With this reform the Government will create a dedicated pool of funding for humanitarian assistance and a separate dedicated pool of funding for core development assistance. These changes will help to achieve the goals of the Feminist International Assistance Policy.

Canada is committed to ensuring information on its international assistance funding is open and transparent and is pleased to chair the International Aid Transparency Initiative. The Government will explore further enhancing its international assistance reporting including consideration of legislative updates as appropriate. Over the coming year the Government will determine how it can better communicate international assistance efforts to Canadians non-governmental organizations and the international community from a historical perspective as well as the size and distribution of assistance planned for the coming year.

Implementing the 2030 Agenda for Sustainable Development

Canadians can be proud of our history of helping others around the world including providing emergency and development assistance to the poorest and most vulnerable. We understand that a safer more prosperous world means a safer and more prosperous Canada.

In 2015 Canada along with all other United Nations member states committed to implementing the 2030 Agenda for Sustainable Development which set 17 goals known as Sustainable Development Goals or SDGs to eliminate poverty protect the planet and ensure prosperity by the year 2030.

Figure 4.3 Sustainable Development Goals



These goals are universal and apply to all countries. This means working to end all forms of poverty fight inequalities tackle climate change and support sustainable economic growth here at home and helping other countries through our diplomacy trade peace and security and international assistance efforts.

To reach these goals in 2016 the Government of Canada began a comprehensive review of its international assistance support to improve the effectiveness of Canada's international assistance. The result was a new Feminist International Assistance Policy unveiled in June 2017 and centred around SDG 5 Gender Equality.

The Government is working hard to make progress on the goals for sustainable development here in Canada and around the world including work on

- **Strengthening and growing the middle class** The middle class tax cut the Canada Child Benefit improvements to Employment Insurance investments in skills that will help Canadians succeed in the new economy and efforts to ensure the affordability of post-secondary education all contribute to SDG 1 No Poverty and SDG 8 Decent Work and Economic Growth .
- **Gender equality** The Government's leadership both at home and on the world stage on gender equality through measures aimed at promoting pay equity encouraging greater workforce participation among women helping to combat gender-based violence and implementing the Feminist International Assistance Policy is helping to make headway on SDG 5 Gender Equality .
- **Innovation infrastructure and clean economic growth** Support for innovation in key growth industries such as clean technology digital and agri-food support for innovation networks and clusters and the Investing in Canada plan including investments in green infrastructure support for safe and clean drinking water in First Nations communities and the creation of the Canada Infrastructure Bank help to achieve SDG 6 Clean Water and Sanitation SDG 7 Affordable and Clean Energy SDG 8 Decent Work and Economic Growth SDG 9 Industry Innovation and Infrastructure and SDG 11 Sustainable Cities and Communities .
- **Inclusiveness and fairness for all Canadians** Better supports for veterans help for seniors and future retirees programs to help those who are underrepresented in the workforce find good jobs and renewed partnerships with Indigenous Peoples all contribute to SDG 1 No Poverty SDG 3 Good Health and Well-being and SDG 10 Reduced Inequalities .
- **Combating climate change** Support for the Pan-Canadian Framework on Clean Growth and Climate Change investments in clean economic growth and investments in international climate finance all contribute to SDG 7 Affordable and Clean Energy SDG 11 Sustainable Cities and Communities SDG 12 Responsible Consumption and Production and SDG 13 Climate Action .

Budget 2018 continues Canada's efforts to reach the 2030 Agenda for Sustainable Development

- **Supporting equal parenting** Introducing a new Employment Insurance (EI) Parental Sharing Benefit that will increase the number of weeks of EI parental benefits by up to eight weeks for parents who agree to share parental leave will advance SDG 5 Gender Equality by encouraging greater equality when it comes to child care and the distribution of unpaid work within the family while allowing flexibility for earlier returns to work.
- **More help for the middle class and people working hard to join it** Introducing the Canada Workers Benefit—a strengthened and more accessible benefit based on the Working Income Tax Benefit—and strengthening the Canada Child Benefit contribute to SDG 1 No Poverty .
- **Building a healthy environment for future generations** Implementing the Pan-Canadian Approach to Pricing Carbon Pollution including the federal carbon pollution pricing system contributes to Canada's plan to address climate change and grow the economy and supports SDG 13 Climate Action and SDG 8 Decent Work and Economic Growth . Extending tax support for clean energy to 2025 from 2020 will contribute to SDG 7 Affordable and Clean Energy .
- **Supporting the Feminist International Assistance Policy** New resources and tools for international assistance will help partner countries work towards achieving all of the SDGs with achieving SDG 5 Gender Equality at the core of our support.
- **Enhancing access to justice and reinforcing public safety** To achieve SDG 16 Peace, Justice and Strong Institutions various investments will be made in support of the judiciary, the court system and legal support services to help empower Canadians to better understand and exercise their legal rights. For example, the Government is continuing to support Canadian families that are experiencing separation and divorce by expanding the unified Family Courts system. The Government is also reinforcing Canada's public safety institutions supporting frontline operations.

To support reporting and ensure continued progress and coordination of our efforts on the Sustainable Development Goals both domestically and internationally, the Government proposes to provide 49.4 million over 13 years starting in 2018–19 to establish a Sustainable Development Goals unit and fund monitoring and reporting activities by Statistics Canada. This will enable better coordination among all levels of government, civil society organizations and the private sector on Canada's efforts on the 2030 Agenda for Sustainable Development. It will also support the monitoring and reporting of Canada's domestic and international efforts to ensure that all of the Sustainable Development Goals are achieved by 2030 and that no one is left behind. The Government is also proposing to provide from existing departmental resources up to 59.8 million over 13 years starting in 2018–19 for programming to support the implementation of the Sustainable Development Goals.

Canada as G7 Leader

The G7 Presidency offers Canada an opportunity to bring its people-first approach to growing a strong middle class to the international stage. By engaging other G7 countries on pressing global challenges we can demonstrate how taking care of each other can lead to stronger growth and better outcomes.

In this coming year Canada will use its G7 Presidency to advance the following five key priorities

1. **Investing in growth that works for everyone**—building a system that is fair and open so that people have the needed support resources and confidence to succeed.
2. **Preparing for jobs of the future**—helping everyone get the skills they need to find and keep good jobs—not just today but in tomorrow’s economy as well.
3. **Advancing gender equality and women’s empowerment**—integrating gender equality and women’s empowerment considerations in all of Canada’s G7 activities to ensure our priorities are truly inclusive.
4. **Working together on climate change, oceans and clean energy**—investing in clean energy and technologies to protect vulnerable ecosystems and manage limited resources properly.
5. **Building a more peaceful and secure world**—reaching out to our partners to build solutions that can deliver lasting peace while accounting for the changing nature of conflicts.

In addition, the Gender Equality Advisory Council for Canada’s G7 Presidency—co-chaired by Melinda Gates and Ambassador Isabelle Hudon—will ensure that gender equality and women’s empowerment are integrated across all themes, activities and initiatives of Canada’s G7 Presidency.

As partners we share a responsibility to ensure that all citizens benefit from our global economy and that we leave a healthier, more peaceful and more secure world for our children and grandchildren.

—The Rt. Hon. Justin Trudeau
Prime Minister of Canada

Part 3 Upholding Shared Values

Health

Supporting the Health and Wellness of Canadians

A strong publicly funded health care system is not just a point of pride for Canadians—it is also an essential foundation for a strong, fair and prosperous country in the years to come.

In 2018–19, the Government will provide nearly \$38.6 billion to the provinces and territories under the Canada Health Transfer, an increase of \$1.4 billion over the previous year, to help provincial and territorial health care systems adapt, innovate and address new challenges. In addition to the Canada Health Transfer, the Government is committed to working with the provinces and territories to tackle issues that affect the health of Canadians, to improve the responsiveness of our health care system, and to close gaps where the quality or availability of health care is not at the high standard Canadians expect and deserve. Recently, federal, provincial and territorial governments worked together to find ways to strengthen the health care system in Canada, reaching new funding agreements that will provide \$11 billion over 10 years to provincial and territorial governments in support of home care and mental health.

Addressing the Opioid Crisis

Canada is in the midst of an opioid crisis. In 2016 alone, more than 2,800 Canadian lives were lost to apparent opioid overdoses. British Columbia has been at the forefront of this crisis, declaring a public health emergency nearly two years ago. However, the impact of the crisis is now being felt in many communities across the country—from inner cities to suburbs as well as in northern and rural communities and in Indigenous communities. The Government is committed to taking action.

Why Are We Facing an Opioid Crisis

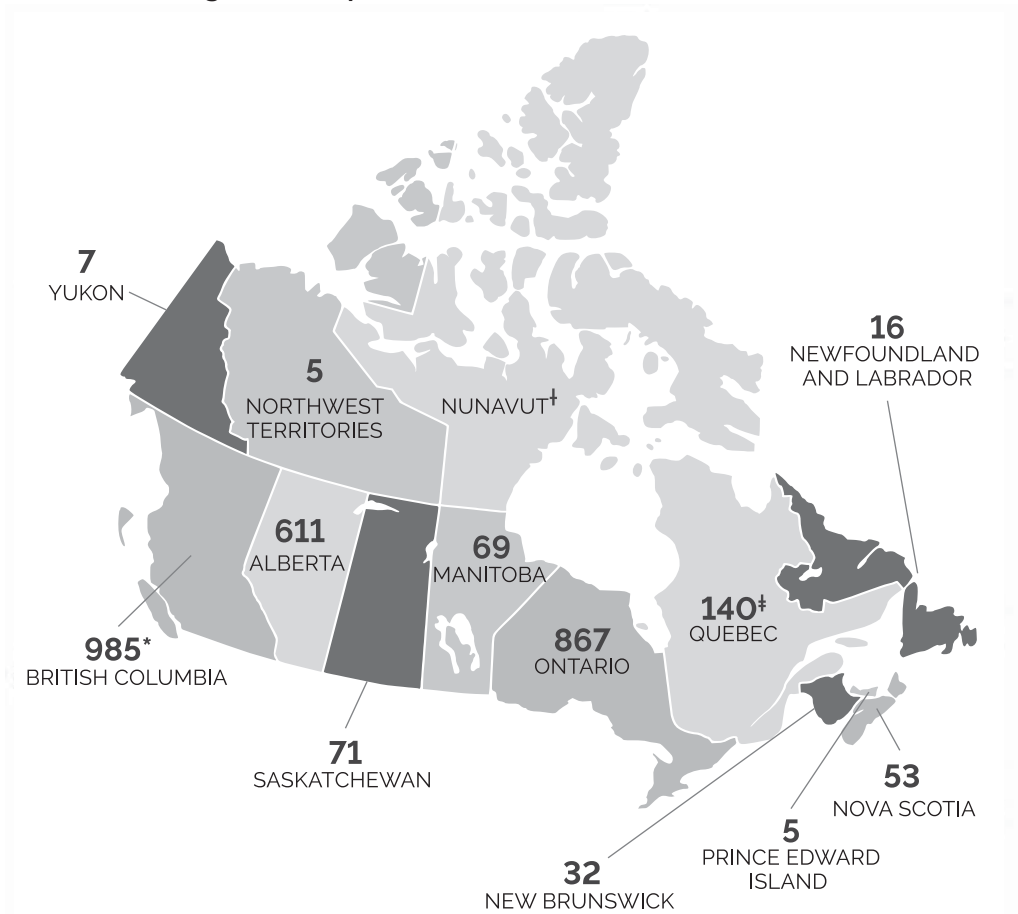
While problematic substance use has long been a reality in Canada, circumstances have fundamentally changed. Fentanyl is a highly toxic synthetic opioid which can have medical uses, but has also been introduced into Canada's illegal drug supply. Fentanyl is being added to a variety of street drugs without the knowledge of the people buying them.

Most illicit fentanyl in Canada is illegally diverted from China. Canada is working closely with China, the United States and other international partners to disrupt the export of illegally produced fentanyl and to better detect it if it arrives at the border.

Increased opioid use is not limited to illegal drugs. Canada is the second-highest per capita consumer of opioids in the world. Reducing prescription opioid use presents challenges since limiting access to prescription opioids may encourage people to seek more dangerous alternative sources.

People turn to illegal drugs for many reasons. Some people habitually use illegal drugs as an escape from pain and trauma. Some use illegal drugs on a recreational basis. Others began using prescription opioids, developed a dependence, and then turned to illegal drugs when prescription opioids were insufficient or unavailable. As a result, a broad range of people are being affected by Canada's opioid crisis.

Figure 4.4 Opioid-Related Deaths in Canada 2016



Notes

British Columbia reports unintentional deaths related to all illicit drugs including but not limited to opioids.
 Information for Nunavut is not available as the territory decided to suppress all counts less than five.
 *Expected to rise

Source: National report: Apparent opioid-related deaths in Canada, December 2017.

The former Minister of Health has described the opioid crisis as “the most serious public health issue we’re facing right now —one that affects people of all ages and backgrounds, devastating communities and tearing apart families.”

In an effort to save lives, governments, non-governmental organizations, health and public safety professionals, and individual Canadians across the country have been responding to the crisis. Since early 2016, the Government has been working with provinces and territories as well as a range of partners to address this crisis. The Government recognizes that the opioid crisis has had a significant effect on many communities. The crisis has claimed the lives of thousands of Canadians from all walks of life and has had a devastating impact on many Canadian families. The Government is committed to protecting the health and safety of all Canadians through a compassionate and collaborative approach to addressing problematic substance abuse. To help address this crisis, the Government has made new investments, introduced new legislation, and fast-tracked regulatory action in an attempt to prevent further deaths. These investments and actions are helping to support individuals, families, and communities that are directly affected by the crisis.

Federal Actions to Date		
New Federal Investments	New Legislation	Fast-Track Regulatory Action
<ul style="list-style-type: none"> • 100 million over five years to support the Canadian Drugs and Substances Strategy to support national measures and actions to respond to the opioid crisis • Over 20 million in emergency financial assistance for British Columbia, Alberta and Manitoba to help these provinces respond to the overwhelming effects of the opioid crisis and address the critical needs of their citizens 	<ul style="list-style-type: none"> • To help protect Canadians from dangerous opioids, changes were made to the Controlled Drugs and Substances Act and other Acts to allow the Minister of Health to quickly control a new and hazardous substance and to allow border officials to open small mail items in order to detain or seize illegal substances such as fentanyl • To ensure that supervised consumption sites could be established in a timely manner so that treatment services are more readily available for Canadians, including streamlining the approval process for sites • Passed the Food and Drug (Emergency Response) Act, which provides some legal protection for individuals who seek emergency help during an overdose 	<ul style="list-style-type: none"> • Significantly reduced barriers for communities that wish to establish safe consumption sites. Building on successful harm reduction models such as Vancouver's InSite clinic, these sites will save lives. • Enabled access to drugs or medications authorized in other countries to respond to urgent public health needs • Made naloxone more widely available and expedited approval of the nasal spray version • Scheduled fentanyl precursors under the Controlled Drugs and Substances Act

Despite these significant efforts and those of many others, the number of opioid-related deaths continues to rise. It is projected that in 2017, more than 4,000 Canadians will have died as a result of opioid use.

Building on the federal actions to date, the Government proposes to provide \$231.4 million over five years, starting in 2018–19, with \$1.9 million in remaining amortization and \$13.5 million per year ongoing, for additional measures to help address the opioid crisis. Key measures include:

- Providing one-time emergency funding of \$150 million for provinces and territories for multi-year projects that improve access to evidence-based treatment services.
- Launching a public education campaign to address stigma that creates barriers for those seeking treatment.
- Improving access to public health data and analysis to better understand the opioid crisis and inform strategies to address it.
- Equipping border agents with detection and identification tools to intercept fentanyl and other substances at ports of entry.
- Expanding the Substance Use and Addictions Program to develop innovative approaches to treatment and prevention.

In addition, as noted in Chapter 3, Budget 2018 also proposes targeted and specific investments in First Nations communities with high needs to address problematic substance use, including opioids.

Taken together, these investments will help to cut off the supply of dangerous drugs by preventing the illegal import of substances, will help people living with addiction and substance abuse disorders get the help they need, and will help educate more Canadians about the need to support those who seek treatment.

Advisory Council on the Implementation of National Pharmacare

Canadians are proud of our publicly funded universal medicare system which is based on need and not on ability to pay. Yet we know that at least one in ten Canadians cannot afford the prescription drugs they need. Every year almost one million Canadians give up food and heat to afford medicines. And those who can pay for their drugs face some of the highest costs among the world's most advanced countries.

The unaffordability of many medications leads to Canadians being less healthy with significantly higher health care costs for us all.

The Government has demonstrated its commitment to improving access to necessary prescription medications by taking concrete steps to lower drug prices streamline regulatory processes for drug approval support better prescribing practices and explore a national drug formulary. These steps will significantly improve the accessibility and affordability of prescription medications but there is an opportunity to do even more.

As part of Budget 2018 the Government is announcing the creation of an Advisory Council on the Implementation of National Pharmacare. We are appointing Dr. Eric Hoskins who recently served as the Minister of Health of Ontario to chair this initiative. He and board members will begin a national dialogue that will include working closely with experts from all relevant fields as well as with national provincial territorial and Indigenous leaders. The Advisory Council will report to the federal Minister of Health and the Minister of Finance and will conduct an economic and social assessment of domestic and international models and will recommend options on how to move forward together on this important subject.

The Government of Canada Is Taking Action to Protect Canadians From High Prescription Drug Prices

The Government has published proposed changes to the Patented Medicines Regulations representing the first major update to the regulations in more than 20 years. These proposed amendments to the regulations are estimated to lower drug prices for Canadians by 12.6 billion over 10 years.

In addition the Government is collaborating with the provinces and territories in the pan-Canadian Pharmaceutical Alliance (pCPA). The Alliance negotiates on behalf of Canada's public drug plans to lower prices on brand name drugs and works to reduce the cost of generic medications as well. The pCPA's efforts to date have led to over 1.2 billion a year in savings for Canadians.

A Community-Based Approach to Dementia

More than 400 000 Canadian seniors live with dementia including Alzheimer's disease. Women are disproportionately affected making up two-thirds of this population. Many women also take on the caregiving responsibilities for family members living with dementia. Budget 2018 proposes to provide 20 million over five years starting in 2018–19 and 4 million per year ongoing to the Public Health Agency of Canada to support community-based projects that address the challenges of dementia. Projects could include programs that provide mental health supports and information about self-care for family caregivers or initiatives that help Canadians locate resources in their communities quickly including information about best practices for providing care for people living with dementia. This new funding will help to improve the quality of life of people living with dementia and ensure that caregivers—who are predominantly women—have access to the resources they need including mental health supports.

Supporting a Healthy Seniors Pilot Project in New Brunswick

Canada's population is aging—the most recent demographic information from Statistics Canada shows that approximately 17 per cent of the Canadian population are age 65 or older up from about 15 per cent five years earlier.

Notably women make up the majority of the Canadian population over the age of 65. Senior women face different challenges than senior men—women tend to live longer than men and as such more senior women live alone than their male counterparts. In addition the responsibility of care for aging spouses and parents predominantly falls on women.

As Canada's population continues to age we need to be prepared for the challenges that seniors especially senior women face. That is why Budget 2018 proposes to provide 75 million in 2018–19 through the Public Health Agency of Canada to support the Healthy Seniors Pilot Project in New Brunswick. New Brunswick is uniquely suited to undertake this pilot project as its population is aging faster than the rest of Canada. A higher proportion of New Brunswick's population is over the age of 65—compared to other provinces—and the province is home to a measurably higher proportion of women over the age of 65 relative to the Canadian average.

The Healthy Seniors Pilot Project will support a range of research initiatives to examine how governments can better support seniors in their home communities and care facilities. This project will help us better understand the gendered impacts of an aging population improve the quality of life for our senior citizens and help us lay the groundwork for the dissemination of best practices in supporting healthy aging for all Canadians.

Expanding Eligibility Under the Thalidomide Survivors Contribution Program

The Thalidomide Survivors Contribution Program was established in 2015 to provide financial assistance for thalidomide survivors. The program includes a tax-free lump sum payment to each survivor to help cover urgent health care needs, ongoing annual payments based on level of disability, and an Extraordinary Medical Assistance Fund to support survivors with extraordinary medical expenses such as specialized surgery not otherwise covered by provincial/territorial health care plans or home or vehicle adaptations.

There is a concern that some thalidomide survivors may have been excluded by current eligibility criteria since, given the passage of time, it is difficult for claimants to obtain documentary proof that they are survivors. To address this concern, the program will be expanded to help ensure that all eligible thalidomide survivors receive the financial support they need. Additional details will be announced later this spring. All payments to eligible individuals will continue to be tax-free and annual payments will continue to keep pace with the cost of living.

Support for Canadians Impacted by Autism Spectrum Disorder

Autism spectrum disorder is a complex, lifelong neurodevelopmental disorder that can have serious health, social, and financial consequences for Canadian families.

Through Budget 2018, the Government proposes to provide \$20 million over five years for two new initiatives to better support the needs of Canadians experiencing autism spectrum disorder and their families. This will include the creation of an Autism-Intellectual-Developmental Disabilities National Resource and Exchange Network (AIDE) to develop online resources, an inventory of services, employment opportunities, and local programming for families across the country, based on their specific needs. The Network would be led by the Pacific Autism Family Network and the Miriam Foundation. Funding of \$9.1 million will also be provided to the Public Health Agency of Canada to support community-based projects that will support innovative program models, help reduce stigma, and support the integration of health, social, and educational programs to better serve the complex needs of families.

Expanding the Medical Expense Tax Credit for Psychiatric Service Dogs

The Government recognizes that psychiatric service dogs can play an important role in helping Canadians cope with conditions like post-traumatic stress disorder. Through Budget 2018 the Government proposes to expand the Medical Expense Tax Credit to recognize costs for these animals for the 2018 and future tax years.

This measure will directly benefit veterans and others in the disability community who rely on psychiatric service dogs and complements the work of organizations that support them such as the Royal Canadian Legion and Paws Fur Thought which provides service dogs to veterans and first responders with invisible disabilities.

Improving Compliance with the Canada Health Act

The Government contributes to the delivery of Canada's publicly funded health care system through the Canada Health Transfer which will provide nearly \$38.6 billion to provinces and territories in 2018–19. Under the Canada Health Act the Minister of Health may direct deductions from Canada Health Transfer payments if a province or territory permits extra-billing and user fees in the delivery of public health care. To encourage provinces and territories to take corrective action to align their public health care systems with the principles of the Canada Health Act as well as to recognize those that have addressed issues of non-compliance the Government is proposing legislative amendments to allow Canada Health Transfer deductions to be reimbursed when provinces and territories have taken the steps necessary to eliminate extra-billing and user fees in the delivery of public health care.

Taking Action to Reduce Smoking

Tobacco use is the leading preventable cause of disease and premature death in Canada. Combined federal provincial territorial tobacco control efforts over the last several years have contributed to a decline in smoking rates. Despite this progress over 5 million Canadians continue to use tobacco products. Every day Canadians are getting sick or dying because of tobacco use and exposure to second hand smoke. The Government is committed to helping Canadians with an addiction to tobacco and to protecting the health of young people and non-smokers.

Renewing and Enhancing the Federal Tobacco Control Strategy

The Federal Tobacco Control Strategy is a comprehensive integrated and sustained tobacco control program aimed at reducing tobacco-related disease and death.

Building on existing funding the Government will renew and enhance the Strategy by proposing to provide 80.5 million over five years starting in 2018–19 with 17.7 million per year ongoing. Public Safety Canada will renew agreements with the Akwesasne Mohawk Police Service and the Kahnawake Peacekeepers to address organized crime activities at or near community lands including contraband tobacco and funding will also be provided to the Royal Canadian Mounted Police to support ongoing law enforcement efforts to reduce contraband tobacco. Funding will also be provided to Health Canada and the Public Health Agency of Canada to support targeted actions including in Indigenous communities to encourage the prevention of tobacco use and help Canadians quit smoking. This enhanced funding builds on the 43 million spent annually for the Federal Tobacco Control Strategy and will help to replace previous cuts in spending over the last decade so that Canada can remain a leader in tobacco control.

Tobacco Taxation

Every 14 minutes a Canadian dies from a tobacco-related illness that's 37 000 Canadians per year. Despite our efforts there are still millions of Canadians who use tobacco and about 115 000 Canadians start smoking every year.

Tobacco taxation is known to be one of the most effective ways to reduce smoking and to keep tobacco products out of the hands of young people. To that end the Government proposes to advance the inflationary adjustments for tobacco excise duty so that they occur on an annual basis rather than every five years.

The Government also proposes to increase the excise duty by an additional 1 per carton of 200 cigarettes along with corresponding increases to the excise duty rates on other tobacco products.

Cannabis Taxation Regulation and Public Protection Legalizing Cannabis in 2018

The Government has committed to legalize and strictly regulate and restrict access to cannabis in order to keep it out of the hands of young Canadians and keep profits away from criminals and organized crime. To that end in 2017 the Government introduced Bill C-45 the Cannabis Act to establish a strict system for the cultivation production distribution sale and possession of cannabis in Canada and made strategic investments to implement and enforce the new federal legislative framework.

Impaired driving is the leading criminal cause of death and injury in Canada. To strengthen our impaired driving laws to keep Canada's roads safe the Government has also introduced legislation to better protect the public from both drug- and alcohol-impaired drivers.

Cannabis Taxation

To keep cannabis out of the hands of youth and profits out of the hands of criminals the Government is proposing an excise duty framework for cannabis products.

Under the framework excise duties will be imposed on federally licensed producers at the higher of a flat rate applied on the quantity of cannabis contained in a final product or a percentage of the sale price of the product sold by a federal licensee.

Government Actions to Get Ready for Legislation

- Made strategic investments of 546 million over five years to implement and enforce the new federal legislative and regulatory framework.
- Made significant investments of 150 million over six years to train and equip law enforcement to detect and deter drug-impaired driving.
- Launched public education and awareness activities having invested 46 million on drug-impaired driving and health risks.
- Communicated the new laws and enforcement framework to police including online information and training materials to ensure law enforcement is well informed to apply the new legislation if approved.
- Launched and released the results of the new Canadian Cannabis Survey to monitor patterns of use in Canada.

The excise duty framework will generally apply to cannabis products that contain Tetrahydrocannabinol (THC) – the primary psychoactive compound of cannabis. Recognizing the non-addictive – potentially therapeutic role of low-THC cannabidiol oils – which are sometimes used with children facing certain medical conditions – products that contain low amounts of THC will generally not be subject to the excise duty. Pharmaceutical products derived from cannabis will also be exempt – provided that the cannabis product has a Drug Identification Number and can only be acquired through a prescription. Work will be undertaken by Health Canada to evaluate the drug review and approval process so that Canadians in need have better access to an array of medicinal options. As part of this work – the Government will also examine options for establishing a rebate program to retroactively reimburse Canadians an amount in recognition of the federal portion of the proposed excise duty that was imposed on equivalent products prior to them being given a Drug Identification Number.

In December 2017 – the federal government reached an agreement with most provincial and territorial governments to keep duties on cannabis low – the higher of 1 per gram or 10 per cent of a product price – through a federally administered coordinated framework. This tax room will be shared on a 75/25 basis – with 75 per cent of duties going to provincial and territorial governments and the remaining 25 per cent to the federal government. The federal portion of cannabis excise duty revenue will be capped at 100 million annually for the first two years after legalization. Any federal revenue in excess of 100 million will be provided to provinces and territories. As part of this arrangement – it is the federal government's expectation that a substantial portion of the revenues from this tax room provided to provinces and territories will be transferred to municipalities and local communities – who are on the front lines of legalization.

The excise duty framework would come fully into effect when cannabis for non-medical purposes becomes accessible for retail sale.

Cannabis Public Education

The experience of other jurisdictions that have legalized cannabis has underlined the importance of ensuring that Canadians are well informed about cannabis. The Government proposes to provide 62.5 million over five years – starting in 2018–19 – for public education initiatives. This funding will support the involvement of community-based organizations and Indigenous organizations that are educating their communities on the risks associated with cannabis use. The Government also proposes to provide 10 million over five years for the Mental Health Commission of Canada to help assess the impact of cannabis use on the mental health of Canadians – and 10 million over five years to the Canadian Centre on Substance Use and Addiction to support research on cannabis use in Canada. These two investments will help inform future policy development – building on earlier significant public education investments of 46 million that have helped inform Canadians. With these investments – Canada's spending on public education related to cannabis will be on par with the per-capita amounts spent by the State of Washington in its own experience with the legalization and strict regulation of cannabis.

Support for Canada’s Veterans

The Government of Canada is committed to supporting Canada’s veterans and their families. Canada owes an enormous debt of gratitude to the women and men who have served in uniform and it is our responsibility to make sure that they are taken care of. On December 20 2017 the Government unveiled its Pension for Life plan a program designed to reduce the complexity of support programs available to veterans and their families. It proposes a broader range of benefits including financial stability to Canada’s veterans with a particular focus on supports for veterans with the most severe disabilities.

Pension for Life proposes three new benefits to provide recognition income support and stability to Canada’s veterans who experience a service-related injury or illness.		
Pain and Suffering Compensation A monthly tax-free payment for life of up to \$1 150 for ill and injured veterans.	Additional Pain and Suffering Compensation A monthly tax-free payment for life of up to \$1 500 for veterans whose injuries greatly impact their quality of life.	Income Replacement Benefit Monthly income replacement at 90 per cent of a veteran’s pre-release salary.

The Government will introduce legislation for the Pension for Life plan which will include the choice of tax-free monthly payments for life to recognize pain and suffering caused by a service-related disability up to a maximum monthly amount of \$2 650 for those most severely disabled and income replacement for veterans who are facing barriers returning to work after military service at 90 per cent of their pre-release salary.

Pension for Life means that a 25-year-old retired corporal who is 100 per cent disabled would receive more than \$5 800 in monthly support. For a 50-year-old retired major who is 100 per cent disabled monthly support would be almost \$9 000.

These new elements represent an additional investment of almost \$3.6 billion to support Canada’s veterans. When combined with services and benefits to help veterans in a wide-range of areas—including education employment caregiver support and physical and mental health—already announced in previous budgets the Government of Canada’s investments since 2016 add up to nearly \$10 billion.

Jamal Age 50 100 Per Cent Disability Assessment

Jamal spent 25 years in service as a combat engineer in a field squadron. While deployed on Operation ATHENA he was critically injured when his vehicle hit an improvised explosive device. Both his legs were amputated above the knee. After stabilizing with the Canadian Armed Forces Joint Personnel Support Unit Jamal was medically released. His sister Nadyia moved in with him to act as his caregiver.

With a disability assessment of 100 per cent Jamal will receive monthly tax-free Pain and Suffering Compensation and Additional Pain and Suffering Compensation of 2 550 in 2017 dollars or about 30 000 annually. This will be paid for life. He will also receive a tax free lump sum Critical Injury Benefit of about 72 000 to address the immediate impacts of his traumatic injury.

In addition Jamal will receive an Income Replacement Benefit of 90 per cent of his salary at release equalling about 6 400 per month or about 77 000 annually after-tax. Once Jamal reaches the age of 65 his Income Replacement Benefit will continue at a reduced rate.

Jamal is still coming to terms with both his life after service and his new physical reality. His Veterans Affairs Canada case manager arranges for an occupational therapist a social worker and a psychologist to work with him. Jamal has both a wheelchair and a motor scooter to give him greater independence the cost of both is covered by Veterans Affairs Canada. He also receives grants through the Veterans Independence Program to cover house cleaning and work around his property as well as snow removal in the winter. He has also arranged for Nadyia to receive the 1 000 per month Caregiver Recognition Benefit to recognize her contribution in support of his well-being.

Cemetery and Grave Maintenance

Veterans Affairs Canada is committed to honouring the sacrifice of our veterans by maintaining the graves and grave markers for Canadians who were buried or had grave markers erected by the Government of Canada. These sites and markers recognize the bravery and commitment of those who served our country and they must be maintained. There are about 110 000 Canadians buried overseas as a result of the two World Wars as well as 200 000 graves in Canada for veterans who were low income or whose death was related to their military service.

In 2017 an evaluation by Veterans Affairs Canada VAC found that there was a backlog of 45 000 graves cared for by VAC in Canada requiring repairs. With existing levels of funding the evaluation found that it would take more than 17 years to complete the needed repairs. To eliminate the current backlog of repairs in the next 5 years the Government proposes to provide funding 24.4 million over five years starting in 2018–19. The funding will be used for cleaning restoring or replacing headstones and fixing foundation issues.

Better Services for Veterans

Since 2016 the Government has put in place substantial improvements to the benefits and services available for veterans. For example the Government has raised financial supports for veterans and caregivers introduced new education and training benefits and expanded a range of services available to the families of medically released veterans.

With additional benefits and services now becoming available more and more veterans are coming forward to get the help they need. For example over the past two years Veterans Affairs Canada has seen a 32 per cent increase in the number of applications for disability benefits. To keep up with the rise in demand and ensure that veterans get services and benefits when they need them the Government proposes to provide 42.8 million over two years starting in 2018–19 to increase service delivery capacity at Veterans Affairs Canada.

Supporting Canada's Heritage and Cultural Diversity

Canada's heritage and culture plays a vital part in the day-to-day lives of Canadians. To support this important sector of our economy Budget 2018 proposes investments that will ensure that Canada's heritage can be celebrated and shared by more Canadians in more communities across the country.

Supporting Canada's Official Languages

Canada's linguistic duality which for 50 years has been enshrined in the Official Languages Act is an integral part of Canada's history and identity. Strong official language minority communities not only celebrate our shared history and identity they are essential to Canada's competitiveness in an increasingly globalized world. The Government understands the challenges that official language minority communities are facing and has developed an Action Plan for Official Languages 2018-2023 to help address some of these challenges. In addition to serving existing communities providing services and initiatives in both official languages is key to improving the integration and settlement of new immigrants. By promoting official bilingualism and empowering our communities to tell their stories we strengthen Canada's diversity strengthen our communities and increase our influence around the world.

The Government proposes to provide 400.0 million in new funding over five years starting in 2018–19 with 88.4 million per year ongoing in support of the Action Plan for Official Languages 2018-2023. Key measures will be implemented by Canadian Heritage, Employment and Social Development Canada, Health Canada, the Public Health Agency of Canada, Statistics Canada, and Immigration, Refugees and Citizenship Canada and will include funding for

- Community organizations to ensure that they are able to continue to provide important services for individuals in their communities, to welcome newcomers, and to foster early childhood development.
- Cultural, artistic and heritage activities, including community theatre, art workshops, and activities showcasing local heritage or history.
- French- and English-language minority community radio stations and newspapers.
- Development of an interactive application to make it easy for Canadians to learn English or French as a second language.
- Improved access to services for English-speaking communities of Quebec in their official language.
- The recruitment and retention of teachers who teach French and English as a second language.
- Minority official language schools, 20 million for a variety of early learning and child care initiatives.

Taken together, the Action Plan will help improve services in official language minority communities and promote bilingualism across Canada.

Strengthening Multiculturalism and Addressing the Challenges Faced by Black Canadians

Diversity is Canada's strength and a cornerstone of Canadian identity. Recent domestic and international events, like the rise of ultranationalist movements and protests against immigration, visible minorities and religious minorities, remind us that standing up for diversity and building communities where everyone feels included are as important today as they ever were.

To provide support for events and projects that help individuals and communities come together, the Government proposes to provide 23 million over two years, starting in 2018–19, to increase funding for the Multiculturalism Program administered by Canadian Heritage. This funding would support cross-country consultations on a new national anti-racism approach, would bring together experts, community organizations, citizens and interfaith leaders to find new ways to collaborate and combat discrimination, and would dedicate increased funds to address racism and discrimination targeted against Indigenous Peoples and women and girls.

As a first step toward recognizing the significant and unique challenges faced by Black Canadians, the Government also proposes to provide \$19 million over five years that will be targeted to enhance local community supports for youth at risk and to develop research in support of more culturally focused mental health programs in the Black Canadian community. In addition, with the creation of the new Centre for Gender Diversity and Inclusion Statistics, announced in Chapter 1, the Government is committed to increase the disaggregation of various data sets by race. This will help governments and service providers better understand the intersectional dimensions of many issues, with a particular focus on the experience of Black Canadians.

Investing in Canadian Content

The Canada Media Fund is a non-profit organization that fosters, promotes, develops and finances the production of Canadian content for all audiovisual media platforms. The Canada Media Fund receives financial contributions from the Government and Canada's cable, satellite and Internet protocol television distributors.

With Canadians increasingly watching content online, contributions from the broadcasting sector to the Canada Media Fund have started to decrease in step with their declining revenues. To address this issue, the Government has committed to increase its contribution in order to maintain the level of funding in the Canada Media Fund.

The Government proposes to provide \$172 million over five years, starting in 2018–19, with \$42.5 million per year ongoing, to maintain the level of funding in the Canada Media Fund at the 2016–17 level. While the actual Government contributions will fluctuate depending on the broadcasting sector revenues, this approach will provide a stable source of funding to develop Canadian content and support good jobs, including for our writers, producers, directors, actors and crews.

Supporting Local Journalism

As more and more people get their news online, and share their interests directly through social media, many communities have been left without local newspapers to tell their stories.

To ensure trusted, local perspectives as well as accountability in local communities, the Government proposes to provide \$50 million over five years, starting in 2018–19, to one or more independent non-governmental organizations that will support local journalism in underserved communities. The organizations will have full responsibility to administer the funds, respecting the independence of the press.

Further consistent with the advice laid out in the Public Policy Forum's report on news in the digital age over the next year the Government will be exploring new models that enable private giving and philanthropic support for trusted professional non-profit journalism and local news. This could include new ways for Canadian newspapers to innovate and be recognized to receive charitable status for not-for-profit provision of journalism reflecting the public interest that they serve.

More Women and Girls in Sport

Canada's women and girl athletes do us proud at high-performance sport events and regularly achieve podium success at Senior World Championships and Olympic and Paralympic Games. However fewer Canadian women and girls participate in sport and physical activity than men and boys—Statistics Canada estimates that in 2010 approximately one-third of Canadian men and one-sixth of Canadian women regularly participated in sport. Men are also approximately two to three times more likely to be coaches officials or in other leadership positions than women.

We need to create an environment where women and girls feel comfortable engaging in physical activity and sport—at all ages and all levels. To do so we need to better understand why women and girls choose not to participate in sport or move into the senior ranks of coaching or management of sports and then work to remove the barriers that exist.

This is why through Budget 2018 the Government is setting a target to achieve gender equality in sport at every level by 2035 and proposes to provide an initial \$30 million over three years to support data and research and innovative practices to promote women and girls' participation in sport and provide support to national sports organizations to promote the greater inclusion of women and girls in all facets of sport.

Supporting ParticipACTION

Inactivity is now the fourth leading cause of death worldwide responsible for an estimated 3.2 million deaths each year. In Canada the vast majority of Canadians do not meet recommended levels of physical activity with 9 out of 10 children and youth not meeting Canadian Physical Activity Guidelines. ParticipACTION is a national non-profit organization originally established in 1971 whose mission is to make physical activity a vital part of everyday life.

The Government proposes to provide \$25 million over five years starting in 2018–19 for ParticipACTION to increase participation in daily physical activity among Canadians.

Supporting Special Olympics

Special Olympics is a global grassroots movement bringing community programs and competition opportunities to more than 4.5 million children youth and adults with intellectual disabilities across 170 countries. Special Olympics Canada is dedicated to enriching the lives of Canadians with an intellectual disability through sport.

The Government proposes to provide 16 million over five years starting in 2018–19 with 2 million per year ongoing for Special Olympics Canada to sustain its empowering movement which supports more than 45 000 children youth and adults in Canada with intellectual disabilities through its extraordinary network of more than 21 000 volunteers.

Revitalizing National Capital Commission Assets

The National Capital Commission (NCC) is a federal Crown corporation that is responsible for parkways pathways buildings and bridges in the National Capital Region. Each year millions of visitors come to Canada’s capital to use and appreciate historic sites and parklands maintained by the NCC including Confederation Boulevard Canada’s ceremonial route Parliament Hill and Gatineau Park. To ensure these infrastructure assets continue to remain safe and enjoyable for current and future generations of visitors to Canada’s capital the Government will invest 55 million over two years on a cash basis in support of critical repair and maintenance work on its portfolio of fixed assets.

A New Partnership Between Library and Archives Canada and the Ottawa Public Library

The Government also proposes to provide 73.3 million over six years on a cash basis starting in 2018–19 with 4.0 million per year ongoing to support the construction and ongoing operations of a new joint facility that will house Library and Archives Canada and the Ottawa Public Library. This represents the Government’s share of the project with the balance expected to be provided by the City of Ottawa. This new building will be an iconic community hub a single door to the national library and archives and a world-class public library in Canada’s capital city which will increase citizen participation in the community and improve access to Canada’s history culture and collective knowledge. It is expected that the new building will be completed by 2023.

Supporting the Canadian Museum for Human Rights

The Canadian Museum for Human Rights one of Canada’s national museums works to explore the subject of human rights with special but not exclusive reference to Canada in order to enhance the public’s understanding of human rights.

In order to ensure that the museum has adequate funding to deliver on its mandate including promoting respect for others and encouraging reflection and dialogue the Government proposes to provide 35 million over six years starting in 2018–19 to support the museum’s operations.

Good Governance

The Government of Canada is committed to evidence-based decision-making whether it applies to a government agency spending taxpayer dollars or to engaging citizens to participate in democratic life. Equipping governments and Canadians with sound data and up-to-date information are essential to a healthy democracy. For this reason the Government is taking action to increase the quantity and quality of information that is available to Canadians while improving the delivery of government services.

A New Process for Federal Election Leaders' Debates

Leaders' debates play an essential role in Canada's federal elections by engaging Canadians in the election campaigns and helping to inform their voting decisions. Over the past 50 years the way leaders' debates have been negotiated have put at risk the structure and potential usefulness of leaders' debates.

The Government proposes to provide 6 million over two years to be repeated every pre-election and election year to support a new process that would ensure that federal leaders' debates are organized in the public interest and improve Canadians' knowledge of the parties their leaders and their policy positions. In the coming months the Minister of Democratic Institutions will bring forward potential approaches to leaders' debates. The Government may introduce legislation to implement the approach taken to establish the new process for leaders' debates.

Upholding the Integrity of Canada's Elections

Through Budget 2018 the Government proposes to provide 7.1 million over five years beginning in 2018–19 and 1.5 million per year ongoing to support the work of the Office of the Commissioner of Canada Elections. This funding will help ensure that the Canadian electoral process continues to uphold the highest standards of democracy by all Canadians political entities businesses and individuals alike now and into the future.

Renewing and Modernizing Statistics Canada

The Government is committed to evidence-based decision-making to support economic growth. A whole-of-government approach to data will seek to improve how the federal government collects uses and shares data. It will be supported by the expertise of a renewed and modernized Statistics Canada while ensuring that Canadians privacy remains protected. As part of this approach the Government proposes to provide 41 million over five years to Statistics Canada starting in 2018–19 with 4.4 million per year ongoing in support of the vision. The Government will also explore further options including through legislation to ensure Statistics Canada can respond to data needs of the 21st century.

Beyond the modernization of the agency it has become clear that the Government needs to fill gaps in knowledge for new and emerging cross-border services industries such as content streaming services which are becoming increasingly important to the Canadian economy. The Government proposes to provide 15.1 million over five years starting in 2018–19 with 3.0 million per year ongoing to Statistics Canada to address data gaps in international trade in services including international trade in digital services and products. Better data will contribute to the Government's commitment to produce high-quality information that is accessible and relevant to interested Canadians and will support its commitment to evidence-based policy-making. This is in addition to the 6.7 million over five years outlined in Chapter 1 to create a new Centre for Gender Diversity and Inclusion Statistics.

Statistics Canada has a mandate to conduct the Census of Population and Census of Agriculture every five years both of which produce objective high-quality statistical information that is vital to all levels of government the private sector academia and not-for-profit entities. Statistics Canada will conduct the next census in 2021 building on the successes of the 2016 Census of Population which had the highest response in history to the long form component and set a world record for Internet response. The Government proposes to provide 767.3 million over 10 years starting in 2018–19 to Statistics Canada to conduct the 2021 Census of Population. The Government also proposes to provide 49.4 million over six years starting in 2018–19 to Statistics Canada to conduct the 2021 Census of Agriculture.

The 2016 Census revived the long form component to replace the voluntary National Household Survey (NHS). The return of the long form component improved the accessibility accuracy and coherence of statistical information. In particular the long form component was able to provide data on smaller communities across Canada that was unavailable in 2011 due to the NHS's lower response rate. This data provides researchers and policy-makers with a better understanding of all Canadians.

Gender-Based Analysis Plus Better More inclusive Data

In order to obtain more inclusive data on sex and gender Statistics Canada officials have been working with LGBTQ2 organizations to adjust Census of Population questions and response options to better reflect how people identify themselves for example by allowing respondents to answer in a non-binary fashion. This will provide critical information to help understand and meet the needs of LGBTQ2 Canadians.

Improving Client Services at the Canada Revenue Agency

Providing excellent service to Canadians is a top priority for the Canada Revenue Agency (CRA). Over the past two years, the Government has made significant investments to improve the timeliness and responsiveness of service. While progress has been made, Canadians continue to face unacceptable delays and challenges in dealing with the CRA. More needs to be done to make the Agency and its services fairer, more helpful and easier to use.

A More Client-Centred Approach

To effect systemic change, the Government will undertake a comprehensive departmental review of the CRA's service model. This review will examine all aspects of the Agency's work in order to ensure that Canadians interacting with the CRA feel like valued clients, not just taxpayers. Further details about this review will be announced in the coming months.

While this review proceeds, the Government will continue to invest through Budget 2018 to improve the quality and availability of services offered by the Agency.

The Government is proposing \$206.0 million over five years, starting in 2018–19 and \$33.6 million per year ongoing, for the CRA to address the Government's commitments to service excellence in three key areas.

Improving Telephone Services

- The CRA answers roughly 20 million calls in a typical year, but for a number of years, Canadians have been frustrated by frequent busy signals, dropped calls and long wait times. Building on progress made through Budget 2016 funding, the Government is proposing additional funding to enhance telephone technology and hire more agents. This will mean fewer delays and more timely and responsive services. The Government will also make investments to improve the way the CRA monitors agent feedback and to provide additional training to ensure that Canadians get the correct information they need.

Enhancing the Community Volunteer Income Tax Program

- The Community Volunteer Income Tax Program is a great example of what can be achieved when community organizations come together to help Canadians. Through this program, community organizations host tax preparation clinics and arrange for volunteers to prepare income tax and benefit returns for individuals free of charge with modest or low incomes. Last year, over 700,000 individuals were helped by over 2,800 participating organizations.

- Through Budget 2018 the Government proposes to double the size of the program helping hundreds of thousands more individuals complete their taxes and access benefits to which they are entitled. This expansion will include funding for additional year-round benefit clinics and more outreach activities to vulnerable population segments including seniors newcomers people with disabilities youth and Indigenous communities.
- With total annual ongoing investments of 13 million in Budget 2016 and Budget 2018 the Government has quadrupled funding to support the Community Volunteer Income Tax Program in recent years.

Strengthening Digital Services

- The majority of Canadians prefer to interact with government through the CRA website as nearly 90 per cent of tax returns in Canada are filed electronically and roughly 77 per cent of payments are completed online. CRA online services are used by millions of Canadians every year to apply for the Canada Child Benefit ask a question about their small business or get help filing their taxes for example. A secure reliable and modern online system is vital to the service that the CRA provides to Canadians.
- Budget 2018 investments will update and modernize information technology infrastructure to deliver a more user-friendly experience allowing Canadians to easily find the tax and benefit information they need whether as an individual business owner or tax representative. Improvements will also ensure that online services remain available and uninterrupted even during peak periods. Moreover the online interface with Revenu Québec will be further strengthened in order to facilitate the provision of the same level of digital services for the residents of Quebec as in the rest of the country.

Clarifying the Rules on Political Activities by Charities

The Government has pledged to allow charities to do their work on behalf of Canadians free from political harassment and promised to clarify the rules governing political activity with an understanding that charities make an important contribution to public policy. An expert panel was created to study the issue of political activities by charities and in 2017 this panel provided a series of recommendations to the Government based on consultations held with charities. The Government will provide a response to this report in the coming months.

Stabilizing and Future Transformation of the Federal Government's Pay Administration Phoenix

Canada's public servants deserve to be paid properly and on time for their important work. In early 2016 the Phoenix pay system for federal public servants was implemented following years of planning and development as part of a broader initiative originally intended to save money. Since that time it has been obvious that the outcomes have been unacceptable for both the Government and its employees. The Transformation of Pay Administration Initiative launched in 2009 was under-resourced and suffered from poor planning and implementation. The Government is doing everything it can to make this right.

To date the Government has committed more than 460 million to implement the Phoenix pay system and resolve subsequent issues. Over the last year and a half the Government has hired several hundred people to rebuild capacity that was lost due to the previously flawed business plan. In addition action has also been taken to reimburse employees who have incurred personal expenses as a result of pay issues. However serious issues and challenges with the Phoenix pay system continue and too many federal public servants are not being properly paid.

Through Budget 2018 the Government is committing to the next steps in addressing the ongoing challenges of the Phoenix pay system including announcing its intention to eventually move away from Phoenix and begin development of the next generation of the federal government's pay system one that is better aligned with the complexity of the federal government pay structure. In this context the Government proposes to provide an additional investment of 16 million over two years beginning in 2018–19 to work with experts federal public sector unions and technology providers on a way forward for a new pay system.

In the interim the Government will continue to address the existing pay challenges. To this end Budget 2018 proposes an investment of 431.4 million over six years starting in 2017–18 to continue making progress on Phoenix issues including hiring additional staff to support the pay system bringing the number of employees working on pay issues at the Pay Centre and satellite offices to more than 1 500. This compares to the 550 employees that were originally intended to handle all pay issues when the new pay system was launched. Furthermore this additional funding would go towards hiring more staff within departments to better assist employees with payroll issues as they arise. This would mean that public servants also have better access to a broader range of supports in the workplace.

Budget 2018 also proposes to provide 5.5 million over two years starting in 2017–18 to the Canada Revenue Agency for the processing of federal government employee individual income tax reassessments that are required due to Phoenix pay issues and for handling related telephone enquiries.

While the Phoenix pay system has been underpaying some public servants it has also been paying others too much. Under current legislation any employee who receives an overpayment in respect of a previous year is required to pay back the gross amount to their employer and recover excess withholdings from the Canada Revenue Agency. Public servants in this situation can rest assured that they will not have to start repaying until after the Canada Revenue Agency processes their tax return and refunds the excess withholdings or credits them against a tax liability. At the same time the Government is reviewing the legislation and will engage key stakeholders to assess the feasibility of changes to the legislation that would permit any private or public sector employee in this situation to repay the amount net of withholdings starting for the 2018 taxation year and forward.

Finally to address the real mental and emotional stress and unacceptable financial impacts on public servants the Government has initiated discussions with public service representatives to address the numerous grievances and legal actions. Similarly the Government will also take action to reimburse missing and inaccurate dues that are owing to public sector unions.

Improving Service Delivery

Canadians expect government services to be of high quality accessible secure and digitally enabled. The Government will make significant new investments to bolster the backbone of federal government operations and ensure that Canadians receive the services that they need and deserve.

For example building on investments of 12.1 million announced in Budget 2017 Employment and Social Development Canada is exploring modern approaches to service delivery beginning with Employment Insurance EI. Through the modernization of benefit delivery the Government will improve Canadians' access to services and benefits including speeding up application processes.

In addition the Government is committed to minimizing the administrative burden on employers. To this end Employment and Social Development Canada is working with stakeholders to develop ways to streamline employer reporting obligations under the EI program.

The Government proposes legislative amendments respecting service delivery by the Government to the public and partner entities including e-service delivery.

Predictable Funding for Employment Insurance Service Delivery

Timely access to EI benefits is critical to help Canadians navigate a job loss or other life events. To meet the demands of increased EI claims volumes, the Government has increased funding for EI administration in the last two years. As a result, in 2016–17, 83 per cent of EI claimants received EI benefits or notification of their claim status within 28 days of filing.

The Government proposes to make available up to \$90 million over three years, starting in 2018–19, for EI claims processing and service delivery. Funding will be linked to EI claims volumes and will provide responsiveness to changing economic conditions. This will ensure that EI recipients continue to receive timely and accurate benefit payments.

Employment Insurance Call Centre Accessibility

EI call centres play a key role in delivering EI benefits, allowing Canadians to obtain information and assistance from agents who know the EI program. Building on investments of \$73 million over two years announced in Budget 2016, the Government proposes to provide an additional \$127.7 million over three years, starting in 2018–19, to further improve accessibility and ensure Canadians receive timely and accurate information and assistance with EI benefits.

Part 4 Security and Access to Justice

Whether through the guarantee of a fair and equitable justice system or the knowledge that their private information is secure, Canadians deserve to feel safe and protected in a rapidly changing world.

An interconnected world powered by new technologies offers great benefits to Canadian families and tremendous opportunities to businesses, small and large. In a digital and globally connected world, the Government is taking action to promote our shared values, bolster services to Canadians and strengthen their protection, at home, abroad, and online, including establishing this country's first comprehensive cyber security plan.

A strong, safe and secure Canada means our institutions are working effectively with the resources they need. This budget commits to a number of measures that bolster the efficiency of Canada's safety and security institutions without compromising our shared values as an open, inclusive and welcoming society.

Access to Justice

Canadians should have every confidence that their justice system protects their rights and treats them fairly. Access to justice is not only about having an efficient and effective court system, it is also about having access to information, services and processes that enable Canadians to better understand and exercise their legal rights.

The Government recognizes that access to justice is a foundation of Canadian society and will invest in strengthening the Canadian judiciary, supporting Canada's court system, and enhancing openness and transparency. Together, these measures reinforce the Government's strong commitments to respecting the rule of law and to upholding a justice system that is accessible, fair and efficient.

Expanding Unified Family Courts

Unified Family Courts aim to simplify family justice procedures for Canadians experiencing issues including separation, divorce, support and custody disputes. With access to Unified Family Courts, family law issues are considered under one court system rather than two, which helps streamline the process and can help reduce the stress and confusion that families may face during this time. In addition, Unified Family Courts use specialized judges who are familiar with the sensitive nature of family law issues and offer a range of programs and support services to families. The combination of these specialized courts and enhanced services for families can help resolve issues more efficiently.

To enhance access to justice and improve outcomes for a significant number of Canadian families, the Government proposes to provide \$77.2 million over four years, starting in 2019–20, and \$20.8 million per year ongoing to support the expansion of Unified Family Courts, creating 39 new judicial positions in Alberta, Ontario, Nova Scotia, and Newfoundland and Labrador. This expansion will create a more streamlined process for those who rely on these services. The Government intends to introduce corresponding legislative amendments to create these new judicial positions to enhance Unified Family Courts.

The Government of Canada is committed to promoting access to justice for all Canadians. To that end, the Government's plan to strengthen the Canadian judiciary proposes

- Supporting the creation of six **new judicial positions** for the Ontario Superior Court of Justice and one position for the Saskatchewan Court of Appeal, \$17.1 million over five years, beginning in 2018–19, and \$3.7 million per year ongoing. These resources build on Budget 2017 investments and will help improve the administration of justice and the efficiency of the court system in both criminal and civil matters. The Government intends to introduce legislative amendments to create these new judicial positions, as well as to address two changes for which funding has already been provided: the conversion of one Federal Court judge position into an Associate Chief Justice position, and the addition of another judge to the Federal Court.
- Ensuring that a robust process remains in place to allow Canadians to voice concerns and submit complaints about judicial conduct to the Canadian Judicial Council and the Office of the Commissioner for Federal Judicial Affairs, \$6.0 million over two years, beginning in 2018–19. These investments support the **judicial discipline process** through which allegations of judicial misconduct are investigated.

- Funding for the Independent Advisory Board for Supreme Court of Canada Judicial Appointments to effectively carry out a non-partisan independent process to identify **judicial candidates of the highest caliber**—who are functionally bilingual and representative of the diversity of our country 0.3 million in 2017–18 to the Office of the Commissioner for Federal Judicial Affairs .

The Government also proposes to support Canada’s courts system by

- Helping ensure the **smooth functioning of the Supreme Court of Canada** and reinforcing continued confidence in the Canadian judicial system 9.6 million over five years starting in 2018–19 and 1.9 million per year thereafter to the Office of the Registrar of the Supreme Court of Canada .
- Providing investments to the Courts Administration Service in support of Canada’s federal courts. This funding will primarily support judicial and registry services and will better **enable the federal courts to address their growing and increasingly complex caseload** 41.9 million over five years and 9.3 million per year ongoing to the Courts Administration Service .

Proposed investments through Budget 2018 will also enhance Canadians’ access to justice by

- Enhancing the capacity of the Office of the Information Commissioner to resolve complaints about the handling of public **access to information** requests 2.9 million in 2018–19 to the Office of the Information Commissioner . This funding reinforces the Government’s commitment to openness and transparency concerning access to information.
- Supporting **access to justice in the official language of one’s choice** with funding for the Access to Justice in Official Languages Pilot Fund 10.0 million over five years starting in 2018–19 and 2.0 million per year ongoing to the Department of Justice Canada .

In addition to these measures the Government intends to bring forward broad-based concrete reforms to the criminal justice system including changes to how juries are selected.

Combating Gender-Based Violence and Harassment

Violence and harassment can have lifelong impacts on an individual's physical and mental health and are unacceptable regardless of whom they affect and which form they take.

While anyone can be a victim of violence and harassment, women and girls face a greater risk of certain types of violence, including sexual assault and intimate partner violence, as well as sexual harassment and human trafficking. In addition, some individuals may be especially vulnerable, including young women, newcomers, Indigenous women, LGBTQ2 people, and women with disabilities. The Government remains committed to amending the Criminal Code to introduce a reverse onus on bail for individuals with previous convictions of intimate partner violence. The Government plans to work closely with provinces and territories in the coming months on this issue.

The Government recognizes that prevention is critical to ending gender-based violence, that survivors and their families need support, and that the legal and justice systems must be improved to respond to gender-based violence. Through Budget 2018, the Government proposes new funding to address these areas.

The Government is also committed to ensuring that Canadians have access to the supports they need to effectively navigate Canada's justice system—and that Canada's judiciary reflects our country's diversity.

Addressing Demand for Immigration and Refugee Legal Aid

The Government supports provinces that deliver legal aid services to asylum seekers in need of representation during the immigration process. Often, asylum seekers have fled their countries because of a fear of persecution and an inability to return home. Budget 2017 provided funding to enhance immigration and refugee legal aid in partnership with provinces. Through Budget 2018, this Government proposes to build on these investments and provide an additional 12.8 million for legal aid services to asylum seekers in 2018–19. This investment will help ensure that eligible asylum seekers continue to have access to legal aid.

What Will Success Look Like

- ✓ Fewer women are victims of intimate partner violence and sexual assault
- ✓ Fewer women are victims of homicide by intimate partners
- ✓ Fewer victims of human trafficking
- ✓ Increased police reporting of violent crimes
- ✓ More workplaces are harassment free
- ✓ Child and spousal support orders are enforced

National Human Trafficking Hotline

Human trafficking is a heinous crime that disproportionately affects women and girls—particularly Indigenous, newcomer and low-income individuals. The Government is committed to putting an end to gender-based violence and proposes to provide \$14.51 million over five years beginning in 2018–19 and \$2.89 million per year ongoing to Public Safety Canada to combat human trafficking by establishing a National Human Trafficking Hotline including an online portal and a referral mechanism to social services and law enforcement. This hotline will help protect those vulnerable to being trafficked and enable victims to access the necessary social and law enforcement services they need. As this initiative proceeds, the Government will work with provinces and territories to ensure effective implementation.

Taking Action to Prevent and Address Gender-Based Violence Harassment and Discrimination

As movements such as MeToo and Times p have demonstrated through the powerful stories of survivors gender-based violence harassment and discrimination continue to impact women at home at work and throughout Canadian society. The Government has a vital role to play in helping to create a more equitable society free from discrimination of any kind.

Everyone deserves to live a life free from violence. While gender-based violence is often thought of through the lens of violence against women and girls many Canadians face violence every day simply because of their gender expression gender identity or perceived gender.

The negative impacts of gender-based violence reach far beyond any specific population. While gender-based violence significantly influences the health social and economic conditions of the individuals who directly experience it it also has long-lasting and negative results for family members friends and entire communities.

Making Progress on Gender-Based Violence

Through Budget 2017 the Government provided 101 million over five years starting in 2017–18 towards a Gender-Based Violence Strategy. Funding includes

- 77.5 million over five years and 16 million per year ongoing to **Status of Women Canada** for a Gender-Based Violence Knowledge Centre data collection and research and programming
- 9.5 million over five years and 2 million per year ongoing to the **Public Health Agency of Canada** to support implementing and testing ways to prevent gender-based violence including child maltreatment and teen dating violence
- 6 million over five years and 1.3 million per year ongoing to **Public Safety Canada** to enhance efforts to address online child exploitation
- 4 million over five years and 0.8 million per year ongoing to the **Department of National Defence** to increase funding for Family Crisis Teams to support members of the Canadian Armed Forces and their families affected by violence
- 2.4 million over five years and 0.6 million per year ongoing to the **Royal Canadian Mounted Police** for cultural competency training for federal law enforcement officers and
- 1.5 million over five years to **Immigration Refugees and Citizenship Canada** to enhance the Settlement Program.

The Government proposes to provide an additional \$86.0 million over five years starting in 2018–19 and \$20.0 million per year ongoing to expand Canada's Strategy to Address Gender-Based Violence. New investments will focus on

- Preventing teen dating violence.
- Enhancing and developing preventative bullying and cyber bullying initiatives.
- Equipping health professionals to provide appropriate care to victims.
- Enhancing support for the National Child Exploitation Coordination Centre to increase investigative capacity of the RCMP.
- Expanding the High Needs Victims Fund so that more organizations such as rape crisis centres are better able to help population groups who are at the highest risk of experiencing violence. This investment will double the support provided to this initiative in Budget 2017.
- Providing support to sexual assault centres in close proximity to Canadian Forces bases so that members of the Canadian Armed Forces have access to a full spectrum of supports to address gender-based violence. This builds on other investments in family support services through the ongoing re-engaged the Government's new defence policy.

Violence Against Members of the LGBT² Communities

People self-identifying as homosexual or bisexual are three times more likely than heterosexuals to self-report having experienced violent victimization i.e. sexual assault robbery or physical assault .

LGBTQ2 (lesbian gay bisexual transgender queer questioning intersex and two-spirit and non-binary) people often face discrimination harassment and other harms including hate crimes as societal ideas about heteronormative gender roles as well as ideas about appropriate gender performances work together to create discriminatory experiences for members of LGBTQ2 communities.

LGBTQ2 individuals are more at risk of sexual assault than heterosexual individuals. Canadians who identified as homosexual or bisexual had a rate of sexual assault that was six times higher than those who identified as heterosexual.

In addition to providing more comprehensive support towards the Federal Strategy to Address Gender-based Violence the Government is proposing targeted new measures to combat violence and harassment at home and in the workplace.

Ensuring a Workplace Free of Violence and Harassment	<p>Harassment and violence prevents Canadians—particularly women, young people, LGBTQ2 persons, Indigenous Peoples and visible minorities—from participating to the fullest of their potential. Harassment and violence at work stands in the way of growth and success by contributing to productivity loss, turnover, stress and anxiety, and lower job satisfaction.</p> <p>On November 7, 2017, the Government of Canada introduced Bill C-65 to create a single, integrated framework that will protect federally regulated employees from harassment and violence in the workplace. The Government will provide \$34.9 million over five years, starting in 2018–19 with \$7.4 million per year ongoing, to support Bill C-65. This will ensure that federally regulated workplaces are free from harassment and violence.</p> <p>The Government also proposes to establish a Centre of Diversity, Inclusion and Wellness within the public service that will have, as part of its mandate, to better support public servants in dealing with sexual harassment in the workplace within the public service.</p>
Providing Legal Support to Victims of Sexual Harassment in the Workplace and Increased Awareness	<p>The Government proposes to invest \$50.4 million over five years, starting in 2018–19, to address sexual harassment in the workplace. Of this amount, \$25.4 million over five years will be dedicated to boosting legal aid funding across the country with a focus on supporting victims of sexual harassment in the workplace. The Government will work in partnership with provinces and territories but will not require them to match the proposed funding. In addition, the Government proposes to invest a further \$25.0 million over five years to develop a pan-Canadian outreach program to better inform workers, particularly those most vulnerable about their rights and how they can access help if they have been harassed in the workplace.</p>
Support for Victims of Family Violence	<p>Family violence affects victims and their loved ones who are forced to deal with its physical and its financial impacts, including potential loss of financial security. Indeed, financial dependence is one of the most significant reasons victims stay with or return to their abusers. That is why the Government intends to amend the Canada Labour Code to provide five days of paid leave to workers in the federally regulated jurisdiction who are victims of family violence or the parent of a child who is the victim of family violence. This builds on job-protected leave for survivors of violence which was introduced in Budget 2017.</p>

Improving Support for Sexual Assault Crisis Centres on Campuses

Of all sexual assault incidents reported in Canada nearly half 47 per cent were committed against women aged 15 to 24 and 41 per cent of all sexual assaults across Canada were reported by students. There is a need for federal leadership in this area to support a harmonized national approach and dialogue leading to strategies to address sexual violence to create safe campuses and to remove the stigma from reporting or seeking support following sexual violence. The Government proposes to provide up to 5.5 million over five years starting in 2018–19 to Status of Women Canada to work with stakeholders including provinces and territories towards developing a harmonized national framework to ensure consistent comprehensive and sustainable approaches in addressing gender-based violence at post-secondary institutions across the country. Starting in 2019 for those universities and college campuses that are not implementing best practices addressing sexual assaults on campus the Government of Canada will consider withdrawing federal funding.

Addressing unfounded cases of sexual assault and better supporting victims

Sexual assault is a serious crime that can have devastating and long-lasting effects on victims. When individuals come forward to police they should be treated with the compassion and respect that they deserve. Positive experiences with police investigations can also encourage others to report these crimes. Following media reports regarding concerns related to the manner in which sexual assault complaints were being investigated by the RCMP and other police forces across Canada the RCMP undertook a comprehensive review in 2017 of all files where sexual assault complaints were coded as unfounded. As a result of this work looking at more than 2 000 case files so far 284 additional investigations have been launched as of December 2017. To continue and expand this work Budget 2018 proposes to provide the RCMP with an additional 10 million over five years and 2 million per year ongoing to establish a national unit that will coordinate the review of nearly 25 000 more case files since 2015 as well as provide accountability across the force for investigations and oversee the development of a curriculum and training to address the problems raised by unfounded. An external advisory committee and better supports for victims will also form part of this initiative. The Government as a whole will continue to work with provinces and territories on possible additional actions to help address these issues.

Addressing Corporate Integrity

Corporate wrongdoing imposes significant economic and social costs. It undermines competition, threatens the integrity of markets, puts up barriers to economic growth, increases the cost and risk of doing business, and undermines public and investor confidence. Many governments, including the Government of Canada, are committed to taking action against improper, unethical and illegal business practices and holding companies to account for such conduct. That is why the Government has already committed to increasing Canadian companies' compliance with human rights standards abroad with the launch of the Canadian Ombudsperson for Responsible Enterprise.

Based on the consultation conducted in the fall of 2017, the Government intends to further strengthen its approach to addressing corporate wrongdoing, enhancing the government-wide Integrity Regime and introducing legislation for Canadian Deferred Prosecution Agreements, to be implemented through Judicial Remediation Orders (JRO) as an additional tool to hold corporate offenders to account. The JRO would establish a regime to sanction criminal conduct appropriately and deter wrongdoing. These actions are in line with those taken by some of our key trading partners such as the United States, the United Kingdom, Australia and France.

Detailed proposals for enhancements to the Integrity Regime and the introduction of a new JRO regime will be brought forward in the near future.

A Strong Sanctions Regime

Sanctions are an important foreign policy tool for Canada; they serve as a way to respond to rapidly developing international crises, violations of international peace and security, and, with the new Justice for Victims of Corrupt Foreign Officials Act (George Magnitsky Law), to gross violations of human rights or acts of significant corruption. The Government proposes to provide \$22.2 million over five years, starting in 2018–19, with \$4.3 million per year thereafter, to Global Affairs Canada and the Canada Border Services Agency to strengthen Canada's sanctions system, including funds for the development of sanctions policy, coordination with international partners, and providing guidance to Canadians on sanctions obligations.

Ensuring Security and Prosperity in the Digital Age

The digital age has revolutionized how Canadians live as well as how our institutions function. Digital technologies have changed the way we work how we shop how we access services—including government and financial services. These changes have brought with them vast benefits and new challenges including efforts to preserve cyber security and protect the privacy of Canadians. Cyber-attacks are becoming more pervasive increasingly sophisticated and ever more effective. Successful cyber-attacks have the potential to expose the private information of Canadians cost Canadian businesses millions of dollars and potentially put Canada's critical infrastructure networks at risk.

With this budget the Government of Canada is implementing a plan for security and prosperity in the digital age to protect against cyber-attacks. The Government proposes significant investments of 507.7 million over five years and 108.8 million per year thereafter to fund a new National Cyber Security Strategy. The Strategy focuses on three principal goals

- Ensure secure and resilient Canadian systems.
- Build an innovative and adaptive cyber ecosystem.
- Support effective leadership and collaboration between different levels of Canadian government and partners around the world.

The Government will work alongside key partners in order to implement this plan other levels of government the business community academia and trusted international partners. Canada will work to proactively solve mutual cyber issues raising the cyber security bar for all Canadians.

Improving Cyber Security

Canada's plan for security in the digital age starts with a strong federal cyber governance system to protect Canadians and their sensitive personal information. To that end the Government proposes to commit 155.2 million over five years and 44.5 million per year ongoing to the Communications Security Establishment to create a new Canadian Centre for Cyber Security.

By consolidating operational cyber expertise from across the federal government under one roof the new Canadian Centre for Cyber Security will establish a single unified Government of Canada source of unique expert advice guidance services and support on cyber security operational matters providing Canadian citizens and businesses with a clear and trusted place to turn to for cyber security advice. In order to establish the Canadian Centre for Cyber Security the Government will introduce legislation to allow various Government cyber security functions to consolidate into the new Centre. Federal responsibility to investigate potential criminal activities will remain with the RCMP.

To bolster Canada’s ability to fight cybercrime the Government also proposes to provide 116.0 million over five years and 23.2 million per year ongoing to the RCMP to support the creation of the National Cybercrime Coordination Unit. The National Cybercrime Coordination Unit will create a coordination hub for cybercrime investigations in Canada and will work with international partners on cybercrime. The Unit will also establish a national public reporting mechanism for Canadian citizens and businesses to report cybercrime incidents to law enforcement.

Canadian Centre for Cyber Security	National Cybercrime Coordination Unit
<p>The Canadian Centre for Cyber Security will</p> <ul style="list-style-type: none"> • Bring together federal operational cyber expertise from across the federal government under one roof. • Provide Canadian citizens and businesses with a clear and trusted place to turn to for cyber security information. • Advance partnerships and dialogue with other jurisdictions the business community academia and international partners. 	<p>The National Cybercrime Coordination Unit will</p> <ul style="list-style-type: none"> • Act as a coordination hub for cybercrime investigations in Canada and work with partners internationally. • Provide digital investigative advice and guidance to Canadian law enforcement. • Establish a national public reporting mechanism for Canadian citizens and business to report cybercrime incidents to law enforcement.

In addition to funding the Canadian Centre for Cyber Security and the National Cybercrime Coordination Unit the Government also proposes to provide an additional 236.5 million over five years and 41.2 million per year ongoing to further support Canada’s new National Cyber Security Strategy. Taken together these investments will allow Canadians to continue to benefit from digital connections in a way that protects them their personal information and our infrastructure from cybercrime.

Canada's National Cyber Security Strategy will

- **Ensure secure and resilient Canadian cyber systems** by enhancing the Government of Canada's ability to investigate cybercrime developing threat assessments keeping critical infrastructure safe and work in collaboration with the financial and energy sectors on bolstering their cyber security
- **Invest in an innovative and adaptive cyber ecosystem** by supporting work-integrated cyber learning placements for students and helping businesses improve their cyber security posture through the creation of a voluntary cyber certification program and
- **Strengthen leadership governance and collaboration** by taking the lead both at home and abroad to advance cyber security in Canada working closely with provincial territorial private sector and trusted international partners.

How Will a National Cyber Security Strategy Benefit you

For Canadians

- A clear trusted federal source for cyber security information.
- Practical tips to apply to everyday online activities.
- Heightened awareness of malicious cyber activity.

For Canadian business

- Increased cyber security guidance for small and medium-sized enterprises.
- Tools and resources to improve cyber resilience.

For systems that Canadians rely on each day such as online banking electricity grids and telecommunications networks

- Bolstered security and a more rapid coordinated and coherent federal response to cyber threats.

Enabling Digital Services to Canadians

To provide Canadians with important programs and services, federal government organizations depend on Shared Services Canada to provide modern and reliable information technology (IT) infrastructure and services.

To modernize and enhance the Government's digital services, Budget 2018 proposes significant investments in Shared Services Canada and the Communications Security Establishment to ensure that these organizations are properly resourced to address evolving IT needs and opportunities and proactively address cyber security threats. This includes

- 2.2 billion over six years, starting in 2018–19, with 349.8 million per year thereafter, to improve the management and provision of IT services and infrastructure within the Government of Canada and to support related cyber security measures.
- 110 million over six years, starting in 2018–19, to be accessed by Shared Services Canada's partner departments and agencies to help them migrate their applications from older data centres into more secure, modern data centres or cloud solutions.

A majority of the funding for these initiatives will be reallocated from federal organizations that receive mandatory services from Shared Services Canada. The ability of the Government's IT systems to protect Canadians' data and meet future demands will depend on a strong IT governance structure. To support this, the Government will redefine the role of the Government of Canada Chief Information Officer.

Enhancing the Security of Taxpayer Information

Security breaches involving the loss of private personal information place Canadians at risk of identity theft. As the administrator of Canada's tax benefits and related programs for governments across Canada, the Canada Revenue Agency (CRA) safeguards the personal and financial information of tens of millions of Canadians.

As a result of the enhancements made to the suite of online options available to Canadians, the CRA's systems are housing, processing and transmitting growing volumes of taxpayer data. Through Budget 2018, the Government will provide the CRA with 30.0 million over five years to enhance the security measures that protect the confidentiality of this sensitive information.

Investment Canada Act—National Security Review of Foreign Investments

Canada is open for business. Our competitive business environment is an attractive draw for foreign investors and increased investments mean more good, well-paying jobs for Canadians and continued economic growth. The Investment Canada Act enables the Government to undertake a review of proposed foreign investments in order to determine if they uphold Canada's national interests—both from a net benefit perspective and for national security purposes. Similar to Budget 2017, Budget 2018 proposes to provide \$1.24 billion for Public Safety Canada and the Canadian Security Intelligence Service to support continued operations related to the Investment Canada Act's National Security Review Program. The National Security Review Program provides a robust framework for reviewing foreign investments for various reasons, such as to protect defence capabilities, safeguard the transfer of sensitive technologies, and ensure no potential involvement from organized crime.

Safeguarding the Integrity of Our Public Safety System

Public confidence in our safety, security and well-being is vital for an inclusive and peaceful society and a growing economy. It underpins Canada's reputation as an ideal place to raise a family, invest or grow a business. Canada's public safety institutions work hard to protect Canadians from those who threaten our safety and security. The Government proposes to invest nearly \$775 million over five years to help our public safety institutions continue keeping us safe.

Supporting RCMP Frontline Operations

The RCMP is committed to preserving the peace, upholding the law, protecting Canadians and promoting safety and security. The scope of policing operations within the RCMP is constantly evolving to address new and emerging threats, including in the areas of cybercrime, serious and organized crime, and national security investigations. The Government proposes to invest \$80 million in 2018–19 to reinforce existing RCMP policing operations. This funding also supports the recruitment and training of new RCMP cadets to help meet demands for new frontline federal officers in Canada.

The Government also proposes to invest \$60.2 million over five years, and \$9.5 million per year ongoing, for the RCMP to renew radio systems in four divisions: Ontario, Quebec, New Brunswick and the National Capital Region. Two-way radios are a lifeline for frontline police officers. They continue to be the most available, secure and efficient communications tool for policing. Secure radios are also critical for maintaining officer safety, promoting interoperability with other first responders and, ultimately, protecting Canadians.

Taking Action Against Guns and Gangs

The federal government is establishing the Initiative to Take Action Against Guns and Gangs—a multi-pronged approach to tackle gun and gang activity in Canada. Specifically the Government proposes to provide 327.6 million over five years starting in 2018–19 and 100 million per year ongoing to Public Safety Canada the Royal Canadian Mounted Police and the Canada Border Services Agency. This Initiative recently announced by the Minister of Public Safety will bring together federal provincial and territorial efforts to support community-level prevention and enforcement efforts build and leverage unique federal expertise and resources to advance intelligence related to the illegal trafficking of firearms and invest in border security to interdict illicit goods including guns and drugs. Funding would also be provided to Indigenous organizations to help build capacity through education outreach and research addressing the unique needs of Indigenous communities and urban populations. The Initiative will help reduce gun and gang violence so that Canadians can feel safe in their communities.

Preserving Canada's Foreign Signals Intelligence Capability

The Communications Security Establishment is mandated to collect foreign signals intelligence to help inform the Government of Canada on matters of security national defence and international affairs reflecting the priorities set by the Government. In order to keep pace with rapid technological change that can challenge its ability to effectively collect foreign signals intelligence the Government proposes to provide the Communications Security Establishment 225 million over four years starting in 2020–21 and 62.1 million ongoing to ensure this capability is preserved.

Critical Infrastructure Security

Efforts to enhance the resilience of our critical infrastructure systems and plan for unforeseen disruptions are essential for keeping Canadians and our communities safe. To this end the Government proposes to provide Public Safety Canada with 1.4 million in 2018–19 to continue operations of the Regional Resilience Assessment Program and the Virtual Risk Analysis Cell. These programs support assessments of critical infrastructure facilities such as energy grids information and communication technology networks and hospitals. The Virtual Risk Analysis Cell also promotes online information sharing across the critical infrastructure community.

Support for the Correctional Service of Canada and the Office of the Correctional Investigator of Canada

The Correctional Service of Canada is responsible for the federal correctional system and protects public safety by actively encouraging and assisting offender reintegration. It provides correctional programming opportunities for offender rehabilitation and practical skills development and strengthening of community corrections. The Government proposes to invest 74.7 million in 2018–19 to enable the Correctional Service of Canada to continue existing operations in support of its mandate.

As the ombudsman for federally sentenced offenders, the Office of the Correctional Investigator serves Canadians and contributes to safe, lawful and humane corrections through independent oversight of the Correctional Service of Canada. The Office provides accessible, impartial and timely investigations of individual and systemic concerns in federal correctional facilities. To support this work, the Government proposes to provide the Office of the Correctional Investigator of Canada with 3.4 million over five years beginning in 2018–19 and 0.7 million per year ongoing. These funds will be used to enhance the Office's investigative capacity, including its ability to delve more deeply into Indigenous corrections and the overrepresentation of Indigenous peoples within the federal correctional system.

Supporting Those Who Keep Our Communities Safe

Every day, public safety officers put their safety at risk to protect our communities. Often, an officer's routine exposure to traumatic events puts them at a greater risk for operational stress injuries, including post-traumatic stress injuries. In recognition of the daily sacrifices made by public safety officers across Canada, the Government is proposing measures to support research and treatment on post-traumatic stress injuries among public safety officers as well as targeted supports for federal police officers.

Support to Address Post-Traumatic Stress Injuries for Public Safety Officers

There is a lack of research dedicated to understanding post-traumatic stress injuries among public safety officers. This limits our ability to effectively support those who keep us safe. To address this knowledge gap, the Government proposes to provide 20 million over five years, beginning in 2018-19, to support a new national research consortium between the Canadian Institutes of Health Research and the Canadian Institute for Public Safety Research and Treatment. This new consortium will work to address the incidence of post-traumatic stress injuries among public safety officers.

Access to mental health supports can be particularly hard to attain for public safety officers in rural and remote areas. The Government proposes to invest 10 million over 5 years starting in 2018-19 for Public Safety Canada to work with the Canadian Institute for Public Safety Research and Treatment to develop an Internet-based Cognitive Behavioural Therapy pilot as a means of providing greater access to care and treatment for public safety officers across Canada.

Supporting Mental Health for RCMP Police Officers

The Government is also committed to supporting the mental health and resilience of the RCMP so that it can continue to serve Canadians each and every day. To this end the Government proposes to provide the RCMP with 21.4 million over five years starting in 2018-19 to support the mental health needs of its officers.

Further Improving Mental Health Supports for Inmates

Through Budget 2017 the Government took an important step towards the goal of ensuring that offenders with mental health needs in federal correctional facilities receive the appropriate level of care. Challenges remain however in meeting the complex and varied needs of offenders including for women inmates in federal corrections whose numbers have grown by approximately 30 per cent over the last 10 years. Budget 2018 builds on the investments made in Budget 2017 proposing 20.4 million over five years beginning in 2018-19 and 5.6 million per year ongoing for the Correctional Service of Canada to further support the mental health needs of federal inmates. Funds would largely be targeted towards providing enhanced mental health supports for women in federal correctional facilities across Canada.

Reopening the Penitentiary Farms at Joyceville and Collins Bay Institutions

To provide federal inmates with training opportunities to acquire new skills while preparing for employment and successful reintegration and rehabilitation into the community the Government proposes to invest 4.3 million over five years beginning and 2018-19 to support the reopening of the Penitentiary Farms at the Joyceville and Collins Bay Institutions in Kingston Ontario. The farms would be run by CORCAN a key rehabilitation programming agency of the Correctional Service of Canada.

Borders and Migration

As an open and welcoming country and as a trading nation that relies on the free flow of goods and services across borders for its economic success it's important to all Canadians that we manage the integrity of Canada's borders in a way that protects Canadians while encouraging cross-border economic activity. Budget 2018 puts forward a number of measures to help maintain this balance without compromising Canada's reputation or the values of Canadians. This includes ensuring that individuals from abroad who come to work and contribute to the Canadian economy are protected from abuse. This work also includes measures to invest in Canada's aviation security.

Strengthening the Canada Border Services Agency

The Canada Border Services Agency is responsible for managing Canada's borders by enforcing laws governing trade and travel and aiding legitimate cross-border traffic while stopping people and goods that pose a potential threat to Canada. The Canada Border Services Agency strives to maintain a high standard of service and has worked to improve processing times for the efficient and secure flow of travellers. The Government proposes to invest 85.5 million in 2018–19 to enable the Canada Border Services Agency to continue existing operations in support of the Agency's mandate.

Irregular Migration Managing the Border

The Government of Canada is committed to protecting the safety of Canadians and keeping our borders secure. At the same time people seeking asylum must be treated with compassion and afforded due process under Canadian and international law and in keeping with our values as an open and welcoming country. To that end the Government proposes to provide 173.2 million to support security operations at the Canada-U.S. border and the processing of asylum claimants arriving in 2018–19. Funding would be used to manage the increased number of people seeking asylum in Canada this year many of whom arrive with their families seeking quick safe and compassionate processing. Funds would be used to provide short-term processing and security screening supports at the border as well as to support decision-making capacity for the Immigration and Refugee Board.

Safeguarding Canadians With an Enhanced Passenger Protect Program

The Passenger Protect Program works with air carriers to screen commercial passenger flights to from and within Canada in order to protect safety at home and abroad. While the program is an important element of Canada's national security framework the Government has heard the concerns of families unfairly impacted by the program. The issue of children being unfairly targeted and encountering travel delays has been a source of particular frustration for parents. In response the Government proposes to enhance the Passenger Protect Program with investments of \$81.4 million over five years starting in 2018–19 and \$14.0 million per year ongoing for the Canada Border Services Agency Public Safety Canada and Transport Canada. These investments will be used to develop a rigorous centralized screening model and establish a redress mechanism for legitimate air travellers who are affected by the program. The enhanced program will help ensure that privacy and fairness concerns are addressed while keeping Canadians safe.

Protecting Air Travellers

To ensure consistent and effective security screening of travellers and workers the Government proposes to provide \$236.4 million in 2018–19 with \$2.4 million in remaining amortization to the Canadian Air Transport Security Authority (CATSA). This funding will also allow CATSA to add new lanes for U.S. Pre-clearance of passengers at the Billy Bishop Toronto City Airport and the Quebec City Jean Lesage International Airport.

Protecting Temporary Foreign Workers

The Temporary Foreign Worker Program and the International Mobility Program are Canada's two programs that govern the entry of temporary foreign workers. Canada has an obligation to ensure these workers who contribute to the labour market by providing the skills and expertise employers need when qualified Canadian workers are unavailable are aware of their rights and are protected from abuse. The Government proposes to provide \$194.1 million over five years beginning in 2018–19 and \$33.19 million per year ongoing to ensure the rights of temporary foreign workers in Canada are protected and enforced through a robust compliance regime. Funding will support unannounced inspections under the Temporary Foreign Worker Program the continued implementation of the International Mobility Program compliance regime and the ongoing collection of labour market information related to open work permits.

In addition the Government proposes to invest \$3.4 million over two years beginning in 2018–19 from Employment and Social Development Canada's existing resources to establish on a pilot basis a network of support organizations for temporary foreign workers dealing with potential abuse by their employers. This network would support these workers in reporting wrongdoing and provide information on their rights to temporarily remain and work in Canada free from harassment and abuse.

Chapter 4—Advancement

millions of dollars

	201 – 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	Total
4.1 Canada's Natural Legacy							
Protecting Canada's Nature Parks and Wild Spaces	0	97	218	240	367	423	1 346
Protecting Marine Life Less Funds allocated from existing departmental resources	0	30	34	34	34	35	167
Establishing Better Rules to Protect the Environment and Grow the Economy Less Costs to be recovered Less Funds allocated from existing departmental resources	0	125	193	236	233	231	1 018
Pricing Carbon Pollution and Supporting Clean Growth Less Funds existing in the Fiscal Framework Less Funds allocated from existing departmental resources Less year-over-year reallocation of Funding	15	32	28	25	24	4	129
Adapting Canada's Weather and Water Services to Climate Change	0	15	23	28	29	25	120
Extending Tax Support for Clean Energy	0	0	3	20	40	60	123
4.1 Canada's Natural Legacy Total	0	249	448	534	6	58	2 666
4.2 Canada and the World							
Additional Support for the Feminist International Assistance Policy Less year-over-year reallocation of Funding	0	200	300	400	500	600	2 000
Protecting Vulnerable Women and Girls	0	10	8	1	1	1	20
Implementing the 2030 Agenda for Sustainable Development Less Funds allocated from existing departmental resources	0	8	8	8	8	8	42
4.2 Canada and the World Total	0	1 4	338	405	505	618	2 039
4.3 Upholding Shared Values							
Addressing the Opioid Crisis	0	165	24	16	14	12	231
A Community-Based Approach to Dementia	0	4	4	4	4	4	20
Supporting a Healthy Seniors Pilot Project in New Brunswick	0	75	0	0	0	0	75
Support for Canadians Impacted by Autism Spectrum Disorder	0	5	4	4	4	4	20
Renewing and Enhancing the Federal Tobacco Control Strategy	0	11	16	18	18	18	81
Tobacco Taxation	-30	-375	-350	-165	-240	-310	-1 470
Cannabis Taxation	0	-35	-100	-135	-200	-220	-690

Chapter 4—Advancement
millions of dollars

	201 – 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	Total
Cannabis Public Education	0	18	16	16	16	16	83
Support for Canada's Veterans Foregone expenses	4 158	-84	-104	-138	-129	-127	3 575
Cemetery and Grave Maintenance	0	5	5	5	5	5	24
Better Services for Veterans	0	21	21	0	0	0	43
Supporting Canada's Official Languages	0	47	84	90	89	91	400
Strengthening Multiculturalism and Addressing the Challenges Faced by Black Canadians	0	17	17	5	2	2	42
Investing in Canadian Content	0	15	29	43	43	43	172
Supporting Local Journalism	0	10	10	10	10	10	50
More Women and Girls in Sport	0	10	10	10	0	0	30
Supporting ParticiPACTION	0	5	5	5	5	5	25
Supporting Special Olympics	0	3	3	4	4	2	16
Revitalizing National Capital Commission Assets	0	3	6	2	2	2	14
A New Partnership Between Library and Archives Canada and the Ottawa Public Library Less funds allocated from existing departmental resources	0	0	0	0	1	0	1
Supporting the Canadian Museum for Human Rights	0	4	8	8	6	7	33
A New Process for Federal Election Leaders' Debates	0	1	5	0	0	0	6
Upholding the Integrity of Canada's Elections	0	1	2	2	2	2	7
Renewing and Modernizing Statistics Canada Less funds allocated from existing departmental resources	-3	15	14	12	8	10	56
2021 Census of Population and Census of Agriculture Less reduction in departmental Funding	0	37	72	177	387	75	748
Improving Client Services at the Canada Revenue Agency	0	33	38	49	49	36	206
Stabilizing and Future Transformation of the Federal Government's Pay Administration Phoenix	88	301	35	12	8	8	453
Predictable Funding for Employment Insurance Service Delivery Less projected expenses	0	30	30	30	0	0	90
Employment Insurance Call Centre Accessibility Less projected expenses	0	43	43	43	0	0	128
4.3 Upholding Shared Values Total	4 212	3 3	-69	9	6	-334	4 355

Chapter 4—Advancement
millions of dollars

	201 – 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	Total
4.4 Security and Access to Justice							
Expanding Unified Family Courts	0	0	18	19	20	20	77
Strengthening the Canadian Judiciary	0	6	6	3	4	4	23
Supporting Canada's Courts System	0	7	11	11	11	12	52
Enhancing Canadians' Access to Justice	0	5	2	2	2	2	13
Addressing Demand for Immigration and Refugee Legal Aid	0	13	0	0	0	0	13
National Human Trafficking Hotline	0	3	3	3	3	3	14
Taking Action to Prevent and Address Gender-Based Violence, Harassment and Discrimination	0	14	16	17	18	21	86
Ensuring a Workplace Free of Violence and Harassment	0	6	7	7	7	7	35
Providing Legal Support to Victims of Sexual Harassment in the Workplace	0	8	11	11	11	11	50
Improving Support for Sexual Assault Crisis Centres on Campuses	0	1	1	1	1	1	6
Addressing Unfounded Cases of Sexual Assault and Better Supporting Victims	0	2	2	2	2	2	10
A Strong Sanctions Regime	0	5	4	4	4	4	22
Ensuring Security and Prosperity in the Digital Age	0	67	91	112	115	122	508
Enabling Digital Services to Canadians	0	222	385	437	399	425	1 867
Less Funds Diverted from Investing in Essential Services							
Enhancing the Security of Taxpayer Information	0	7	6	6	6	5	30
Investment Canada Act—National Security Review of Foreign Investments	0	1	0	0	0	0	1
Supporting RCMP Frontline Operations	0	100	8	10	12	12	140
Taking Action Against Guns and Gangs	0	30	40	71	87	100	328
Preserving Canada's Foreign Signals Intelligence Capability	0	0	0	53	55	57	165
Critical Infrastructure Security	0	1	0	0	0	0	1
Support for the Correctional Service of Canada and the Office of the Correctional Investigator of Canada	0	75	1	1	1	1	78
Supporting Those That Keep Our Communities Safe	0	8	11	11	11	11	51
Further Improving Mental Health Supports for Inmates	0	3	3	4	5	6	20

Chapter 4—Advancement
millions of dollars

	201 – 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	Total
Reopening the Penitentiary Farms at Joyceville and Collins Bay Institutions	0	2	1	0	0	0	4
Less Funds allocated from existing departmental resources							
Strengthening the Canada Border Services Agency	0	85	0	0	0	0	85
Irregular Migration Managing the Border	0	116	57	0	0	0	173
Safeguarding Canadians With an Enhanced Passenger Protect Program	0	8	16	15	20	22	81
Protecting Air Travellers	0	236	0	0	0	0	238
Protecting Temporary Foreign Workers	0	45	42	42	35	34	198
Less Funds allocated from existing departmental resources							
4.4 Security and Access to Justice Total	0	9 3	543	543	528	580	3 16
Chapter 4—Net Fiscal Impact	4 212	1 68	1 261	1 5 9	1 86	1 622	12 229
Less provision for future investments in Critical Programs and services included in Fall economic statement							
Chapter 4—Net Fiscal Impact	4 212	1 69	1 261	1 2 9	1 186	622	10 329

¹ Public sector accounting standards require that the present value of all increased future benefits to eligible veterans for past service be recognized up front. In addition when amending benefits accounting standards require the immediate recognition of certain past actuarial gains and losses that would have otherwise been amortized to expense in future years. The fiscal impact of accelerated amortization is temporary and results in net fiscal savings shown in years 2018–19 to 2022–23. The ongoing cost of the Pension for Life proposal is estimated at 112 million.



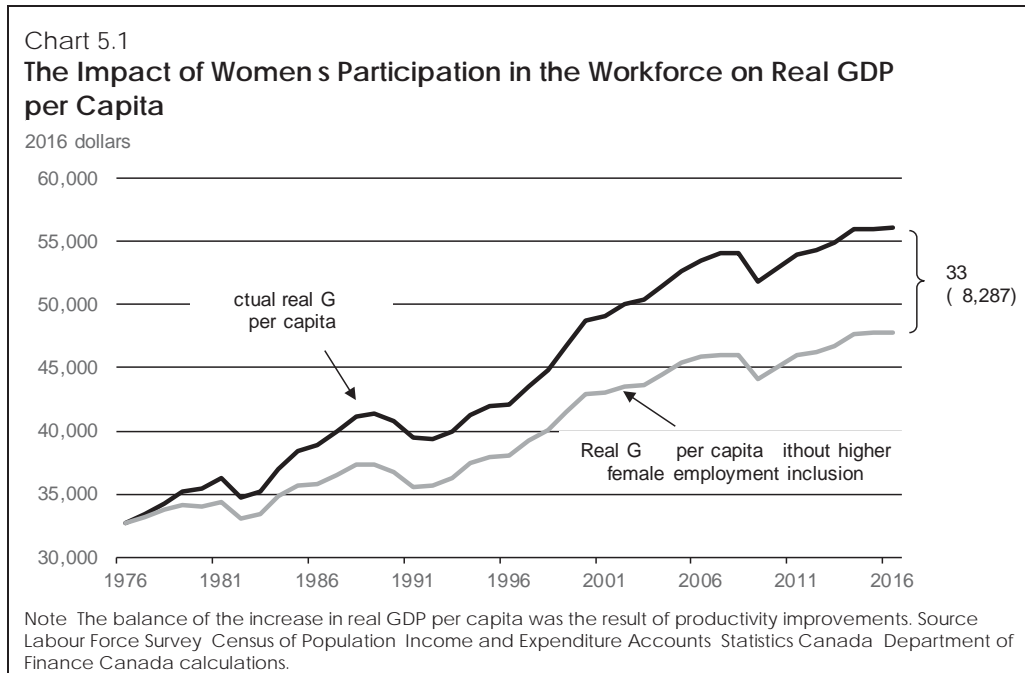
+ EQUALITY

Gender equality is not only an issue for women and girls. All of us benefit when women and girls have the same opportunities as men and boys and it is on all of us to make that a reality.

—The Rt. Hon. Justin Trudeau
Prime Minister of Canada

Budget 2018's Gender Results Framework

Gender equality benefits us all. Women in the workforce have been one of the most powerful sources of economic growth in recent decades helping strengthen the economy. In fact, over the last 40 years, more women in the workforce has accounted for about a third of Canada's real gross domestic product (GDP) per capita growth.



Having more women in the workforce has driven economic growth, boosted family incomes, and helped families join the middle class.

Yet there are still too many missed opportunities caused by gender gaps in a number of areas, including education and career options, full participation in the economy, and leadership. While these gaps are the result of many factors, taking action to address them is not just the right thing to do, it is the smart thing to do to strengthen the middle-class and grow Canada's economy.

RBC Economics estimates that if men and women participated equally in the workforce, Canada's GDP could be boosted by as much as 4 per cent, and could partially offset the expected effects of an aging population.

The Government recognizes the critical role that gender equality has in building a strong economy that works for everyone. Budgets are about making choices with limited resources. Gender budgeting is a conscious effort to understand how decisions affect different people differently, with a view to allocating government resources more equitably and efficiently. This is why **gender budgeting** matters. Through the deliberate and more consistent use of Gender-based Analysis Plus (GBA+), the Government is able to make evidence-based policy decisions that benefit all Canadians.

Building on Canada's first ever Gender Statement in Budget 2017 the Government is introducing a new **Gender Results Framework**—a whole-of-government tool to track how Canada is currently performing to help define what is needed to achieve greater equality and to determine how progress will be measured going forward. The framework reflects this government's priorities for gender equality highlighting the key issues that matter most. This chapter presents the details of this results framework and outlines how the Government's plan is helping ensure that everyone has a real and fair chance at success. It also presents additional measures to strengthen the Government's ability to conduct further GBA and gender budgeting in the future.

The Government also recognizes that identities are complex. Not all women experience inequality and not all men experience privilege. Binary notions of gender do not work for all Canadians and race class sexuality and ability—among other facets—all intersect to profoundly impact how gender is experienced in daily life. The Government acknowledges that this budget—though ambitious—does not solve all complex inequalities but it is an important step forward in data analysis and resources.

Canada's Commitment to Gender Budgeting

From the time the Government took office it has been working to ensure GBA is applied comprehensively to all aspects of policy development and decision-making and strengthening the quality of GBA with better data and the full consideration of impacts across a range of intersectional lenses.

With Budget 2018 Canada sets a new standard of gender budgeting as a core pillar of budget-making—legislating higher standards and making meaningful investments toward greater gender equality underpinned by clear objectives and strong evidence. This builds on Budget 2017's first ever Gender Statement by better integrating gender in the budget priority-setting process and strengthening the use of GBA in decision-making.

Going forward the Government is committed to adopting a comprehensive and permanent approach to gender budgeting

- The Government will ask the Standing Committee on Procedure and House Affairs to examine making it a requirement that when any Minister of Finance tables a Budget in the House of Commons a GBA analysis of the budget documents must be tabled concurrently.
- Budget 2018 and future budgets under this Government will be guided by the new Gender Results Framework with its six pillars of i Education and Skills Development ii Economic Participation and Prosperity iii Leadership and Democratic Participation iv Gender-Based Violence and Access to Justice v Poverty Reduction Health and Well-Being and vi Gender Equality Around the World. The framework will outline meaningful indicators under each pillar to track success or failure.

- Robust analysis will be supported by new investments to strengthen gender and diversity data.
- The Government will introduce new GBA legislation to enshrine gender budgeting in the federal government's budgetary and financial management processes extending the reach of GBA to examine tax expenditures federal transfers and the existing spending base including the Estimates.

To conduct robust GBA access to gender-disaggregated data and intersecting factors is essential. This means not only data on men and women but also data on gender-diverse people. The Government recognizes that this is a key challenge and will be investing in the collection and tracking of gender and diversity data.

To strengthen Canada's ongoing capacity to apply the gender and diversity lens the Government will make Status of Women Canada an official Department of the Government of Canada by introducing departmental legislation that solidifies and formalizes the important roles of Status of Women and its Minister.

<p align="center">Canada's Gender Results Framework</p> <p align="center">Canada's economic strategy ends on equality, also a goal to reach their full potential regardless of gender</p> <p align="center">Gender Equality Goals for Canada</p>	
Education and Skills Development	<p>Equal opportunities and diversified paths in education and skills development</p> <ul style="list-style-type: none"> • More diversified educational paths and career choices • Reduced gender gaps in reading and numeracy skills among youth including Indigenous youth • Equal lifelong learning opportunities for adults
Economic Participation and Prosperity	<p>Equal and full participation in the economy</p> <ul style="list-style-type: none"> • Increased labour market opportunities for women especially women in underrepresented groups • Reduced gender wage gap • Increased full-time employment of women • Equal sharing of parenting roles and family responsibilities • Better gender balance across occupations • More women in higher-quality jobs such as permanent and well-paid jobs
Leadership and Democratic Participation	<p>Gender equality in leadership roles and at all levels of decision-making</p> <ul style="list-style-type: none"> • More women in senior management positions and more diversity in senior leadership positions • Increased opportunities for women to start and grow their businesses and succeed on a global scale • More company board seats held by women and more diversity on company boards • Greater representation of women and underrepresented groups in elected office and ministerial positions in national and sub-national governments • Increased representation of women and underrepresented groups in the judicial system
Gender-Based Violence and Access to Justice	<p>Eliminating gender-based violence and harassment and promoting security of the person and access to justice</p> <ul style="list-style-type: none"> • Workplaces are harassment free • Fewer women are victims of intimate partner violence and sexual assault • Fewer victims of childhood maltreatment • Fewer women killed by an intimate partner • Increased police reporting of violent crimes • Fewer Indigenous women and girls are victims of violence • Increased accountability and responsiveness of the Canadian justice system
Poverty Reduction Health and Well-Being	<p>Reduced poverty and improved health outcomes</p> <ul style="list-style-type: none"> • Fewer vulnerable individuals living in poverty • Fewer women and children living in food-insecure households • Fewer vulnerable individuals lacking stable safe and permanent housing • Child and spousal support orders enforced • More years in good health • Improved mental health • Improved access to contraception for young people and reduced adolescent birth rate
Gender Equality Around the World	<p>Promoting gender equality to build a more peaceful inclusive rules-based and prosperous world</p> <ul style="list-style-type: none"> • Feminist international approach to all policies and programs including diplomacy trade security and development

The Gender Results Framework is aligned with the Government of Canada's policy of

ensuring that gender is considered in relation to other intersecting identity factors where possible and with a view to collecting better data on intersecting identity factors will be considered in the above indicators

Education and Skills Development

Focus Areas and Indicators	
<p>More diversified educational paths and career choices</p> <ul style="list-style-type: none"> • Proportion of post-secondary qualification holders who are women by field of study and qualification type • Proportion of post-secondary students who are women by field of study and credential type • High school completion rate by gender and for underrepresented groups including Indigenous Peoples 	<p>Reduced gender gaps in reading and numeracy skills among youth including Indigenous youth</p> <ul style="list-style-type: none"> • High school reading and mathematics test scores by gender including those for Indigenous Peoples based on Programme for International Student Assessment <p>Equal lifelong learning opportunities for adults</p> <ul style="list-style-type: none"> • Adults' literacy and numeracy test scores by gender based on Programme for the International Assessment of Adult Competencies

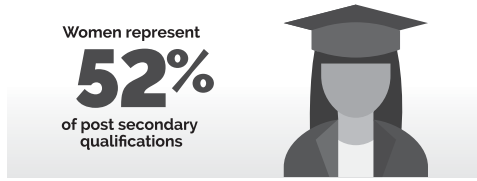
Why This Matters

- The knowledge-based economy demands a skilled, adaptable and diversified workforce to support Canada's competitiveness and prosperity.
- All Canadians should have the opportunity to make choices about their education based on their interests, aptitudes and economic goals without being constrained by gender-related expectations or prejudices.

Progress and Challenges

Canadian women and men are among the most educated in the world—ranking first among Organisation for Economic Co-operation and Development (OECD) countries in **Post-Secondary Education** by population. Women have made important headway, with about three-quarters of those aged 25 to 34 having completed college or university, compared to two-thirds of men of the same age. Higher levels of education among women have translated into higher wages. However, important gaps remain in both workforce participation and earnings. This partly reflects the different **fields of study** that women and men have pursued, and these choices are often skewed by established norms and institutional barriers formed around gender roles and identities.

Figure 5.1
Women Men Post-Secondary Qualifications



WOMEN / MEN RED SEAL APPRENTICES IN THE SKILLED TRADES



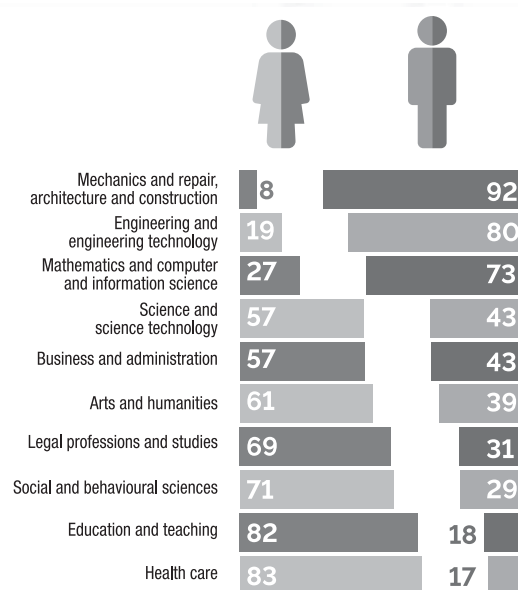
Source: Census of Population Registered Apprenticeship Information Survey Statistics Canada.

Young men account for two-thirds of post-secondary graduates in Science Technology Engineering and Mathematics (STEM). The difference is even greater in engineering and computer science as well as the large majority of the skilled trades. In contrast young women continue to make up three-quarters of enrolments and graduates in health care such as nursing and pharmacy programs and education.

Gender segregation in education has led to less gender diversity across occupations and has limited career opportunities for women.

Lifelong **skills training and development** is essential to prepare Canadians for the jobs of tomorrow and to address challenges such as the changing nature of work and disruptive technologies. A high school diploma has become essential. Canada does well in terms of high school completion rates but certain groups of young people are in danger of being left behind including Indigenous men and men with disabilities. In general boys are less likely than girls to graduate high school.

Figure 5.2 Distribution of Post-Secondary Qualifications by Sex and Select Field of Study Ages 25 to 34 2016



Note: Numbers may not add to 100 due to rounding.
Source: Census of Population Statistics Canada.

The Government's Plan for Education and Skills Development

Results to Date

- Approximately one million students—half of whom are expected to be girls and young women—will learn digital skills through **CanCode**.
- About one million youth per year—with an increasing focus on girls and Indigenous youth—are encouraged to pursue interests and careers in Science Technology Engineering and Mathematics (STEM) through **PromoScience**-funded organizations.
- Approximately 40 000 women with children receive **Canada Student Loan Program** support each year and are able to afford post-secondary education due to enhancements to Canada Student Loans and Grants.

Budget 2018 Actions

- Improving diversity in the research community through investments in the **granting councils data collection initiatives** early career researchers and new **gender equity planning**.
- Increasing women's representation in male-dominated trades through the **Apprenticeship Incentive Grant for Women** and the **Pre-Apprenticeship Program**.
- Promoting equal access to training and jobs for Indigenous women through the **Indigenous Skills and Employment Training Program**.
- Helping women and underrepresented groups make informed career decisions by **improving the quality of career information and program results**

Economic Participation and Prosperity

Focus Areas and Indicators

<p>Increased labour market opportunities for women especially women in underrepresented groups</p> <ul style="list-style-type: none"> • Labour force participation rate by gender including recent immigrants • Employment rate by gender including recent immigrants <p>Reduced gender wage gap</p> <ul style="list-style-type: none"> • Gender gap in median hourly wages • Gender gap in median annual employment income <p>Increased full-time employment of women</p> <ul style="list-style-type: none"> • Proportion of workers in full-time obs by gender 	<p>Equal sharing of parenting roles and family responsibilities</p> <ul style="list-style-type: none"> • Proportion of time spent on informal domestic and care work by gender • Number of children in regulated child care spaces and or early learning programs and or benefitting from subsidies • Proportion of annual household income spent on child care by economic family type <p>Better gender balance across occupations</p> <ul style="list-style-type: none"> • Proportion of occupational group who are women including recent immigrants <p>More women in higher-quality obs such as permanent and well-paid obs</p> <ul style="list-style-type: none"> • Proportion of persons employed in temporary involuntary part-time or low-wage obs by gender
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Why This Matters

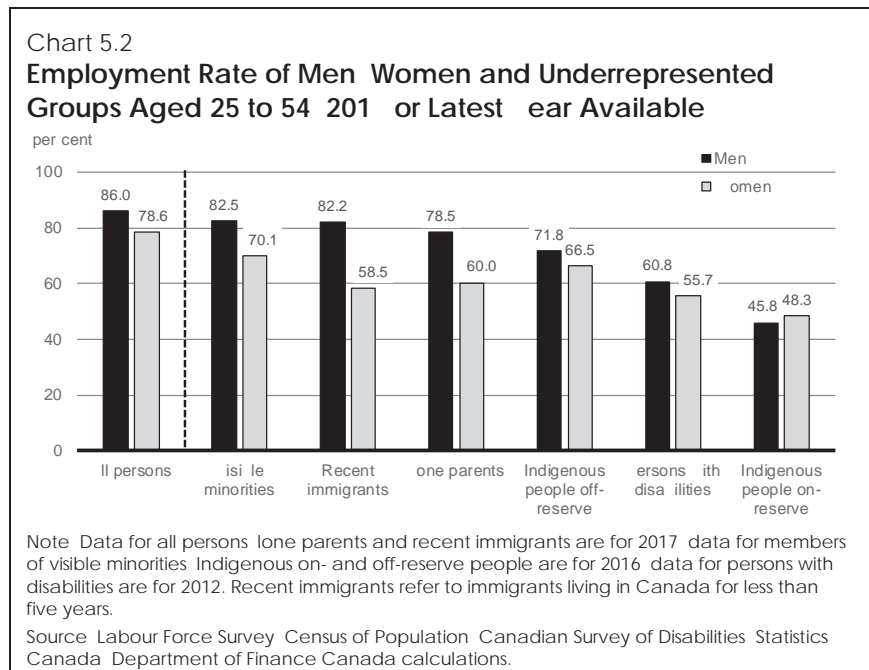
- Every Canadian should have the opportunity to reach their full potential contributing to and benefitting from a strong growing economy.
- Advancing women's economic participation will drive economic growth while boosting the income of Canadian families.
- Economic independence means greater financial security of individuals and their families helping people exercise control over their lives.

Progress and Challenges

The increasing number of women in the economy has been an important source of economic growth in Canada. Today almost two-thirds of women aged 15 and over are in the labour force—more than ever before—compared with less than half in the late 1970s.

However the overall **labour force participation** of women continues to lag that of men by about 10 percentage points. Beginning in 2000 progress toward gender equality in labour force participation stalled. Women continue to face unique barriers to entering and staying in the workforce. The impact of parenthood on work is still very different for women and men reflecting an uneven sharing of care responsibilities as well as gaps in child care and work-life balance opportunities.

Particular groups of women often face additional barriers. Immigrant women tend to have lower **employment rates** than Canadian-born women and this is the case even for immigrant women with higher educational attainment. It takes longer for immigrant women than immigrant men to integrate into the workforce and immigrant women are less likely to be employed in positions that match their education. Recognition of education and skills is a frequent challenge faced by newcomers to Canada.



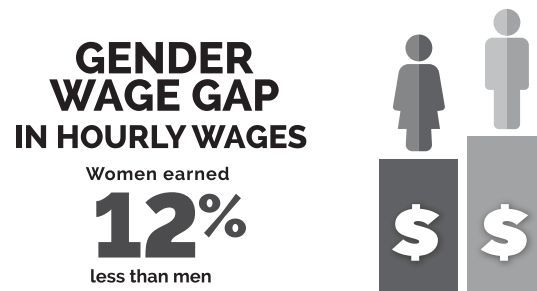
Reaching higher overall labour force participation rates for women requires an understanding of the different needs of these more vulnerable groups such as single parents, older women, women with disabilities, immigrant women, women members of visible minorities, LGBTQ2, and Indigenous women.

Women in Canada earn on average 31 per cent less than men on an annual basis. Some of the complex causes of the persistent **gender wage gap** include a gender-segregated labour market, persistent social norms that place additional care and family responsibilities on women, and the higher representation of women in lower-wage jobs.

Women are overrepresented in **part-time temporary** and **lower-wage jobs** most of which provide fewer non-wage benefits and limited opportunities for advancement. Even after accounting for differences in hours worked the median gender wage gap remains at 12 per cent. This gap is also particularly relevant to difficult decisions that many women must make between child care and paid employment. **Caring responsibilities**—for child-rearing and caring for aging or family members with disabilities—tend to fall to women. According to Statistics Canada’s General Social Survey women devote 4 hours a day to unpaid work compared to 3 hours for men in 2015. This can lead to more time off and make women more likely to work shorter hours which can translate into lower income which in turn affects parental leave Employment Insurance benefits as well as pensions and savings.

Occupational segregation between genders remains a real challenge to economic equality and is a major factor in the gender wage gap. In 2017 women accounted for 23 per cent of workers in natural and applied sciences which include scientists and engineers yet represented 80 per cent of the workforce in health occupations. Such segregation reflects a lack of diversified educational paths and is embedded in social norms about traditional gender roles in the workplace. The prevalence of men in highly paid occupations is also due to many other factors including gender biases in the workplace and work environments that do not accommodate flexibility for caregiving.

Figure 5.3 Gender Wage Gap



Note: The gender wage gap in hourly wages is calculated for full-time employees.

Source: Canadian Income Survey, Labour Force Survey, Statistics Canada, Department of Finance Canada calculations.

The Government's Plan for Economic Participation and Prosperity

Results to Date

- The **Multilateral Early Learning and Child Care Framework** will increase the availability of affordable day care spaces allowing more low- and modest-income mothers to enter and remain in the labour market.
- Parents can now claim up to **18 months of parental leave**.
- Workers can also get Employment Insurance when they need to **take care of an ill family member**.
- All federally regulated employees have the right to request **flexible work arrangements** a right that particularly helps working parents balance work and family life.

Budget 2018 Actions

- Supporting a more equal distribution of child care within the home through a new **EI Parental Sharing Benefit**.
- Committing to move forward with a proactive **Pay Equity** regime including new **pay transparency** requirements in the federally regulated sector.
- Helping visible minority newcomer women in Canada get into and staying in the workforce.
- **Collecting data** and undertaking **research and policy work** associated with the Gender Results Framework.

Leadership and Democratic Participation

Focus Areas and Indicators	
<p>More women in senior management positions and more diversity in senior leadership positions</p> <ul style="list-style-type: none"> Proportion of employees in management positions who are women including intersecting identities by management level <p>Increased opportunities for women to start and grow their business and succeed on a global scale</p> <ul style="list-style-type: none"> Proportion of businesses majority-owned by women including intersecting identities by business size including small and medium-sized enterprises SMEs <p>More company board seats held by women and more diversity on company boards</p> <ul style="list-style-type: none"> Proportion of board members who are women including intersecting identities by type of board 	<p>Greater representation of women and underrepresented groups in elected office and ministerial positions in national and sub-national governments</p> <ul style="list-style-type: none"> Proportion of seats held by women including intersecting identities in national Parliament Proportion of seats held by women including intersecting identities in local governments provincial territorial municipal First Nations Band Councils Proportion of ministerial positions held by women including intersecting identities in federal-provincial-territorial governments and Chiefs in First Nations communities who are women <p>Increased representation of women and underrepresented groups in the judicial system</p> <ul style="list-style-type: none"> Proportion of federally appointed judges federal and provincial courts who are women including intersecting identities Proportion of law enforcement security and intelligence officers who are women including intersecting identities by rank

Why This Matters

- A more balanced distribution of men and women at all levels of decision-making is essential to a fair and democratic society. It also leads to better decision-making.
- Gender equality and diversity in positions of leadership is associated with better management increased availability of skilled employees stronger employee engagement and higher productivity.

Progress and Challenges

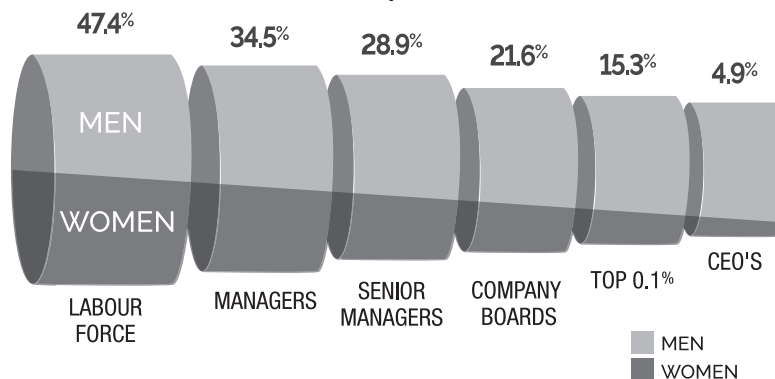
While there are more women in decision-making positions today including entrepreneurs, senior managers and political positions, women continue to face barriers to advancement in leadership roles.

Although progress has been made in women's **entrepreneurship**, gender gaps persist. The number of private businesses majority-owned by women in the small and medium-sized enterprise landscape has grown in Canada, and women in Canada are more involved in business start-ups than in most other OECD countries. However, women remain underrepresented as business owners, with fewer than one in six small and medium-sized businesses majority-owned by women. Notably, women entrepreneurs are less likely than men entrepreneurs to seek to grow their businesses and are less likely to export.

Canada's diversity is vastly underrepresented in top corporate positions including women, Indigenous Peoples, people with disabilities, members of visible minorities and LGBTQ2 individuals. Today, women represent just under one-third of **senior managers**, with most of the progress over the last 30 years being limited to the public sector. Only one in five **company board seats** at Financial Post 500 companies is held by a woman, and only one in 20 chief executive officers is a woman. In an effort to bring greater diversity to corporate boards and senior management ranks, the Government introduced Bill C-25, an Act to amend the Canada Business Corporations Act.

Currently, there are three men for every one woman among the top 10 per cent of income earners and eight men for every one woman among the top 0.1 per cent of income earners. Increasing the representation of women in corporate leadership positions would have a large impact on the gender wage gap. A study by Nicole M. Fortin, Brian Bell and Michael Boehn has shown that achieving a more balanced distribution of women and men in top jobs could reduce the gender wage gap by almost half.

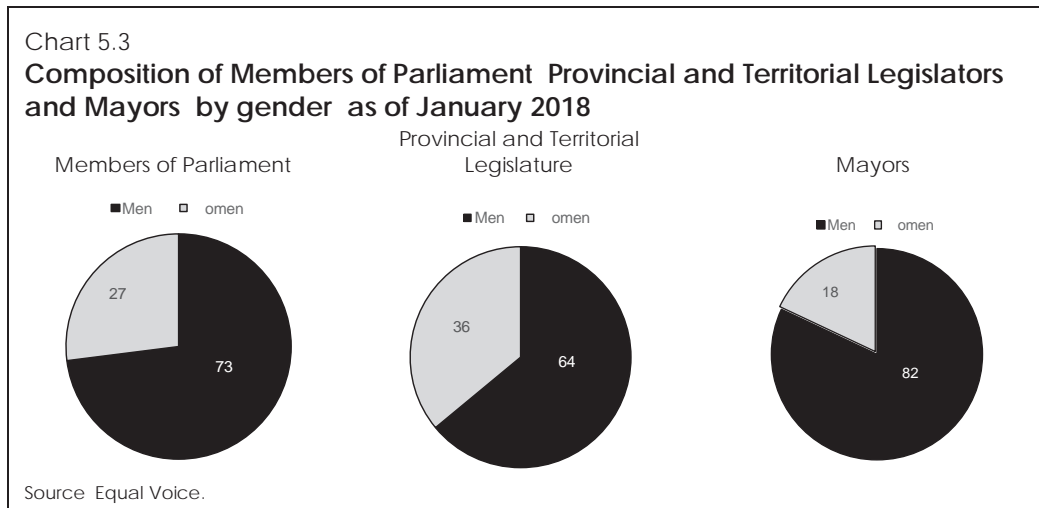
Figure 5.4 Share of Women in the Labour Force and in Top Positions



Source: Catalyst, Canadian Board Diversity Council, Labour Force Survey, Longitudinal Administrative Databank, Statistics Canada, Department of Finance Canada calculations.

Note: Data are for 2017 or latest available year.

In **political life** women make up less than one-third of elected officials although important variations exist across jurisdictions. The introduction of Canada’s first gender-balanced Cabinet in 2015 was an important step but women still make up only one-quarter of Members of Parliament. In this respect Canada falls short compared with many OECD countries ranking 16th out of 35 OECD countries in the percentage of women parliamentarians. Moreover LGBTQ2 women women members of visible minorities persons with disabilities and Indigenous women are underrepresented in the House of Commons. At the municipal level women are most underrepresented as mayors accounting for only 18 per cent of mayors across Canada compared with 28 per cent of city councillors excluding the Territories .



Greater gender balance and diversity in the **judicial system** allows the system to be more responsive to the differing needs and situations of Canadians. Progress has been made in the number of women working in the judicial system and gender gaps are narrower. The proportion of women who are judges has increased over time. Today roughly 39 per cent of superior court judges are women.

Diversification is also key to equity in policing. In terms of **law enforcement** particularly in the Royal Canadian Mounted Police the number of women recruits has been stable but there have been increases in the representation of women at various levels of promotion including Commanding Officers.

The Government's Plan for Equality in Leadership and Democratic Participation

Results to Date

- Canada introduced its first **gender-balanced Cabinet** in 2015.
- Implemented an open transparent and merit-based approach to selecting candidates for **Governor-in-Council GIC positions**.
- Increased focus and support for **women starting and growing their own business**—the Business Development Bank of Canada has authorized a total of 912 million in financing to majority women-owned firms since 2015.
- Introduced Bill C-25 aimed at increasing diversity on **corporate boards and in senior management ranks** under the Canada Business Corporations Act

Budget 2018 Actions

- Helping women entrepreneurs grow their businesses with access to financing talent networks and expertise through the new **Women Entrepreneurship Strategy**.
- Supporting the **advancement of women in senior positions** by publicly recognizing corporations that are committed to promoting women to senior management positions and boards of directors.
- Supporting **Members of Parliament** who have young children by improving **work-life balance** and providing designated **child care** spaces.
- Enhancing **diversity of the judiciary** so it better represents Canadian society.
- Supporting the women's movement by increasing funding for the **Women's Program** to support more initiatives that build the capacity of equality-seeking organizations reduce gender inequality in Canada and promote a fairer and more productive society.
- Engaging Canadians on the **benefits of gender equality** by hosting a national roundtable on GBA leading a national conversation on gender equality with young Canadians and developing a men and boys strategy in recognition of the fact that men and boys are part of the solution to issues of equality.

Gender-Based Violence and Access to Justice

Focus Areas and Indicators

<p>Workplaces are harassment free</p> <ul style="list-style-type: none"> Proportion of employees who self-report being harassed in the workplace by gender <p>Fewer women are victims of intimate partner violence and sexual assault</p> <ul style="list-style-type: none"> Proportion of women and girls aged 15 years and older subjected to physical sexual or psychological violence by a current or former intimate partner Proportion of population who self-reported being sexually assaulted since age 15 by gender <p>Fewer victims of childhood maltreatment</p> <ul style="list-style-type: none"> Proportion of population who self-reported childhood maltreatment before age 15 by type of maltreatment and by gender 	<p>Fewer women killed by an intimate partner</p> <ul style="list-style-type: none"> Homicide rate by relationship to the perpetrator and by gender <p>Increased police reporting of violent crimes</p> <ul style="list-style-type: none"> Proportion of self-reported incidents of violent crime reported to police past 12 months by type of crime and by gender <p>Fewer Indigenous women and girls are victims of violence</p> <ul style="list-style-type: none"> Proportion of Indigenous women and girls subjected to physical sexual or psychological violence by Indigenous identity <p>Increased accountability and responsiveness of the Canadian criminal justice system</p> <ul style="list-style-type: none"> Proportion of sexual assaults reported to police that are deemed unfounded
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Why This Matters

- Violence can have impacts on a person's physical mental sexual and reproductive health which can span generations.
- Access to and confidence in the criminal justice system is foundational to Canadian society.
- Discrimination harassment and sexual violence in the workplace can have profound negative effects on health and safety absenteeism and decreasing productivity.

Progress and Challenges

There are important conversations happening in Canada and around the world regarding issues of discrimination, harassment and gender-based violence. Movements like MeToo and Times Up have shed light on situations and behaviours that simply do not belong in our society.

A recent consultation by Employment and Social Development Canada on **harassment and sexual violence in the workplace** found that nearly one-third of women in Canada have experienced some form of sexual harassment at work. Yet most do not report harassment—often due to fear of retaliation or lack of confidence that reports will be dealt with effectively. Empowering people to tell their stories secure in the knowledge that they will be heard, believed and respected is a necessary step—but real action on the part of employers, governments and other actors is also needed to ensure that the next generation does not face the same challenges.

Gender-based violence can take many forms and includes any act of violence or abuse that can result in physical, sexual or psychological harm or suffering.

**Figure 5.5 Gender-Based Violence
By the Numbers**



4 out of **10** violent crimes reported to police by women involved an intimate partner.



Less than **1** in **10** sexual assault victims report the crime to the police.



Nearly **1** in **3** women have experienced some form of sexual harassment in the workplace.

Sources: Statistics Canada, General Social Survey; Employment and Social Development Canada.

Data show that some populations are particularly vulnerable to gender-based violence, including Indigenous women, women with a cognitive or mental health-related disability, those living in northern, rural and remote communities and LGBTQ2 individuals. For example, research by the Native Women's Association of Canada suggests that approximately 4 000

Indigenous women were murdered or went missing between 1980 and 2012.

Furthermore, while Indigenous women make up only 5 per cent of the female population in Canada, they account for 24 per cent of all victims of homicide in 2015.

Childhood maltreatment is a powerful predictor of future victimization. People who are physically and/or sexually abused as children are twice as likely to be victims of gender-based violence later in life. While men are about 1.5 times more likely than women to report having been victims of physical abuse as children, women are three times more likely to have been sexually victimized as children.

Of all **sexual assault** incidents reported in Canada, nearly half (47 per cent) were committed against women aged 15 to 24, and it is estimated that as many as one in four women experience sexual assault while attending a post-secondary institution. Although most Canadian post-secondary institutions have established policies to prevent and address sexual violence on campus, and some jurisdictions have legislation that makes such policies a requirement, a recent report card issued by *Our Turn*, a national student-led movement aimed at addressing sexual violence on campuses, gave a score of C or lower to eight of 14 universities surveyed.

Underreporting of gender-based violence to the police remains a serious issue. According to victims of self-reported violence, only 5 per cent of sexual assaults come to the attention of police, a number that is much lower than for other types of violent crime. The belief that reporting a sexual assault will not lead to any charges against the perpetrator, fear about being re-victimized, and the stigma experienced by women who report sexual assault may increase the likelihood of cases not being **reported to the police**.

Women are less likely than men to be victims of **homicide**, but they are more likely to be victims of homicide by intimate partners. New and improved data on **intimate partner violence** are being developed but, in general, intimate partner violence is consistently identified as the most common form of violence against women, both nationally and internationally. Beyond the long-lasting physical and emotional consequences for the victims, all Canadians are paying a high price for violence against women. Canadians collectively spend \$8.4 billion each year to deal with the aftermath of spousal violence, according to Department of Justice Canada estimates.

The Government's Plan to Address Gender-Based Violence and Access to Justice

Results to Date

- Launched **Canada's Strategy to Prevent and Address Gender-Based Violence** which includes undertaking data collection and research in priority areas.
- Increased funding for **shelters and transition housing** for individuals fleeing family violence.
- Launched the **National Inquiry into Missing and Murdered Indigenous Women**.
- Enhanced support for victims of sexual harassment in the workplace.
- Updated the Canadian Human Rights Act and Criminal Code to consider gender identity and gender expression a distinguishing feature of a person.
- Improved gender balance of professionals in the **justice system** including judges with a view to ensuring that the system is more representative of Canadian society in order to better respond to the needs of Canadians.

Budget 2018 Actions

- Addressing and preventing gender-based violence by expanding **Canada's Strategy to Prevent and Address Gender-Based Violence**.
- Combatting violence at home and in the workplace by **protecting federally regulated employees from harassment and violence in the workplace** and providing **support to victims of family violence**.
- Addressing **historical wrongs for LGBT 2 individuals** in the federal government.
- Enhancing access to the family justice system for Canadian families by **expanding the unified family courts system**.
- Supporting enhanced investigative capacity at the RCMP to address **unfounded sexual assault cases**.
- Establishing a national hotline to **combat human trafficking**.
- Increasing access to legal information and support for Canadian workers who experience **sexual harassment in their workplace** and supporting outreach and awareness-raising on this issue.
- Engaging stakeholders including provinces and territories in developing a harmonized national framework to ensure consistent comprehensive and sustainable approaches to address **gender-based violence at post-secondary institutions** across the country.

Poverty Reduction Health and Well-Being

Focus Areas and Indicators

<p>Fewer vulnerable individuals living in poverty</p> <ul style="list-style-type: none"> Prevalence of low income by economic family type including single-parent households and by gender <p>Fewer women and children living in food-insecure households</p> <ul style="list-style-type: none"> Proportion of individuals living in households that are moderately or severely food insecure by economic family type including single-parent households and by gender <p>Fewer vulnerable individuals lacking stable safe and permanent housing</p> <ul style="list-style-type: none"> Proportion of the population in core housing need by economic family type including single-parent households and by gender <p>Child and spousal support orders enforced</p> <ul style="list-style-type: none"> Collection rate by type of beneficiary child spouse or both 	<p>More years in good health</p> <ul style="list-style-type: none"> Leading causes of death including suicide rate by gender Health-adjusted life expectancy at birth by gender Proportion of population that participated regularly in sport by gender <p>Improved mental health</p> <ul style="list-style-type: none"> Proportion of adults who have high psychological well-being by gender <p>Improved access to contraception for young people and reduced adolescent birth rate</p> <ul style="list-style-type: none"> Proportion of population aged 15-34 that did not use contraception among sexually active population not trying to conceive Adolescent birth rate aged 15-19 per 1 000 women in that age group
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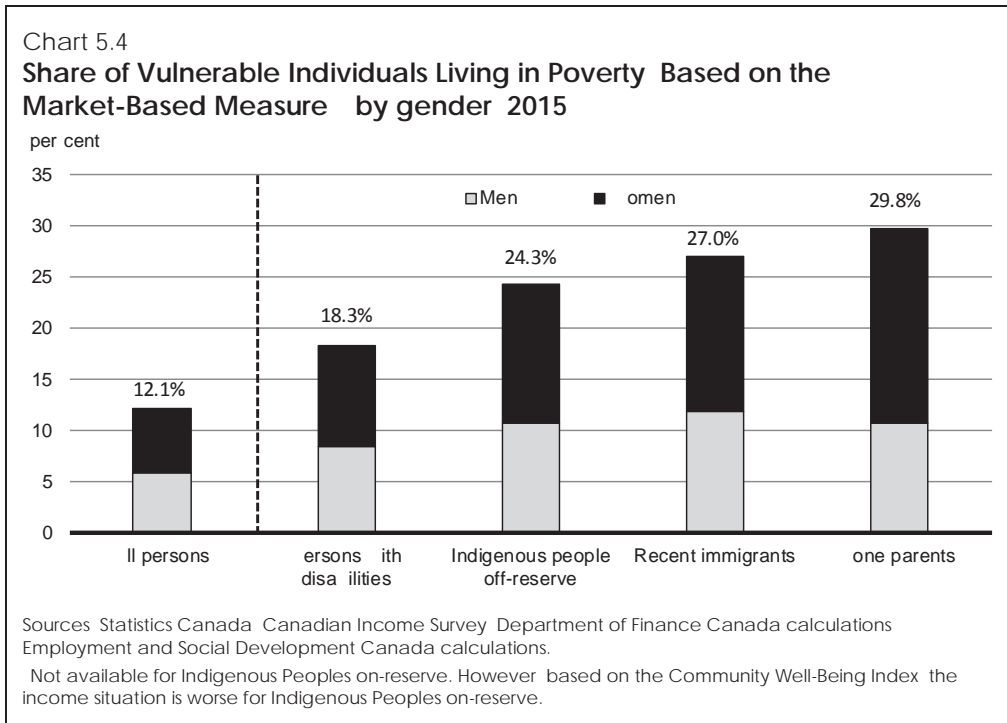
Why This Matters

- Poverty is a challenge faced by men and women alike but its effects can be different for women and girls who are more likely to be victims of violence to live alone and to suffer health problems.
- Ensuring all members of our society have a real and fair chance at success is part of the Government's plan to strengthen and grow the middle class.

Progress and Challenges

Poverty is a complex issue that ranges from being unable to afford basic necessities such as healthy food and safe and permanent housing to relative deprivation—being unable to afford things like access to the internet and swimming lessons for children. Poverty is closely linked to issues of mental and physical health and well-being which affect many Canadians on a day-to-day basis.

Canada is a prosperous country but about one in 10 people are living in low-income families. Economic and social marginalization affects certain groups of people disproportionately including women in particular.



Almost one in three single mothers are raising their children in poverty—negatively affecting their children’s health and outcomes in school and often having lasting effects across generations. This is particularly true for Indigenous women, who are more likely to be single mothers.

Poverty also affects individuals differently. About 2.7 million Canadians, the majority of whom are women, live in households that have inadequate or insecure access to food. **Food insecurity** is more prevalent among households with children, particularly those headed by single mothers. Food insecurity leaves a significant mark on children’s well-being and puts them at greater risk of conditions such as asthma and depression.

Poverty can also lead to inadequate unaffordable and unsuitable housing resulting in households that are in **core housing need**. Single mothers and senior women are particularly affected as well as women living in the North and in Indigenous households. Gender-based violence is also a key contributor to women's housing instability.

Emergency Shelter Use

- In 2014 approximately 136 000 individuals used a shelter.
- Shelter users are more likely to be men with 72.4 per cent identifying as male and 27.3 per cent identifying as female.
- Individuals aged 25-49 continue to be the largest group of shelter users at 52.7 per cent.
- 20 per cent of homeless individuals are youth aged 13-24.
- Approximately 29.5 per cent identify as LGBTQ2.

On **homelessness**—the most extreme form of poverty—single adult men represent a large portion of this population in Canada. These individuals tend to suffer more from mental illness addictions and disability. The percentage of women in the homeless emergency shelter population is lower than men but there is a lack of data on homeless women who are in shelters for survivors fleeing family violence and hidden homelessness. Indigenous Peoples are overrepresented among the homeless population in many urban centres in Canada. LGBTQ2 youth are also at higher risk of homelessness due to homophobia and transphobia in the home.

Poor health can contribute to poverty by preventing people from participating in education training and work. Canada has enjoyed large gains in life expectancy over the past decades thanks to improvements in living conditions and public health access and progress in medical care. Women tend to live longer than men however they are less likely to do so in good health. In other words women tend to suffer more from illness and health problems. **Mental illness** in particular can have a major impact on income security.

Based on Statistics Canada data men are about three times more likely than women to die by **suicide** but women are three to four times more likely to attempt suicide. LGBTQ2 people particularly youth and transgender people face higher rates of depression anxiety self-harm and suicidality. Youth suicide is also a pressing issue for Indigenous youth.

Life expectancy tends to be below average for Indigenous Peoples. One study found that residents of Inuit Nunangat are expected to live nine years less than residents in the rest of Canada reflecting self-inflicted injury primarily at ages 15 to 24 and respiratory diseases often related to smoking-related diseases.

As teenage pregnancy is related to lower educational attainment it can negatively affect labour force participation in the long term and in turn lead to poverty. While the **adolescent birth rate** in Canada has been steadily falling it is higher than in many other OECD countries Canada ranks 25th out of 34 countries in terms of births among 15-to-19 year olds .

The Government's Plan for Reducing Poverty and Improving Health and Well-Being

Results to Date

- Nine out of 10 Canadian families are receiving more money under the **Canada Child Benefit**—particularly beneficial for low-income single mothers.
- Increased **Guaranteed Income Supplement** payments of up to 947 per year are helping nearly 900 000 low-income seniors 70 per cent of whom are women.
- Restored the **eligibility age for Old Age Security and Guaranteed Income Supplement** benefits to 65 putting thousands of dollars back in the pockets of Canadians as they become seniors.
- New **National Housing Strategy** that will support vulnerable populations—with at least 25 per cent of investments to support projects that target the unique needs of women and girls.
- Greater funding to improve the **health of First Nations and Inuit** including in services that are women-specific such as maternal and child health.

Budget 2018 Actions

- Improving access to the **Canada Child Benefit** and other benefits for Indigenous Peoples living on reserves in the North and in urban areas.
- Improving access to and increasing support from the **Canada Workers Benefit**.
- Improving the daily life of Indigenous Peoples with investments in **housing health and safe drinking water**
- Improving the quality of life of people with **dementia** and ensuring that caregivers have the support they need.
- Moving towards an **inclusive sport system** by setting a target to achieve gender parity in sport by 2035 and increasing funding to support data and research innovative practices to promote female participation in sport and provide support to national sports organizations to support the greater inclusion of women and girls in all facets of sport.

Gender Equality Around the World

Focus Areas and Indicators

<p>An international feminist agenda that advances Canada's commitment to gender equality and women's empowerment including</p> <ul style="list-style-type: none"> • Increased and meaningful participation of women in peace and security efforts • More women in leadership and decision-making roles and stronger women's rights organizations • More women and girls have access to sexual and reproductive health services and their rights are promoted • More of Canada's trade agreements include gender related provisions 	<ul style="list-style-type: none"> • More women have equitable access and control over the resources they need to build their own economic success and the economic success of their communities • Fewer people are victims of sexual and gender-based violence and sexual exploitation including in conflict settings and online • More girls and women access quality education and skills training
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Why This Matters

- Canada is committed to eradicating poverty and building a more peaceful inclusive and prosperous world. The Government will invest in women's empowerment and gender equality as the best ways to achieve these objectives grounded in the Agenda 2030 for Sustainable Development.
- Numerous studies tell us this is the right course. It has been estimated that achieving gender equality around the world could increase global GDP by 12 trillion over 10 years. And there are strong correlations between gender inequalities and extreme poverty.
- For these reasons and more Canada is pursuing a feminist approach across all its international policies and programming including diplomacy trade security and development.

Progress and Challenges

Over the past three decades the world has made impressive gains in reducing poverty. Sustained economic growth has led to higher incomes broader access to goods and services and a better standard of living for most of the world's citizens. New technologies including access to mobile phones and the internet are generating economic opportunities access to services and opening new avenues for advocacy and the protection of human rights.

But not all these developments are universally positive nor has everyone benefitted equally. Millions of people continue to struggle in the face of persistent poverty and inequality exacerbated by violent conflict and the effects of climate change.

Women and girls—whose voices and interests are too often ignored—are at a particular disadvantage. For instance women are legally discriminated against in more than 150 countries. In some countries women also face restrictions when it comes to **registering a business inheriting property and owning land**. An important part of making sure that women and girls are able to take full advantage of economic opportunities involves giving them control over their own **sexual and reproductive health**. In many countries these opportunities and choices are limited by discriminatory laws and policies inadequate services and ongoing threats of **sexual and gender-based violence** and exploitation.

When women and girls are given equal opportunities to succeed and where their rights are promoted and protected they can be powerful agents of change—driving stronger economic growth encouraging greater peace and cooperation and improving the quality of life for their families and their communities. Increasing gender equality can

- Deliver strong economic growth Women already generate nearly 40 per cent of the world's GDP and the potential for further growth led by women is relatively untapped.
- Help cut down on extreme poverty Ensuring that all students—especially girls—leave school with basic literacy skills could cut worldwide levels of extreme poverty by 12 per cent.
- Reduce chronic hunger Providing female farmers with equal access to resources could reduce the number of people living with chronic hunger by as much as 17 per cent.
- Benefit entire families Evidence shows that women tend to spend more of their incomes in ways that directly benefit their children improving nutrition health and **educational opportunities** for the next generation.
- Empower all those who face discrimination Women and girls are not the only groups that face discrimination and inequality. Others face social and or economic marginalization including on the basis of their sex race ethnicity national or ethnic origin colour religion language sexual orientation gender identity age ability or migrant or refugee status. By empowering women and girls as a means to achieve gender equality the Government sends the clear message that equality is for everyone.

Canada is committed to the 2030 Agenda for Sustainable Development and the global effort to eradicate poverty and leave no one behind. To this end, Canada has adopted a Feminist International Assistance Policy where it will focus its efforts on 6 action areas—gender equality and empowerment of women and girls, human dignity, growth that works for everyone, environment and climate action, inclusive governance, and peace and security. The Policy supports targeted investments, partnerships, and innovation and advocacy efforts that have with the greatest potential to close gender gaps and improve everyone’s chance of success. By 2021–22, the Policy commits that 95 per cent of bilateral international development assistance will target or integrate gender equality and the empowerment of women and girls, and that no less than 50 per cent of Canada’s bilateral international development assistance is directed to sub-Saharan African countries by 2021-22.

Canada recognizes the important need to ensure the benefits of trade are shared more broadly with more people. This includes closing the gap in women’s participation in trade and the economy. Canada is pursuing a **progressive trade and investment agenda** which seeks fair trade opportunities for women-owned and operated SMEs, supports women exporters, and advances trade agreements that incorporate a gender perspective.

Canada is also committed to supporting and maintaining **peace and security efforts** internationally, which are key to creating a safer and more prosperous world. In fragile and conflict-affected states, human rights can be violated and gender equality efforts negatively affected. Women and girls are particularly at risk in conflict-affected areas. For example, sexual and gender-based violence can become more pervasive in conflict settings. In these contexts, women’s human rights, such as participation in political processes and access to the legal system, are often undermined.

When women are more involved in peace and security efforts, peace processes have been found to be more likely to be successful, and peace agreements more likely to endure. Moreover, women are uniquely able to provide outreach to other women. That is why Canada is focused on increasing the proportion of women deployed overseas and empowering women in all aspects of peace and security, including through support for the Elsie Initiative on Women in Peace Operations—a plan to work with the United Nations and interested member states to develop innovative approaches to women’s meaningful participation in peace operations.

This approach is reinforced through Canada’s new defence policy, which will promote diversity and inclusion as core institutional values. New focus will be placed on recruiting and retaining underrepresented populations, including women, within the Canadian Armed Forces, with a target to increase the representation of women to 25 per cent of the overall force within 10 years. This will not only result in a positive cultural change, but also increase overall operational effectiveness.

The Government's Plan for Advancing Gender Equality Around the World

Results to Date

- Launched Canada's **Feminist International Assistance Policy** which commits to reducing extreme poverty and building a more peaceful inclusive and prosperous world. Specific announcements in support of the Policy include
 - 180 million to the Global Partnership for Education providing targeted support for girls' education and help to strengthen education systems in developing countries.
 - 15 million to Marie Stopes Tanzania to provide girls and women with improved access to the information and family planning services and commodities they require.
 - Launched the Elsie Initiative on Women in Peace Operations to develop innovative approaches for women's meaningful participation in peace operations.
 - 20 million to help create the World Bank-managed Women's Entrepreneurship Facility.
- unveiled Canada's **new defence policy** which commits to demonstrating leadership in reflecting Canadian ideals of diversity respect and inclusion including gender equality.
- A **progressive trade agenda** including an amended Canada–Chile Free Trade Agreement that has a chapter on trade and gender—the first of its kind for a Group of Twenty (G20) country—and a new preamble to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership that reaffirms the importance of promoting progressive values including gender equality.

Budget 2018 Actions

- Providing **2 billion over five years in new resources to expand programming** that will contribute to eradicating poverty and building a more peaceful inclusive and prosperous world.
- Providing **new innovative tools** to deliver 1.5 billion over five years in international assistance to support Canada's Feminist International Assistance Policy.
- Connecting women entrepreneurs with export opportunities through women-focused international trade missions tailored advisory services and access to global value chains by providing 10 million over five years starting in 2018–19 to expand the **Business Women in International Trade** program.

GBA of Budget 2018

Fairness and equality are at the forefront of Budget 2018. Important new investments are supporting equality at home and in the workplace and providing help to people who need it most including Indigenous Peoples people with disabilities and individuals suffering the effects of substance abuse.

This budget also proposes many other investments to help Canadians and grow the economy which will undoubtedly affect different people in different ways. These include measures to bolster Canada's research and innovation capacity help businesses grow and succeed reinforce the Government's public safety institutions and enhance services to Canadians.

A true commitment to equality and diversity requires an understanding of how all policy decisions affect different people differently. The Government fully embraced this principle in Budget 2018 where **every single decision on expenditure and tax measures was informed by GBA**.

There are many ways that budget measures can carry differential gender impacts. In some cases investments are targeted for particular groups. In other cases measures may unintentionally benefit one group or another disproportionately. For example the delivery of certain measures may rely on sectors or occupational groups that are male or female predominant. The Government's analysis of expected impacts will not always get it right. It may be limited by data gaps or incorrect assumptions about how individuals may react. This is why presenting this information within the budget is so important. It invites scrutiny and encourages an open and frank discussion about the impacts of budget measures and how to promote better outcomes for all Canadians.

Strengthening Support for Low-Income Canadians

Key Measures in Budget 2018

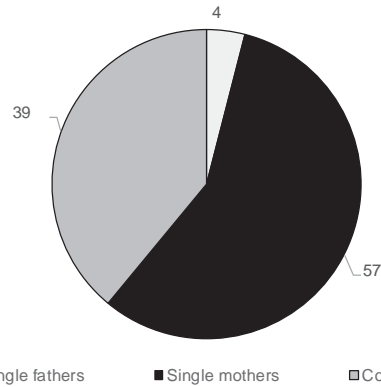
- Enhancing the Canada Workers Benefit
- Increasing uptake of the Canada Child Benefit and other benefits among Indigenous Peoples

Policy Landscape

Low-income Canadians face many challenges that can limit their opportunities to get ahead. The Government of Canada provides a number of benefits to reduce barriers to improved well-being and success for these individuals.

- The **Canada Child Benefit** (CCB) supports about 3.3 million families and in particular low-income families. Close to 65 per cent of families receiving the maximum CCB amounts are single-parent families, more than 90 per cent of which are led by single mothers. Single mothers who will receive the CCB in the 2018–19 benefit year will receive close to \$9 000 annually in benefit payments on average.
- Low-income families and individuals also benefit from the **Goods and Services Tax/Harmonized Sales Tax Credit** which is paid to about 10.5 million recipients each year.
- The **Canada Workers Benefit** (CWB) previously the Working Income Tax Benefit provides important income support for working Canadians and helps offset financial barriers associated with work such as taxes, expenses, and the loss of supports such as social assistance. While women make up about half of current claimants, they are overrepresented among single-parent claimants, making up about 90 per cent of that group.
- The **Refundable Medical Expense Supplement** plays a similar role, helping offset the loss of coverage for medical and disability-related expenses when individuals move from social assistance into the paid labour force.
- The federal government also supports low-income seniors through the **Guaranteed Income Supplement** (GIS), a non-taxable benefit which includes a top-up benefit for vulnerable seniors who rely almost exclusively on income from the Old Age Security program. In total, the GIS program benefits nearly two million seniors. Budget 2016 increased the GIS top-up benefit for single seniors by up to \$947 annually, helping nearly 900 000 low-income seniors, 70 per cent of whom are women.

Chart 5.5
Share of CCB Amounts Paid to Single Parents and Couples with Incomes Below \$30,450, 2018–19 Benefit Year



Close to 95 per cent of CCB amounts paid to single parents with incomes below \$30,450 are estimated to be paid to single mothers.

Impacts of Budget 2018 Investments

The Government is investing in initiatives to help **increase the uptake of the CCB** and other benefits among Indigenous Peoples living on reserves in the North and in urban areas. The evidence suggests that these actions are needed as

- Indigenous children under the age of 15 are more likely than non-Indigenous children to be living in a single-parent family about 34 per cent compared to 17 per cent based on the 2011 National Household Survey .
- Of these children more than 80 per cent are being cared for by a single mother.

Through broader community engagement with Indigenous communities in combination with additional investments in the Community Volunteer Income Tax Program and other tax-filing related services the Government will reach out to families that are facing barriers to accessing these benefits. The significant support provided through the CCB and other benefits will help improve the quality of life of single mothers and other parents living in these communities and ensure that the needs of their children are better met.

Enhancing the Canada Workers Benefit (CWB) and improving access to the benefit will support low-income workers and in particular will help support single mothers—a group with relatively low employment rates and an elevated risk of living in poverty. Claimants currently receiving the Working Income Tax Benefit—a precursor to the CWB—are more likely than the general tax filing population to be single parents representing about 16 per cent of claimants compared to 7 per cent of tax filing working-age families.

Safia is a single parent with one child under the age of six. Safia earns \$25,000 and claims \$2,500 in child care expense deductions. In 2019 she will receive almost \$1,700 from the Canada Workers Benefit—an increase of more than \$600 relative to what she would have received from the WITB in 2018. Safia will also receive \$6,496 in CCB payments for the 2018–19 benefit year.

Helping Working Canadians

Key Measures in Budget 2018

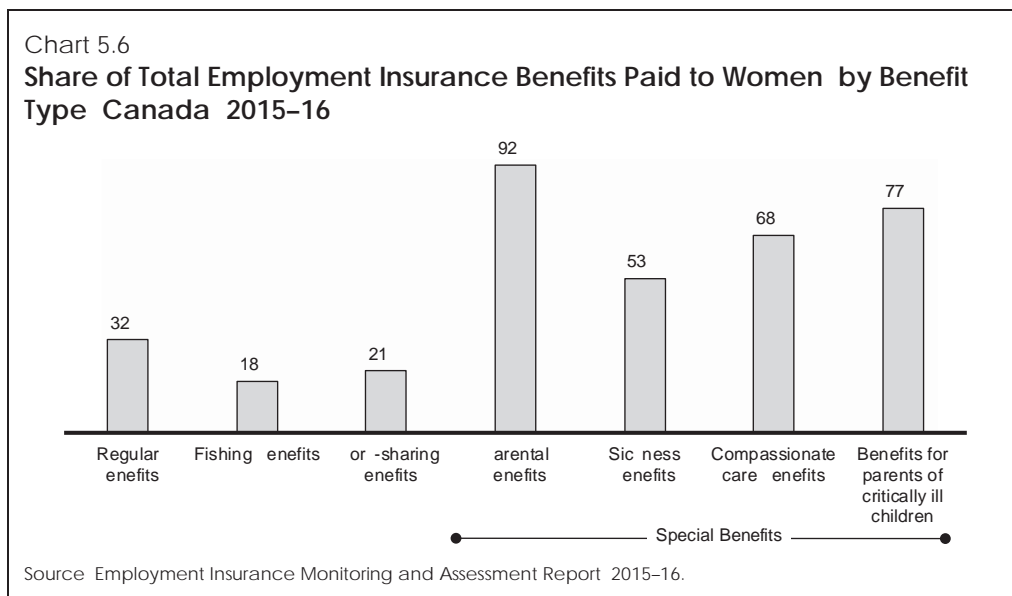
- A new Employment Insurance Parental Sharing Benefit to support sharing of child care responsibilities in the first years which is expected to be available starting June 2019.
- The Employment Insurance Working While on Claim Benefit to help individuals stay connected to the labour market
- Additional skills training support for those who need it most

Policy Landscape

The Government of Canada provides a number of programs and benefits to help working Canadians balance work and family responsibilities and encourage individuals to enter and stay in the workforce.

The **Employment Insurance** EI program is a critical part of Canada’s labour market supports providing temporary income support to people who have lost their jobs and helping Canadians who take time off work for specific life events e.g. child birth sickness and injury .

Women represented 44 per cent of all new EI claimants in 2015–16 and received 47 per cent of the total amount paid. However they accounted for almost two-thirds of new EI special benefits claimants and received 83 per cent of the total amount paid in EI special benefits. In addition to maternity benefits women received the largest share of the total amount paid in EI parental benefits sickness benefits and compassionate care benefits.



The federal government also invests nearly 2.9 billion annually in transfers to provinces and territories to support skills training and development in order to improve labour market outcomes. Budget 2017 provided an additional 2.7 billion over six years starting in 2017–18 to boost skills training and employment supports for unemployed and underemployed Canadians.

The indirect nature of these programs—administered by provinces and territories—represents a challenge to measuring how investments ultimately meet the needs of different groups of women and men. Current negotiations between federal, provincial and territorial governments on Labour Market Transfer Agreements provide an opportunity to achieve program goals while providing additional flexibility to provinces and territories, expanding eligibility and focusing on outcomes.

Impacts of Budget 2018 Investments

Budget 2018 measures to support working Canadians are intended to fill specific gaps in the workforce with a particular focus on additional support for underrepresented groups in the workforce.

Employment Insurance Measures

Budget 2018 introduces a new **EI Parental Sharing Benefit**. The new benefit will be available to eligible two-parent families, including adoptive and same-sex couples. This type of benefit has been proven to encourage a more balanced sharing of child-rearing that goes well beyond the five-week period. Quebec and other jurisdictions that have implemented similar benefits have found that they play a key role in who takes time off to provide caregiving. In 2016, for example, 80 per cent of new fathers in Quebec claimed or intended to claim parental benefits, in part because of leave that was specifically reserved for them. In the rest of Canada, which does not provide specific second parent leave, this same figure is only 12 per cent. The new benefit will also provide greater flexibility—particularly for mothers—to return to work sooner, if they so choose.

The **EI Working While on Claim** measure will help individuals stay in the workforce and ensure that EI claimants always benefit from accepting available work. In addition, Working While on Claim provisions will be extended to EI maternity and sickness claimants. On the whole, this measure is expected to affect more women than men, since women are more likely to work while on claim, and will also affect seasonal claimants and claimants living in Atlantic Canada or Quebec. Very few mothers work while receiving maternity benefits, about 900 out of 175,000 claims, and this is not expected to change with these measures. However, this will benefit those in low-income households who are facing financial pressures that require them to work. The measure will also support people with longer-term illnesses, chronic illnesses or episodic conditions to gradually return and stay connected to work.

Skills Measures

The Government is taking additional targeted steps as part of its **Skills** plan to ensure that all Canadians are given the opportunity to succeed in the economy of tomorrow.

The new **Pre-Apprenticeship Program** will target people who are currently underrepresented in the trades including women youth Indigenous Peoples newcomers and people with disabilities to prepare for an apprenticeship. Gender differences in the trades seem to be have proved more durable. In 2015 women made up only 11 per cent of new registrations in Red Seal trades and tended to be in low-paid trades. Furthermore only 2 per cent of 15-year-old female students in a 2012 survey were planning to pursue a trades career. In addition to attitudinal barriers women can face other challenges such as an absence of mentors difficulty finding an employer sponsor discrimination and family obligations. Barriers can be heightened for women or men who have a disability or who are Indigenous youth or newcomers.

As a result of this gender-based analysis Budget 2018 is encouraging women's increased representation in male-dominated—and better paid—Red Seal trades by introducing the **Apprenticeship Incentive Grant for Women** a five-year pilot project where women in male-dominated Red Seal trades would receive a new grant of 3 000 for each of their first two years of training. This in combination with the existing Apprenticeship Completion Grant valued at 2 000 will result in a combined 8 000 in support over the course of their training. This doubles the existing financial support from 4 000 to 8 000.

The **Canada Summer Jobs** program has been shown to enable participants to save about one-third of their educational expenses for the following school year while providing essential skills needed for the future. The current program design accounts for student unemployment in local labour markets a focus on skills that are most needed and greater labour market participation of underrepresented groups. These program design features support enhanced participation of women and newcomer youth in STEM fields and employment opportunities for youth in low-income neighborhoods. In addition according to the program's 2016 self-reporting survey results Indigenous youth represented 5.9 per cent of program participants in summer 2016.

Supporting the Next Generation of Research and Researchers

Key Measures in Budget 2018

- New granting council investments with requirements to achieve gender equality objectives
- New funding for the Canada Research Chairs program to better support early-career researchers and increase diversity
- A strategic plan to grow the capacity of Indigenous communities to conduct research and partner with the broader research community

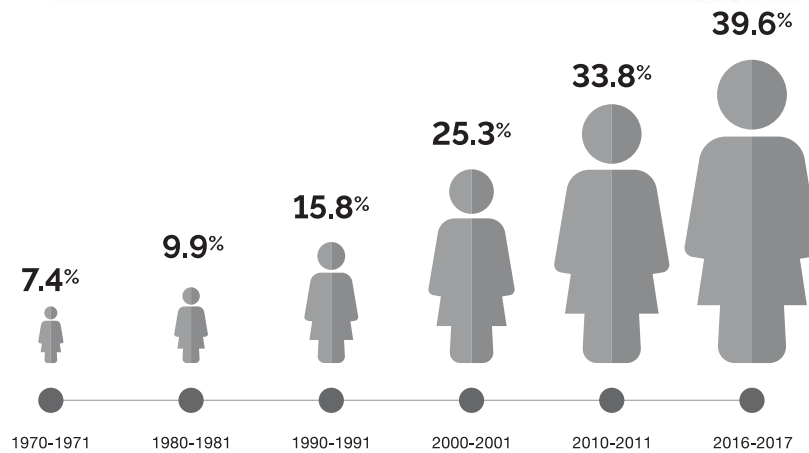
Policy Landscape

The gender impacts of investments in research are not straightforward. A key rationale for government support for research is the spillover benefits to society that can result from the research findings. While these benefits are difficult to predict in advance and can involve long lags, they may be seen to represent knowledge and innovations that benefit all Canadians. However, significant gender disparities exist within the research community at Canadian universities and research hospitals that tend to be the direct beneficiaries of research grants.

As women's participation in higher education continues to grow, there has been a commensurate increase in the number of women university faculty members, but gender gaps remain. Because fewer women than men continue their studies at progressively higher levels of education in many fields of study, women are underrepresented in the pool of researchers eligible to apply for research grants. For example, in humanities studies, women make up 64 per cent of bachelor's degree holders, but only 41 per cent of doctorate holders.

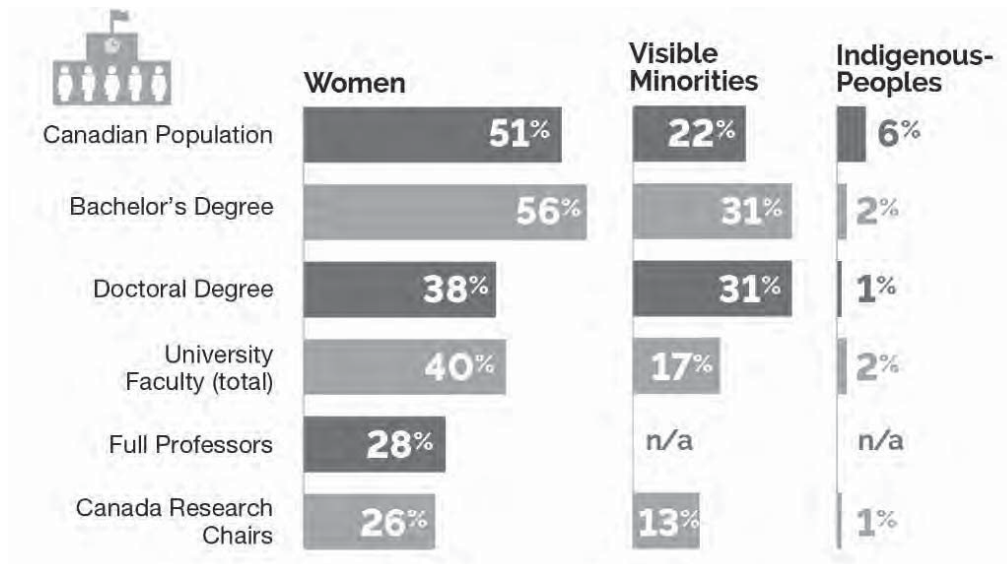
Gender gaps widen when looking at STEM fields, where women make up only one-fifth of individuals with a doctorate in these disciplines. Female representation in certain STEM fields—specifically in mathematics, computer science and engineering—is particularly low.

Figure 5.6 Proportion of Female Faculty



The Government has also heard from the Fundamental Science Review Panel and many others in the research community that early-career researchers are facing challenges such as insufficient funding opportunities. Supporting early-career researchers has important consequences for equity and diversity. For example, women, members of visible minorities and Indigenous Peoples are better represented at earlier stages of educational and academic attainment.

Figure 5. Representation of Women, Visible Minorities and Indigenous Peoples in Academia



Sources: 2006 and 2016 Census; 2016-17 CASS; and the 2012-14 results of the target-setting exercise for the Canada Research Chair program.

Data on university faculty members who are members of visible minorities and Indigenous Peoples are outdated from 2006. In addition, the 2016 Census did not collect information on people with disabilities, so limited information is available. However, the limited data that are available suggest that people with disabilities are also underrepresented in academia. The 2012 Canadian Survey on Disability found that 14 per cent of Canadians aged 15 and older reported having a disability, while about 10 per cent of doctorate holders reported having a disability, and only one to 2 per cent of Canada Research Chair holders reported having a disability.

Impacts of Budget 2018 Investments

In Budget 2018, the Government is proposing actions that will make Canada's research environment more responsive, agile and modern. This includes historic investments in support of researchers and for equipment, combined with improved coordination and harmonization to focus on the highest priorities.

On the whole, the Government does not expect these investments to result in significant immediate changes to the disparities that exist, but consistent with the gender-based analysis, targeted actions are designed to encourage a more inclusive research community and support broader change in the future.

Funding support through the **federal granting councils** is determined through a merit-based peer review process based on research excellence. In general, the proportion of women who receive granting council awards is approximately equal to the proportion of women applying for them. In some research fields, women are significantly underrepresented, meaning there are fewer female applicants and therefore fewer female awardees. For example, about 80 per cent of applicants and awardees for the Natural Sciences and Engineering Research Council's Discovery Grants program are men. Similarly, various Canadian Institutes of Health Research grants programs average over two-thirds male applicants and awardees. Given that these two granting councils award the majority of federal research grants, new funding will disproportionately go to male researchers as a result.

The Government has already begun to implement measures to improve equity, diversity and inclusion, with the recently established Canada Research Coordinating Committee tasked with strengthening equity and diversity in research.

In Budget 2018 the Government is going further to advance these principles supported by the integration of GBA in program design.

- The collection of better data on underrepresented groups will inform action plans to promote stronger representation of underrepresented groups in granting council programs with clear targets and annual reporting to measure progress.
- Research institutions will receive support to advance equality and diversity through the adoption of the Athena SWAN Scientific Women's Academic Network program. The program's goals include structural and cultural changes such as increased support for women's careers and efforts to challenge discrimination and bias.
- Research institutions will be able to compete for grants to tackle challenges in addressing underrepresentation and career advancement faced by women, Indigenous Peoples, members of visible minorities, people with disabilities and LGBTQ2 individuals.
- Indigenous communities will be engaged to identify strategies to grow their capacity to conduct research, partner with the broader research community and assist in establishing a national research program.

In addition, in 2018–19 the granting councils will be required to publish an **annual report** for Canadians on progress in addressing challenges in the research system, including equity and diversity, and support for researchers at various career stages.

Innovation and Skills Plan—A More Client-Focused Federal Partner for Business

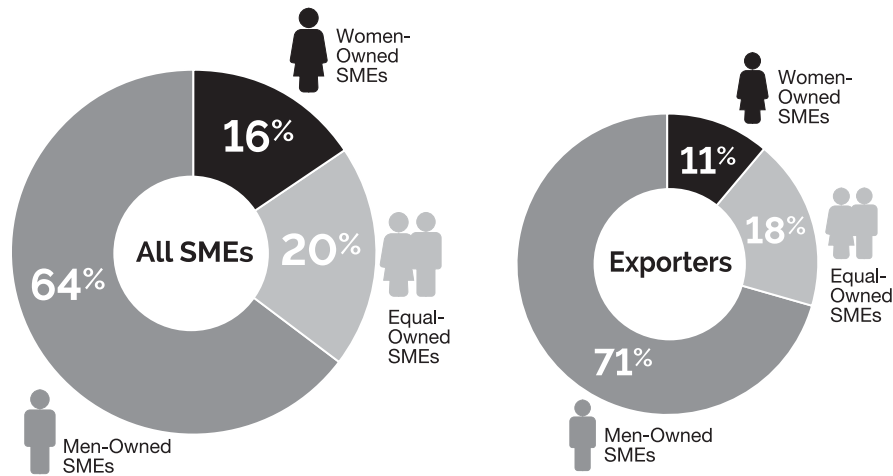
Key Measures in Budget 2018

- Simpler and stronger support for companies to innovate, scale up and reach global markets
- A modern approach to intellectual property
- A new Women Entrepreneurship Strategy

Policy Landscape

The suite of federal business innovation programs is fundamentally about breaking down barriers to the success of entrepreneurs and their companies so that they can continue to grow and innovate for the greater benefit of the economy and society. However, to be truly effective, these programs must recognize that these barriers are different for different people.

Figure 5.8 All SMEs and Exporting SMEs by Gender



Sources: *Research on Financing and Growth of Small and Medium Enterprises 2014*, Office of the Chief Economist, Global Affairs Canada.

Today, women remain underrepresented in the Canadian economy, especially among small and medium-sized enterprises (SMEs)—women are the majority owners of only 16 per cent of all SMEs in Canada. What’s more, women-owned SMEs tend to face poorer prospects and tend to be smaller, less likely to scale into large companies, and less likely to export. Women-owned companies are especially underrepresented in the technology sector. A recent study estimated that only 13 per cent of Canadian technology companies have at least one woman on the team of founders.

Ensuring that women and women-owned companies have access to this range of support and opportunities is essential to meeting the outcome of a more diverse innovation economy. This includes support throughout the entire growth cycle of a company from developing new intellectual property to accessing the needed resources and capital for scaling and to finding sales opportunities whether from governments or private companies including internationally. In addition well-designed and efficient regulations ensure a level playing field while also minimizing potential barriers to businesses' success.

Impacts of Budget 2018 Investments

The Government is taking a comprehensive approach to better support the growth of firms in Canada by consolidating and streamlining programs modernizing regulations and improving trade opportunities.

These actions will serve the entrepreneurs and companies of today where important disparities continue to exist from a gender perspective. The Government recognizes that change takes time but equally recognizes its role in effecting this change by better tailoring its programs and services to the needs of Canadians.

The results of GBA have informed the Government's business innovation reforms. A clear result is the new **Women Entrepreneurship Strategy**—a comprehensive effort to break down the barriers to growth-oriented entrepreneurship that will include new direct funding from the regional development agencies targeted to women entrepreneurs mentorship and skills training as well as targets for federal procurement from women-led business. A strong example of GBA at work is the Business Development Bank of Canada's BDC's accessibility review. The BDC conducted the review to examine how accessible its products and services were to women entrepreneurs. The review motivated a number of new actions by the BDC including a commitment to make available 1.4 billion in financing to women entrepreneurs as well as service improvements and a renewed focus on training staff on unconscious biases.

More generally the Government's coming reform to federal innovation programs will include a universal goal to improve the participation of underrepresented groups including women entrepreneurs in the innovation economy. If women entrepreneurs are to become greater participants in the innovation economy it is crucial that they have fair access to the entire suite of business innovation programming and that potential biases of program administrators are addressed.

Regional development agencies have extensive experience in helping female entrepreneurs access the tools needed to establish and expand their businesses. The strategy will build on these existing relationships and networks to help women identify and act on new innovation-driven opportunities.

Supporting Women Business Owners in Tech

The Federal Economic Development Agency of Southern Ontario supports Communitech's Fierce Founders Accelerator program a seed funding program designed to support women-led early-stage businesses. In 2016–17 the Government announced support of 880 000 over two years to Fierce Founders Accelerator to support 20 women-led technology companies.

Through its commitment to enhance export supports for businesses the Government is also looking to reduce the barriers around access to external markets for certain groups of people in particular women entrepreneurs. This includes investing 10 million over five years starting in 2018–19 to expand the Trade Commissioner Service's Business Women in International Trade program to better connect businesses owned by women with international market opportunities. The Government is also making available 250 million through **Export Development Canada** to provide financing and insurance solutions to women-owned and women-led businesses that are exporting or looking to begin exporting.

To grow their companies women entrepreneurs must be able to turn their ideas into competitive goods and services that gain market share. Budget 2018 announces the details of a **new Intellectual Property Strategy** to ensure a strong foundation for commercial success in an innovation economy. This will include targeted initiatives to support underrepresented groups such as women and Indigenous entrepreneurs. For example the Canadian Intellectual Property Office will increase its education and awareness initiatives that are delivered in partnership with business intermediaries and academia to ensure that Canadians better understand and exploit intellectual property and integrate it into business strategies. As a result of gender-based analysis this will also include targeted initiatives to support women and other underrepresented groups.

Advancing Reconciliation with Indigenous Peoples

Key Measures in Budget 2018

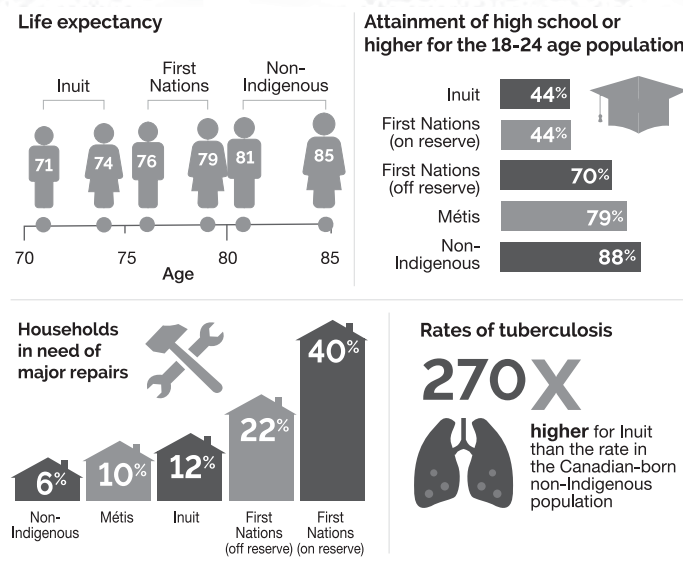
- Ensuring that Indigenous children are safe and supported within their communities
- Achieving better results for Indigenous Peoples through investments in health housing and clean and safe drinking water on reserve
- Supporting the recognition and implementation of rights self-determination and helping Indigenous Nations reconstitute

Policy Landscape

The historical relationship between Indigenous Peoples and the Crown has had a profound impact on Indigenous women. Colonial and paternalistic laws like the Indian Act as well as other legislation and policies such as residential schools entrenched policies and imposed structures that caused great harm to pre-existing social structures for Indigenous women.

As a result of this shared history socio-economic gaps between Indigenous and non-Indigenous Canadians continue to be significant.

Figure 5.9 Disparities Between Indigenous and Non-Indigenous People are Significant



Indigenous women are particularly vulnerable as they continue to be less likely to be part of the paid workforce have fewer post-secondary qualifications and worse health outcomes than non-Indigenous women.

Since governments use different data methodologies the Government does not have a nationally consistent view on the number and experiences of Indigenous children in care. However it is obvious that Indigenous children are significantly overrepresented in the child welfare system. Poverty inadequate housing and caregivers' experiences within the child welfare system are some of the main reasons Indigenous children are taken into care. Indigenous women are more likely than their non-Indigenous counterparts to be categorized as 'at-risk' to be investigated for alleged neglect and maltreatment and to have their children removed. Although a similar number of Indigenous boys and girls are taken into institutional care girls are much more likely to experience sexual abuse. In fact Indigenous girls are four times more likely than non-Indigenous girls to be victims of sexual violence while in foster care.

Impacts of Budget 2018 Investments

By continuing to invest directly in the health and well-being of Indigenous Peoples—in particular Indigenous women and children—while simultaneously supporting Indigenous self-determination and capacity-building the Government can continue to make progress on addressing the significant disparities between Indigenous and non-Indigenous people.

Greater supports for the **First Nations Child and Family Services Program** are needed to address the funding pressures facing child and family service agencies while also increasing prevention resources for communities so that children are safe and families can stay together. Through prevention efforts girls and boys may become less likely to experience forms of child maltreatment e.g. neglect physical abuse emotional maltreatment and girls may become less likely to experience sexual abuse.

The new **Indigenous Skills and Employment Training Program** will support more First Nations Inuit and Métis women and men entering the workforce by providing essential and vocational skills training they need for lasting employment. To address the unique needs of First Nations Inuit and Métis Nation women and men distinctions-based programming will be provided with dedicated funding and labour market strategies for First Nations Inuit Métis and urban non-affiliated Indigenous Peoples. As a result of gender-based analysis wrap-around services such as child care will also ensure that Indigenous women can better access skills development and training opportunities offered by the program's service delivery organizations.

The health needs and experiences of First Nations, Inuit and Métis men, women and children are unique, and there is limited disaggregated health information to help understand these differences. For instance, in the area of mental health and addictions, First Nations and Inuit men may benefit from land-based programs. Women may experience difficulty finding the time to attend regular treatment due to family responsibilities, or may delay seeking help for fear of losing custody of their children. Investments in **Indigenous Health** will support the collection of Inuit and Métis-specific health data to close information gaps. Increased access to addictions treatment and mental health programs within First Nations communities will support women and men so they do not have to leave their communities to access the resources and tools they need to heal and recover. The Government is making progress in devolving health service delivery to Indigenous communities so that, in the future, health programs are designed, delivered, managed and controlled by Indigenous People for Indigenous People.

Lack of adequate and affordable housing can affect health and well-being. In 2011, 27 per cent of Indigenous women lived in core housing need, compared to 13 per cent of Indigenous men. Inadequate housing is also one of the main reasons Indigenous children are taken into foster care at much higher rates than non-Indigenous children. Investments in **distinctions-based housing strategies** will ensure that Indigenous Peoples have greater control over housing to address the distinct needs of each community and the underlying social determinants of poverty that often contribute to Indigenous children being taken from their families, communities and culture.

The First Nations Land Management Regime empowers First Nations to exercise their jurisdiction by opting out of antiquated **Indian Act** provisions related to land management and replacing them with their own laws. Wider adoption of the First Nations Land Management Regime will allow more First Nations to exercise their inherent right to self-determination by creating their own laws related to land management, while creating economic opportunities for First Nations through self-management of reserve lands, environmental protection and natural resources. Since communities participating in the First Nations Land Management Regime are required to either implement federal matrimonial real property law provisions or develop their own, expanding the First Nations Land Management Regime will provide legal protection from family violence to more women and children living on reserve. Given that Indigenous women tend to be less likely to hold a certificate of possession of the family home and more likely to experience high rates of domestic violence, the matrimonial real property protections will benefit Indigenous women and children living on reserve.

A Clean Environment for Future Generations

Key Measures in Budget 2018

- Protecting Canada's Nature Parks and Wild Spaces
- Pricing carbon pollution and supporting clean growth

Policy Landscape

All Canadians benefit from a clean environment that supports clean air, water and land. Some of the main environmental challenges faced in Canada today relate to climate change, air pollution, water quality and biodiversity.

Canada's plants and animals, and the environments in which they live, make up ecosystems that provide services all Canadians depend on for our well-being. Healthy ecosystems help filter our air and water, and biodiversity helps ensure that ecosystems can continue to function well.

Impacts of Budget 2018 Investments

The Government is working with Indigenous Peoples to conserve species and ecosystems, protect the environment from degradation and pollution, improve access to nutritious food and address the challenges Indigenous communities face in accessing safe drinking water.

In Budget 2018, the Government is taking important steps to create a healthy environment for future generations, protect Canada's natural legacy, address climate change and grow the economy by pricing carbon pollution.

Actions taken to **protect Canada's nature parks and wild spaces** will support Canada's biodiversity goals and help conserve natural ecosystems. These investments are expected to benefit all Canadians, with some benefitting more than others. For instance, the 2012 Canadian Nature Survey found that a slightly higher percentage of women (51.3 per cent) than men (48.7 per cent) participate in nature-based recreation, education and leisure in Canada.

Indigenous Peoples especially those living in northern and remote communities are much more likely than other Canadians to rely directly on the land and water for their subsistence. The 2012 Canadian Nature Survey found that 20.1 per cent of adult Indigenous Peoples participated in hunting or trapping in comparison to 7.2 per cent of the non-Indigenous adult population and that 38.1 per cent of adult Indigenous Peoples participated in fishing in comparison to 19.3 per cent of the non-Indigenous adult population. Indigenous Peoples also represent the socio-cultural group most directly affected by biodiversity loss and negative changes to their environment as the quality of the natural environment is also more likely to be an important part of their tradition and identity. The 2012 Canadian Nature Survey found that 38.6 per cent of adult Indigenous Peoples participated in nature conservation activities in comparison to 21.6 per cent of the non-Indigenous adult population.

Vulnerability to emergencies and natural disasters

- Anticipated impacts of the increasing concentration of greenhouse gas emissions in the atmosphere include a higher frequency and severity of extreme weather events.
- Research undertaken in 2007 by the Canadian Red Cross Brandon University and federal partners analyzed the needs of at-risk populations in relation to emergency management at the federal provincial and territorial levels.
- 10 population groups were found to be particularly susceptible to harm due to emergencies or disasters seniors persons with disability Indigenous Peoples medically dependent persons low-income persons children and youth persons with low literacy levels women transient populations and new immigrants and cultural minorities.
- The research highlighted that the groups mentioned above are not mutually exclusive categories and that together they constitute a majority group.

The Government is also taking action to put a **price on carbon pollution** to address climate change. The impacts of climate change affect Canadians living in every region of the country. Higher temperatures declining sea and lake ice increases in extreme weather events and coastal erosion are some of the changes being observed. Canadians living in the North are particularly vulnerable to the impacts of climate change as the impacts are more extreme and occurring at a faster rate there. Research also indicates that natural disaster risks are not evenly distributed across Canadian society but disproportionately affect some groups including women children and Indigenous Peoples.

Supporting the Health and Well-Being of Canadians

Key Measures in Budget 2018

- Addressing the opioid crisis
- Federal Tobacco Control Strategy
- Public education for cannabis
- Supporting people living with dementia and their caregivers
- Supporting Canadian families affected by autism spectrum disorder

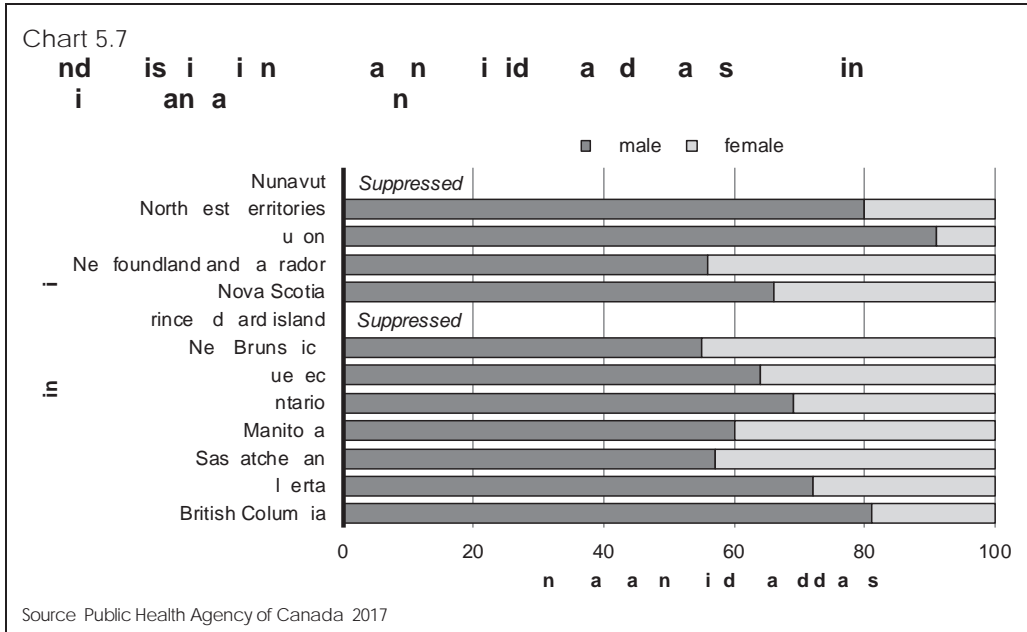
Policy Landscape

Canada presently faces several public health challenges including problematic substance use disorder which is of particular concern.

Understanding how these challenges affect different people differently is critical to designing effective policy solutions.

Opioid Use in Canada

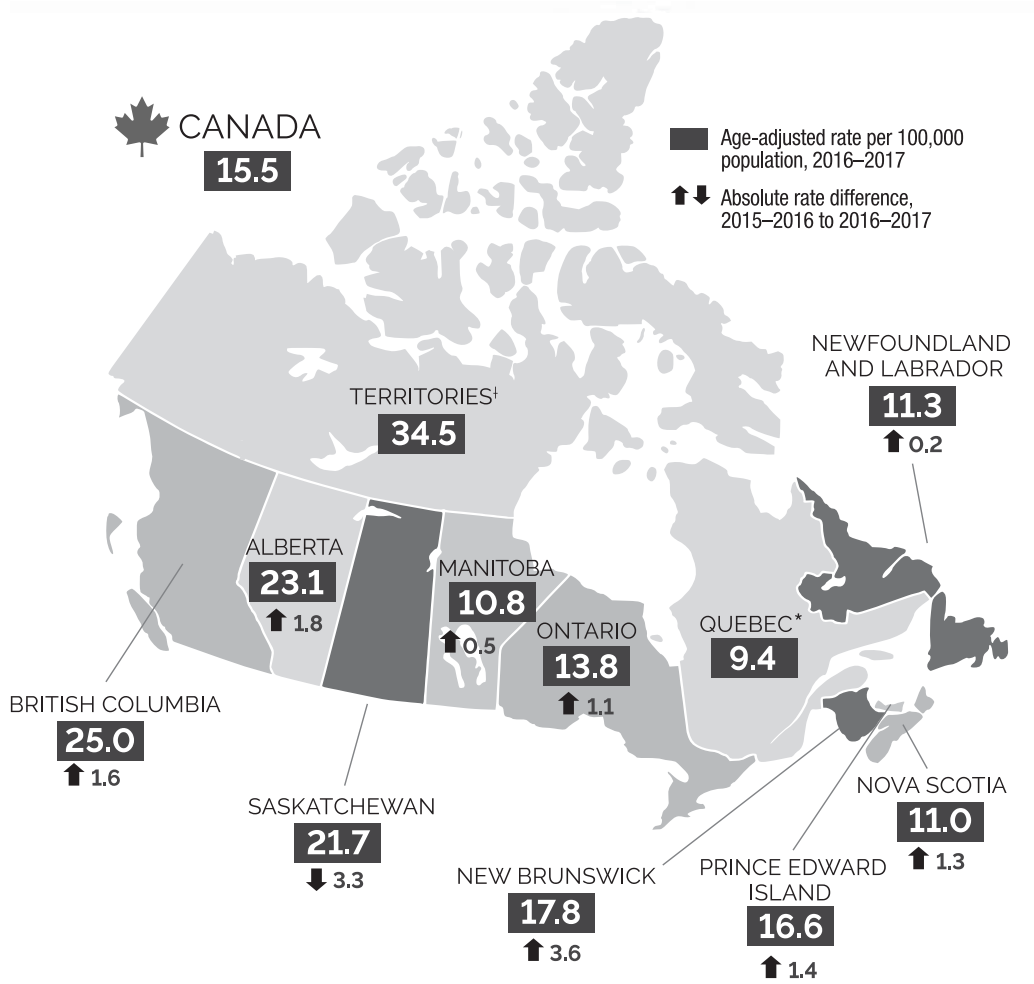
A number of sub-populations are being affected by the opioid crisis including men, women, different socio-economic groups, and First Nations and Inuit populations. However, it is notable that data specific to the Canadian context for many of these populations are lacking, including Indigenous Peoples, LGBTQ, and different socio-economic groups. According to national data released by the Public Health Agency of Canada in September 2017 on behalf of provinces and territories, most apparent opioid-related deaths occurred among men, 73 per cent, with some variation across provinces and territories.



Data released by the First Nations Health Authority in August 2017 indicated an almost even gender ratio (52 per cent male, 48 per cent female) in First Nations populations across all of British Columbia for overdose event rates. Women are more likely than men to develop an opioid use disorder related to prescription opioids. This may be because women are more likely than men to seek medical assistance for a medical issue and are thus more likely to be prescribed an opioid pain medication.

Illegal drug use, in particular injection drug use, presents a range of risks, a number of which disproportionately affect women. A 2002 study of people who inject drugs in the Vancouver area found that younger people who inject drugs were more likely to be female and more likely to work in the sex trade. Injection drug use combined with involvement in sex trafficking presents a host of risks, such as HIV infection and sexual abuse.

Figure 5.10 Opioid Poisoning Hospitalization Rates by Province Territory 2016-2017



NOTES

* Quebec data are from 2015-2016 the most recent year of data available therefore there is no absolute rate difference shown.

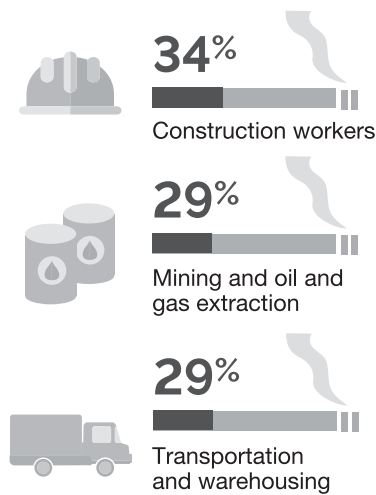
† Yukon Northwest Territories and Nunavut data are grouped due to low volumes.

This data should be interpreted with caution. Nunavut data are from 2015-2016 the most recent year of data available therefore there is no absolute rate difference shown.

Sources Hospital Morbidity Database Canadian Institute for Health Information.

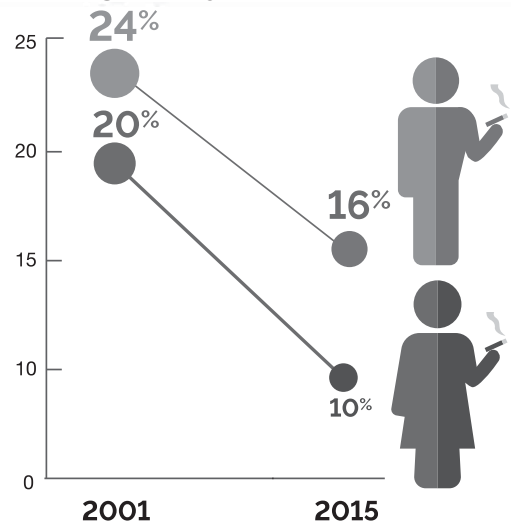
Tobacco Use in Canada

Figure 5.11
Smoking Rate By Industry 2011



Source: Statistics Canada, Canadian Community Health Survey

Smoking Rate By Sex



Source: Statistics Canada, Canadian Tobacco, Alcohol and Drugs Survey

Surveillance data indicate that although tobacco use has declined in Canada, gaps based on gender and other intersecting identity factors still exist. Male workers aged 18-75 in blue-collar occupations such as construction, mining, oil and gas extraction, and transportation and warehousing reported a prevalence of smoking that was 2.4 times the prevalence of workers in white-collar occupations such as finance, administration, and education, or a rate of 30.6 per cent compared to 12.6 per cent.

Data from the 2012 Aboriginal Peoples Survey indicate that 54.1 per cent of Canada's Inuit population aged 19 years and older smoke daily. Studies have also shown elevated smoking rates among various LGBTQ2 communities in Canada, with estimates ranging between 24 per cent and 45 per cent across different sexual orientation and gender identity groups.

Cannabis Use in Canada

In 2015, Statistics Canada collected data on cannabis use and found that approximately 13 million Canadians over the age of 15 reported using cannabis or hashish at least once in their lifetime. This included 7.5 million men and 5.5 million women. While the proportion of men who used cannabis in the last year has not changed significantly since 2013, the proportion of women who used cannabis in the last year increased from 7 per cent in 2013 to 10 per cent in 2015.

The use of cannabis was found to be more prevalent among youth aged 15 to 19 and young adults aged 20 to 24 than among adults aged 25 years and older. The median age of initiating cannabis use was 17 years old for men and women.

People Living With Dementia and Their Caregivers

In 2013–14 402 000 Canadians aged 65 years and older were living with some form of dementia including Alzheimer’s disease. Of those diagnosed with dementia two-thirds are women. In addition to the social costs and effects on families and loved ones dementia also has significant economic impacts. According to the National Population Health Study of Neurological Conditions published by the Public Health Agency of Canada the combined health care system costs and out-of-pocket caregiver costs for people with dementia amounted to 10.4 billion in 2016. By 2031 this figure is expected to increase by 60 per cent to 16.6 billion.

Canadian Families Affected by Autism Spectrum Disorder

Autism spectrum disorder is a complex lifelong neurodevelopmental disorder that has serious health social and financial consequences for Canadian families. The estimated prevalence of autism spectrum disorder in Canada is approximately 1 in 94 children aged 5 to 17 years. Studies concur that boys are almost five times more likely than girls to be diagnosed with autism spectrum disorder. Canadians affected by autism spectrum disorder regularly face systemic barriers in their pursuit of reliable information care and resources. Due to the varied nature of how the condition presents in different people there are no clear best practices for managing the condition that apply to all sufferers equally.

Impacts of Budget 2018 Investments

In Budget 2018 the Government is committed to finding evidence-based and effective solutions to these public health challenges recognizing that there is no single option that is appropriate for everyone affected.

While the **opioid** funding will target all Canadians affected by the opioid crisis certain sub-populations will be particularly targeted for increased access to treatment services including First Nations and Inuit offenders in the criminal justice system people living with addiction and substance abuse disorder and other vulnerable groups to be identified through increased surveillance activities. Public awareness campaigns and messaging will be gender-sensitive and inclusive of gender-diverse groups tailored to target Canadian women men girls boys and gender-diverse individuals. In addition investments supporting data improvements will help us better understand the populations being affected and target particular groups with prevention and treatment programs.

Government efforts on **tobacco** control will continue to support cessation harm reduction and prevention for tobacco users in the general Canadian population. In addition target populations will include young adults working in trades and semi-skilled occupations Indigenous people the LGBTQ2 community and other communities demonstrating high rates of tobacco use. Targeted groups may also include people with lower socio-economic status and people with mental health issues. Under the modernized Federal Tobacco Control strategy public awareness and targeted programming will take sex and gender inequities under consideration and will undertake targeted efforts such as specific gender-sensitive health promotions for men to reduce their tobacco use.

Public education for **cannabis** will benefit all Canadians as the Government works to legalize and strictly regulate and restrict cannabis in order to keep it out of the hands of Canadian youth and keep profits away from criminals and organized crime. Budget 2018's proposed investments in the Mental Health Commission of Canada and the Canadian Centre on Substance Use and Addiction will help us better understand what cannabis use looks like in Canada. Funding for the Substance Use and Addictions Program will support organizations that are best placed to communicate with their communities. Priorities for the Substance Use and Addictions Program have always included populations with a higher risk associated with cannabis use such as those who initiate use early youth those who use frequently those who use before driving those who use during pregnancy and seniors.

To support people living with **dementia** and their caregivers investments are proposed to support community-based projects that provide mental health supports and information about self-care for family caregivers tools to help locate resources quickly including information about best practices for providing care for people living with dementia and tools to combat stigma associated with dementia. This will disproportionately benefit the women who are diagnosed with dementia as well as their caregivers.

Support for activities that improve access to information and to research evidence on best practices and treatments **for people living with autism** is expected to positively affect those diagnosed with the disorder and their families and caregivers. This investment will also allow for the exploration of new and innovative ways to improve the quality of life of individuals and families affected by autism as well as their caregivers who are likely disproportionately women.

Ensuring Security and Prosperity

Key Measures in Budget 2018

- Introducing Canada's National Cyber Security Strategy
- Supporting Royal Canadian Mounted Police and Canada Border Services Agency front-line operations
- Establishing a national hotline to help combat human trafficking
- Addressing unfounded sexual assault cases
- Investing in research to address post-traumatic stress injuries for public safety officers
- Improving mental health supports for inmates

Policy Landscape

Investments in the public safety sector reflect a number of considerations one of which is to ensure that all Canadians live in safe communities that are free of violence. Another is to promote diversity within Canada's public safety institutions so that they reflect the communities they serve. The physical and mental health needs of the people who work to keep us safe every day is another consideration.

A diverse workforce fosters cultural change within organizations reducing the prevalence and tolerance of harassment and discrimination in the workplace and enabling institutions to develop better tools to interact with Canadians in what are often difficult circumstances.

The public safety sector has been and remains a heavily gendered field. Law enforcement has typically been male-dominated and recent reports have called attention to gendered institutional cultures where discrimination and harassment persist in workplaces such as the Royal Canadian Mounted Police. In 2016 21.6 per cent of all Regular Members in the Royal Canadian Mounted Police were women across Canada women accounted for 21.1 per cent of all police officers across various forces.

Emerging areas of law enforcement such as cybercrime are also gendered as they typically rely on technical specialists from male-dominated fields in science and engineering.

"... to all the women who have been impacted by the Force's failure to have protected your experience at work, and on behalf of every leader, supervisor or manager, every Commissioner: I stand humbly before you today and solemnly offer our sincere apology."

Former RCMP Commissioner Bob Paulson's formal apology to female officers and civilian members, Oct 6, 2016

The recent RCMP gender harassment and discrimination class action lawsuit serves as an important reminder of the work ahead to ensure that Canada's public safety institutions build and nurture cultures that are diverse respectful and inclusive.

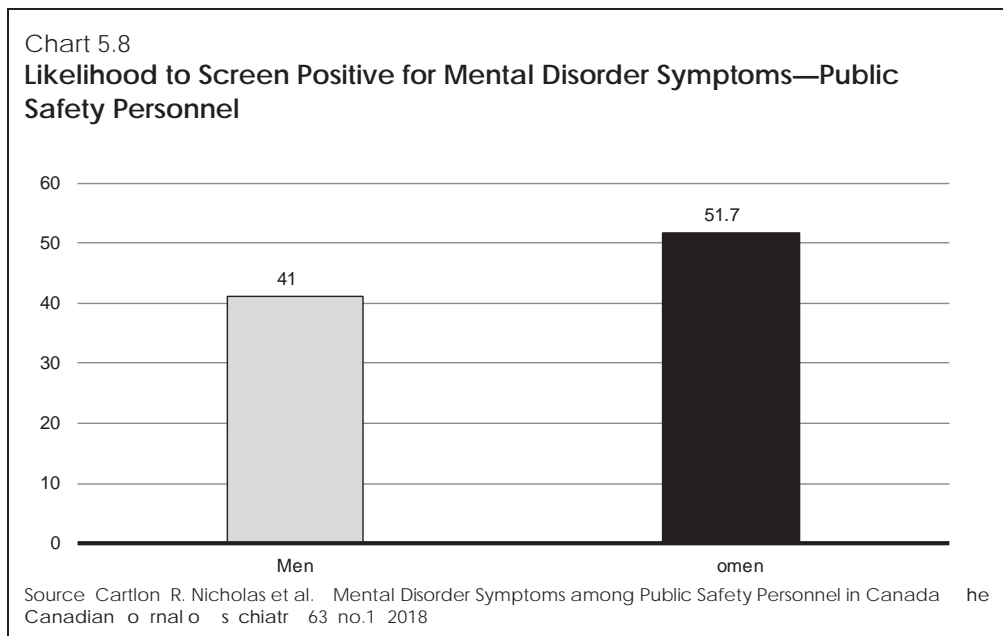
A 2017 study of cyber security professionals found that women are globally underrepresented among this group at 11 per cent—much lower than the representation of women in the overall global workforce.

Challenges also exist in ensuring that public safety institutions have the tools and expertise needed to respond to vulnerable populations—whether they are at the border in cities or in rural areas.

Among those vulnerable populations are victims of human trafficking: the vast majority (93 per cent) of whom are women and girls. In fact, one quarter of female victims of human trafficking are under the age of 18, according to 2014 data from Statistics Canada. In addition to women and girls, youth Indigenous Peoples and individuals who identify with the LGBTQ2 community are most likely to be victims of human trafficking.

Women are also most likely to be victims of sexual assault. In 2014 alone, an estimated 635 000 incidents of sexual assault occurred. Women were victims in 87 per cent of these incidents, and 90 per cent were not reported to police. Of reported incidents, too many cases are inaccurately deemed as unfounded. There is an important opportunity to make changes in this regard.

Finally, in recent years, there have been increasing calls to address the mental health burden associated with work in the public safety sector. The people who put their lives on the line to protect Canadians sometimes need additional mental health supports for their own well-being. A 2017 report on mental health of public safety officers in Canada shows that female municipal and provincial police officers and firefighters are more likely than their male counterparts to report mental health issues. However, a lack of information persists regarding the full extent to which post-traumatic stress injuries affects public safety officers, and more research is needed in this important area, including the need to reduce stigma and better understand the potential impacts on different groups of men and women.



Impacts of Budget 2018 Investments

Through Budget 2018 the Government proposes to take action to ensure that principles of equity, diversity and inclusion underpin the operations and outcomes of all activities in the areas of safety and security. The investments highlight the importance of increasing the representation of women and other underrepresented groups in fields such as law enforcement, security and intelligence. The Royal Canadian Mounted Police, the Canadian Security Intelligence Service and the Communications Security Establishment have each made it a priority to **increase diversity and inclusion through recruitment**, demonstrating a commitment to building respectful workplaces with equal opportunities for women in hiring, promotion and retention.

The Government is committed to combatting gender-based violence and proposes to establish a **National Human Trafficking Hotline**. The new hotline will help protect vulnerable individuals, the majority of whom are women and girls, from being trafficked and enable victims to access the necessary social and law enforcement services they need.

In addition, the Government proposes to support the RCMP in continuing and expanding its review of **unfounded sexual assault cases**. Investments in this area will help provide accountability across the RCMP for investigations and support the development of curriculum and training to address the problems raised by unfounded cases. An external advisory committee and better supports for victims will also form part of this initiative. This investment will support the Government's commitment to ensuring that survivors of sexual assault and gender-based violence are treated with the utmost dignity and respect including throughout the course of police investigations.

Finally, Budget 2018 proposes support for the most vulnerable in the federal correctional system. **Expanding mental health care supports for inmates including targeted supports for women inmates** will help respond to the increasingly complex mental health care needs of women in federal correctional facilities. The Government also proposes funding through Budget 2018 to expand the Office of the Correctional Investigator's capacity to investigate issues—including related to women and Indigenous offenders.

Access to Justice

Key Measures in Budget 2018

- Increasing judicial resources for superior courts
- Expanding Unified Family Courts
- Providing legal aid funding to support victims of workplace sexual harassment
- Protecting federally regulated employees from harassment and violence in the workplace
- Increasing access to legal information and services in both official languages

Policy Landscape

Confidence in and respect for our justice system is one of the pillars of Canada's democracy. Canadians are entitled to have access to a justice system that is fair and efficient and a judiciary that is representative of and responsive to the diverse fabric of our country.

Many Canadians will come into contact with the justice system at some point in their lives—whether seeking legal information or advice, working as a legal professional or being party to a legal matter. Depending on the level of engagement, individuals will be affected differently by the justice system when gender, age, culture, ethnicity and racialization are taken into account.

For example, Indigenous Peoples are overrepresented in the criminal justice system and are more than twice as likely as non-Indigenous Peoples to experience violent victimization. The majority of people who appear before the courts on criminal matters are younger Canadians, aged 18-34, and in general, men are more likely than women to be involved in the criminal justice system—though the number of women is increasing. However, women are more likely to be victims of specific types of offences, such as sexual harassment, sexual assault and intimate partner violence. People with disabilities and members of visible minorities are more likely to experience harassment than other groups.

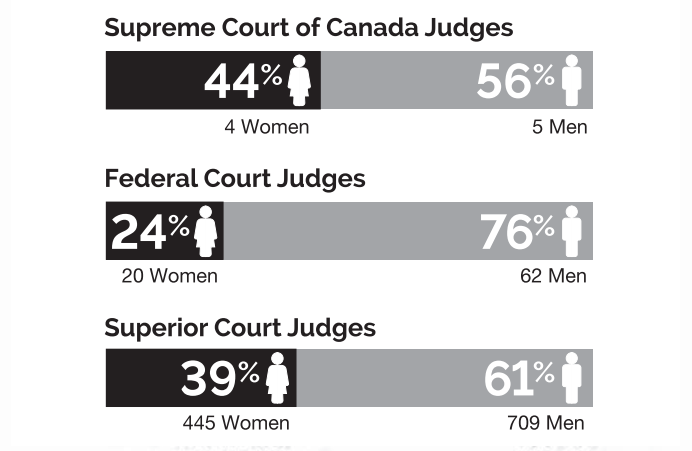
Canadians' confidence in our courts could be enhanced if the judiciary more closely mirrors the reality and experiences of those who appear before it. This includes addressing the relatively low representation of women, racialized groups, Indigenous Peoples and persons of other diverse backgrounds on the bench.

The majority of judges, 56 per cent, appointed under this Government have been women. Today, women account for roughly 39 per cent of judges on the superior court bench. This is up from 35 per cent in 2015. The Government knows that more can be done to ensure Canada's judges reflect our diverse society.

That is why in 2016 the Government introduced a new selection process for superior court judges. The new process is meant to increase the transparency and accountability of the selection process to identify outstanding judicial candidates who reflect Canada’s diversity and a gender balance.

Similarly the Government recognizes that some people—such as Indigenous Peoples—may not have confidence in the judicial system because of the current jury selection processes. That is why the Government intends to bring forward broad-based concrete reforms to the criminal justice system including changes to how juries are selected.

Figure 5.12 Women on the Bench in Canada 2018



Notes: Federal includes Federal Court of Appeal, Federal Court, Tax Court of Canada. Superior Court includes Supreme Court of Canada, Federal Court of Appeal, Federal Court, Tax Court of Canada, Provincial/Territorial Superior Courts. Data as of February 1, 2018. Office of the Commissioner for Federal Judicial Affairs. Source: Office of the Commissioner for Federal Judicial Affairs. Number of federally appointed judges as of February 1, 2018.

Impacts of Budget 2018 Investments

Access to justice will have different meanings and implications for every Canadian. This Government proposes to invest in programs and initiatives that will improve access to justice—for all Canadians—now and into the future. Improved access to justice can take the form of faster conclusions to legal proceedings for Canadians who appear before the courts, new legal aid support for victims of harassment in the workplace, and assurances that Canadians’ legal rights are upheld by the judicial system.

The **new judicial positions** supported through Budget 2018 offer an opportunity to further enhance diversity within the superior courts, to ensure that these judges reflect the makeup of Canada’s population. These judges will be selected through the new superior court judicial appointments process introduced by the Government in 2016.

Additionally, more Canadian families that are experiencing issues including separation, divorce, support and custody disputes will receive support through an expanded **Unified Family Courts** system. Unified Family Courts consider family law issues under one court system rather than two and help make the process more streamlined and user-friendly. Enhancing access to specialized courts that are sensitive to family law matters will benefit all Canadians who rely on these services, including women who are the majority of family support recipients.

In addition, through Budget 2018 investments, Canadians can expect

- Greater efficiencies in the Federal Court system resulting from ongoing investments in **judicial and registry services**.
- Access to more legal information and services in the official language of their choice.

In November, the Government introduced Bill C-65 to create a single integrated framework that will **protect federally regulated employees from harassment and violence in the workplace**. The proposed initiatives are expected to have a greater benefit for women in federal jurisdiction workplaces, including those in senior management roles, due to their greater exposure to harassment and sexual violence compared to their male counterparts. This is supported by a 2014 Angus Reid Institute survey that found that Canadian women are more than three times more likely than men to say that they have experienced sexual harassment in the workplace (43 per cent versus 12 per cent). In addition, research has identified several demographic groups with elevated risks of violent victimization, including sexual minorities, LGBTQ2, Indigenous Peoples, people with disabilities, especially those with mental or learning disabilities, and workers living in the Canadian territories.

To further support Canadians who have experienced workplace sexual harassment, the Government is proposing to boost **legal aid funding** across the country with a focus on supporting victims of sexual harassment in the workplace. In addition, a **pan-Canadian outreach program** will be undertaken to better inform workers, particularly those most vulnerable, about their rights and how they can access services in the event of experiencing harassment.

The Government will also provide up to \$5.5 million over five years, starting in 2018–19, to the Status of Women Canada, to work with stakeholders including provinces and territories towards developing a harmonized national framework to ensure consistent, comprehensive, and sustainable approaches in addressing gender-based violence at post-secondary institutions across the country.

Starting in 2019, for those universities and college campuses that are not implementing best practices addressing sexual assaults on campus, the Government of Canada will consider withdrawing federal funding.

Improving Service Delivery

Key Measures in Budget 2018

- Improving client services at the Canada Revenue Agency
- Strengthening the IT function in government
- Employment Insurance call centres
- Improving data to support shared growth and gender equality

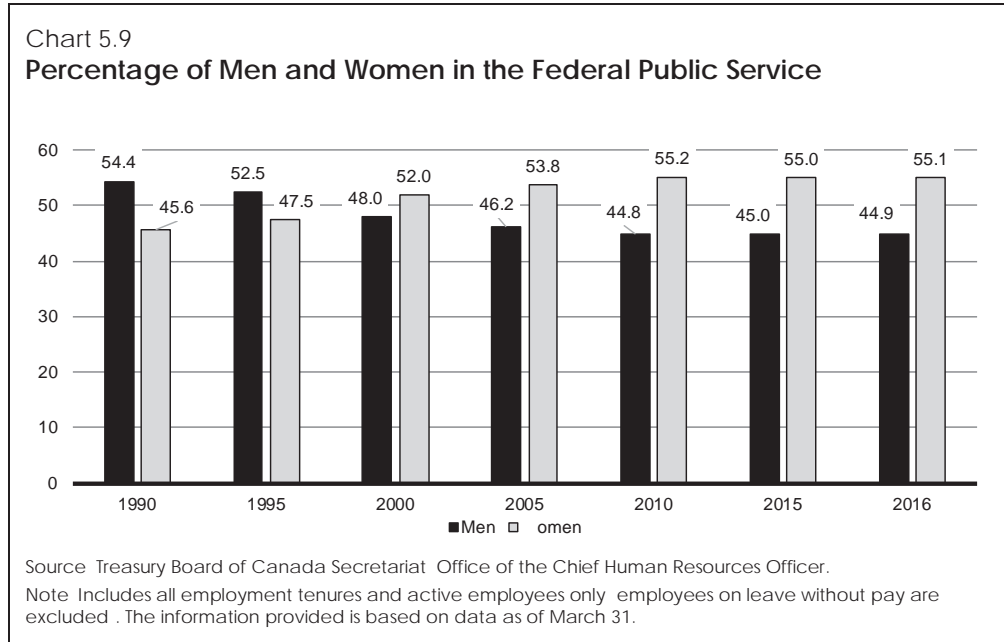
Policy Landscape

The federal government provides a wide array of programs and services to Canadians from coast to coast to coast. For these services to be timely and useful they must be accessible and available to all Canadians while tailored to meet the needs of different groups.

For many Canadians the Canada Revenue Agency (CRA) is the only source of direct contact with the government. Effective and accessible CRA telephone and digital services are critical to meeting the diverse needs of Canadians. Furthermore the complexity of the tax system low literacy and lack of access to available assistance are all barriers to tax filing among low-income individuals that can cause them to miss out on potential tax benefits. Indeed according to a 2016 Prosper Canada survey of over 300 tax practitioners and experts insufficient access to clinics and services and the high cost of commercial tax help were the most commonly cited barriers to tax filing among low income Canadians.

Employment Insurance (EI) call centres also play a key role in delivering EI benefits allowing Canadians to obtain information and assistance from agents who know the EI program. But demand is high in 2016–17 there were approximately 6.2 million EI-related calls to Service Canada. In this context effective service delivery is critical to ensuring that Canadians can access their benefits when they need them most without the added stress of processing or accessibility problems.

As a major Canadian employer the Government can be a key contributor to change through the organizational culture that it nurtures. As the Government strives to ensure the security of Canadians' personal information by adapting to emerging technologies and proactively addressing cyber security threats the number of public service Information Technology (IT) professionals has grown. However in 2016–17 only about 25 per cent of employees within the Computer Systems Administration (CS) occupational group across the Government of Canada were women compared with 55 per cent of women in the federal public service overall.



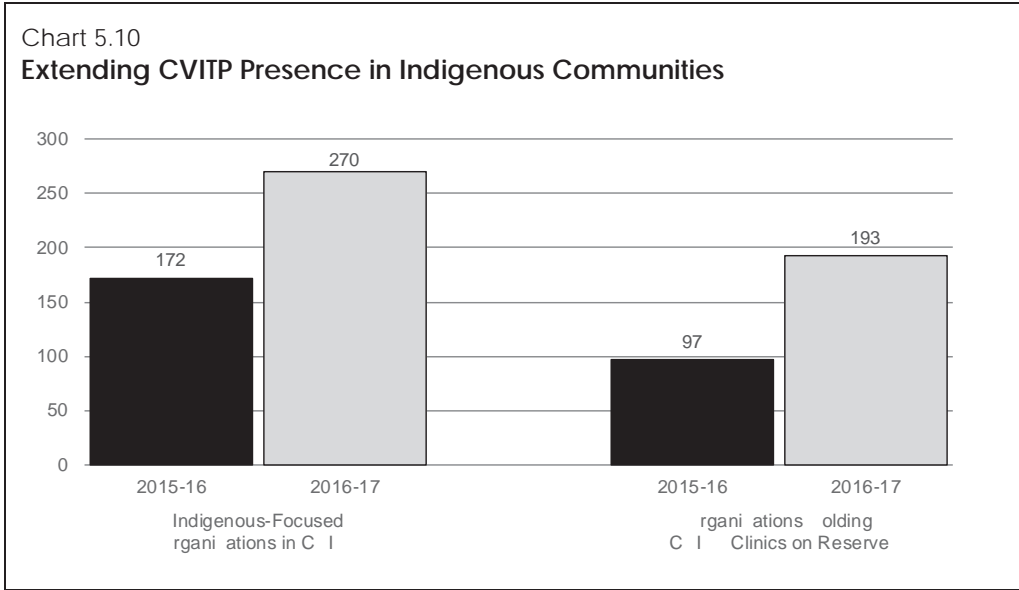
In order to best tailor its services and programs to the diverse needs of Canadians, the Government must nurture a strong culture of evidence-based decision-making supported by reliable and insightful data. Improved data on gender and other intersecting identities, and across individuals with different socio-economic characteristics and levels of income, as well as greater access to such data, are essential to high-quality research and analysis, effective program design and delivery, and performance monitoring. These data are also essential to gender budgeting and robust GBA. Federal departments and agencies have made progress over the last year in strengthening capacity around conducting GBA, and integrating it into policy development. However, challenges remain, with data gaps and access to data being identified among the main impediments to the ability of federal departments and agencies to conduct robust GBA.

Impacts of Budget 2018 Investments

In Budget 2018, the Government is making targeted investments to improve its services, strengthen its institutions, and enhance its data capabilities in order to make better decisions for Canadians. In doing so, it is proposing key actions to achieve better outcomes based on the needs of specific groups.

Improving Direct Services to Canadians

Under the **Community Volunteer Income Tax Program (CVITP)**, the CRA works with local community organization volunteers to help with the completion of tax returns for eligible Canadians, such as Indigenous Peoples, newcomers, seniors, low-income earners, and people with disabilities, allowing these individuals to receive the benefits to which they are entitled, e.g., the Canada Child Benefit and the Goods and Services Tax/Harmonized Sales Tax Credit.



An expansion of the CVITP should increase tax filing and benefit uptake rates improving the quality of life of vulnerable Canadians and in particular many Indigenous families. Indeed data show that Indigenous people tend to have more children and are more likely to be single parents than non-Indigenous women. A further expansion of the CVITP will build on recent success in extending the program’s reach to Indigenous communities see Chart 5.10 .

Investments in **CRA telephone services** to address high caller demand and improve accuracy in agent responses will also deliver positive impacts for low-income groups requiring assistance including seniors people with mobility barriers people living in geographically isolated regions and people who generally prefer to interact with the CRA by telephone. Furthermore for citizens who use the CVITP improved telephone services will better help them find volunteers and clinics in their areas. Similarly investments announced in Budget 2018 to improve accessibility to EI call centres will ensure that Canadians receive timely and accurate information and assistance regarding EI benefits. Service Canada will also examine opportunities to engage with clients in order to understand the difficulties e.g. language accessibility that certain groups face when accessing EI call centres.

Diversity in the Workforce

Providing high-quality and inclusive service goes hand in hand with ensuring that the Government's organizational structure reflects all Canadians. In regard to IT governance, equality benefits are expected to accrue from the functional leadership role of the Government of Canada's Chief Information Officer (CIO) in the Information Technology Information Management (IT/IM) community across government. Specifically, the CIO would ensure the development and sustainability of the IT/IM community through talent management and community development strategies, one of which would be to promote opportunities for women in the Government's IT workforce.

The IT measures being introduced in Budget 2018 also have the potential to improve representation of employment equity groups, including women and Indigenous Peoples, within the IT/IM community across government by building on ongoing initiatives within **Shared Services Canada**. These initiatives include the implementation of an Employment Equity Action Plan, the establishment of employment equity and diversity committees, and participation in interdepartmental working groups that seek to increase the representation of women in STEM.

Better, More Inclusive Data

The Government has recognized the need to take steps that target the collection, use and tracking of gender and diversity data in order to enrich our understanding of social, economic, political, financial and environmental issues. In response, Budget 2018 proposes to introduce a new Centre for Gender, Diversity and Inclusion Statistics, and an Indigenous Statistical Capacity Development Initiative, and to develop a broader set of tracking indicators and statistics. These measures will address gaps in the availability of data on gender, race and other intersecting identities to

- Support evidence-based decision-making.
- Create more accessible and inclusive information for use by the public.
- Advance the level of statistical skills and engagement among Indigenous peoples.
- Collect, analyze and disseminate data on members of visible minorities to understand the barriers different groups face and how best to support them with evidence-based policy.
- Use the data to measure and track Canada's progress on achieving shared growth and gender equality objectives.

In addition, to continue acquiring inclusive data on sex and gender in the future, Statistics Canada officials have been working with LGBTQ2 organizations on plans to adjust Census of Population questions and response options to better reflect how people identify themselves—for example, allowing respondents to answer in a non-binary fashion. This will enable the Government to accumulate more data that will better inform GBA and consequently enrich policy development, while simultaneously providing a modern census that is inclusive of all Canadians.

Gender Budget—Next Steps

While Budget 2018 takes another important step forward in establishing the Gender Results Framework measurement of success and greater application of gender-based analysis within the federal government's decision making the Government continues to have room for improvement.

In the departmental development of budget proposals the quality and application of gender-based analysis varied. In some cases gender-based analysis done by departments was cursory. In other cases insufficient analyses could be performed due to a lack of data particularly in relation to intersecting identities.

Experience and expertise in GBA is still in development within the federal government. Budget 2017 and Budget 2018 investments in the future Department of Status of Women will provide departments with greater resources and best practices to improve gender-based analysis going forward. Budget 2018 proposes to invest 6.7 million over five years starting in 2018–19 for Statistics Canada to create a new Centre for Gender Diversity and Inclusion Statistics a Centre that will act as GBA data hub to support future evidence-based policy development and decision-making.

Moving forward the Government commits to publish GBA of all budget items starting in Budget 2019.

Examples of room for improvement in Budget 2018 Gender-Based Analyses

<p>Chapter 1 Further investments in the Canada Revenue Agency to improve the fairness and integrity of the Canadian tax system</p>	<p>The CRA conducted a cursory GBA in support of their revenue generating initiatives and identified no negative impact challenges or barriers related to gender or other characteristics of identity. CRA however did not undertake a more in-depth analysis of past and potentially future cases of tax avoidance and tax planning the gender incidence and potential gender impacts.</p>
<p>Chapter 2 Federal Science and Technology Infrastructure Initiative</p>	<p>Innovation Science and Economic Development ISED conducted only a preliminary GBA scan of the potential diverse gender issues. They concluded that differential effects between diverse groups are not expected however they have not identified any mitigation strategies to prevent the exacerbation or maintenance of any differential impacts to diversity and inclusiveness in hiring practices. Data shortcomings related to the educational level language and income of federal scientists were noted but with no plan address or evaluate the need of such data.</p>
<p>Chapter 1 Improving the Quality of Career Information and Program Results associated with skills development</p>	<p>The first GBA conducted for this proposal focused exclusively on GBA implications of the data platform itself not discussing the secondary and tertiary impacts such as the groups who will be positively impacted by the proposal. Further analysis by ESDC determined that young Canadians including high school students and post-secondary students along with unemployed or underemployed job seekers would benefit from this proposal. ESDC identified that future data could be used to support future policy development targeted to support women Indigenous Peoples immigrants and refugees persons with disabilities and individuals from low-incomes families.</p>

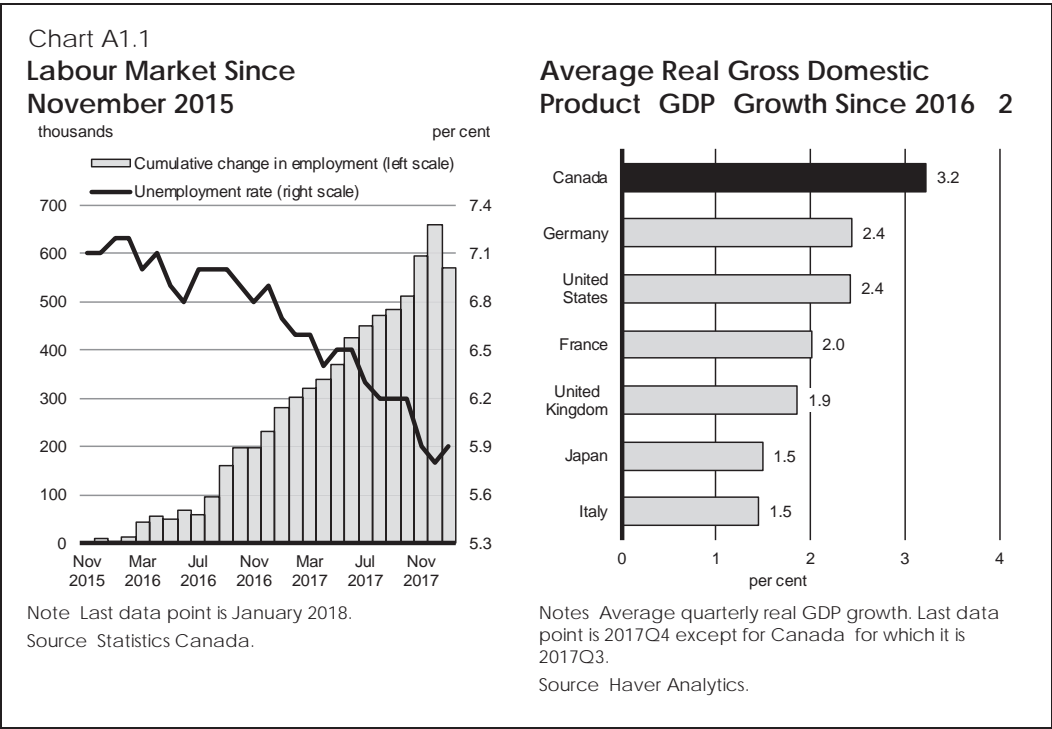
Chapter 4 Employment Insurance Call Centres	<p>A complete GBA could not be performed because Call Centres do not currently track the necessary data from callers such as gender ethnicity disability and other identity factors.</p> <p>Going forward Service Canada is looking at opportunities to enhance its detailed call tracking process to obtain more data on gender and to engage with clients in order to understand difficulties that certain groups face accessing EI Specialized Call Centres e.g. language accessibility .</p>
Chapter 4 Autism-Intellectual-Developmental Disabilities National Resource and Exchange Network	<p>While studies can be found to show that males are four to five times more likely to be diagnosed with autism spectrum disorder than females information on the prevalence of autism spectrum disorder and the intersection of race sex and geographic location is not available. As such no gender-specific or intersectional approaches to interventions and services have been developed.</p>

+ ANNEX 1

Economic and Fiscal Outlook

Introduction

Thanks to the hard work of Canadians supported by a plan that focuses on investment over austerity the Canadian economy has been remarkably strong growing at a pace well above that of all other Group of Seven (G7) countries since mid-2016 (Chart A1.1). Since November 2015, Canadians have created almost 600 000 new jobs and the unemployment rate has fallen from 7.1 per cent to 5.9 per cent—close to its lowest level in over four decades.



Notes: This section incorporates data available up to and including February 16, 2018, unless otherwise indicated. All rates are reported at annual rates unless otherwise noted. All dollar values are expressed in Canadian currency unless otherwise indicated.

Canada's strong economic growth over this period has been driven by growth in consumer spending, strong regional housing markets as well as supportive monetary and fiscal policy, including the Canada Child Benefit and significant investments in infrastructure. At the same time, stronger global economic conditions have contributed to a recovery in business investment and higher exports. Growth is being shared more broadly across sectors and regions of the country.

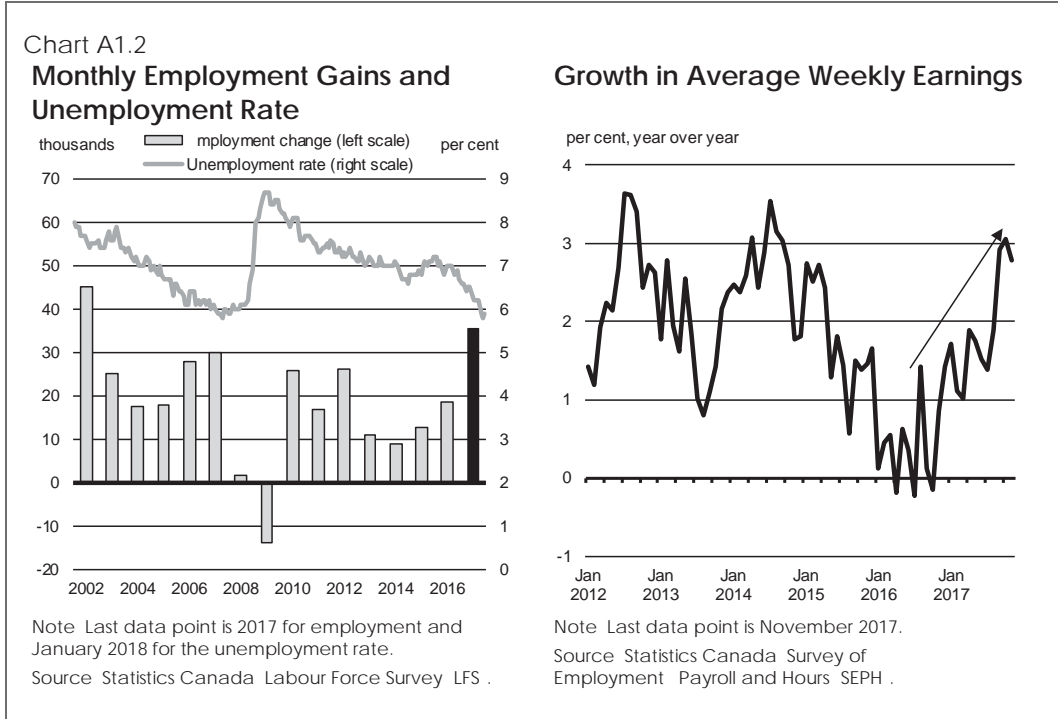
Going forward, Canadian economic growth is expected to continue at a more sustainable pace, reflecting in part the combination of higher interest rates and the waning impacts of recent fiscal policy measures. While the level of economic activity is expected to remain strong, growth is anticipated to moderate with little remaining slack in the economy. This is readily apparent in very strong labour market conditions, most notably an unemployment rate that is near a four-decade low, high rates of labour market participation and strengthening wage growth.

Canadian Economic Developments

Unemployment Rate Near its Lowest Level in Four Decades

The economy added 427,300 jobs in 2017, leading the unemployment rate to fall to 5.8 per cent in December 2017—a four-decade low. As of January of this year, it remains near this low level.

The pace of job creation in 2017—an average of 35,600 jobs per month, most of which were full-time positions—was the fastest since 2002 (Chart A1.2). According to the Bank of Canada's *Business Outlook Report*, the share of firms facing more intense labour shortages compared to one year ago is near its highest level in over a decade. This tightening in the labour market bodes well for future wage growth, which picked up in 2017. Consistent with strong employment gains, a sharply lower unemployment rate and an economy that is estimated to be operating close to its potential, year-over-year growth in average weekly earnings has accelerated sharply from no growth in 2016 to 2.8 per cent currently.

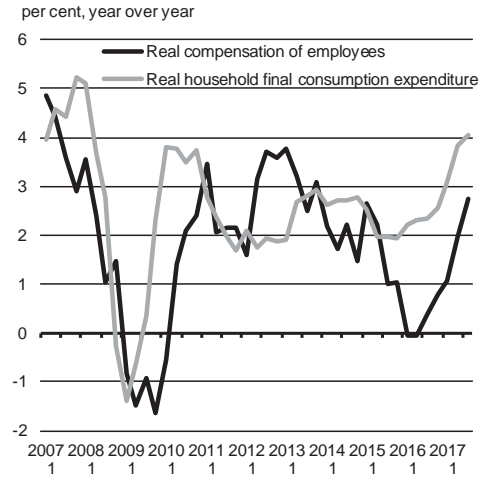


Earnings and Confidence Are Expected to Continue to Underpin Growth

Since mid-2016 household consumption has been the main driver of economic growth, increasing at an average annualized pace of 3.9 per cent per quarter (Chart A1.3). Growth has been fairly broad-based across consumption categories and regions. This includes solid growth in most oil-producing provinces, notably Alberta, where a recovery in employment is underway.

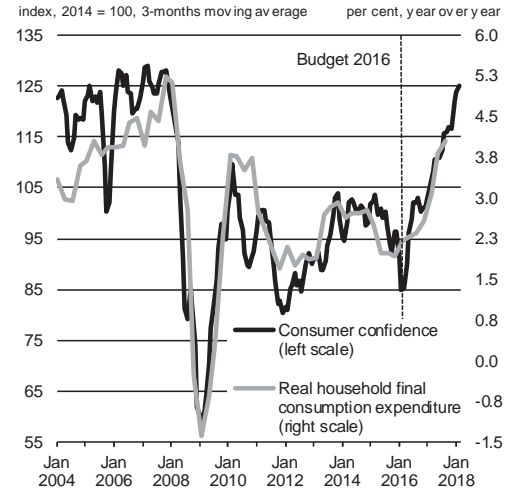
Going forward, continued growth in employment, earnings and improved consumer confidence are expected to continue to underpin solid consumption growth. However, the pace of growth is expected to moderate to its potential or trend rate.

Chart A1.3
Growth in Real Household Consumption and Real Compensation of Employees
 per cent, year over year



Notes Real compensation is calculated as the sum of wages and salaries and employers' social contributions deflated by the total Consumer Price Index. Last data point is 2017Q3.
 Sources Statistics Canada Department of Finance Canada calculations.

Real Household Consumption Growth and Consumer Confidence

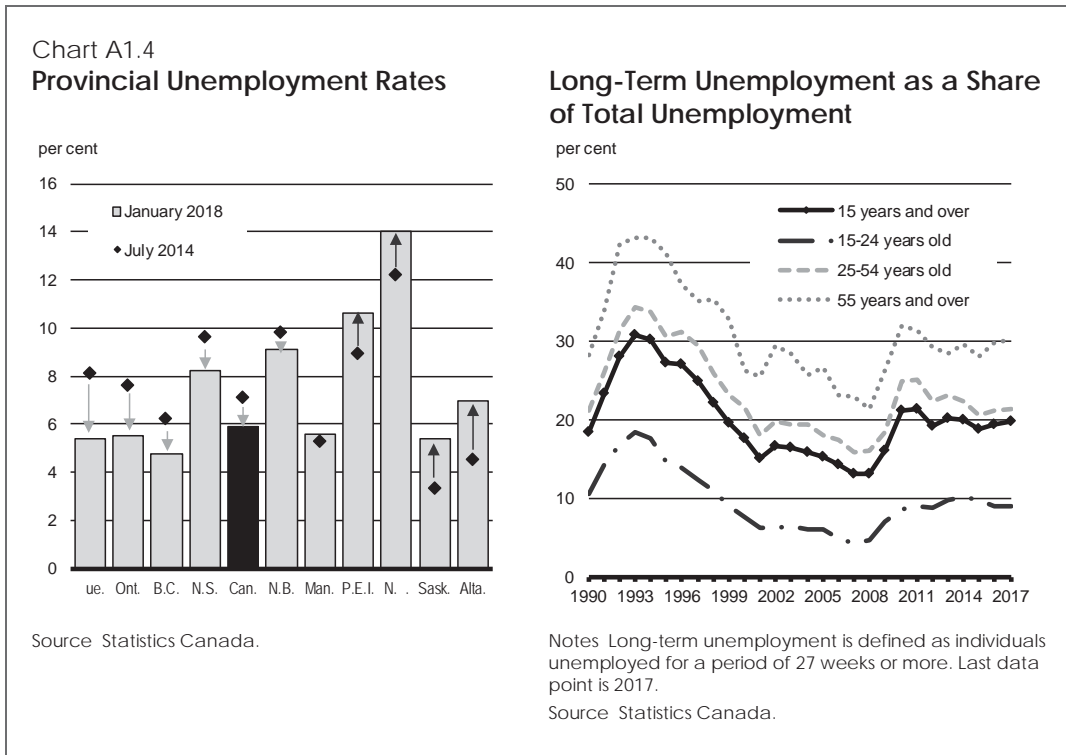


Note Last data point is 2017Q3 for consumption and January 2018 for consumer confidence.
 Sources Statistics Canada The Conference Board of Canada.

Labour Market Slack Remains in Some Provincial Economies

Particularly strong economic activity in British Columbia, Ontario and Quebec has resulted in historically low unemployment rates for these provinces. In contrast, unemployment rates in the oil-producing provinces, while generally falling, remain significantly higher than prior to the oil price shock in 2014 (Chart A1.4).

As well, despite the national unemployment rate being near a four-decade low, long-term unemployment² as a share of total unemployment remains above pre-recession levels for all age groups, although the rate for individuals between 25 and 54 has improved.



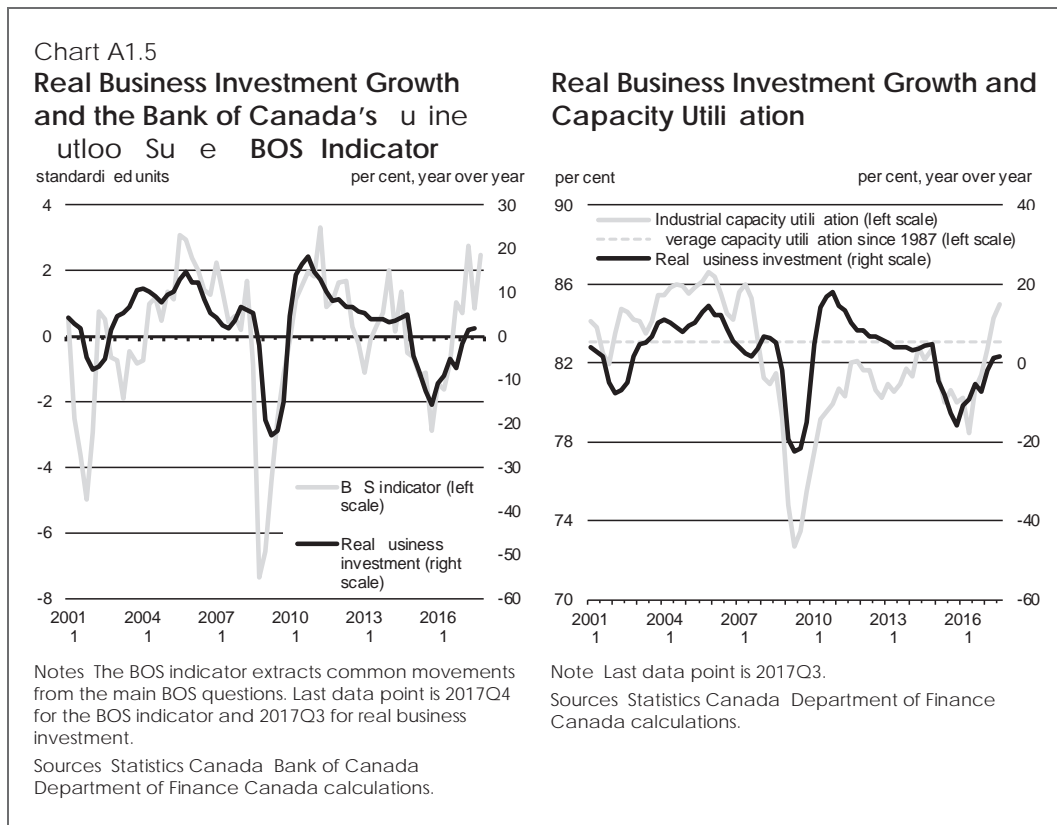
² employed for 27 weeks or more.

Recent Indicators Point to Ongoing Business Investment Gains

Business investment is growing again. The pick-up has been underpinned by stronger economic activity in both the resource and non-resource sectors and much-improved business sentiment. The Bank of Canada's business sentiment survey shows a strong improvement in business investment intentions over the last year (Chart A1.5).

Plans to increase investment are now broad-based across all regions and sectors. Respondents to the Bank of Canada's survey report favourable demand conditions and together with higher capacity pressures plans to expand capacity.

Capacity utilization has also risen sharply and is currently close to its pre-recession peak. In the business sentiment survey the share of firms reporting that they would have some or significant difficulty meeting an unanticipated increase in demand has risen. However the degree of slack continues to differ across regions with pressures being the most acute in British Columbia and becoming more apparent in central Canada. In contrast excess capacity remains in energy-producing regions. Together with improved business investment intentions this points to a further recovery in business investment going forward.

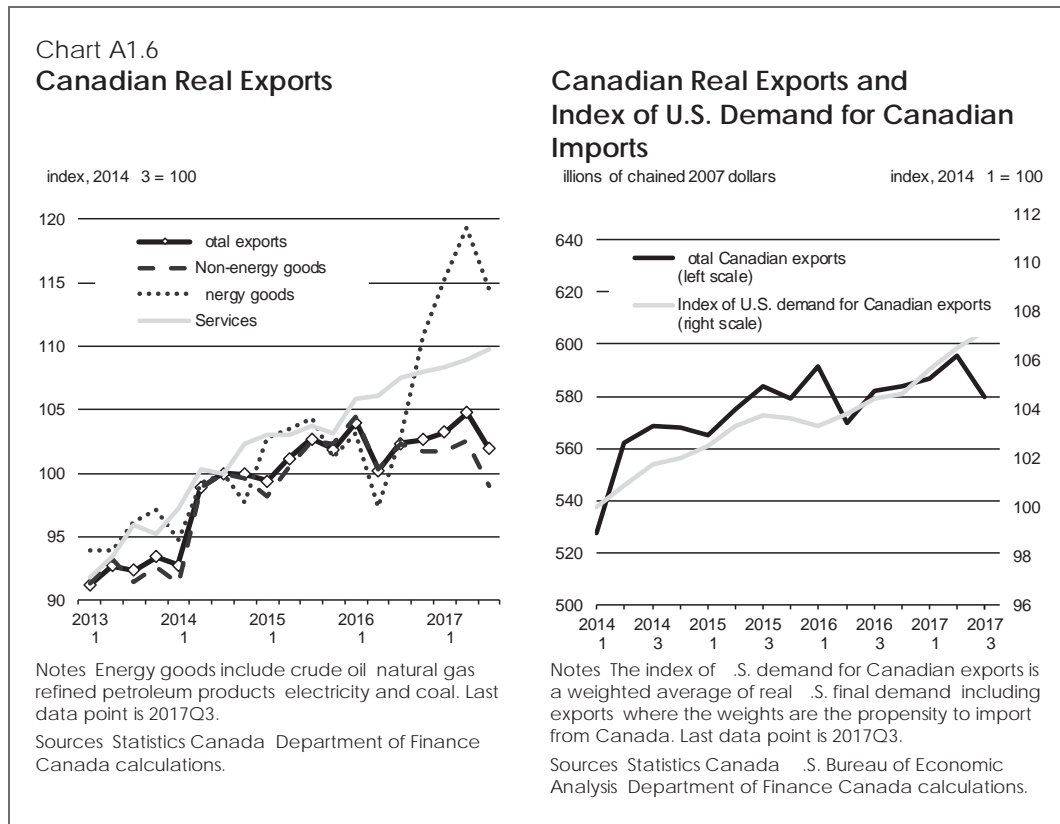


Export Growth Is Anticipated to Rise

Total real exports have risen modestly since mid-2014 as solid growth in exports of services and energy commodities has been offset by weakness in non-energy goods exports (Chart A1.6).

In particular, export growth has been lower than might have been expected given the significant depreciation in the Canadian dollar since mid-2014. That being said, it is important to recognize that the currencies of many other important U.S. trading partners—with whom Canada competes in the U.S. and other international markets—have also depreciated since 2014.

Going forward, export growth is expected to grow in line with foreign demand. The positive global growth backdrop is expected to boost demand for Canadian exports.



Crude Oil Prices Have Increased but the Discount on Canadian Oil Has Also Risen

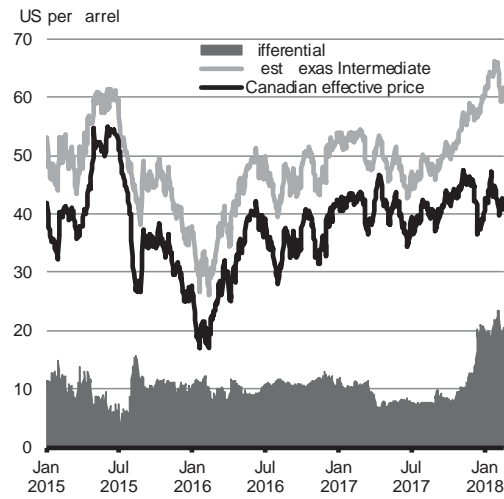
Global crude oil prices continued to increase in 2017 with the price of West Texas Intermediate (WTI) crude oil averaging just under \$ 51 per barrel compared with an average of \$ 43 per barrel in 2016 (Chart A1.7). Prices were supported by stronger global demand and a supply agreement between Organization of the Petroleum Exporting Countries (OPEC) nations and 10 non-OPEC producers to restrain their collective output. As a result in January WTI prices rose as high as \$ 66 per barrel for the first time since December 2014 before declining slightly in February.

Increasing U.S. production driven by growth in the shale oil sector has put a limit on price increases. U.S. crude oil production increased steadily through 2017 reaching its highest level in more than three decades. The U.S. Energy Information Administration estimates that U.S. crude oil production will increase further this year reaching a historical high of 10 million barrels per day. Observers have noted that should the U.S. exceed these production levels it could potentially overtake Saudi Arabia and Russia to become the world's top crude oil producer.

The recent rise in global benchmark prices has not been matched by higher prices for Western Canadian producers. While Canadian production has continued to rise reflecting past investments pipeline capacity constraints have limited producers' options for moving their products to U.S. markets. As a result the discount on the Canadian effective price vis-à-vis WTI has risen to over \$ 20 to date in early 2018 more than double its 2017 average of \$ 9.61.

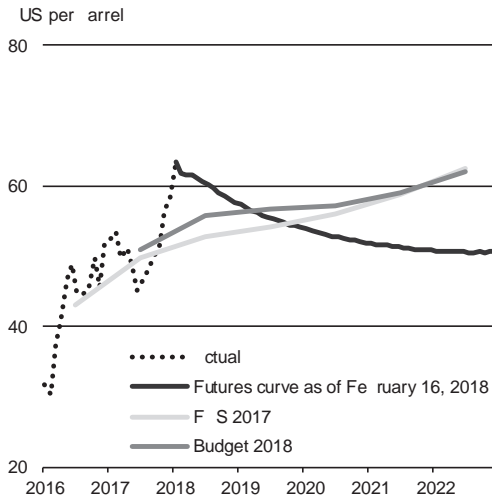
Looking ahead crude oil futures prices continue to suggest that the benchmark WTI oil price will ease from current levels back to the \$ 50 range over the forecast horizon. Private sector economists surveyed by the Department of Finance Canada currently project that WTI prices will improve modestly over time to \$ 62 per barrel by 2022. These private sector projections are broadly on par with those in the 2017 Fall Economic Statement.

Chart A1.7
Historical Crude Oil Prices



Notes The Canadian effective price is an export-weighted composite of Canadian Light Sweet Brent the benchmark for Newfoundland and Labrador light crude oil and Western Canada Select crude oil prices. Last data point is February 16 2018.
Sources Commodity Research Bureau Bloomberg Department of Finance Canada calculations.

Crude Oil Futures and Private Sector Forecasts



Note Last data points are December 2022 for the futures curve and 2022 for the 2017 Fall economic statement FES 2017 and Budget 2018.
Sources Commodity Research Bureau Department of Finance Canada September 2017 and December 2017 surveys of private sector economists.

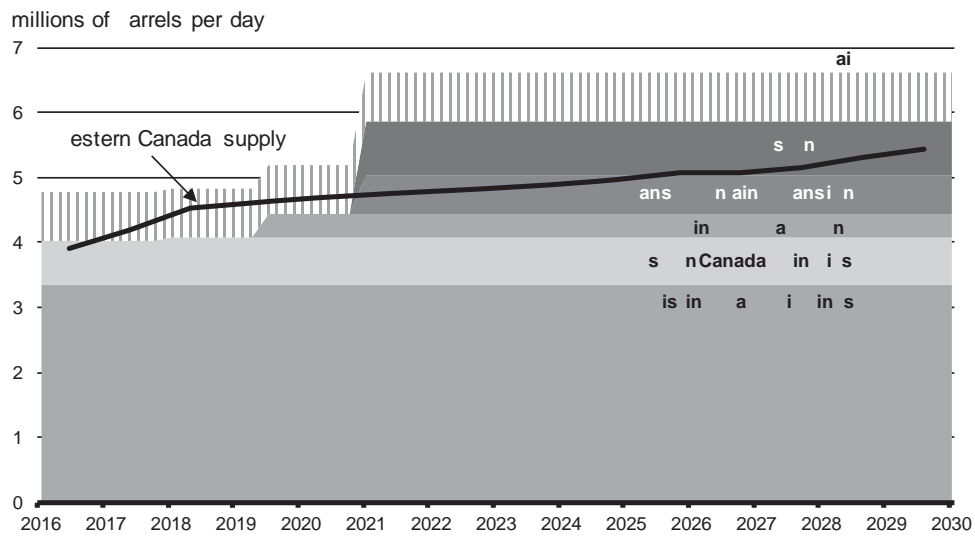
Focus—Pipeline and Refining Capacity

Starting in 2017, Western Canadian crude oil supply was projected to outstrip the combined capacity of existing pipelines and the region’s refining capacity (Chart A1.8). This means that the industry is now having to rely on higher-cost rail to transport a growing share of supply until additional pipeline capacity comes on stream.

Further, with very little spare capacity, the impact of unexpected pipeline or refinery shutdowns—such as the recent temporary shutdown of the TransCanada Keystone pipeline—could become larger, resulting in increased volatility in prices for Canadian producers. This situation is expected to prevail into 2020 until major pipeline projects—such as the Trans Mountain Expansion Project, the TransCanada Keystone XL pipeline, and the replacement of Enbridge’s Line 3—become operational, diversifying our export markets and providing additional capacity.

The discount on the Canadian effective price (CEP) vis-à-vis WTI has risen to over \$20, more than double its 2017 average of \$9.61. Futures contracts currently suggest that the differential between WTI and the CEP will narrow to the \$15 range by the summer, in line with a return to full capacity of the TransCanada Keystone pipeline and as rail transport adjusts to higher volumes, and to remain at this level on average over the 2018–2022 forecast horizon.

Chart A1.8
Western Canada Oil Supply Versus Transportation and Refining Capacity



Notes: Western Canada supply is based on total projected blended supply to trunk pipelines and markets. Pipeline capacity is adjusted for factors such as the type of crude moved, operational downtime, downstream constraints, capacity used for refined petroleum products, and capacity used for U.S. Bakken oil. Rail capacity is based on the capacity of existing Western Canada rail uploading terminals.

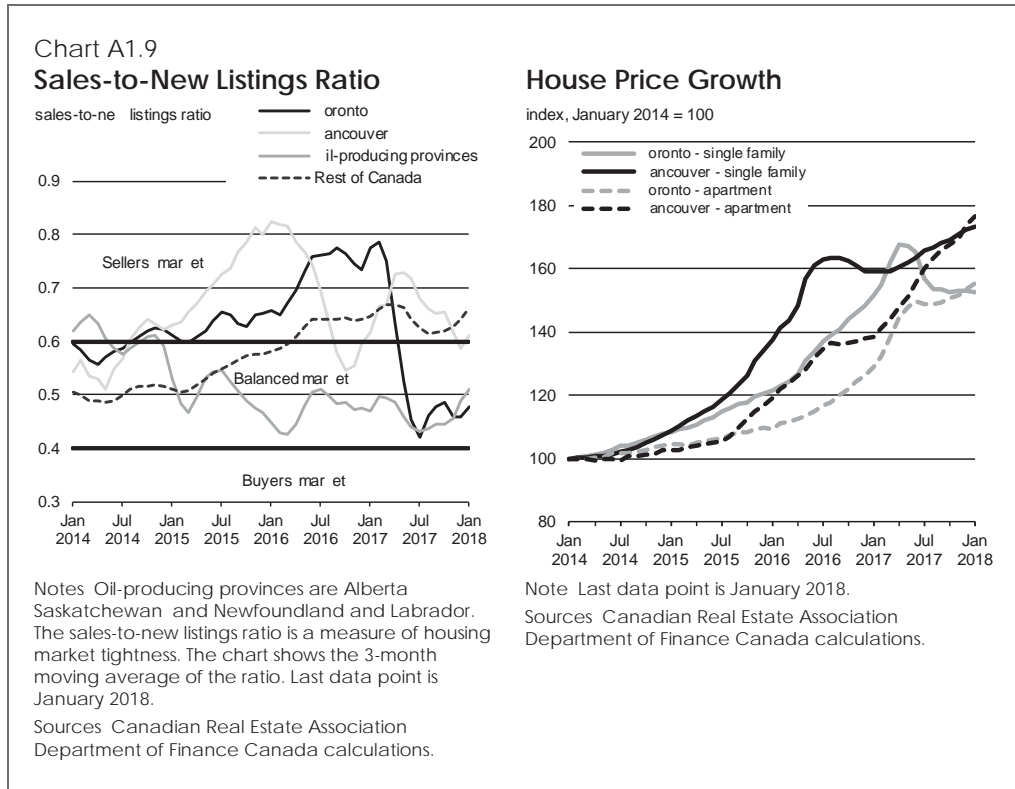
Sources: Canadian Association of Petroleum Producers; company statements; Department of Finance Canada calculations.

Housing Market Pressures Easing

Following rapid growth in prices and sales in recent years housing market conditions have become more balanced in Toronto and Vancouver and their surrounding regions.

While price gains for all dwelling types have been robust in these markets over the past few years price growth of single-detached homes has slowed recently. Price growth for other dwelling types—notably apartment condominiums—has remained strong. Tight supply conditions in these markets remain an important factor affecting prices. Meanwhile housing activity in the oil-producing provinces had been soft but has picked up in recent months while activity in the rest of the country remains positive Chart A1.9 .

Going forward housing demand across the country should continue to be supported by solid job and income gains but tempered by rising interest rates and recent changes to mortgage underwriting Guideline B-20 for federally regulated lenders including a mortgage rate stress test for uninsured mortgages .

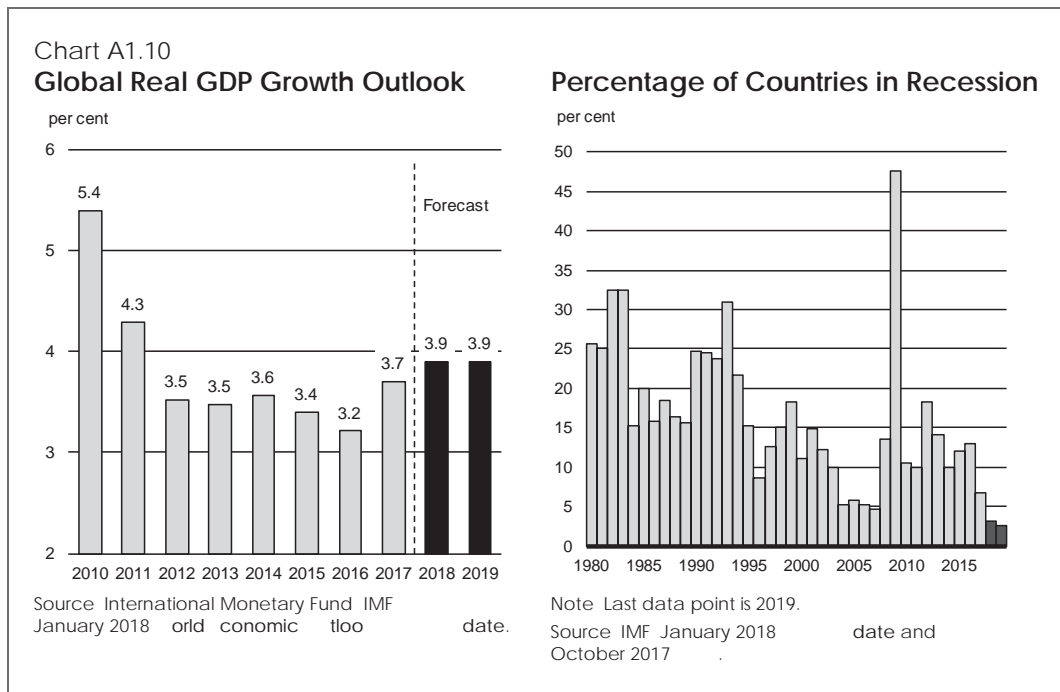


Global Economic Developments

Global Economic Activity Is Firming

Internationally economic momentum continues to strengthen. Following two consecutive years of deceleration global growth finally accelerated in 2017 and was highly synchronized across regions with almost every part of the world registering growth. Building on this momentum the pace of global economic expansion is expected to pick up further in 2018. In addition the share of countries in recession is projected to decline to a record low Chart A1.10 .

However the acceleration in global economic activity is expected to be somewhat constrained. While economic activity in emerging economies as a whole is expected to strengthen this year and next most advanced economies are already growing faster than their estimated potential or trend growth rates and thus as a group are not expected to accelerate further.

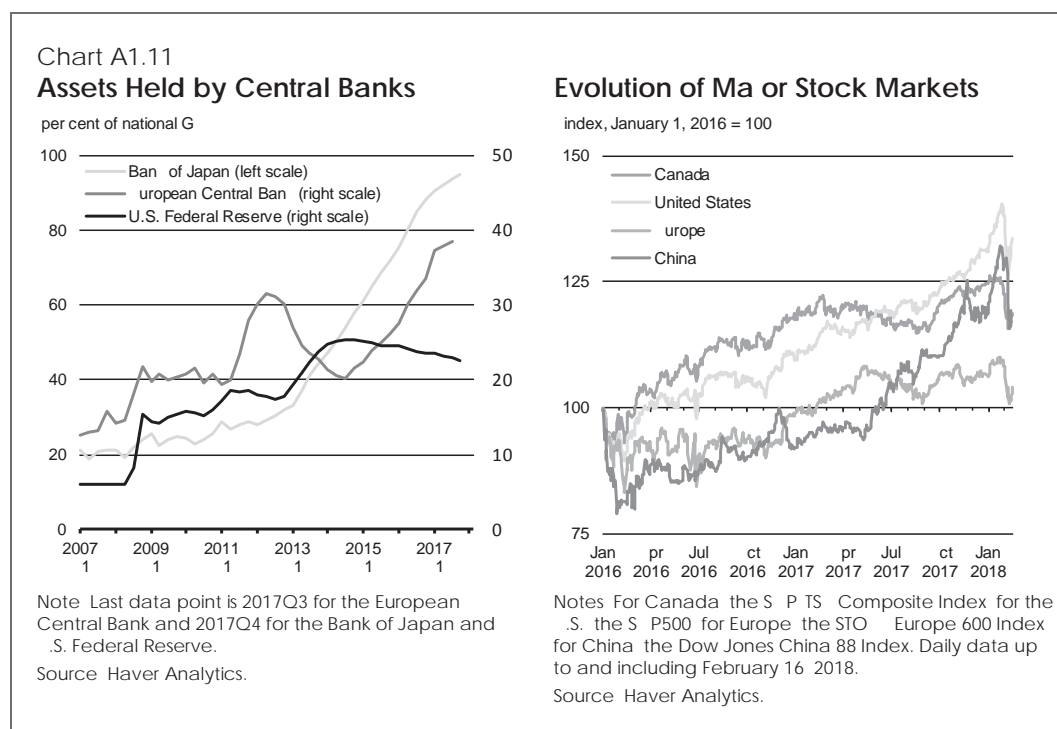


Global Financial Conditions Remain Supportive Despite a Recent Pullback in Equities

Monetary policy continues to be very accommodative with the policy interest rates of most major central banks remaining low and some central banks continuing to deploy extraordinary monetary policy measures to support economic growth, close output gaps and help revive inflation.

Equity markets, which rose over much of the past two years, have recently seen declines accompanied by a surge in volatility. While sudden, these declines brought most indices back to where they were late last fall. Moreover, the factors that have supported markets for most of the past year remain largely in place, including an improving global economic backdrop, rising expectations for corporate profits, still highly accommodative monetary policy, and investors' continued search for yield.

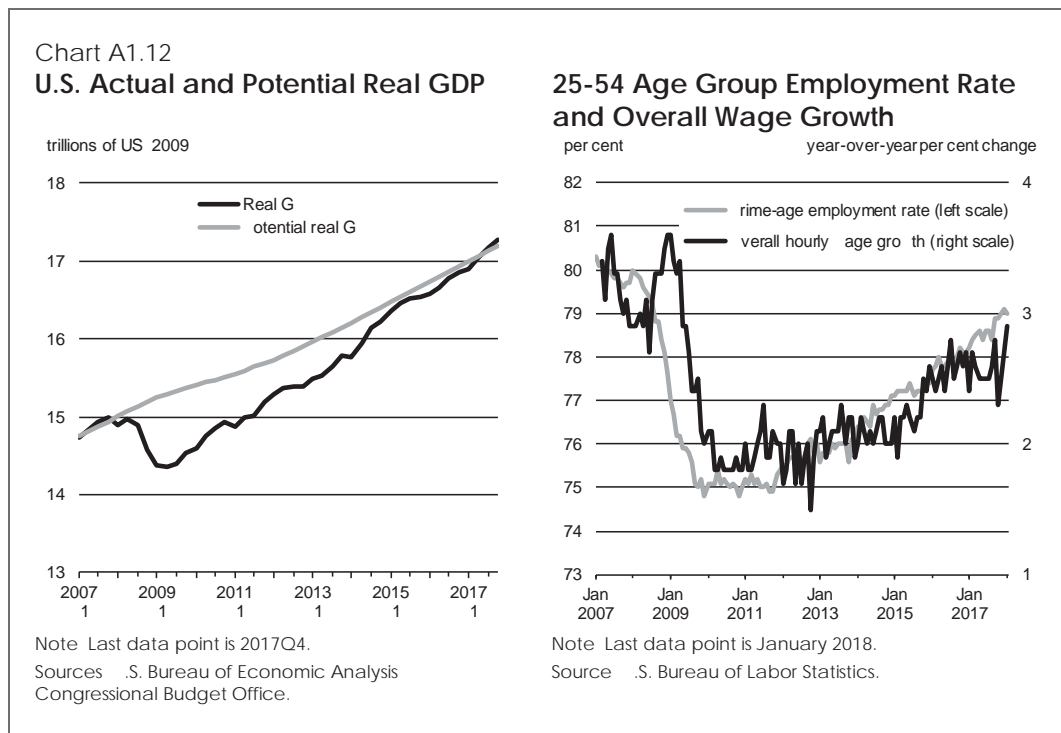
Improving economic momentum is leading a number of central banks—most notably the U.S. Federal Reserve—to gradually increase their policy interest rates and reduce their extraordinary measures (Chart A1.11). In this context, some longer-term interest rates have risen modestly, though they remain near historic lows. As central banks continue to normalize monetary policy, interest rates are expected to continue to gradually rise.



The U.S. Economy Is Operating at Potential

In the United States the long recovery from the effects of the Great Recession appears to be complete. The U.S. economy has been operating near or even slightly above its potential in recent years after almost a decade of running below its long-term trend level (Chart A1.12).

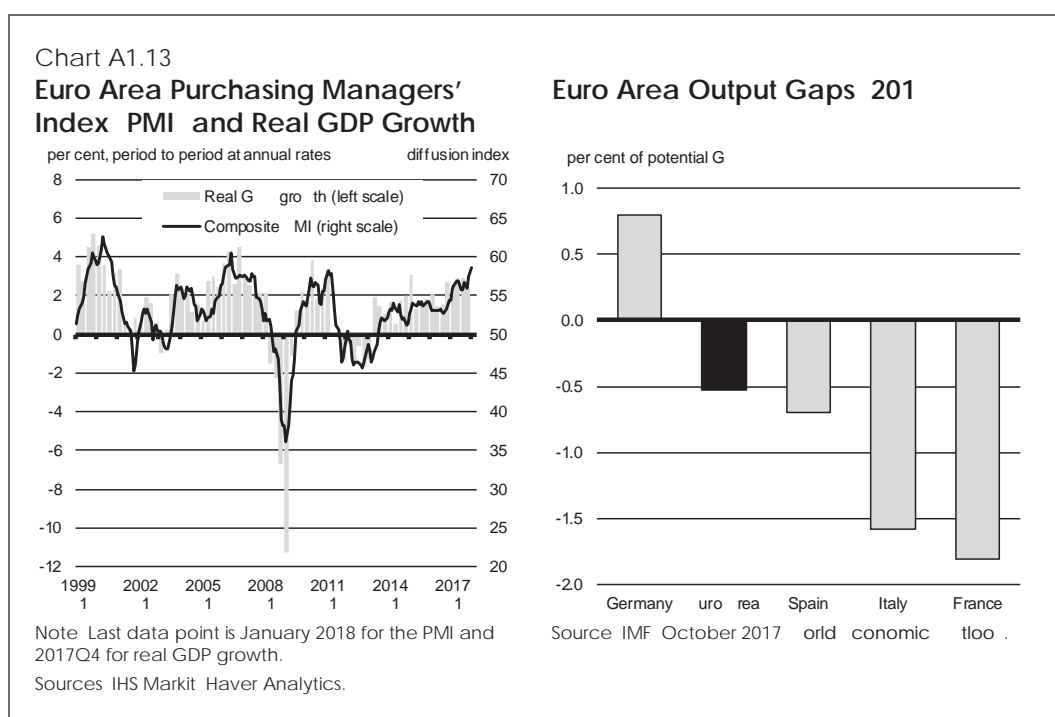
Alongside strong output growth the U.S. labour market continues to strengthen with solid job creation and steady gains in the employment rate of the 25 to 54 age group. The unemployment rate at 4.1 per cent since October 2017 is at its lowest level since 2001. However average hourly wages grew 2.5 per cent in 2017 broadly the same increase as in 2016. While wage growth has gradually trended higher since the end of the recession the progression of both monthly and annual gains has been uneven.



Looking forward the U.S. economy could see improved growth in 2018. However the U.S. federal government deficit is projected to grow to over one trillion dollars next year or about 5 per cent of GDP. Over the coming months the Department of Finance Canada will conduct detailed analysis of the U.S. federal tax reforms to assess any potential impacts on Canada.

European Economies Surprised on the Upside in 2017

Economic growth has also accelerated across the euro area—increasing from 1.8 per cent in 2016 to an estimated 2.5 per cent in 2017. This is more than two times faster than the estimated potential growth rate of about 1 per cent for the euro area as a whole. Further high-frequency indicators suggest a continuation of strong growth in early 2018. Chart A1.13 and the IMF expects the pace of euro area growth to remain fairly elevated—at 2.2 per cent this year. This should result in the continued absorption of remaining economic spare capacity across euro area countries.



In the United Kingdom, growth slipped from 1.9 per cent in 2016 to 1.8 per cent last year and is expected to continue to gradually slow over the near term. Weak consumer confidence and business investment—along with uncertainty related to the UK's future trade relationship with the European Union—should weigh on UK growth.

Canada is well placed to benefit from the steady economic activity in Europe. The Comprehensive Economic and Trade Agreement (CETA), which entered into force on September 21, 2017, eliminates virtually all tariffs on goods between Canada and the EU. The agreement gives Canadian exporters new access to one of the world's largest single markets—at 21.8 trillion, the EU represents 22 per cent of global GDP, with half a billion consumers.

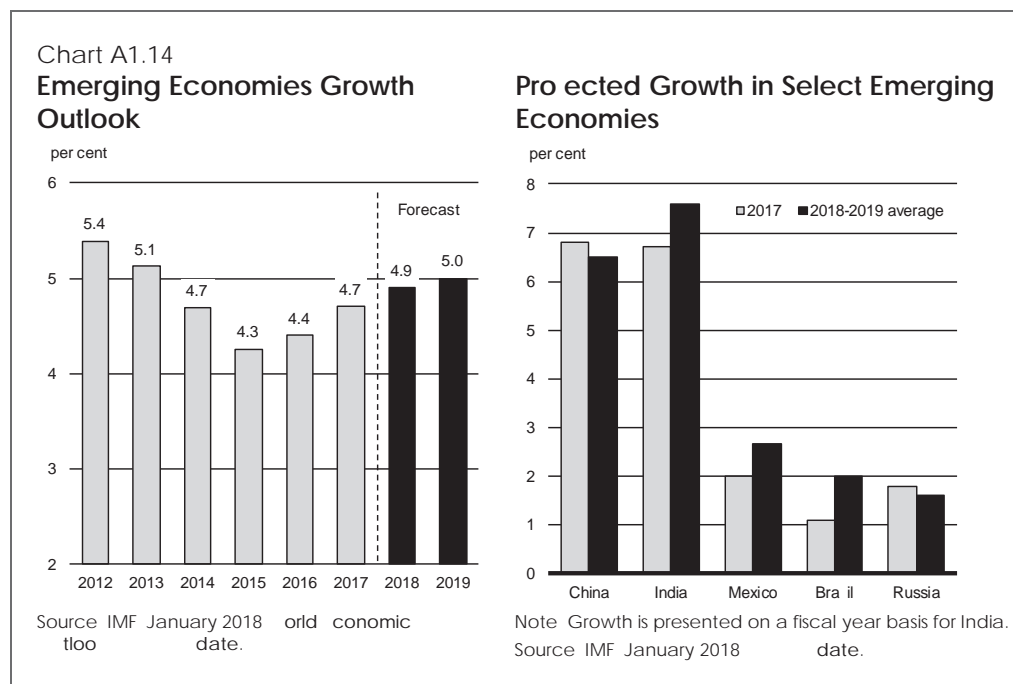
Strong Growth in China and Emerging Economies

Among the major emerging economies overall growth firmed in 2017. This was largely due to recessions ending in Brazil and Russia rather than a marked acceleration of growth in other emerging nations.

Nonetheless growth among emerging economies is expected to continue to increase in 2018 mainly reflecting a pick-up in growth in Latin America and the Middle East in part attributable to firmer commodity prices. In addition a rising rate of economic expansion in India will further support the overall rate of growth in emerging economies Chart A1.14 .

However a number of emerging economies remain vulnerable to sudden shifts in capital flows that could be triggered by an unexpected sharp appreciation of the U.S. dollar or a global repricing of risk. This is particularly true for countries with significant amounts of U.S.-dollar-denominated debt.

In China growth is expected to continue to gradually slow in 2018 and beyond. However China will continue to grow faster than most other countries and faster than expected one year ago. Economic activity is expected to be supported by stronger external demand and economic reforms and deleveraging are taking place very gradually to reduce the risk of an abrupt growth slowdown.



Canada has gained important new market access into the fast-growing Asia-Pacific region. On January 23, 2018, Canada was among the eleven countries that successfully concluded negotiations on the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). This agreement will provide access to markets totalling 11.5 trillion, representing 12 per cent of the global economy and over 450 million consumers. This includes key markets such as Japan, Malaysia and Vietnam—representing 9.7 trillion in GDP—with which Canada has no existing preferential trading relationship. Nearly 87 per cent of tariffs faced by Canadian exporters will be eliminated upon the entry into force of the CPTPP, with most remaining tariffs to be eliminated within 15 years.

Budget 2018 Economic Outlook

The economic and fiscal projections contained in this budget are based on the December 2017 survey of private sector economists. Details of the full private sector economic outlook are presented in Annex 2.

In summary, economists expect real GDP growth of 3.0 per cent in 2017, the same rate as in the 2017 Fall Economic Statement but significantly higher than the 2.1 per cent originally projected in Budget 2017. The outlook for real GDP growth is slightly improved for 2018 but little changed thereafter (Table A1.1). The outlook for GDP inflation, the broadest measure of economy-wide price inflation, has been revised down in both 2017 and 2018 compared to the 2017 Fall Economic Statement forecast. Going forward, the outlook for GDP inflation is broadly in line with the previous forecast.

As a result, expectations for growth in nominal GDP—the broadest measure of the tax base—have been revised down for 2017, from 5.5 per cent to 5.2 per cent, but are largely unchanged thereafter. The level of nominal GDP over the projection horizon is 4 billion lower per year, on average, than was anticipated in the 2017 Fall Economic Statement, but still more than 20 billion higher than projected in Budget 2017.

Table A1.1

Average Private Sector Forecasts

per cent unless otherwise indicated

	201	2018	2019	2020	2021	2022	201 – 2022
Real GDP growth							
Budget 2017 ¹	2.1	2.0	1.7	1.7	1.8	–	–
2017 Fall economic statement ¹	3.0	2.1	1.6	1.7	1.7	1.8	2.0
Budget 2018	3.0	2.2	1.6	1.7	1.6	1.8	2.0
GDP inflation							
Budget 2017 ¹	2.2	2.0	1.8	2.1	2.0	–	–
2017 Fall economic statement ¹	2.4	1.9	1.8	2.0	1.9	1.9	2.0
Budget 2018	2.2	1.8	1.9	2.0	2.0	1.9	2.0
Nominal GDP growth							
Budget 2017 ¹	4.3	4.0	3.5	3.8	3.8	–	–
2017 Fall economic statement ¹	5.5	4.1	3.4	3.7	3.6	3.8	4.0
Budget 2018	5.2	4.0	3.5	3.8	3.6	3.8	4.0
Nominal GDP level billions of dollars							
Budget 2017 ¹	2 120	2 205	2 282	2 369	2 459	–	–
2017 Fall economic statement ¹	2 146	2 234	2 311	2 397	2 483	2 577	
Budget 2018	2 142	2 228	2 306	2 394	2 481	2 575	
Difference between Budget 2017 and Budget 2018							
Difference between Fall Economic Statement and Budget 2018							

¹ GDP figures have been restated to reflect the historical revisions to the Canadian System of National Accounts which were published along with data for the third quarter of 2017 released on December 1, 2017.

Sources: For Budget 2017, Department of Finance Canada December 2016 survey of private sector economists; for the 2017 Fall economic statement, Department of Finance Canada September 2017 survey of private sector economists; for Budget 2018, Department of Finance Canada December 2017 survey of private sector economists; Statistics Canada.

Risk Assessment

While the global and Canadian economies have evolved largely as expected since the Fall economic statement both upside and downside risks remain which could affect the economic outlook. In particular

- Stronger and more durable growth in the global economy than currently expected would benefit Canadian economic activity.
- Household spending and business investment in Canada could continue to surprise on the upside given elevated business and consumer confidence tightened business capacity and labour market conditions and rising wage growth.
- As global oil markets continue to move closer to balance oil prices could be higher than expected in the medium term. Higher-than-expected demand for oil with more significant supply constraints in the future reflecting recent cuts in global oil and gas investment could tip the balance towards higher oil prices benefitting income and investment in Canada. However a persistent or widening gap between Western Texas Intermediate and Western Canada Select crude oil prices could partially erode this benefit.

At the same time there are a number of downside risks to the outlook.

- Uncertainty regarding the outcome of North American Free Trade Agreement negotiations as well as a notable shift towards more protectionism globally could impact Canada.
- As some advanced economy central banks such as the U.S. Federal Reserve continue to normalize monetary policy financial conditions could tighten faster than anticipated especially as they have remained surprisingly favourable over the past year. Tighter-than-expected financial conditions could create turbulence in world financial markets especially in the context of elevated market valuations although the recent pullback in global markets has relieved some pressure. This would affect Canadian businesses and households through a combination of higher interest rates negative wealth effects and/or lower confidence.
- High household debt remains a key domestic vulnerability for Canadian consumption and housing activity in the case of a large shock to income house prices or interest rates.

Overall the risks to the December 2017 economic outlook are broadly balanced in the short term and continuing engagement with survey participants has confirmed that the outlook is an appropriate basis for fiscal planning. Budget 2018 includes an adjustment for risk of 3.0 billion in 2018–19 and future years to account for risks and uncertainty in the economic and fiscal forecast.

Budget 2018 Fiscal Outlook

Baseline economic and year-to-date developments since the 2017 Fall Economic Statement (FES 2017) have improved the outlook for the budgetary balance over the forecast horizon by an average of approximately 3.3 billion per year. A detailed summary of changes to the fiscal outlook since FES 2017 is provided in Annex 2.

Continued Investments in a Strong Middle Class

Budget 2018 builds on the Government's previous actions and proposes smart targeted investments that will help create the conditions required to foster economic growth and provide more opportunities for the middle class. The fiscal implications of developments since FES 2017 including the costs of Budget 2018 proposals are shown in Table A1.2 below.

Table A1.2

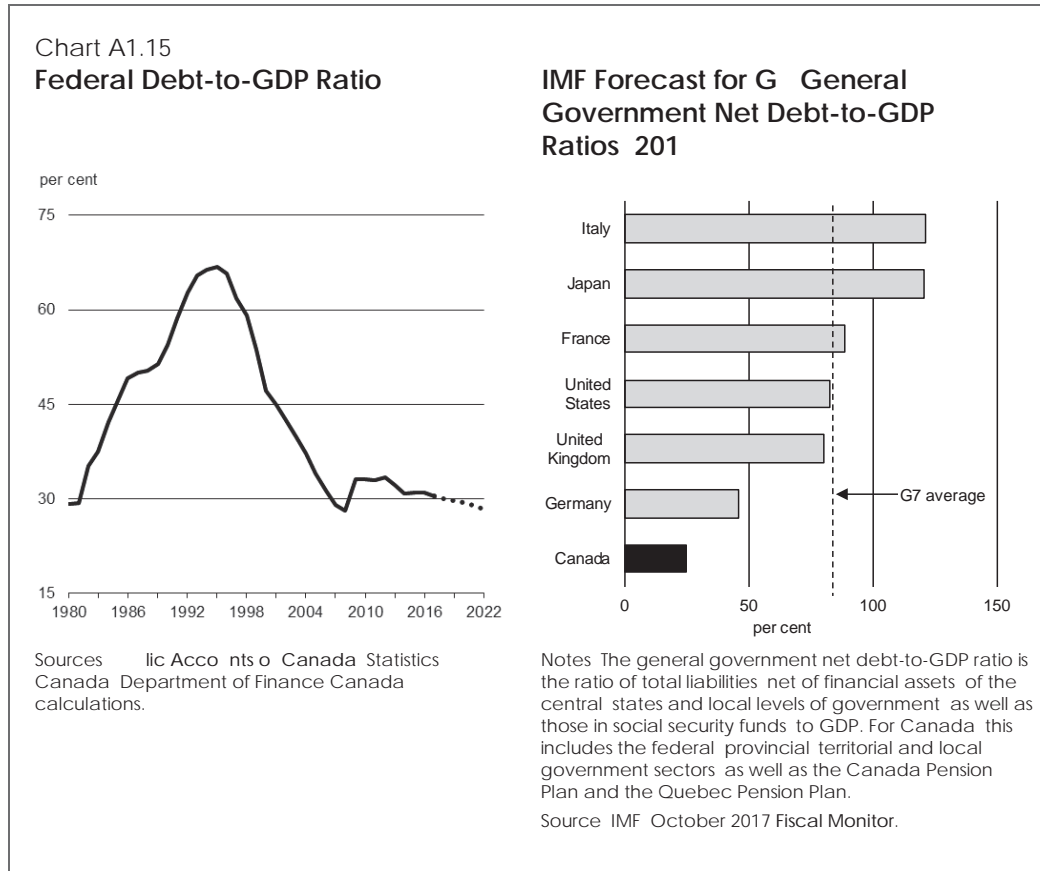
Economic and Fiscal Developments Since the 2017 Fall Economic Statement (FES 2017) and Investments Included in Budget 2018
billions of dollars

	Pro jection					
	201 – 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023
FES 2017 budgetary balance	-19.9	-18.6	-17.3	-16.8	-13.9	-12.5
Ad justment for risk from FES 2017	1.5	3.0	3.0	3.0	3.0	3.0
FES 2017 budgetary balance without risk ad justment	-18.4	-15.6	-14.3	-13.8	-10.9	-9.5
Economic and fiscal developments since FES 2017	3.0	3.6	4.1	3.5	2.8	2.8
Revised budgetary balance before policy actions and investments	-15.4	-12.0	-10.3	-10.3	-8.1	-6.1
Policy actions since FES 2017	2.4	2.2	-1.7	-1.6	-0.5	0.3
Investments in Budget 2018						
Growth	0.0	0.3	-0.1	0.3	0.2	0.3
Progress	0.0	-0.9	-1.2	-1.4	-1.4	-1.6
Reconciliation	-0.1	-1.4	-1.2	-0.8	-0.7	-0.6
Advancement	-4.2	-1.8	-1.3	-1.3	-1.2	-0.6
Other Budget 2018 investments	-2.1	-1.6	1.1	1.1	0.9	-0.4
Total investments in Budget 2018	-6.3	-5.4	-2.6	-2.0	-2.2	-3.0
Total policy actions and investments	-4.0	-3.1	-4.3	-3.6	-2.1	-2.6
Budgetary balance	-19.4	-15.1	-14.5	-13.9	-10.8	-9.3
Ad justment for risk		-3.0	-3.0	-3.0	-3.0	-3.0
Final budgetary balance with risk ad justment	-19.4	-18.1	-17.5	-16.9	-13.8	-12.3
Federal debt per cent of GDP	30.4	30.1	29.8	29.4	28.9	28.4

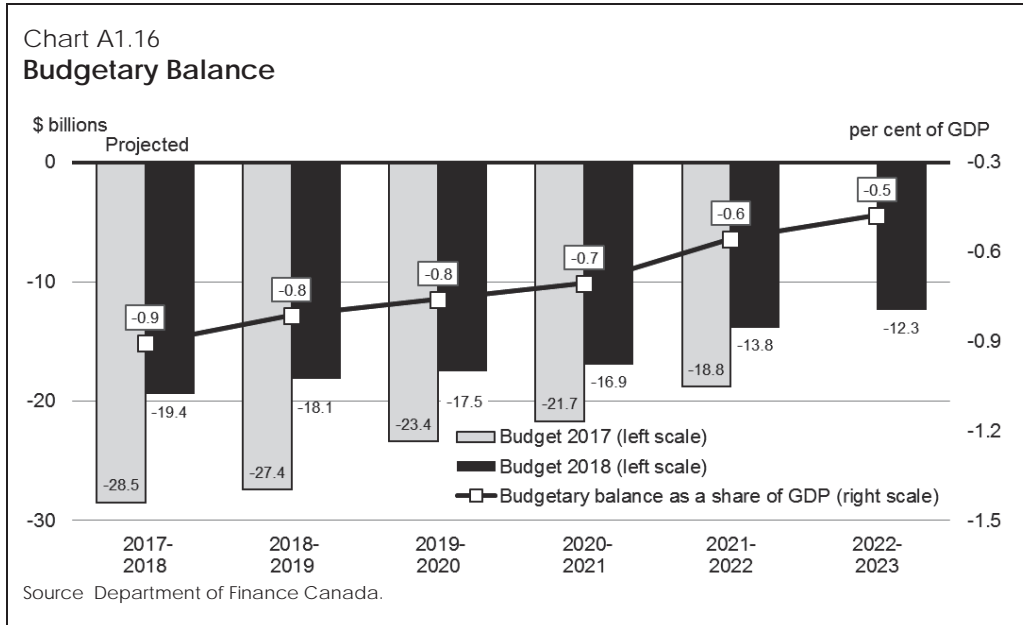
Notes: A negative number implies a deterioration in the budgetary balance. A positive number implies an improvement in the budgetary balance.

A Downward Deficit and Debt Ratio Track

Growth-generating investments in people in communities and in the economy are balanced by sound fiscal management. The federal debt-to-GDP ratio is projected to decline gradually over the forecast horizon reaching 28.4 per cent in 2022–23. According to the IMF, Canada’s net debt-to-GDP ratio is by far the lowest among G7 countries and less than half the G7 average. Chart A1.15.



The Budget 2018 fiscal track continues to show steady improvements in the Government’s annual budgetary balance which is nearly 7 billion lower annually on average than projected in Budget 2017.

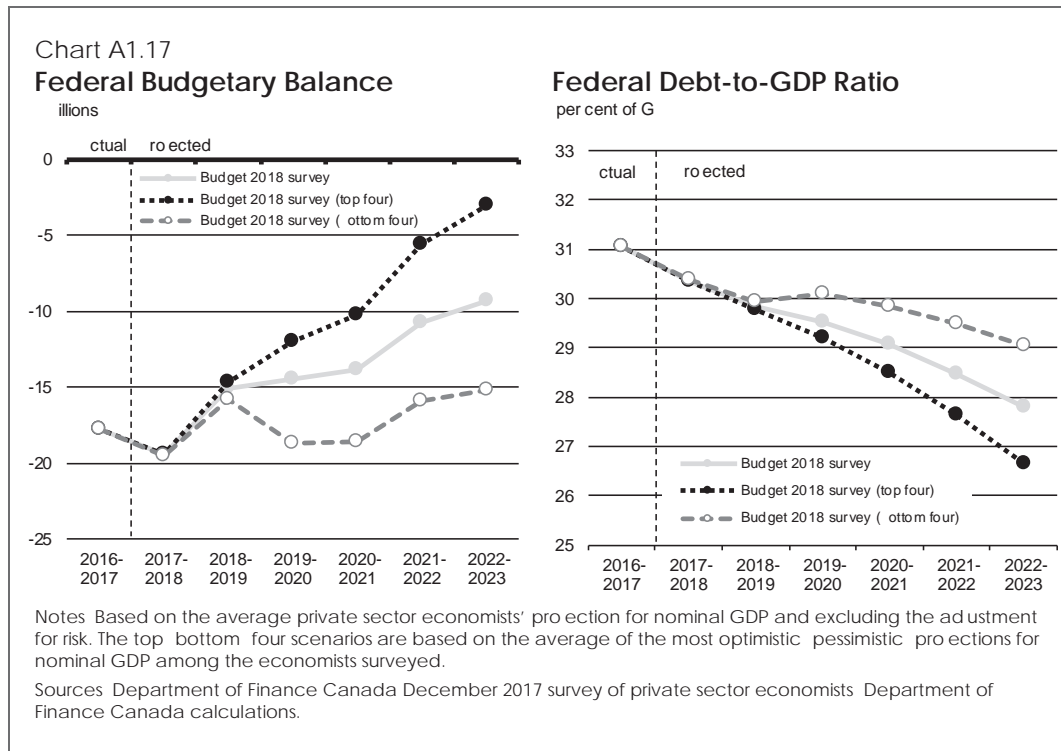


The Government will maintain this downward deficit and debt ratio track. Low debt levels support economic growth and intergenerational equity by keeping interest costs low and preserving flexibility to face future economic shocks and challenges.

Continued Economic Strength Would Accelerate Deficit Reduction

The fiscal projections presented in this budget are based on an average of the December 2017 private sector economic outlook survey. However, economists surveyed offered a wide range of views regarding future economic growth and therefore the path of nominal GDP—the broadest measure of the tax base. Changes in economic growth assumptions can also have large impacts on the budgetary balance and debt-to-GDP profile over an extended projection horizon.

For example, if the Government based current fiscal projections on the average of the top four individual forecasts for nominal GDP growth—which is equivalent to nominal GDP growth being 0.3 percentage points per year higher, on average, than in the full survey—the budgetary balance would improve by 3.0 billion per year, on average (Chart A1.17).



Conversely, basing fiscal projections on the average of the bottom four individual forecasts for nominal GDP growth—which is equivalent to nominal GDP growth being 0.3 percentage points per year lower, on average, than in the full survey—the budgetary balance would worsen by 3.5 billion per year, on average, and the federal debt-to-GDP ratio would still decline, but be 1.2 percentage points higher than projected in 2022–23.

+ ANNEX 2

Details of Economic and Fiscal Projections

Contents

Budget 2018 Economic and Fiscal Projections are detailed in this Annex in the following sections

1. Private Sector Economic Projections
 - Economic and Fiscal Developments and Policy Actions since the 2017 Fall economic statement
 - 2.1 Impact of Economic and Fiscal Developments since the 2017 Fall economic statement
 - 2.2 Policy Actions since the 2017 Fall economic statement
 - 2.3 Other Budget 2018 Measures Not Included in Previous Chapters
3. Fiscal Projections
 - 3.1 Summary Statement of Transactions
 - 3.2 Outlook for Budgetary Revenues
 - 3.3 Outlook for Program Expenses
 - 3.4 Financial Source Requirement
4. Supplementary Information
 - 4.1 Budget 2018 Investments by Department Cash Basis
 - 4.2 Reconciliation of Budget 2018 Expenses with 2018–19 Planned Estimates
 - 4.3 Sensitivity of Fiscal Projections to Economic Shocks
 - 4.4 Update on Allocation of Infrastructure Investments

1. Private Sector Economic Projections

The average of private sector forecasts has been used as the basis for fiscal planning since 1994 and introduces an element of independence into the Government's fiscal forecast. This practice has been supported by international organizations such as the International Monetary Fund.

The Department of Finance Canada regularly surveys private sector economists on their views on the outlook for the Canadian economy. The economic forecast presented in this section is based on a survey conducted in December 2017.

The December 2017 survey includes the views of 14 private sector economists:

1. BMO Capital Markets,
2. Caisse de dépôt et placement du Québec,
3. Canadian Federation of Independent Business,
4. CIBC World Markets,
5. The Conference Board of Canada,
6. Desjardins,
7. IHS Global Insight,
8. Industrial Alliance Insurance and Financial Services Inc.,
9. Laurentian Bank Securities,
10. National Bank Financial Markets,
11. Royal Bank of Canada,
12. Scotiabank,
13. TD Bank Financial Group, and
14. the University of Toronto (Policy and Economic Analysis Program).

Table A2.1
Average Private Sector Forecasts
per cent, unless otherwise indicated

	2017	2018	2019	2020	2021	2022	2017- 2022
Real GDP growth							
Budget 2017 ¹	2.1	2.0	1.7	1.7	1.8	-	-
2017 Fall Economic Statement ¹	3.0	2.1	1.6	1.7	1.7	1.8	2.0
Budget 2018	3.0	2.2	1.6	1.7	1.6	1.8	2.0
GDP inflation							
Budget 2017 ¹	2.2	2.0	1.8	2.1	2.0	-	-
2017 Fall Economic Statement ¹	2.4	1.9	1.8	2.0	1.9	1.9	2.0
Budget 2018	2.2	1.8	1.9	2.0	2.0	1.9	2.0
Nominal GDP growth							
Budget 2017 ¹	4.3	4.0	3.5	3.8	3.8	-	-
2017 Fall Economic Statement ¹	5.5	4.1	3.4	3.7	3.6	3.8	4.0
Budget 2018	5.2	4.0	3.5	3.8	3.6	3.8	4.0
Nominal GDP level (billions of dollars)							
Budget 2017 ¹	2,120	2,205	2,282	2,369	2,459	-	-
2017 Fall Economic Statement ¹	2,146	2,234	2,311	2,397	2,483	2,577	
Budget 2018	2,142	2,228	2,306	2,394	2,481	2,575	
Difference between Budget 2017 and Budget 2018	22	23	24	25	22	-	-
Difference between 2017 Fall Economic Statement and Budget 2018	-5	-6	-5	-3	-2	-2	-4
3-month treasury bill rate							
Budget 2017	0.6	0.9	1.4	1.8	2.3	-	-
2017 Fall Economic Statement	0.8	1.5	2.0	2.3	2.5	2.7	2.0
Budget 2018	0.7	1.4	2.0	2.3	2.5	2.5	1.9
10-year government bond rate							
Budget 2017	1.8	2.3	2.7	3.0	3.3	-	-
2017 Fall Economic Statement	1.8	2.5	2.9	3.1	3.3	3.5	2.8
Budget 2018	1.8	2.3	2.8	3.1	3.2	3.3	2.7
Exchange rate (US cents/C\$)							
Budget 2017	74.5	76.1	77.4	79.3	81.3	-	-
2017 Fall Economic Statement	77.8	81.3	81.2	81.4	81.2	82.4	80.9
Budget 2018	77.2	79.0	79.6	80.3	80.6	81.2	79.7
Unemployment rate							
Budget 2017	6.9	6.7	6.7	6.6	6.4	-	-
2017 Fall Economic Statement	6.5	6.3	6.3	6.4	6.3	6.1	6.3
Budget 2018	6.4	6.0	6.0	6.1	6.0	6.0	6.1

	2017	2018	2019	2020	2021	2022	2017– 2022
Consumer Price Index inflation							
Budget 2017	2.0	2.0	1.9	1.9	2.0	–	–
2017 Fall Economic Statement	1.6	1.9	1.9	1.9	1.9	2.0	1.9
Budget 2018	1.6	1.9	2.0	1.9	1.9	2.0	1.9
U.S. real GDP growth							
Budget 2017	2.3	2.3	1.8	1.9	2.0	–	–
2017 Fall Economic Statement	2.2	2.3	1.9	1.9	1.9	1.9	2.0
Budget 2018	2.3	2.4	1.9	1.9	1.8	1.9	2.0
WTI crude oil price (\$US per barrel)							
Budget 2017	54	59	56	59	64	–	–
2017 Fall Economic Statement	50	53	54	56	59	62	56
Budget 2018	51	56	57	57	59	62	57

¹ Figures have been restated to reflect the historical revisions to the Canadian System of National Accounts, which were published along with data for the third quarter of 2017, released on December 1, 2017.

Sources: For Budget 2017, Department of Finance Canada December 2016 survey of private sector economists; for the 2017 Fall Economic Statement, Department of Finance Canada September 2017 survey of private sector economists; for Budget 2018, Department of Finance Canada December 2017 survey of private sector economists; Statistics Canada.

2. Economic and Fiscal Developments and Policy Actions since the 2017 Fall Economic Statement

Table A2.2
Impact of Economic and Fiscal Developments and Policy Actions and Investments since the 2017 Fall Economic Statement
billions of dollars

	Projection					
	2017–2018	2018–2019	2019–2020	2020–2021	2021–2022	2022–2023
FES 2017 budgetary balance ¹	-19.9	-18.6	-17.3	-16.8	-13.9	-12.5
Adjustment for risk from FES 2017	1.5	3.0	3.0	3.0	3.0	3.0
FES 2017 budgetary balance (without risk adjustment)	-18.4	-15.6	-14.3	-13.8	-10.9	-9.5
Economic and fiscal developments since FES 2017	3.0	3.6	4.1	3.5	2.8	2.8
Revised budgetary balance before policy actions and investments	-15.4	-12.0	-10.3	-10.3	-8.1	-6.7
Policy actions since FES 2017 ²	2.4	2.2	-1.7	-1.6	-0.5	0.3
Investments in Budget 2018						
Growth	0.0	0.3	-0.1	0.3	0.2	0.3
Progress	0.0	-0.9	-1.2	-1.4	-1.4	-1.6
Reconciliation	-0.1	-1.4	-1.2	-0.8	-0.7	-0.6
Advancement	-4.2	-1.8	-1.3	-1.3	-1.2	-0.6
Other Budget 2018 investments ³	-2.1	-1.6	1.1	1.1	0.9	-0.4
Total investments in Budget 2018	-6.3	-5.4	-2.6	-2.0	-2.2	-3.0
Total policy actions and investments since FES 2017	-4.0	-3.1	-4.3	-3.6	-2.7	-2.6
Budgetary balance	-19.4	-15.1	-14.5	-13.9	-10.8	-9.3
Federal debt (per cent of GDP)	30.4	29.9	29.5	29.0	28.4	27.8
Adjustment for risk		-3.0	-3.0	-3.0	-3.0	-3.0
Final budgetary balance (with risk adjustment)	-19.4	-18.1	-17.5	-16.9	-13.8	-12.3
Federal debt (per cent of GDP)	30.4	30.1	29.8	29.4	28.9	28.4

Note: Totals may not add due to rounding.

¹ A negative number implies a deterioration in the budgetary balance (lower revenues or higher spending). A positive number implies an improvement in the budgetary balance (higher revenues or lower spending).

² Table A2.4 provides a detailed list of policy actions since FES 2017.

³ Table A2.5 provides a detailed list of other Budget 2018 investments.

2.1 Impact of Economic and Fiscal Developments since the 2017 Fall Economic Statement

Table A2.3
Economic and Fiscal Developments
billions of dollars

	Projection					
	2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023
Economic and fiscal developments by component:						
Budgetary revenues						
Income taxes	1.0	0.3	0.2	0.5	0.3	-0.2
Excise taxes/duties	0.0	0.3	0.8	1.0	1.2	1.2
Employment Insurance premiums	-0.5	-0.4	-0.4	-0.5	-0.5	-0.6
Other revenues	-1.7	-0.8	0.2	0.0	-0.1	0.6
Total	-1.1	-0.7	0.8	1.1	0.9	1.0
Program expenses						
Major transfers to persons	1.0	0.6	0.4	0.3	0.3	0.4
Major transfers to other levels of government	-0.2	0.1	0.0	-0.1	-0.1	-0.2
Direct program expenses	3.5	3.5	2.7	2.3	2.0	1.9
Total	4.3	4.1	3.1	2.5	2.2	2.1
Public debt charges	-0.2	0.2	0.2	-0.1	-0.3	-0.3
Total economic and fiscal developments	3.0	3.6	4.1	3.5	2.8	2.8

Relative to the 2017 Fall Economic Statement, budgetary revenues are projected to be lower in 2017–18 and 2018–19 primarily as a result of a downward revision to projected revenues from consolidated Crown corporations (particularly the Canadian Commercial Corporation) in the other revenue category. Revenues are up slightly over the remainder of the forecast horizon, due largely to higher projected excise taxes and duties.

Relative to FES 2017, income tax revenues are expected to be higher over most of the projection horizon. In 2017–18, upward revisions to corporate income tax and non-resident income tax revenues—primarily reflecting year-to-date developments—result in an increase of \$1.0 billion. Over the remainder of the forecast horizon, income tax revenues were revised up slightly by an average of \$0.2 billion, per year.

Excise taxes and duties have been revised up relative to FES 2017 due to stronger-than-expected year-to-date fiscal results for customs and import duties and a projected strengthening in the taxable consumption base.

Employment Insurance (EI) premium revenues are projected to be lower than at the time of FES 2017. This is a result of the lower projected unemployment rate, which results in lower projected EI benefits and a projected decrease in the EI premium rate on a status quo basis (before Budget 2018 measures).

With respect to expenses, major transfers to persons are projected to be lower throughout the forecast horizon compared to FES 2017, as the improved labour market outlook leads to lower projected EI benefit expenses.

Major transfers to other levels of government are broadly similar to FES 2017 projections. The small increase in 2017–18 is due to a lower expected value for the Quebec Abatement. The increase in the last three years of the horizon reflects higher Territorial Formula Financing transfers compared to FES 2017.

Compared to FES 2017, direct program expenses are lower, reflecting lower projected expenses for consolidated Crown corporations (particularly the Canadian Commercial Corporation), year-to-date results (including lower bad debt expenses on tax receivables) and updated departmental outlooks. Partially offsetting this, expenses related to pensions and employee future benefits are higher, reflecting the actuarial loss on plan liabilities as a result of lower projected interest rates compared to FES 2017.

Public debt charges are higher in 2017–18 compared to FES 2017, as a decrease in expected returns on pension fund assets leads to higher interest expenses. In 2018–19 and 2019–20, public debt charges are lower as lower forecast interest rates more than offset higher pension fund interest expenses from lower expected returns. From 2020–21, increases to both pension fund interest expenses and higher financial requirements lead to increased public debt charges compared to FES 2017.

2.2 Policy Actions Announced since the 2017 Fall Economic Statement

Table A2.4
Policy Actions Announced since the 2017 Fall Economic Statement
millions of dollars

	2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	total
Reprofile of Infrastructure Programs	-2,676	-2,198	1,316	1,387	258	-627	-2,541
Update of the spending profile of a number of infrastructure programs to ensure that the timing of federal infrastructure funding matches expected project spending by municipal, provincial and territorial governments, and that funding is available when it is needed while maintaining the Government's full financial commitment. See section 4.4 for a full update on the allocation of infrastructure investments.							
Canada-China Year of Tourism	0	9	1	1	0	0	11
Funding for Innovation, Science and Economic Development Canada to support activities such as hosting the closing ceremony for the Canada-China Year of Tourism and working closely with Canadian businesses as they prepare to welcome an increased number of tourists from China.							
Chair of the Open Government Partnership	0	0	1	0	0	0	1
Funding for the Treasury Board Secretariat in support of the Open Government Partnership, which aims to promote transparency, empower citizens, and harness new technologies to strengthen governance.							
Investing in Canada's Historic Parliamentary Buildings	8	12	8	13	22	13	75
Less: Existing Departmental Resources	-8	-16	-13	-19	-7	-9	-70
Funding for Public Services and Procurement Canada to continue the renovation of the historic and iconic Parliamentary Precinct.							
Introducing a Taxation Regime for Cannabis	8	13	17	20	24	0	82
Funding for the Canada Revenue Agency to establish and administer the new excise taxation regime for cannabis.							
First Nations Child and Family Services	33	0	0	0	0	0	33
Funding for the Department of Indigenous Services Canada to improve services for Indigenous children in care provided by the First Nations Child and Family Services Program.							
Adult Upskilling Pilot Program	0	3	-4	-10	0	0	-11
Funding in support of the Canada Student Loans Program pilot project for adult learners announced in Budget 2017, amended to introduce: a top-up grant of \$1,600 per year and a time limited regulatory change to allow student financial assistance applicants who experience a decline in income to be reassessed for Canada Student Grants (in addition to Canada Student Loans and other provincial and territorial assistance) based on their current year's income.							
Addressing Irregular Migration	11	0	0	0	0	0	11
Funding for Immigration, Refugees and Citizenship Canada to address operational pressures resulting from irregular migration.							
Emergency Management Assistance Program	128	0	0	0	0	0	128
Funding for Indigenous and Northern Affairs Canada to support the Emergency Management Assistance Program with the costs of response and recovery activities on reserve following an emergency event.							
Supporting the Responsiveness of the Social Security Tribunal	11	11	12	1	1	1	36
Less: Projected Revenues	-5	-6	-8	-3	-3	-3	-28
Funding for the Administrative Tribunal Support Service of Canada to address workload and program integrity pressures for the Social Security Tribunal.							
Correctional Service of Canada	2	10	2	2	2	2	17
Funding provided to the Correctional Service of Canada to account for fluctuations in the everyday costs associated with correctional operations.							
Supporting First Nations and Inuit Health	80	0	0	0	0	0	80
Funding for the Department of Indigenous Services to maintain service levels under the Non-Insured Health Benefits Program and Indian Residential Schools Resolution Health Support Program.							

	2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	total
2018 to 2020 Immigration Levels	2	86	146	180	208	236	857
Less: Funds existing in the Fiscal Framework	-4	-3	-2	-7	-16	-25	-56
Funding for Immigration, Refugees and Citizenship Canada and partners to increase permanent resident admission targets from the 2017 level of 300,000 to 310,000 in 2018, 330,000 in 2019 and 340,000 in 2020. This funding will help Canada to meet its labour market needs while balancing commitments to reunite families and offer protection to those most in need.							
Support for Fallen Public Safety Officers	0	24	24	23	23	23	117
Less: Funds existing in the Fiscal Framework	0	-20	-20	-20	-20	-20	-100
Funding for Public Safety Canada to support families of firefighters, police officers and paramedics that have fallen in the line of duty.							
Improving Labour Standards in Free Trade Partner Countries	0	1	1	1	0	0	2
Funding for Employment and Social Development Canada to increase capacity to monitor and enforce labour standards in free trade partner countries, which will help create a level playing field and protect Canadian workers and businesses from unfair competition.							
First Nations Policing Program	0	21	31	41	46	51	189
Funding for Public Safety Canada to enable communities participating in the First Nations Policing Program to maintain their current level of service, given increasing costs of policing. This ongoing funding also provides an additional 110 police officer positions in Indigenous communities served under the program.							
Canada's 2018 G7 Presidency and Leaders' Summit	205	381	2	2	2	2	594
Funding for the delivery of logistics and security for Canada's 2018 G7 Presidency. This will enable Canada to host a series of high-profile events across the country, including the G7 Leaders' Summit to be held in La Malbaie, Québec.							
Security and Stabilization Capacity Building Efforts Under Operation IMPACT	23	37	0	0	0	0	60
Less: Funds existing in the Fiscal Framework	0	-49	0	0	0	0	-49
Less: Existing Departmental Resources	0	-12	0	0	0	0	-12
Funding for National Defence to support Canada's efforts as a part of Operation IMPACT, the Global Coalition against Daesh in Iraq and Syria. This will allow Canada to support regional security and stabilization efforts in Jordan and Lebanon and to help build the capacity of the Iraqi Security Forces.							
Global Affairs Canada Quasi-Statutory Adjustments	0	-28	-46	-46	-46	-46	-211
Funding adjustments for Global Affairs Canada to reflect non-discretionary cost increases or savings for operation of missions abroad, such as those related to inflation and currency fluctuations.							
China - Scholarships and Internships	0	1	1	1	1	1	4
Funding for Global Affairs Canada to offer Canadian students internship and scholarship opportunities in China. This will help to improve cultural ties between Canada and China and provide Canadian students with valuable experience.							
Labour Market Development Agreements	0	0	0	0	0	0	0
An adjustment of framework safeguards and conditions to allow provinces and territories to use up to 10 per cent of the additional funding provided in Budget 2017 towards administration.							
(Net) fiscal impact of non-announced measures	-180	-524	191	8	-16	68	-453
The net fiscal impact of measures that are not announced is presented at the aggregate level, and would include provisions for anticipated Cabinet decisions not yet made and funding decisions related to national security, commercial sensitivity and litigation issues.							
Net Fiscal Impact - Total Policy Actions Since the 2017 Fall Economic Statement	-2,362	-2,247	1,657	1,573	479	-333	,

Note: Totals may not add due to rounding.

¹ The Government's spending plans are generally laid out in the annual budget. Due to operational reasons, some funding decisions may be required between budgets. All such "off-cycle" funding decisions taken since the 2017 Fall Economic Statement that are not discussed in the previous chapters are detailed in this table.

2.3 Other Budget 2018 Measures (Not Included in Previous Chapters)

Table A2.5
Other Budget 2018 Measures
millions of dollars

	2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	total
Long-Term Sustainability of the Coast Guard Fleet	0	13	11	0	2	4	29
Funding proposed for Fisheries and Oceans Canada for the Canadian Coast Guard to maintain existing fleet capabilities and enable forward planning for a sustainable future.							
Gairdner Foundation	0	0	0	0	0	0	1
Funding proposed for the Gairdner Foundation's activities, including for Canadian and international outreach efforts and to expand the diversity of recipients.							
Modernizing the Canadian Transportation Agency	0	3	3	3	0	0	9
Less: Existing Departmental Resources	0	-1	-1	-1	0	0	-3
Funding proposed for the Canadian Transportation Agency to support its modernization initiative. Over the next three years, the Agency will develop a cost recovery mechanism for its services.							
Strengthening Airports Serving Remote Communities	0	0	0	1	2	2	5
Funding proposed to address urgent capital needs supporting the safe and continued operations of small airports owned and operated by the Government of Canada, which primarily serve remote and isolated communities.							
Marine Atlantic Inc. Vessel Refurbishment	-	-	-	-	-	-	-
Funding proposed for Transport Canada for the refurbishment of Marine Atlantic Inc.'s aging vessel, the MV Leif Ericson. Funding amounts are not being released due to an upcoming procurement.							
Modernizing VIA Rail Passenger Service	0	3	3	2	0	0	8
Funding proposed for Transport Canada to support the continued in-depth assessment of VIA Rail's high-frequency rail proposal for the Toronto-Quebec City corridor.							
Renewing VIA Rail's Fleet	-	-	-	-	-	-	-
Funding proposed for Transport Canada to replace VIA Rail's cars and locomotives for use in the Windsor-Quebec City Corridor, ensuring that VIA Rail's rolling stock in the Corridor will remain safe and comfortable, and generate fewer greenhouse gas emissions. Funding amounts are not being released due to an upcoming procurement.							
Protecting the Integrity of Transportation Infrastructure in Montreal	0	55	38	80	146	124	444
Funding proposed for Jacques Cartier and Champlain Bridges Incorporated to support the ongoing maintenance and rehabilitation of federally-owned bridges and other transportation infrastructure in the Montreal area.							
Public Service and Procurement Canada – Real Property Repairs and Maintenance	0	275	0	0	0	0	275
Additional funding proposed for the Federal Accommodation Program to provide office accommodation and related real property services to federal departments and agencies.							
Maintaining Service Levels of the Controlled Goods Program	0	4	0	0	0	0	4
Funding proposed to maintain the Controlled Goods Program, which oversees the examination, possession and transfer of controlled goods (primarily defence weaponry) within Canada.							
Service Income Security Insurance Plan and other Public Service Employee Benefits	623	554	511	0	0	0	1,688
Funding proposed to ensure the ongoing sustainability of the long-term disability benefits plan for medically-released members of the Canadian Armed Forces and for employer-related costs of other employee benefit programs, such as the Public Service Health Care Plan.							
Additional Funding for the Office of the Commissioner of Lobbying	0	0	0	0	0	0	1
Funding proposed for the Office of the Commissioner of Lobbying to relocate the offices and staff of the Commissioner upon the expiry of its current lease in 2019.							
Public Service Centre on Diversity, Inclusion and Wellness	0	5	5	4	4	4	20
Funding proposed for the President of the Treasury Board to establish a Public Service Centre on Diversity, Inclusion and Wellness, to support departments and agencies in creating safe, healthy, diverse and inclusive workplaces. Proposed funding includes ongoing funding of \$3.6 million.							

	2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	total
Strengthening Canada's Food Safety System	0	16	16	16	0	0	47
Funding proposed to the Canadian Food Inspection Agency to support activities that help address food safety risks before they reach domestic consumers, including improving risk intelligence and oversight, offshore prevention activities, and improving compliance of international and domestic businesses to food safety regulations.							
Securing Market Access for Canada's Agriculture and Agri-food Products	0	6	6	6	6	6	29
Funding proposed to the Canadian Food Inspection Agency to support the negotiations of export conditions for agricultural, fishery and forestry products and certification of Canadian exports against other countries' import requirements.							
Sustainable Aquaculture Program	0	11	11	0	0	0	22
Funding proposed for Fisheries and Oceans Canada to renew the Sustainable Aquaculture Program for two years in support of an improved regulatory system. This funding will continue to support regulatory aquaculture science, work related to regulatory reform and governance, and public reporting on the environmental and economic performance of Canada's aquaculture sector.							
Improving Access to the Digital Economy	0	5	5	5	5	5	27
Funding proposed for Innovation, Science and Economic Development Canada to increase access to computers and promote the development of information and communication technology skills required for participation in the digital and knowledge-based economy.							
Maintaining Rail Service to Remote Communities	0	11	0	0	0	0	11
Funding proposed for Transport Canada for the renewal of the Remote Passenger Rail Program. This program helps support two passenger rail services, the Sept-les-Schefferville service in Quebec and Labrador, and the The Pas-Pukatawagan service in northern Manitoba.							
Strengthening Capacity for Environmental Assessments	0	1	1	0	0	0	2
Funding proposed for Transport Canada for the renewal of its participation in environmental assessments under the Northern Projects Management Office.							
Strengthening Motor Vehicle Safety	0	4	0	0	0	0	4
Funding proposed for Transport Canada to maintain safety oversight under the Canada Motor Vehicle Safety Act, to address emerging technologies and support the modernization of the Act.							
Ensuring the Safe Operation of Tankers	0	3	3	3	0	0	10
Funding proposed for Transport Canada to continue to inspect 100 per cent of foreign-registered oil tankers on their first visit to Canada and once annually thereafter.							
Canada's Co-Chairmanship of the G-20 Framework Working Group	0	1	1	1	1	1	4
Funding proposed for the Department of Finance to support Canada's role as co-chair of the G20 Working Group for the Framework for Strong, Sustainable, Balanced and Inclusive Growth.							
The Office of the Auditor General	0	6	7	7	8	8	36
Additional proposed funding to the Office of the Auditor General in response to an increase in audit work resulting from a rise in the complexity and volume of government operations and transactions. Proposed funding includes ongoing funding of \$8.3 million.							
Rebalancing Elections Canada's Expenditures	0	3	11	12	12	12	51
Less: Reduction in Statutory Authority	0	-3	-13	-15	-15	-15	-61
Funding proposed to rebalance Elections Canada's funding mix by increasing its annual appropriations and reducing amounts charged to its statutory authority.							
Reprofile of Indigenous Infrastructure Allocation	0	75	125	150	100	0	450
A modification of the funding profile of Budget 2017 investments is proposed to provide stable, long-term funding to support infrastructure in Indigenous communities							
Renewal of Equalization and Territorial Formula Financing							
Renewal of Equalization	-	-	-	-	-	-	-
Renewal of Territorial Formula Financing	0	0	-2	-2	-2	-2	-7
Transition Payments to Territories	0	0	3	3	3	3	12
Proposed renewal of Equalization and Territorial Formula Financing (TFF) for a five-year period beginning April 1, 2019, with technical changes to improve the accuracy and efficiency of the calculation of entitlements and proposed transition payments of \$1.3 million to Yukon and \$1.7 million to the Northwest Territories from 2019–20 until 2023–24 to offset projected negative impacts of the changes on TFF entitlements over the course of the renewal period. The Government intends to introduce legislation to implement the transfer renewal and transition payments to the territories. Technical changes will be implemented through regulatory amendments.							
Funding to support the establishment of a National Council for Reconciliation	0	2	0	0	0	0	2
Funding proposed to support work to establish a National Reconciliation Council.							

	2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	total
Finance Canada Analytical Capacity	0	2	2	2	2	2	8
Additional staff at the Department of Finance to support a new fiscal relationship with Indigenous Peoples.							
Repurposing and Reprofilling of Funds for Drug-Impaired Driving Labs	-1	-3	-1	0	1	0	-4
Funding adjustment for the Royal Canadian Mounted Police to support a revised approach to drug toxicology in support of Canada's new drug-impaired driving regime.							
(Net) fiscal impact of measures discussed in Tax Measures: Supplementary Information and Strengthening and Modernizing Canada's Financial Sector (Annex 3)	0	7	23	37	62	93	222
(Net) fiscal impact of non-announced measures	1,443	516	-1,902	-1,432	-1,205	186	-2,392
The net fiscal impact of measures that are not announced is presented at the aggregate level, and would include provisions for anticipated Cabinet decisions not yet made and funding decisions related to national security, commercial sensitivity and litigation issues.							
Net Fiscal Impact - Total Additional Budget 2018 Measures	2,066	1,572	-1,134	-1,117	-868	433	952

Note: Totals may not add due to rounding.

3. Fiscal Projections

3.1 Summary Statement of Transactions

Table A2.6
Summary Statement of Transactions
billions of dollars

	Projection						
	2016– 2017	2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023
Budgetary revenues	293.5	309.6	323.4	335.5	348.0	362.1	373.9
Program expenses	287.2	304.6	312.2	321.5	331.5	340.7	350.1
Public debt charges	24.1	24.4	26.3	28.6	30.3	32.2	33.1
Total expenses	311.3	329.0	338.5	350.0	361.9	372.9	383.2
Adjustment for risk			-3.0	-3.0	-3.0	-3.0	-3.0
Final budgetary balance	-17.8	-19.4	-18.1	-17.5	-16.9	-13.8	-12.3
Financial position							
Total liabilities	1,097.2	1,129.6	1,162.0	1,194.1	1,226.5	1,257.0	1,288.3
Financial assets ¹	382.8	392.9	404.2	415.6	428.3	441.4	456.8
Net debt	714.5	736.7	757.8	778.5	798.1	815.6	831.5
Non-financial assets	82.6	85.3	88.2	91.4	94.2	97.8	101.4
Federal debt ¹	631.9	651.5	669.6	687.1	704.0	717.8	730.1
Per cent of GDP							
Budgetary revenues	14.4	14.5	14.5	14.5	14.5	14.6	14.5
Program expenses	14.1	14.2	14.0	13.9	13.8	13.7	13.6
Public debt charges	1.2	1.1	1.2	1.2	1.3	1.3	1.3
Budgetary balance	-0.9	-0.9	-0.8	-0.8	-0.7	-0.6	-0.5
Federal debt	31.0	30.4	30.1	29.8	29.4	28.9	28.4

Note: Totals may not add due to rounding.

¹ The projected level of financial assets for 2017–18 includes an estimate of other comprehensive income.

3.2 Outlook for Budgetary Revenues

Table A2.7
The Revenue Outlook
billions of dollars

	Projection						
	2016– 2017	2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023
Income taxes							
Personal income tax	143.7	152.3	161.4	168.6	175.2	182.8	190.0
Corporate income tax	42.2	48.2	47.3	47.9	49.4	51.4	52.2
Non-resident income tax	7.1	8.2	8.3	8.5	8.7	8.8	9.0
Total income tax	193.0	208.6	217.0	225.0	233.2	243.0	251.2
Excise taxes/duties							
Goods and Services Tax	34.4	36.5	37.7	39.2	40.6	42.0	43.5
Customs import duties	5.5	5.5	5.5	5.3	5.4	5.5	5.7
Other excise taxes/duties	11.5	11.6	12.1	12.3	12.5	12.7	12.8
Total excise taxes/duties	51.3	53.7	55.4	56.7	58.4	60.2	62.0
Total tax revenues	244.3	262.3	272.3	281.7	291.6	303.2	313.2
Employment Insurance premium revenues	22.1	20.6	21.7	22.6	23.3	24.1	25.0
Other revenues							
Enterprise Crown corporations	5.7	5.8	6.6	7.5	8.1	8.9	9.0
Other programs	19.3	19.5	20.6	21.4	22.3	23.0	23.6
Net foreign exchange	2.1	1.5	2.1	2.4	2.7	3.0	3.2
Total other revenues	27.1	26.8	29.4	31.3	33.1	34.8	35.8
Total budgetary revenues	293.5	309.6	323.4	335.5	348.0	362.1	373.9
Per cent of GDP							
Personal income tax	7.1	7.1	7.2	7.3	7.3	7.4	7.4
Corporate income tax	2.1	2.3	2.1	2.1	2.1	2.1	2.0
Goods and Services Tax	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Total tax revenues	12.0	12.2	12.2	12.2	12.2	12.2	12.2
Employment Insurance premium revenues	1.1	1.0	1.0	1.0	1.0	1.0	1.0
Other revenues	1.3	1.3	1.3	1.4	1.4	1.4	1.4
Total budgetary revenues	14.4	14.5	14.5	14.5	14.5	14.6	14.5

Note: Note: Totals may not add due to rounding.

Table A2.7 sets out the Government's projection for budgetary revenues. Overall, budgetary revenues are expected to increase by 5.5 per cent in 2017–18, reflecting strong economic growth and year-to-date results. Over the remainder of the forecast horizon, revenues are projected to grow at an average annual rate of 3.8 per cent, in line with projected growth in nominal GDP.

Personal income tax revenues—the largest component of budgetary revenues—are projected to increase by \$8.6 billion, or 6.0 per cent, to \$152.3 billion in 2017–18. The strong growth in 2017–18 reflects an improved economic outlook and the unwinding of the impact of tax planning that suppressed revenues in 2016–17, whereby high-income individuals recognized additional income in the 2015 tax year and lower income in the 2016 tax year when the 33 per cent tax bracket came into effect. Over the remainder of the projection period, personal income tax revenues are forecast to increase faster than growth in nominal GDP, averaging 4.5 per cent annually, reflecting the progressive nature of the income tax system combined with projected real income gains.

Corporate income tax revenues are projected to increase by \$6.0 billion, or 14.2 per cent, to \$48.2 billion in 2017–18, as a result of higher corporate profits and the associated strength in recent year-to-date financial results. Revenues are then expected to decline in 2018–19 by 1.8 per cent due in part to the reduction in the small business tax rate announced in the 2017 Fall Economic Statement as well as a projected dampening of corporate profits. Over the remainder of the projection period, corporate income tax revenues are expected to grow at an average annual rate of 2.5 per cent, less than the rate of growth in nominal GDP, reflecting the anticipated use of loss carry-forwards, and the reduction of the small business tax rate to 9 per cent.

Non-resident income tax revenues are income taxes paid by non-residents on Canadian-sourced income, notably dividends and interest payments. For 2017–18, non-resident income tax revenues are projected to increase by \$1.1 billion, or 15.2 per cent, based on strong year-to-date results and an expected increase in dividend, investment and interest income from stronger corporate profits. Over the remainder of the forecast horizon, they are projected to grow at an average annual rate of 1.9 per cent.

Goods and Services Tax (GST) revenues are forecast to grow by 6.2 per cent in 2017–18 based on recent financial results and strong projected growth in taxable consumption over the rest of the year. Over the remainder of the projection period, GST revenues are forecast to grow by 3.6 per cent per year, on average, based on the outlook for taxable consumption.

Customs import duties are projected to grow 1.2 per cent, in 2017–18. Over the remainder of the projection horizon, annual growth in customs import duties is projected to slow to an average of 0.5 per cent, largely due to the expected coming into force of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

Other excise taxes and duties (OETD) are projected to increase by \$0.1 billion, or 0.8 per cent, to \$11.6 billion in 2017–18. OETD revenues are then expected to increase by 4.6 per cent in 2018–19, partially due to expected additional excise duty revenues from cannabis legalization. Over the remainder of the projection horizon, OETD revenues are expected to grow at an average annual rate of 1.3 per cent based on historical consumption trends.

El premium revenues are projected to decline by 7.1 per cent in 2017–18 due to a reduction in the El premium rate to \$1.63 per \$100 of insurable earnings as a result of the introduction of the seven-year break-even mechanism in 2017. El premium revenues are then expected to increase in 2018–19 as the El premium rate increases to \$1.66 per \$100 of insurable earnings for 2018 (as announced by the Canada Employment Insurance Commission). Over the remainder of the forecast horizon, El premium revenues are expected to continue on their upward trend based on projected growth in insurable earnings and a projected El premium rate for 2019 of \$1.66 per \$100 of insurable earnings, after taking into account new El measures announced in Budget 2018.

Other revenues are made up of three broad components: net income from enterprise Crown corporations; other program revenues, particularly from consolidated Crown corporation revenues, returns on investments, proceeds from the sales of goods and services, and other miscellaneous revenues; and revenues in the Exchange Fund Account.

Enterprise Crown corporation revenues are projected to increase by 2.7 per cent in 2017–18, and grow at an average annual rate of 9.2 per cent over the remainder of the forecast horizon, generally reflecting the outlooks presented in respective enterprise Crown corporation corporate plans.

Other program revenues are affected by consolidated Crown corporation revenues, interest and exchange rate movements (which affect the Canadian-dollar value of foreign-denominated assets), and flow-through items that give rise to an offsetting expense and therefore do not impact the budgetary balance. These revenues are projected to increase by 1.2 per cent in 2017–18. Over the remainder of the projection period, other program revenues are projected to increase at an average annual rate of 3.9 per cent, reflecting the impact of higher interest rates and outlooks presented in consolidated Crown corporation corporate plans.

Net foreign exchange revenues, which consist mainly of returns on investments held in the Exchange Fund Account, are volatile and sensitive to fluctuations in foreign exchange rates and foreign interest rates. These revenues are expected to decrease in 2017–18, due in large part to a decrease in the expected return on assets held in the Exchange Fund Account. Over the remainder of the projection period, net foreign exchange revenues are projected to grow at an average annual rate of 16.6 per cent, reflecting a projected increase in interest rates and the anticipated appreciation of the Canadian dollar by private sector forecasters.

Employment Insurance Operating Account

Employment Insurance Operating Account Projections

billions of dollars

	2016– 2017	2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	
El premium revenues	22.1	20.6	21.7	22.6	23.3	24.1	25.0	
El benefits ¹	20.7	20.1	20.7	21.7	22.5	23.3	24.0	
El administration and other expenses ²	1.8	1.8	1.8	1.8	1.8	1.7	1.7	
	2016 ³	2017	2018	2019	2020	2021	2022	(...) 2025
El Operating Account annual balance	1.6	-1.2	-0.4	-0.3	-0.5	-0.5	-0.3	0.5
El Operating Account cumulative balance	2.5	1.3	0.9	0.7	0.2	-0.3	-0.6	0.2 ⁴
Projected premium rate (per \$100 of insurable earnings)	1.88	1.63	1.66	1.66	1.66	1.66	1.66	1.66

¹ El benefits include regular El benefits, sickness, maternity, parental, compassionate care, fishing and work sharing benefits, and employment benefits and support measures. These represent about 90 per cent of total El program expenses.

² The remaining El costs relate mainly to administration and are included in direct program expenses.

³ Values for 2016 are actual data. Values for 2017 and future years are a projection.

⁴ The El Operating Account cumulative balance does not reach exactly zero at the end of the seven-year period as projected El rates are rounded to the nearest whole cent per \$100 of insurable earnings, in accordance with the Employment Insurance Act.

The Employment Insurance Operating Account operates within the Consolidated Revenue Fund. As such, El-related revenues and expenses that are credited and charged to the Account, respectively, in accordance with the Employment Insurance Act, are consolidated with those of the Government, and impact the budgetary balance. For consistency with the El premium rate, which is set on a calendar-year basis with the objective of having the Account break even over time, the annual and cumulative balances of the Account are also presented on a calendar-year basis.

The El Operating Account is expected to record an annual deficit of \$1.2 billion in 2017, and a deficit of \$0.4 billion in 2018, due to a reduction in the El premium rate as a result of the seven-year break-even mechanism. The estimated seven-year break-even rate for 2019 is \$1.66 per \$100 of insurable earnings, unchanged from the 2018 premium rate. For fiscal planning purposes, an El premium rate of \$1.66 has been applied from 2019 onwards such that the El Operating Account achieves cumulative balance by 2025.

3.3 Outlook for Program Expenses

Table A2.8
The Expense Outlook
billions of dollars

	2016– 2017	Projection					
		2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023
Major transfers to persons							
Elderly benefits	48.2	50.9	53.6	56.7	60.1	63.5	67.0
Employment Insurance benefits ¹	20.7	20.1	20.7	21.7	22.5	23.3	24.0
Children's benefits	22.1	23.4	23.7	23.9	24.3	24.7	25.1
Total	90.9	94.4	98.1	102.3	106.8	111.5	116.1
Major transfers to other levels of government							
Canada Health Transfer	36.1	37.1	38.6	40.2	41.7	43.3	44.9
Canada Social Transfer	13.3	13.7	14.2	14.6	15.0	15.5	15.9
Equalization	17.9	18.3	19.0	19.8	20.5	21.3	22.1
Territorial Formula Financing	3.6	3.7	3.8	3.9	4.0	4.1	4.2
Gas Tax Fund ²	2.1	2.1	2.2	2.2	2.2	2.3	2.3
Home care and mental health	0.0	0.3	0.9	1.1	1.3	1.5	1.2
Other fiscal arrangements ³	-4.3	-4.7	-4.9	-5.3	-5.4	-5.6	-5.9
Total	68.7	70.5	73.6	76.5	79.3	82.3	84.7
Direct program expenses							
Transfer payments	41.6	44.1	47.5	50.4	52.4	52.0	52.0
Operating expenses ⁴	86.0	95.6	93.1	92.3	92.9	94.9	97.3
Total	127.6	139.7	140.5	142.7	145.3	147.0	149.3
Total program expenses	287.2	304.6	312.2	321.5	331.5	340.7	350.1
Per cent of GDP							
Major transfers to persons	4.5	4.4	4.4	4.4	4.5	4.5	4.5
Major transfers to other levels of government	3.4	3.3	3.3	3.3	3.3	3.3	3.3
Direct program expenses	6.3	6.5	6.3	6.2	6.1	5.9	5.8
Total program expenses	14.1	14.2	14.0	13.9	13.8	13.7	13.6

Note: Totals may not add due to rounding.

¹ EI benefits include regular EI benefits, sickness, maternity, parental, compassionate care, fishing and work-sharing benefits, and employment benefits and support measures. These represent about 90 per cent of total EI program expenses. The remaining EI costs relate mainly to administration and are part of operating expenses.

² The Gas Tax Fund is a component of the Community Improvement Fund.

³ Other fiscal arrangements include the Youth Allowances Recovery; Alternative Payments for Standing Programs, which represent a recovery from Quebec of a tax point transfer; statutory subsidies; payments under the 2005 Offshore Arrangements; and established terms for repayable floor loans.

⁴ This includes capital amortization expenses.

Table A2.8 provides an overview of the projections for program expenses, on an accrual basis, by major component. A more detailed outlook for 2018–19 can be found in Table A2.12, which also provides a full reconciliation of the planned estimates and the budget outlook. Program expenses consist of major transfers to persons, major transfers to other levels of government and direct program expenses.

Major transfers to persons are projected to increase from \$94.4 billion in 2017–18 to \$116.1 billion in 2022–23. Major transfers to persons consist of elderly, EI and children's benefits.

Elderly benefits, which are comprised of Old Age Security, Guaranteed Income Supplement and Allowance payments to qualifying seniors, are projected to grow from \$50.9 billion in 2017–18 to \$67.0 billion in 2022–23, or approximately 5.6 per cent per year. The expected increase in elderly benefits is due to projected consumer price inflation, to which benefits are fully indexed, and a projected increase in the population of seniors.

EI benefits are projected to be \$20.1 billion in 2017–18. Over the remainder of the projection period, EI benefits are projected to grow moderately, averaging 3.6 per cent annually, reflecting growth in average weekly benefits.

Children's benefits are projected to rise from \$23.4 billion in 2017–18 to \$25.1 billion in 2022–23, or approximately 1.4 per cent annually, largely reflecting the indexation of benefits beginning in 2018–19.

Major transfers to other levels of government, which include the Canada Health Transfer (CHT), the Canada Social Transfer (CST), Equalization, Territorial Formula Financing and the Gas Tax Fund, among others, are expected to increase over the forecast horizon, from \$70.5 billion in 2017–18 to \$84.7 billion in 2022–23.

The CHT is projected to grow from \$37.1 billion in 2017–18 to \$44.9 billion in 2022–23. The CHT grows in line with a three-year moving average of nominal GDP growth, with funding guaranteed to increase by at least 3.0 per cent per year. The CST is legislated to grow at 3.0 per cent per year. Gas Tax Fund payments are indexed at 2.0 per cent per year, with increases applied in \$100 million increments. Announced in Budget 2017, home care and mental health transfers in support of provincial and territorial home care and mental health initiatives will grow from \$0.3 billion in 2017–18 to \$1.2 billion in 2022–23.

Direct program expenses are projected to rise to \$139.7 billion in 2017–18 and further to \$149.3 billion in 2022–23. Direct program expenses include transfer payments administered by departments and operating expenses.

The projected increase in direct program expenses is driven, in large part, by an increase in transfer payments administered by departments over the forecast horizon, including transfers to provincial, municipal and Indigenous governments and post-secondary institutions for investment in infrastructure. Overall, transfer payments are projected to increase from \$44.1 billion in 2017–18 to \$52.0 billion in 2022–23.

Operating expenses reflect the cost of doing business for more than 100 government departments, agencies and Crown corporations, and are projected to reach \$95.6 billion in 2017–18, reflecting year-to-date results and the introduction of Pension for Life for veterans, which results in a significant one-time expense in 2017–18. From 2018–19 onwards, operating expenses are projected to grow by about 1.1 per cent annually, reaching \$97.3 billion in 2022–23. The growth in operating expenses is composed of growth in departmental expenses, which is partially offset by falling expenses related to pensions and employee future benefits, reflecting the projected rise in long-term interest rates.

3.4 Financial Source/Requirement

The budgetary balance is presented on a full accrual basis of accounting, recording government revenues and expenses when they are earned or incurred, regardless of when the cash is received or paid.

In contrast, the financial source/requirement measures the difference between cash coming in to the Government and cash going out. This measure is affected not only by the budgetary balance, but also by the Government's non-budgetary transactions. These include changes in federal employee pension liabilities; changes in non-financial assets; investing activities through loans, investments and advances; and changes in other financial assets and liabilities, including foreign exchange activities.

Table A2.9
The Budgetary Balance, Non-Budgetary Transactions and Financial Source/Requirement
billions of dollars

	2016– 2017	Projection					
		2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023
Budgetary balance	-17.8	-19.4	-18.1	-17.5	-16.9	-13.8	-12.3
Non-budgetary transactions							
Pensions and other accounts	7.3	10.6	1.5	1.0	-0.9	-0.0	-1.0
Non-financial assets	-4.8	-2.7	-3.0	-3.2	-2.8	-3.7	-3.6
Loans, investments and advances							
Enterprise Crown corporations	-6.5	-4.5	-5.8	-6.8	-6.6	-6.1	-6.2
Other	0.3	-0.6	-0.6	-0.7	-0.8	-0.8	-0.8
Total	-6.2	-5.1	-6.4	-7.5	-7.4	-6.9	-7.0
Other transactions							
Accounts payable, receivable, accruals and allowances	-0.8	-8.1	-8.1	-5.9	-4.4	-5.3	-4.7
Foreign exchange activities	-5.3	1.3	-0.7	-0.3	-1.5	-1.5	-4.4
Total	-6.0	-6.8	-8.8	-6.2	-6.0	-6.8	-9.1
Total	-9.7	-4.1	-16.7	-15.8	-17.0	-17.4	-20.6
Financial source/requirement	-27.5	-23.5	-34.8	-33.3	-33.9	-31.2	-32.9

As shown in Table A2.9, a financial requirement is projected over the entire forecast period. The projected financial requirements for 2017–18 to 2022–23 largely reflect requirements associated with the budgetary balance, increases in retained earnings of enterprise Crown corporations, and growth in other assets, including financing of the Exchange Fund Account.

A financial source is projected for pensions and other accounts for 2017–18 to 2019–20. Pensions and other accounts include the activities of the Government of Canada’s employee pension plans and those of federally appointed judges and Members of Parliament, as well as a variety of other employee future benefit plans, such as health care and dental plans, and disability and other benefits for veterans and others. The financial source for pensions and other accounts largely reflects adjustments for pension and benefit expenses not funded in the period.

Financial requirements for non-financial assets mainly reflect the difference between cash outlays for the acquisition of new tangible capital assets and the amortization of capital assets included in the budgetary balance. They also include disposals of tangible capital assets and changes in inventories and prepaid expenses. A net cash requirement of \$3.0 billion is estimated for 2018–19.

Loans, investments and advances include the Government’s investments in enterprise Crown corporations, such as Canada Mortgage and Housing Corporation (CMHC), Export Development Canada, the Business Development Bank of Canada (BDC) and Farm Credit Canada (FCC). They also include loans, investments and advances to national and provincial governments and international organizations, and for government programs. The requirements for enterprise Crown corporations projected from 2017–18 to 2022–23 reflect retained earnings of enterprise Crown corporations as well as the Government’s decision in Budget 2007 to meet all the borrowing needs of CMHC, BDC and FCC through its own domestic debt issuance. In general, loans, investments and advances are expected to generate additional revenues for the Government in the form of interest or additional net profits of enterprise Crown corporations, which partly offset debt charges associated with these borrowing requirements. These revenues are reflected in projections of the budgetary balance.

Other transactions include the payment of tax refunds and other accounts payable, the collection of taxes and other accounts receivable, the conversion of other accrual adjustments included in the budgetary balance into cash, as well as foreign exchange activities. Projected cash requirements associated with other transactions mainly reflect forecast increases in the Government’s official international reserves held in the Exchange Fund Account, as per the prudential liquidity plan, as well as projected growth in accounts receivable, in line with historical trends.

4. Supplementary Information

Budget and Estimates Alignment: Greater Clarity on Government Spending

In the Fall of 2016, the Government proposed reforms to the Estimates process to enhance transparency and accountability. In June 2017, the House of Commons agreed to change its Standing Orders so that the tabling of the Main Estimates for the next two years can take place in April rather than in February. This measure will help to ensure that more budget initiatives can be included in the Main Estimates on which Parliamentarians will vote.

In this spirit, to further improve transparency and accountability, this budget includes a detailed reconciliation between accrual expenses forecasted in Budget 2018 and the authorities to be reflected in the planned 2018–19 Estimates. Specifically, Budget 2018 includes: (i) a detailed summary table outlining Budget 2018 measures by department on a cash basis (Section 4.1); and (ii) a detailed table reconciling the Budget 2018 expense forecast with the planned 2018–19 Estimates (Section 4.2).

4.1 Policy Actions and Budget Investments by Department (Cash Basis)

Table A2.10
Policy Actions since the 2017 Fall Economic Statement by Department
millions of dollars (cash basis)

	2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	total a h
Administrative Tribunals Support Service of Canada	13	13	11	0	0	0	
Supporting the Responsiveness of the Social Security Tribunal	13	13	11	0	0	0	37
Canada Border Services Agency	2	25	59	25	24	22	
Taking Action against Guns and Gangs	0	16	38	9	9	8	80
2018 to 2020 Immigration Levels	2	8	22	16	16	14	77
Canada's 2018 G7 Presidency and Leaders' Summit	0	1	0	0	0	0	1
Canada Revenue Agency	19	34	34	36	39	0	
Introducing a Taxation Regime for Cannabis	8	13	17	20	24	0	82
Federal Carbon Pollution Pricing Backstop	9	21	18	16	15	0	79
Stabilizing and Future Transformation of the Federal Government's Pay Administration (Phoenix)	2	0	0	0	0	0	2
Canadian Air Transport Security Authority	0	0	0	0	0	0	
Canada's 2018 G7 Presidency and Leaders' Summit	0	0	0	0	0	0	0
Canadian Environmental Assessment Agency	0	22	44	63	65	65	
Establishing Better Rules to Protect the Environment and Grow the Economy	0	22	44	63	65	65	259
Canadian Food Inspection Agency	0	0	0	0	0	0	
Canada's 2018 G7 Presidency and Leaders' Summit	0	0	0	0	0	0	0
Canadian Security Intelligence Service	1	2	1	1	1	1	
2018 to 2020 Immigration Levels	0	1	1	1	1	1	6
Canada's 2018 G7 Presidency and Leaders' Summit	1	1	0	0	0	0	2
Correctional Service of Canada	2	10	2	2	2	2	
Correctional Service of Canada	2	10	2	2	2	2	17
Department of Finance Canada	2	2	0	0	0	0	
Canada's 2018 G7 Presidency and Leaders' Summit	2	2	0	0	0	0	4
Employment and Social Development Canada	0	3	-2	-8	0	0	
Improving Labour Standards in Free Trade Partner Countries	0	1	1	1	0	0	2
Adult Upskilling Pilot Program	0	2	-2	-8	0	0	-8
Environment and Climate Change Canada	-9	-12	1	8	9	24	
Establishing Better Rules to Protect the Environment and Grow the Economy	0	10	19	24	24	24	100
Federal Carbon Pollution Pricing Backstop	-9	-21	-18	-16	-15	0	-79
Fisheries and Oceans Canada	0	44	72	80	79	76	
Establishing Better Rules to Protect the Environment and Grow the Economy	0	44	72	80	79	76	351
Global Affairs Canada	36	39	-44	-44	-44	-44	
Canada's 2018 G7 Presidency and Leaders' Summit	35	65	0	0	0	0	100
Global Affairs Canada Quasi-Statutory Adjustments	0	-28	-46	-46	-46	-46	-211
Ensuring Rules-Based and Responsible Trade	1	1	1	1	1	1	7
China - Scholarships and Internships	0	1	1	1	1	1	4
Health Canada	3	12	8	8	8	8	
Establishing Better Rules to Protect the Environment and Grow the Economy	0	8	8	8	8	8	38
Canada's 2018 G7 Presidency and Leaders' Summit	3	4	0	0	0	0	8

	2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	total a h
Immigration and Refugee Board of Canada	0	1	1	2	2	2	
2018 to 2020 Immigration Levels	0	1	1	2	2	2	7
Immigration, Refugees and Citizenship Canada	11	75	121	156	183	212	
2018 to 2020 Immigration Levels	0	75	121	156	183	212	747
Addressing Irregular Migration	11	0	0	0	0	0	11
Indigenous Services Canada	241	0	0	0	0	0	
Emergency Management Assistance Program	128	0	0	0	0	0	128
Supporting First Nations and Inuit Health	80	0	0	0	0	0	80
First Nations Child and Family Services	33	0	0	0	0	0	33
Infrastructure Canada	-2,676	-2,198	1,316	1,463	258	-627	
Reprofile of Infrastructure Programs	-2,676	-2,198	1,316	1,463	258	-627	-2,465
Innovation, Science and Economic Development Canada	0	10	1	1	0	0	
Canada-China Year of Tourism	0	9	1	1	0	0	11
Canada's 2018 G7 Presidency and Leaders' Summit	0	0	0	0	0	0	0
National Defence	33	51	0	0	0	0	
Security and Stabilization Capacity Building Efforts Under Operation IMPACT	23	25	0	0	0	0	49
Canada's 2018 G7 Presidency and Leaders' Summit	10	26	0	0	0	0	35
National Energy Board	0	9	12	12	12	11	
Establishing Better Rules to Protect the Environment and Grow the Economy	0	9	12	12	12	11	56
Natural Resources Canada	0	16	20	18	16	15	
Establishing Better Rules to Protect the Environment and Grow the Economy	0	16	20	18	16	15	86
Office of the Commissioner for Federal Judicial Affairs Canada	0	0	0	0	0	0	
Strengthening the Canadian Judiciary	0	0	0	0	0	0	0
Public Health Agency of Canada	1	1	0	0	0	0	
Canada's 2018 G7 Presidency and Leaders' Summit	1	1	0	0	0	0	2
Public Safety Canada	19	124	59	95	114	133	
Taking Action against Guns and Gangs	0	20	25	50	65	79	239
First Nations Policing Program	0	21	31	41	46	51	189
Canada's 2018 G7 Presidency and Leaders' Summit	19	79	0	0	0	0	99
Support for Fallen Public Safety Officers	0	4	4	3	3	3	17
Public Services and Procurement Canada	-4	-30	0	0	287	334	
Investing in Canada's Historic Parliamentary Buildings	-100	-51	0	0	287	334	469
Stabilizing and Future Transformation of the Federal Government's Pay Administration (Phoenix)	84	0	0	0	0	0	84
Canada's 2018 G7 Presidency and Leaders' Summit	12	22	0	0	0	0	34
Royal Canadian Mounted Police	126	138	7	8	9	9	
Canada's 2018 G7 Presidency and Leaders' Summit	126	133	0	0	0	0	259
Taking Action against Guns and Gangs	0	5	7	8	9	9	38
Shared Services Canada	16	33	6	6	6	6	
2018 to 2020 Immigration Levels	0	15	6	6	6	6	38
Canada's 2018 G7 Presidency and Leaders' Summit	16	18	0	0	0	0	34
Transport Canada	1	17	16	21	21	23	
Establishing Better Rules to Protect the Environment and Grow the Economy	0	16	16	21	21	23	98
Canada's 2018 G7 Presidency and Leaders' Summit	1	1	0	0	0	0	2
Treasury Board of Canada Secretariat	8	0	1	0	0	0	
Stabilizing and Future Transformation of the Federal Government's Pay Administration (Phoenix)	8	0	0	0	0	0	8
Chair of the Open Government Partnership	0	0	1	0	0	0	1

	2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	total a h
Veterans Affairs Canada	0	67	-311	-323	-255	-196	,
Support for Canada's Veterans ¹	0	67	-311	-323	-255	-196	-1,019
Allocation to be determined	0	28	3	-68	8	8	
Establishing Better Rules to Protect the Environment and Grow the Economy	0	3	3	8	8	8	30
Canada's 2018 G7 Presidency and Leaders' Summit	0	25	0	0	0	0	25
Reserved Green Infrastructure Funding	0	0	0	-76	0	0	-76
Total - Policy Actions Since the Fall Economic Statement	-2,157	-1,464	1,439	1,560	842	84	

¹ As a result of offering a monthly Pension for Life beginning in 2019, benefit payments will be spread over the lifetime of veterans, rather than provided through a lump sum, resulting in lower near-term cash payments.

Table A2.11
Budget 2018 Measures by Department
millions of dollars (cash basis)

	2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	total a h
Administrative Tribunals Support Service of Canada	0	0	0	0	0	0	
Ensuring Rules-Based and Responsible Trade	0	0	0	0	0	0	0
Atlantic Canada Opportunities Agency	0	8	5	3	2	10	
Regional Development Agencies	0	8	8	8	8	8	39
A New Women Entrepreneurship Strategy	0	2	2	2	2	2	8
Protecting Jobs in Eastern Canada's Forestry Sector	0	-2	-4	-7	-7	0	-20
Canada Border Services Agency	0	154	57	21	17	18	
Strengthening the Canada Border Services Agency	0	85	0	0	0	0	85
Safeguarding Canadians with an Enhanced Passenger Protect Program	0	9	26	15	11	12	73
Irregular Migration: Managing the Border	0	50	22	0	0	0	72
Addressing the Opioid Crisis	0	9	8	5	6	5	33
A Strong Sanctions Regime	0	1	1	1	0	0	3
Canada Mortgage and Housing Corporation	0	447	451	453	9	4	
Building More Rental Housing for Canadian Families	0	447	451	453	9	4	1,364
Canada Revenue Agency	0	80	101	118	121	94	
Cracking Down on Tax Evasion and Combatting Tax Avoidance	0	31	50	49	52	40	222
Improving Client Services at the Canada Revenue Agency	0	33	38	49	49	36	206
Combatting Aggressive International Tax Avoidance	0	5	6	9	10	9	39
Enhancing the Security of Taxpayer Information	0	7	6	6	6	5	30
Improving Access to the Canada Workers Benefit	0	0	1	5	5	5	15
Stabilizing and Future Transformation of the Federal Government's Pay Administration (Phoenix)	0	4	0	0	0	0	4
Canadian Air Transport Security Authority	0	241	0	0	0	0	
Protecting Air Travelers	0	241	0	0	0	0	241
Canadian Food Inspection Agency	0	22	22	21	6	6	
Strengthening Canada's Food Safety System	0	16	16	16	0	0	47
Securing Market Access for Canada's Agriculture and Agri-food Products	0	6	6	6	6	6	29
Canadian Heritage	0	105	145	148	133	133	
Supporting Canada's Official Languages	0	32	68	69	67	69	305
Investing in Canadian Content	0	15	29	43	43	43	172
Supporting Local Journalism	0	10	10	10	10	10	50
Strengthening Multiculturalism and Addressing the Challenges Faced by Black Canadians	0	15	15	3	0	0	32
Supporting Special Olympics	0	3	3	4	4	2	16
Centre of Excellence on the Canadian Federation	0	10	0	0	0	0	10
Indigenous Sport	0	10	10	10	10	10	48
More Women and Girls in Sport	0	10	10	10	0	0	30
Canadian Institutes of Health Research	0	57	76	94	113	113	
Granting Councils	0	44	59	71	90	90	355
Canada Research Chairs	0	10	14	20	20	20	82
Supporting Those That Keep Our Communities Safe	0	3	3	3	3	3	15
Gairdner Foundation	0	0	0	0	0	0	1
Canadian Judicial Council	0	2	2	0	0	0	
Strengthening the Canadian Judiciary	0	2	2	0	0	0	4
Canadian Museum for Human Rights	0	4	8	8	6	7	
Supporting the Canadian Museum for Human Rights	0	4	8	8	6	7	33
Canadian Northern Economic Development Agency	0	21	21	21	21	21	
Renewal of Economic Development Funding for the Canadian Northern Economic Development Agency	0	20	20	20	20	20	100
Regional Development Agencies	0	0	0	0	0	0	2

	2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	total a h
A New Women Entrepreneurship Strategy	0	0	0	0	0	0	1
Canadian Security Intelligence Service	0	3	0	6	10	10	
Ensuring Security and Prosperity in the Digital Age	0	0	0	6	10	10	26
Irregular Migration: Managing the Border	0	2	0	0	0	0	2
Investment Canada Act - National Security Review of Foreign Investments	0	0	0	0	0	0	0
Canadian Transportation Agency	0	3	2	1	0	0	
Modernizing the Canadian Transportation Agency	0	3	2	1	0	0	6
Communications Security Establishment Canada	0	45	56	109	106	108	
Ensuring Security and Prosperity in the Digital Age	0	43	52	44	40	42	222
Preserving Canada's Foreign Signals Intelligence Capability	0	0	0	62	62	62	186
Enabling Digital Services to Canadians	0	2	4	3	3	3	16
Copyright Board of Canada	0	1	1	1	1	1	
A New Intellectual Property Strategy	0	1	1	1	1	1	5
Correctional Service of Canada	0	80	5	4	5	6	
Support for the Correctional Service of Canada and the Office of the Correctional Investigator of Canada	0	75	0	0	0	0	75
Further Improving Mental Health Supports for Inmates	0	3	3	4	5	6	20
Reopening the Penitentiary Farms at Joyceville and Collins Bay Institutions	0	2	1	0	0	0	4
Courts Administration Service	0	8	12	13	11	11	
Supporting Canada's Courts System	0	6	11	12	9	9	47
A New Intellectual Property Strategy	0	3	1	1	1	1	8
Crown-Indigenous Relationship and Northern Affairs	0	337	173	82	90	93	
New Fiscal Relationship: Collaboration with Self-Governing Indigenous Governments	0	189	0	0	0	0	189
New Fiscal Relationship – Strengthening First Nations Institutions and Community Capacity	0	71	81	13	12	11	189
Supporting the Expansion of the First Nations Land Management Act and the Successful Participation of First Nations Under the Act	0	15	21	29	37	41	143
Helping Indigenous Nations Reconstitute	0	20	20	20	20	20	102
Permanent Bilateral Mechanisms	0	13	16	16	16	16	75
Supporting the Recognition of Rights and Self-Determination	0	22	30	0	0	0	51
POLAR Knowledge Canada	0	0	6	5	5	5	21
Supporting the Gord Downie and Chanie Wenjack Fund	0	5	0	0	0	0	5
Funding to support the establishment of a National Council for Reconciliation	0	2	0	0	0	0	2
Department of Finance Canada	0	3	6	6	6	6	
Transition Payments to Territories	0	0	3	3	3	3	12
Finance Canada Analytical Capacity	0	2	2	2	2	2	8
Canada's Co-Chairmanship of the G-20 Framework Working Group	0	1	1	1	1	1	4
Evidence-Based Policy	0	0	0	0	0	0	2
Economic Development Agency of Canada for the Regions of Quebec	0	20	20	20	20	20	
Regional Development Agencies	0	15	15	15	15	15	77
A New Women Entrepreneurship Strategy	0	4	4	4	4	4	22
Elections Canada	0	-1	-2	-3	-3	-3	
Rebalancing Elections Canada's Expenditures	0	-1	-2	-3	-3	-3	-10
Employment and Social Development Canada	0	308	797	694	620	638	
Supporting Equal Parenting and the Flexibility for Earlier Returns to Work	0	4	257	310	320	332	1,223
Making Employment Insurance More Responsive and Effective	0	131	223	75	76	78	582
Canada Summer Jobs 2019-20	0	2	112	112	112	112	449
Indigenous Skills and Employment Training Program	0	66	93	93	96	99	447
Employment Insurance Call Centre Accessibility	0	43	43	43	0	0	128

	2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	total a h
Predictable Funding for Employment Insurance Service Delivery	0	30	30	30	0	0	90
Pre-apprenticeship Program	0	6	10	10	10	10	46
Ensuring a Workplace Free of Violence and Harassment	0	6	7	7	7	7	35
Supporting Canada's Official Languages	0	4	5	5	5	5	25
Improving Access to the Canada Child Benefit and other Benefits	0	5	6	6	0	0	17
Protecting Temporary Foreign Workers	0	3	5	7	0	0	15
Evidence-Based Policy	0	4	3	2	2	2	12
Ensuring Security and Prosperity in the Digital Age	0	3	3	3	0	0	8
Pay Transparency	0	1	2	0	0	0	5
2021 Census of Population and Census of Agriculture	0	0	0	-8	-8	-8	-24
Environment and Climate Change Canada	0	71	183	201	201	198	
Protecting Canada's Nature, Parks and Wild Spaces	0	53	154	166	169	165	706
Adapting Canada's Weather and Water Services to Climate Change	0	16	25	31	32	26	131
Protecting Marine Life	0	2	4	4	4	3	17
Pricing Carbon Pollution and Supporting Clean Growth	0	0	0	0	-4	4	0
FedDev Ontario	0	55	189	214	214	214	
Renewal of Base Funding for the Federal Economic Development Agency for Southern Ontario	0	25	159	184	184	184	736
Regional Development Agencies	0	23	23	23	23	23	116
A New Women Entrepreneurship Strategy	0	7	7	7	7	7	33
FedNor	0	6	6	6	6	6	
Regional Development Agencies	0	4	4	4	4	4	22
A New Women Entrepreneurship Strategy	0	1	1	1	1	1	6
Fisheries and Oceans Canada	0	217	169	47	43	43	
Renewing Canada's Network of Small Craft Harbours	0	150	100	0	0	0	250
Protecting Canada's Nature, Parks and Wild Spaces	0	21	29	32	36	36	155
Long-Term Sustainability of the Coast Guard Fleet	0	28	22	8	0	0	58
Protecting Marine Life	0	7	7	7	7	7	35
Sustainable Aquaculture Program	0	11	11	0	0	0	22
Global Affairs Canada	-3	223	387	460	560	672	
Additional Support for the Feminist International Assistance Policy Agenda	0	160	327	400	500	613	2,000
Ensuring Rules-Based and Responsible Trade	0	36	36	36	36	36	179
Pursuing New Markets	0	15	15	15	15	15	75
A Strong Sanctions Regime	0	4	4	4	4	4	20
Ensuring Security and Prosperity in the Digital Age	0	3	3	3	3	3	16
Canadian Technology Accelerators Program	0	2	2	2	2	2	10
A New Women Entrepreneurship Strategy	0	2	2	2	2	2	10
Renewing and Modernizing Statistics Canada	-3	0	-2	-2	-2	-3	-12
Health Canada	0	182	40	37	35	34	
Addressing the Opioid Crisis	0	154	10	5	4	3	176
Cannabis Public Education	0	18	16	16	16	16	83
Renewing and Enhancing the Federal Tobacco Control Strategy	0	7	11	12	11	11	52
Supporting Canada's Official Languages	0	3	3	3	4	4	17
Immigration and Refugee Board of Canada	0	39	34	0	0	0	
Irregular Migration: Managing the Border	0	39	34	0	0	0	74
Immigration, Refugees and Citizenship Canada	0	86	63	58	46	45	
Protecting Temporary Foreign Workers	0	42	36	35	34	33	180
Supporting Canada's Official Languages	0	5	5	10	10	10	41
Getting Into and Staying in the Workforce and Career Pathways for Visible Minority Newcomer Women in Canada	0	11	11	11	0	0	32
Protecting Vulnerable Women and Girls	0	10	8	1	1	1	20

	2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	total a h
Irregular Migration: Managing the Border	0	17	0	0	0	0	17
Expanding the Diversity of Entrepreneurs	0	1	3	1	1	1	7
Indigenous Services Canada	70	1,039	1,078	794	612	463	,
Indigenous Health: Keeping Families Healthy in Their Communities	0	408	479	239	211	154	1,491
Ensuring That Indigenous Children Are Safe and Supported Within Their Communities	70	295	270	265	270	278	1,449
Reprofile of Indigenous Infrastructure Allocation	0	75	125	150	100	0	450
Increased Health Support for Survivors of Indian Residential Schools and their Families	0	78	83	88	0	0	249
Clean and Safe Drinking Water On Reserve	0	102	50	21	0	0	173
Support for Distinctions-Based Housing Strategies	0	25	25	31	31	31	144
Creating a More Responsive Income Assistance Program That Addresses the Needs of First Nations Communities	0	43	44	0	0	0	87
Supporting Métis Nation Priorities	0	10	0	0	0	0	10
Renewing the Matrimonial Real Property Implementation Support Program	0	3	3	0	0	0	6
Innovation, Science and Economic Development Canada	0	125	219	349	397	546	,
Investing in the Equipment Researchers Need - Canadian Foundation for Innovation	0	32	62	120	183	366	763
Harnessing Big Data	0	64	64	166	145	133	572
Supporting The Next Generation of Rural Broadband	0	10	20	20	25	25	100
A New Intellectual Property Strategy	0	6	36	5	5	4	56
Centre for Drug Research and Development	0	0	16	16	16	0	48
Improving Access to the Digital Economy	0	5	5	5	5	5	27
Ensuring Security and Prosperity in the Digital Age	0	5	5	5	5	5	26
Institute for Quantum Computing	0	0	5	5	5	0	15
Innovation Canada	0	2	3	3	3	3	14
Council of Canadian Academies	0	0	0	3	3	3	9
Increasing Diversity in Science	0	2	3	1	1	1	6
Advancing Women Business Leaders	0	0	0	0	0	0	1
Jacques Cartier and Champlain Bridge Incorporated	0	91	0	147	179	200	
Protecting the Integrity of Transportation Infrastructure in Montreal	0	91	0	147	179	200	616
Justice Canada	0	25	28	29	29	30	
Expanding Unified Family Courts	0	0	13	14	14	15	56
Providing Legal Support to Victims of Sexual Harassment in the Workplace	0	8	11	11	11	11	50
Addressing Demand for Immigration and Refugee Legal Aid	0	13	0	0	0	0	13
Strengthening the Canadian Judiciary	0	2	2	3	3	3	13
Enhancing Canadians' Access to Justice	0	2	2	2	2	2	10
Library and Archives Canada	0	4	12	18	19	18	
A New Partnership between Library and Archives Canada and the Ottawa Public Library	0	4	12	18	19	18	71
National Capital Commission	0	13	42	0	0	0	
Revitalizing National Capital Commission Assets	0	13	42	0	0	0	55
National Defence	0	0	0	0	0	0	
Taking Action to Prevent and Address Gender-based Violence, Harassment and Discrimination	0	0	0	0	0	0	2
National Research Council Canada	0	208	258	258	258	258	,
Industrial Research Assistance Program	0	100	150	150	150	150	700
National Research Council	0	108	108	108	108	108	540
Natural Resources Canada	0	16	22	27	30	6	
Protecting Jobs in Eastern Canada's Forestry Sector	0	11	17	22	25	1	75
Ensuring Rules-Based and Responsible Trade	0	2	2	2	2	2	12
Ensuring Security and Prosperity in the Digital Age	0	2	2	2	2	2	10
Protecting Canada's Nature, Parks and Wild Spaces	0	0	1	1	1	1	4
Natural Sciences and Engineering Research Canada	0	77	106	123	143	143	

	2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	total a h
Granting Councils	0	44	59	71	90	90	355
College and Community Innovation Program	0	20	30	30	30	30	140
Canada Research Chairs	0	10	14	20	20	20	82
Increasing Diversity in Science	0	3	3	3	3	3	15
Office of the Auditor General	0	8	8	8	8	8	
The Office of the Auditor General	0	8	8	8	8	8	41
Office of the Commissioner for Federal Judicial Affairs Canada	0	2	2	1	1	1	
A New Intellectual Property Strategy	0	1	1	1	1	1	5
Strengthening the Canadian Judiciary	0	1	1	0	0	0	2
Office of the Commissioner of Canada Elections	0	1	2	2	2	2	
Upholding the Integrity of Canada's Elections	0	1	2	2	2	2	7
Office of the Commissioner of lobbying	0	1	0	0	0	0	
Additional Funding for the Office of the Commissioner of Lobbying	0	1	0	0	0	0	2
Office of the Correctional Investigator	0	1	1	1	1	1	
Support for the Correctional Service of Canada and the Office of the Correctional Investigator of Canada	0	1	1	1	1	1	3
Office of the Information Commissioner	0	3	0	0	0	0	
Enhancing Canadians' Access to Justice	0	3	0	0	0	0	3
Office of the Registrar of the Supreme Court of Canada	0	2	2	2	2	2	
Supporting Canada's Courts System	0	2	2	2	2	2	10
Parks Canada	0	25	38	47	45	45	
Protecting Canada's Nature, Parks and Wild Spaces	0	24	36	42	42	42	185
Supporting Indigenous History and Heritage	0	1	3	5	3	3	15
Privy Council Office	0	1	5	0	0	0	
A New Process for Federal Election Leaders' Debates	0	1	5	0	0	0	6
Public Health Agency of Canada	0	103	30	31	30	30	
Supporting a Healthy Seniors Pilot Project in New Brunswick	0	75	0	0	0	0	75
Taking Action to Prevent and Address Gender-based Violence, Harassment and Discrimination	0	6	6	6	6	7	31
Supporting ParticipACTION	0	5	5	5	5	5	25
A Community-Based Approach to Dementia	0	4	4	4	4	4	20
Support for Canadians Impacted by Autism Spectrum Disorder	0	5	4	4	4	4	20
Addressing the Opioid Crisis	0	3	4	4	3	2	16
Strengthening Multiculturalism and Addressing the Challenges Faced by Black Canadians	0	2	2	2	2	2	10
Supporting Canada's Official Languages	0	1	2	2	2	2	10
Renewing and Enhancing the Federal Tobacco Control Strategy	0	1	1	2	2	3	10
Indigenous Health: Keeping Families Healthy in Their Communities	0	1	1	1	1	1	6
Public Safety Canada	0	19	17	17	17	17	
Ensuring Security and Prosperity in the Digital Age	0	5	5	5	5	5	25
Supporting Those That Keep Our Communities Safe	0	2	3	3	3	3	15
National Human Trafficking Hotline	0	3	3	3	3	3	15
Renewing and Enhancing the Federal Tobacco Control Strategy	0	2	2	2	3	3	12
Safeguarding Canadians with an Enhanced Passenger Protect Program	0	2	2	2	2	2	9
Addressing the Opioid Crisis	0	1	1	1	1	1	6
Taking Action to Prevent and Address Gender-based Violence, Harassment and Discrimination	0	1	1	1	1	1	5
Critical Infrastructure Security	0	1	0	0	0	0	1
Investment Canada Act - National Security Review of Foreign Investments	0	1	0	0	0	0	1
Public Services and Procurement Canada	0	653	236	196	1,235	1,264	

	2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	total a h
Renewing Federal Laboratories	0	16	152	156	1,212	1,242	2,778
Stabilizing and Future Transformation of the Federal Government's Pay Administration (Phoenix)	0	307	19	4	0	0	330
Public Service and Procurement Canada – Real Property Repairs and Maintenance	0	275	0	0	0	0	275
Simpler and Better Procurement	0	52	64	36	23	22	197
Maintaining Service Levels of the Controlled Goods Program	0	4	0	0	0	0	4
Royal Canadian Mounted Police	-1	159	77	76	79	67	
Ensuring Security and Prosperity in the Digital Age	0	38	44	49	49	43	224
Supporting RCMP Frontline Operations	0	105	19	15	17	10	166
Supporting Those That Keep Our Communities Safe	0	3	5	5	5	5	21
Taking Action to Prevent and Address Gender-based Violence, Harassment and Discrimination	0	2	3	4	5	6	19
Addressing "Unfounded" Cases of Sexual Assault and Better Supporting Victims	0	2	2	2	2	2	10
Irregular Migration: Managing the Border	0	10	0	0	0	0	10
Renewing and Enhancing the Federal Tobacco Control Strategy	0	1	1	1	2	2	7
RCMP Cannabis Labs Repurposing	-1	-2	3	0	1	0	1
Shared Services Canada	0	289	497	496	364	367	
Enabling Digital Services to Canadians	0	278	479	482	357	363	1,960
2021 Census of Population and Census of Agriculture	0	5	13	8	5	2	32
Renewing and Modernizing Statistics Canada	0	6	5	5	2	3	21
Protecting Temporary Foreign Workers	0	0	0	0	0	0	1
Social Sciences and Humanities Research Council of Canada	0	100	128	165	190	190	
New Tri-Council Fund	0	35	45	65	65	65	275
Research Support Fund	0	29	39	46	59	59	231
Granting Councils	0	27	36	43	55	55	216
Canada Research Chairs	0	6	8	11	11	11	46
Strengthening Indigenous Data and Research Capability	0	4	0	0	0	0	4
Standards Council of Canada	0	4	2	2	2	2	
A New Intellectual Property Strategy	0	2	2	2	2	2	11
Ensuring Security and Prosperity in the Digital Age	0	2	0	0	0	0	2
Statistics Canada	0	58	86	196	389	81	
2021 Census of Population and Census of Agriculture	0	48	73	184	378	69	752
Renewing and Modernizing Statistics Canada	0	7	8	7	6	7	35
Evidence-Based Policy	0	1	1	1	1	1	7
Placing Evidence at the Centre of Program Evaluation and Design	0	1	1	1	1	1	5
Strengthening Indigenous Data and Research Capability	0	0	1	1	1	1	4
Supporting Canada's Official Languages	0	1	1	1	1	1	3
Implementing the 2030 Sustainable Development Agenda	0	1	1	1	1	1	3
Addressing the Opioid Crisis	0	1	0	0	0	0	2
Status of Women Canada	0	24	29	39	39	39	
Supporting Community Women's Organizations	0	10	15	25	25	25	100
Taking Action to Prevent and Address Gender-based Violence, Harassment and Discrimination	0	6	6	6	6	6	29
Evidence-Based Policy	0	5	5	5	5	5	25
A National Conversation on Gender Equality With Young Canadians	0	2	1	2	2	2	8
Improving Support for Sexual Assault Crisis Centres on Campuses	0	1	1	1	1	1	6
Engaging Men and Boys to Promote Gender Equality	0	1	1	0	0	0	2
Transport Canada	0	60	38	41	19	16	
Protecting Marine Life	0	26	18	16	12	13	85
Strengthening Airports Serving Remote Communities	0	9	10	17	5	0	41

	2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	total a h
Safeguarding Canadians with an Enhanced Passenger Protect Program	0	3	3	3	3	3	13
Maintaining Rail Service to Remote Communities	0	11	0	0	0	0	11
Ensuring the Safe Operation of Tankers	0	3	3	3	0	0	10
Modernizing VIA Rail Passenger Service	0	3	3	2	0	0	8
Strengthening Motor Vehicle Safety	0	4	0	0	0	0	4
Strengthening Capacity for Environmental Assessments	0	1	1	0	0	0	2
Treasury Board of Canada Secretariat	623	591	550	29	26	26	
Service Income Security Insurance Plan and other Public Service Employee Benefits	623	554	511	0	0	0	1,688
Enabling Digital Services to Canadians	0	10	20	20	20	20	90
Stabilizing and Future Transformation of the Federal Government's Pay Administration (Phoenix)	0	15	8	0	0	0	23
Public Service Centre on Diversity, Inclusion and Wellness	0	5	5	4	4	4	20
Modernizing Canada's Regulatory Framework	0	4	4	3	0	0	11
Placing Evidence at the Centre of Program Evaluation and Design	0	2	2	2	2	2	10
Horizontal Skills Review	0	1	0	0	0	0	1
Veterans Affairs Canada	0	26	26	5	5	5	
Better Services for Veterans	0	21	21	0	0	0	43
Cemetery and Grave Maintenance	0	5	5	5	5	5	24
Western Economic Diversification Canada	0	43	43	43	43	37	
Regional Development Agencies	0	30	30	30	30	30	149
Rick Hansen Institute	0	6	6	6	6	0	24
A New Women Entrepreneurship Strategy	0	7	7	7	7	7	35
Allocation to be determined	0	-72	-197	-306	-186	-126	
Protecting Canada's Nature, Parks and Wild Spaces	0	0	0	0	120	180	300
Stabilizing and Future Transformation of the Federal Government's Pay Administration (Phoenix)	0	25	0	0	0	0	25
Implementing the 2030 Sustainable Development Agenda	0	3	3	3	3	3	16
2021 Census of Population and Census of Agriculture	0	0	0	-9	-9	-9	-28
Enabling Digital Services to Canadians-Funding Sourced From Existing Departmental Resources	0	-100	-200	-300	-300	-300	-1,200
Total - Budget 2018 Measures	690	6,521	6,416	5,676	6,375	6,240	31,917
Net adjustment to be on a 2018-19 Estimates Basis	-	520	-	-	-	-	-
Total (2018-19 on an Estimates Basis)	-	7,040	-	-	-	-	-

4.2 Reconciliation of Budget 2018 Expenses with 2018–19 Planned Estimates

Under this reconciliation, the accrual expense forecast is decomposed into eight building blocks beginning with Planned Estimates authorities, Budget 2018 measures, additional Estimates authorities for which Parliamentary approval may be sought later in the fiscal year, amounts forecasted to remain unspent or carried forward from total authorities, further spending financed by departmental revenues, spending-like programs delivered through the tax system, and remaining accrual and consolidation adjustments required to put the forecast on the same accounting basis as the Public Accounts of Canada Volume I. These building blocks are consistent with concepts and definitions used in the Public Accounts of Canada Volume II.

Table A2.12
Reconciliation of Budget 2018 Expenses with the 2018–19 Planned Estimates
billions of dollars

	(1)	(2)	(3)	(4)	(5)
	Planned Estimates	Budget 2018 measures	Other anticipated authorities	Unspent/ carried forward	Net expenditures
Direct program expenses of large departments					
National Defence	20.4	0.0	0.8	(0.9)	20.2
Indigenous Services Canada	9.3	1.3	0.7	(0.3)	11.0
Employment and Social Development Canada	7.2	0.0	0.4	(0.1)	7.5
Treasury Board of Canada Secretariat	6.6	0.6	(2.1)	(1.6)	3.4
Global Affairs Canada	6.5	0.7	0.2	(0.3)	7.2
Canada Revenue Agency	4.2	0.1	0.3	(0.3)	4.3
Infrastructure Canada	4.0	0.0	0.4	(0.6)	3.8
Royal Canadian Mounted Police	3.5	0.2	0.2	(0.1)	3.8
Public Services and Procurement Canada	3.2	0.7	0.6	(0.6)	3.9
Crown-Indigenous Relations and Northern Affairs Canada	3.1	0.3	0.7	(0.3)	3.8
Innovation, Science and Economic Development Canada	2.9	0.1	0.2	(0.4)	2.8
Agriculture and Agri-Food Canada	2.5	0.0	0.0	(0.1)	2.4
Fisheries and Oceans Canada	2.4	0.2	1.0	(0.3)	3.4
Correctional Service Canada	2.4	0.1	0.2	(0.1)	2.7
Immigration, Refugees and Citizenship Canada	2.3	0.1	1.4	(1.2)	2.6
Canada Border Services Agency	1.8	0.2	0.3	(0.1)	2.1
Transport Canada	1.5	0.1	0.1	(0.2)	1.5
Environment and Climate Change Canada	1.5	0.1	0.1	(0.1)	1.6
Natural Resources Canada	1.5	0.0	0.0	(0.1)	1.3
Health Canada	1.4	0.2	0.1	(0.0)	1.6
Canadian Heritage	1.3	0.1	0.0	(0.0)	1.4
Public Safety Canada	1.2	0.0	0.0	(0.0)	1.2
Department of Finance Canada	0.7	0.0	0.1	(0.1)	0.7
Sub-total	91.4	5.0	5.7	(7.8)	94.3
Consolidated Crown Corporations	5.0	0.4	0.0	(0.4)	4.9
Other direct program expenses	22.5	1.7	3.4	(1.5)	26.1
Total direct program expenses	118.9	7.0	9.2	(9.8)	125.3
Major transfers	127.1	0.0	0.0	0.0	127.1
Public debt charges	22.8	0.0	0.0	0.0	22.8
Total expenses	268.8	7.0	9.2	(9.8)	275.3

	(5)	(6)	(7)	(8)	(9)
	Net expenditures	Netted revenues	Tax credits repayments	Accrual consolidation adjustments	Budget expense forecast
Direct program expenses of large departments					
National Defence	20.2	0.3	0.0	5.0	25.5
Indigenous Services Canada	11.0	0.2	0.0	(0.2)	11.0
Employment and Social Development Canada	7.5	1.9	0.0	(0.1)	9.3
Treasury Board of Canada Secretariat	3.4	0.7	0.0	(1.1)	3.1
Global Affairs Canada	7.2	0.0	0.0	(0.5)	6.7
Canada Revenue Agency	4.3	0.4	3.4	3.0	11.0
Infrastructure Canada	3.8	0.0	0.0	(1.0)	2.8
Royal Canadian Mounted Police	3.8	1.9	0.0	0.3	6.0
Public Services and Procurement Canada	3.9	3.2	0.0	(3.6)	3.5
Crown-Indigenous Relations and Northern Affairs Canada	3.8	0.0	0.0	(1.2)	2.6
Innovation, Science and Economic Development Canada	2.8	0.3	0.0	(0.3)	2.8
Agriculture and Agri-Food Canada	2.4	0.0	0.0	(0.1)	2.4
Fisheries and Oceans Canada	3.4	0.0	0.0	(1.3)	2.1
Correctional Service Canada	2.7	0.1	0.0	(0.4)	2.4
Immigration, Refugees and Citizenship Canada	2.6	0.4	0.0	(0.2)	2.8
Canada Border Services Agency	2.1	0.0	0.0	(0.2)	1.9
Transport Canada	1.5	0.1	0.0	(0.1)	1.5
Environment and Climate Change Canada	1.6	0.1	0.0	(0.1)	1.5
Natural Resources Canada	1.3	0.0	0.0	(0.1)	1.3
Health Canada	1.6	0.1	0.0	(0.2)	1.6
Canadian Heritage	1.4	0.0	0.0	0.0	1.4
Public Safety Canada	1.2	0.0	0.0	(0.1)	1.1
Department of Finance Canada	0.7	0.0	0.0	0.0	0.7
Sub-total	94.3	9.7	3.4	(2.4)	105.0
Consolidated Crown Corporations	4.9	0.0	0.0	3.9	8.8
Other direct program expenses	26.1	0.9	0.0	(0.2)	26.7
Total direct program expenses	125.3	10.6	3.4	1.3	140.5
Major transfers	127.1	0.0	23.7	20.8	171.7
Public debt charges	22.8	0.0	0.0	3.5	26.3
Total expenses	275.3	10.6	27.1	25.6	338.5

Note: Totals may not add due to rounding.

1. Planned Estimates

The Estimates reflect authorities approved in previous budgets and confirmed by Treasury Board for all organizations that receive a voted appropriation from Parliament. The Estimates also include, for information, forecasts of spending under most statutory authorities previously provided by Parliament.

The Estimates are presented on a modified cash basis of accounting. Figures are net of certain revenues collected by departments, which departments can re-spend to reduce the level of appropriations sought from Parliament.

The Estimates are designed primarily to support Parliament's scrutiny of the portion of government spending that requires annual approval through the appropriation acts. As such, they exclude several programs where authorities and reporting to Parliament are established under separate regimes, most notably the Employment Insurance Operating Account and programs delivered through the tax system.

Estimates include both budgetary authorities (for expenditures which impact the income statement) and non-budgetary authorities (for balance sheet transactions). As the objective in this reconciliation table is to identify transactions and adjustments that affect accrual expenses, the Planned Estimates column includes only budgetary authorities.

2. Budget 2018 measures

This column is based on the Budget 2018 measures by department (cash basis) in Table A2.11, adjusted to follow the same accounting and presentational conventions as the Estimates (for example, as discussed above, amounts related to the Employment Insurance Operating Account do not flow through the Estimates).

Measures affecting departments other than the 23 identified in the table are grouped in the "Other direct program expenses" row.

3. Other anticipated authorities

This category captures a range of forecasted authorities for measures and mechanisms that have been approved in principle off cycle or in previous budgets, or that have already been authorized under existing legislation, and that are expected to appear in a Supplementary Estimates or the Public Accounts.

For example, a revolving fund or a department with multi-year appropriations may have authority to carry forward unspent authorities from 2017-18 into 2018-19, but that amount cannot be confirmed until the audited financial results for 2017-18 become available.

Similarly, the Treasury Board manages several central votes for carry-forwards, certain eligible personnel expenditures and other contingencies that are initially presented under Treasury Board Secretariat and subsequently allocated to departments throughout the year as departments meet eligibility requirements.

Another common reason authorities are not sought until a Supplementary Estimates is that a previous budget or off-cycle measure has not yet received the supporting policy or program approval.

There are also certain statutory authorities, often small, which may not be included for information in the Estimates but which are reported in the Public Accounts.

Note that the sum of the values in the first three columns represent a forecast of total budgetary authorities available by department, consistent with the concepts and definitions applied in the Public Accounts of Canada Volume II Section 1 Table 5.

4. Unspent/carried forward

This column is the forecasted difference between the forecast of potential spending authorities for 2018–19 (authorities from the first three columns) and anticipated spending over that period (net expenditures in the fifth column).

Specifically, the Estimates show the maximum amount of appropriated funding that can be spent at a point in time, while the budget projects the amount of spending that will likely be spent over the entire course of the fiscal year.

The budget forecast recognizes that some amount of authorities included in the Estimates will remain unspent at the end of the fiscal year. These unspent amounts are either carried forward automatically into subsequent years or they ‘lapse’. Amounts that technically lapse in one year are often spent in a subsequent year as they are refiled and included in a future Estimates.

Lapses are influenced by many factors, such as contract and project delays, uncommitted authorities in Treasury Board managed central votes, as well as departmental funds management practices to ensure that spending does not exceed the authorities approved by Parliament.

In terms of Public Accounts Volume II Section 1 Table 5, this column aligns with the sum of ‘Available for use in subsequent years’ and ‘Lapsed’.

5. Net expenditures

Expenditures are largely funded through voted appropriations and statutory authorities, and to a limited extent through departmental revenues. In the Estimates, authorities and expenditures are presented on a “net” basis, i.e. excluding expenditures expected to be funded by departmental revenues, in order to reflect the expected impact on the Consolidated Revenue Fund.

Figures in this column are presented on the same modified cash basis of accounting as the Estimates, and represent a forecast of the corresponding amount in Public Accounts Volume II Section 1 Table 5.

6. Netted revenues

Certain expenditures are funded through departmental revenues. Accrual expenses in the budget and the Public Accounts are on a 'gross' basis, so revenues that are netted against expenditures in the Estimates are added back in order to arrive at forecasted accrual expenses. Summing the figures in the Net expenditures column with the Netted revenues column would yield 'Total gross expenditures' on a modified cash basis of accounting. Net expenditures, Netted revenues and Total gross expenditures are reported by department in Public Accounts Volume II Section 1 Table 3.

7. Tax credits & repayments

This column captures expenditures forecasted to be delivered through the tax system, but not shown in the Estimates. Costs related to the Canada Child Benefit are the largest component in this column (shown in the Major transfers row). Tax credits and repayments that are considered direct program expenses are shown in the Canada Revenue Agency row, and include incentives for research and development, the Canada Workers Benefit as well as refundable tax credits.

Parliament does not authorize annual spending for such tax expenditures and refundable tax credits, which are instead legislated through the Income Tax Act. These expenditures are reported in Public Accounts Volume II Section 1 Table 3a. In addition, the Department of Finance's annual Report on Federal Tax Expenditures includes both historical and forecasted values by program.

8. Accrual & consolidation adjustments

This column captures other differences in accounting basis and scope between the Estimates and the Budget/Public Accounts of Canada.

The Budget is presented on an accrual basis whereas the Estimates are presented on a modified cash basis. As a result, certain items such as acquisitions of tangible capital assets will be reported differently between the two publications. Under accrual accounting, the cost to acquire an asset is amortized over the expected life of the asset, whereas under modified cash accounting, the cost is recognized as disbursements are made. For example, if a building is acquired that has a useful life of 30 years, then accrual accounting will see the cost amortized over the 30-year life of the asset, while cash accounting will portray the cost only in the first few years when the payments are made.

Other examples of accrual adjustments include bad debt expenses, operating expenses and public debt charges related to pensions and benefits for which cash disbursements are expected to be made in subsequent years but for which expenses are accrued in the current year.

All costs related to consolidated specified purpose accounts, and certain costs related to consolidated Crown corporations, are also included here, including some amounts announced in Budget 2018. The most important is Employment Insurance (EI) benefits. Most EI costs are paid directly out of the Employment Insurance Operating Account, rather than a departmental appropriation, and are therefore not specifically included in Estimates, though they are included in the budget. Similarly, expenses of consolidated Crown corporations that are funded from their own revenues are also captured here.

A final consolidation adjustment included is the reversal of expenses that are internal to government, such as when one department pays another to provide it with a service.

This column represents a forecast consistent with a group of adjustments reported in Public Accounts Volume II Section 1 Table 3a.

9. Budget expense forecast

This column represents final external expenses on an accrual basis, inclusive of all budget and off-cycle measures outlined in the budget.

4.3 Sensitivity of Fiscal Projections to Economic Shocks

Changes in economic assumptions affect the projections for revenues and expenses. The following tables illustrate the sensitivity of the budgetary balance to a number of economic shocks:

- A one-year, 1-percentage-point decrease in real GDP growth driven equally by lower productivity and employment growth.
- A decrease in nominal GDP growth resulting solely from a one-year, 1-percentage-point decrease in the rate of GDP inflation (assuming that the Consumer Price Index (CPI) moves in line with GDP inflation).
- A sustained 100-basis-point increase in all interest rates.

These sensitivities are generalized rules of thumb that assume any decrease in economic activity is proportional across income and expenditure components, and are meant to provide a broad illustration of the impact of economic shocks on the outlook for the budgetary balance. Actual economic shocks may have different fiscal impacts. For example, they may be concentrated in specific sectors of the economy or cause different responses in key economic variables (e.g. GDP inflation and CPI inflation may have different responses to a given shock).

Table A2.13
 Estimated Impact of a One-Year, 1-Percentage-Point Decrease in Real GDP
 Growth on Federal Revenues, Expenses and Budgetary Balance
 billions of dollars

	Year 1	Year 2	Year 5
Federal revenues			
Tax revenues			
Personal income tax	-3.3	-3.1	-3.5
Corporate income tax	-0.4	-0.5	-0.5
Goods and Services Tax	-0.4	-0.4	-0.4
Other	-0.2	-0.2	-0.2
Total tax revenues	-4.2	-4.2	-4.6
Employment Insurance premiums	0.2	0.5	0.6
Other revenues	-0.1	-0.1	-0.1
Total budgetary revenues	-4.2	-3.7	-4.1
Federal expenses			
Major transfers to persons			
Elderly benefits	0.0	0.0	0.0
Employment Insurance benefits	0.8	0.8	0.5
Children's benefits	0.0	0.1	0.1
Total	0.8	0.9	0.6
Other program expenses	-0.2	-0.3	-0.4
Public debt charges	0.0	0.2	0.6
Total expenses	0.7	0.8	0.7
Budgetary balance	-4.8	-4.5	-4.9

Note: Totals may not add due to rounding.

A 1-percentage-point decrease in real GDP growth proportional across income and expenditure components reduces the budgetary balance by \$4.8 billion in the first year, \$4.5 billion in the second year and \$4.9 billion in the fifth year (Table A2.13).

- Tax revenues from all sources fall by a total of \$4.2 billion in the first two years. Personal income tax revenues decrease as employment and the underlying tax base fall. Corporate income tax revenues fall as output and profits decrease. GST revenues decrease as a result of lower consumer spending associated with the fall in employment and personal income.
- EI premium revenues increase as a result of an increase in the EI premium rate, which, under the seven-year break-even mechanism adjusts to offset the increase in benefits due to the higher number of unemployed, such that the EI Operating Account balances over time.
- Expenses rise, mainly reflecting higher EI benefits (due to an increase in the number of unemployed) and higher public debt charges (reflecting a higher stock of debt due to the lower budgetary balance). This rise is partially offset by lower other program expenses (as certain programs are linked to growth in nominal GDP).

Table A2.14
 Estimated Impact of a One-Year, 1-Percentage-Point Decrease in GDP Inflation on
 Federal Revenues, Expenses and Budgetary Balance
 billions of dollars

	Year 1	Year 2	Year 5
Federal revenues			
Tax revenues			
Personal income tax	-2.5	-2.1	-2.1
Corporate income tax	-0.4	-0.5	-0.5
Goods and Services Tax	-0.4	-0.4	-0.4
Other	-0.2	-0.2	-0.2
Total tax revenues	-3.5	-3.1	-3.3
Employment Insurance premiums	-0.1	-0.1	-0.2
Other revenues	-0.1	-0.1	-0.1
Total budgetary revenues	-3.7	-3.4	-3.6
Federal expenses			
Major transfers to persons			
Elderly benefits	-0.4	-0.6	-0.7
Employment Insurance benefits	-0.1	-0.1	-0.1
Children's benefits	0.0	-0.1	-0.3
Total	-0.5	-0.8	-1.1
Other program expenses	-0.5	-0.7	-1.3
Public debt charges	-0.6	0.1	0.2
Total expenses	-1.5	-1.4	-2.1
Budgetary balance	-2.1	-2.0	-1.4

Note: Totals may not add due to rounding.

A 1-percentage-point decrease in nominal GDP growth proportional across income and expenditure components resulting solely from lower GDP inflation (assuming that the CPI moves in line with GDP inflation) lowers the budgetary balance by \$2.1 billion in the first year, \$2.0 billion in the second year and \$1.4 billion in the fifth year (Table A2.14).

- Lower prices result in lower nominal income and, as a result, personal income tax revenues decrease. As the parameters of the personal income tax system are indexed to inflation, the fiscal impact is smaller than under the real shock. For the other sources of tax revenue, the negative impacts are similar under the real and nominal GDP shocks.
- EI premium revenues decrease in response to lower earnings.
- Other revenues decline slightly as lower prices lead to lower revenues from the sales of goods and services.
- Partly offsetting lower revenues are the declines in the cost of statutory programs that are indexed to inflation, such as elderly benefit payments, which puts downward pressure on federal program expenses. Payments under these programs are smaller if inflation is lower. In addition, other program expenses are also lower as certain programs are linked directly to growth in wages and nominal GDP.
- Public debt charges decline in the first year due to lower costs associated with Real Return Bonds, then rise due to the higher stock of debt.

Table A2.15
Estimated Impact of a Sustained 100-Basis-Point Increase in All Interest Rates on Federal Revenues, Expenses and Budgetary Balance
billions of dollars

	Year 1	Year 2	Year 5
Federal revenues	1.4	2.0	2.8
Federal expenses	2.0	3.4	5.6
Budgetary balance	-0.6	-1.5	-2.8

Note: Totals may not add due to rounding.

An increase in interest rates decreases the budgetary balance by \$0.6 billion in the first year, \$1.5 billion in the second year and \$2.8 billion in the fifth year (Table A2.15). The decline stems entirely from increased expenses associated with public debt charges. The impact on debt charges rises through time as longer-term debt matures and is refinanced at higher rates. Moderating the overall impact is an increase in revenues associated with the increase in the rate of return on the Government's interest-bearing assets, which are recorded as part of other revenues. The impacts of changes in interest rates on public sector pension and benefit expenses are excluded from the sensitivity analysis.

4.4 Update on Allocation of Infrastructure Investments

In Budgets 2016 and 2017, the Government laid out its plan to invest more than \$180 billion in infrastructure over twelve years. This plan is underway and is supporting new infrastructure projects and economic activity across Canada. To date, over 7,800 projects, with combined investments of over \$32 billion, have been approved for communities across the country. The Government is also finalizing negotiations with the provinces and territories to provide long-term funding through integrated bilateral agreements. These agreements will support new investments in public transit; green infrastructure; community, culture and recreation infrastructure; and rural and northern communities.

The funding profiles for a number of federal infrastructure programs have been updated for Budget 2018 to reflect when the Government expects to receive claims from recipients. The Government is also working to improve financial reporting and accountability under its infrastructure programs so that it is clear when projects get underway, when costs are incurred, and when federal funds flow to other levels of government.

It is expected that further adjustments to these allocations will be made over time to ensure infrastructure funding is available to other jurisdictions when it is needed.

Table A2.16
Updated Allocation of Legacy Infrastructure Programs (Pre-2016)
millions of dollars

	Prior years	2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	Future years	Total
Amount as of Budget 2017	7,792	1,456	1,821	2,190	2,019	2,168	2,034	1,711	21,189
Budget 2018 Allocation	5,916	1,112	1,532	1,847	2,165	2,441	2,056	4,120	21,189
Reprofile	-1,875	-344	-288	-344	146	273	23	2,409	0

Table A2.17
 Budget 2016 Infrastructure Investments – Updated Profile
 millions of dollars

	2016– 2017	2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	2023– 2024	Total
Amount as of Budget 2017	3,368	5,992	3,315	877	749	84	10	3	14,398
Budget 2018 Allocation									
Public Transit	45	210	683	1,452	1,010	0	0	0	3,400
Green Infrastructure	356	773	1,044	1,534	1,252	85	10	3	5,057
Social Infrastructure	1,638	1,694	53	36	20	0	0	0	3,441
Strategic Investments in Post-Secondary Institutions	749	1,001	250	0	0	0	0	0	2,000
Rural Broadband	6	81	253	108	52	0	0	0	500
Total Budget 2018 Allocation	2,794	3,759	2,283	3,130	2,334	85	10	3	14,398
Reprofile	-575	-2,232	-1,032	2,253	1,585	1	0	0	0

Table A2.18
Budget 2017 Investing in Canada Plan – Updated Profile
millions of dollars

	2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	5- year total
Total Amount Provisioned as of Budget 2017	645	4,049	4,838	5,400	6,183	21,115
Public Transit - Budget 2017 Allocation	164	1,100	1,100	1,200	1,400	4,964
Public Transit Bilateral Agreements	19	455	708	821	1,177	3,181
Canada Infrastructure Bank	149	123	210	131	242	855
Smart Cities Challenge	4	1	4	9	11	29
Other horizontal initiatives ¹	9	16	21	21	21	86
Subtotal-Budget 2018 Allocation	182	595	943	981	1,451	4,152
Reprofile of Public Transit Allocation	17	-505	-157	-219	51	-813
Rural and Northern - Budget 2017 Allocation	0	150	150	150	200	650
Rural and Northern Communities Bilateral Agreements	2	15	23	61	99	200
Subtotal-Budget 2018 Allocation	2	15	23	61	99	200
Reprofile of Rural and Northern Allocation	2	-135	-127	-89	-101	-450
Green Infrastructure - Budget 2017 Allocation	21	999	1,199	1,400	1,731	5,351
Green Infrastructure Bilateral Agreements	9	156	143	557	475	1,341
Canada Infrastructure Bank	0	138	225	296	457	1,116
Smart Cities Challenge	0	5	4	9	11	29
Disaster Mitigation and Adaptation	0	45	100	100	200	445
Climate Adaptation and Resilience	21	33	35	35	34	157
Smart Grid and Clean Electricity	0	25	25	25	25	100
Emerging Renewable Energy Technologies	0	25	50	50	50	175
Reducing the Reliance of Rural and Remote Communities on Diesel	0	22	26	46	47	141
Electric Vehicles and Alternative Fuels	0	30	30	30	30	120
Energy Efficient Building Codes	0	20	22	24	22	87
Improving Indigenous Communities	0	175	200	225	200	800
Arctic Energy Fund	0	2	4	12	20	38
Reserved Green Funding	0	0	0	0	176	176
Other horizontal initiatives ¹	0	24	19	19	18	81
Subtotal-Budget 2018 Allocation	30	700	884	1,428	1,765	4,806
Reprofile of Green Allocation	9	-300	-315	28	33	-544
Trade and Transportation - Budget 2017 Allocation	461	617	700	800	884	3,462
Modernizing Transportation	11	16	16	17	17	76
Connecting Communities by Rail and Water ²	300	309	324	87	100	1,120
National Trade Corridors Fund	31	78	156	169	184	618
Climate Risk Assessments	3	3	3	3	3	16
Canada Infrastructure Bank	0	0	0	234	442	676
Information System	5	5	5	5	5	23
Oceans Protection Plan ²	152	246	236	230	203	1,067
Heavy-duty Vehicles and Off-Road Regulations	1	2	2	2	2	8
Less: Funds in the fiscal framework and other revenues	-42	-42	-42	-22	-61	
Subtotal-Budget 2018 Allocation	461	617	700	724	894	
Reprofile of Trade and Transportation Allocation	0	0	0	-76	11	-65
Social Infrastructure - Budget 2017 Allocation	-1	1,183	1,688	1,850	1,968	6,688
Early Learning and Child Care	0	540	545	550	550	2,185
Canada Cultural Spaces Fund	0	30	30	30	30	120
Enabling Accessibility Fund	0	8	8	8	8	31
Cultural and Recreational Bilateral Agreements	1	8	15	41	67	132
Community Educational Infrastructure	0	4	4	4	8	20
Home Care Infrastructure	0	200	250	250	300	1,000
Smart Cities Challenge	0	5	4	9	11	29
Improving Indigenous Communities	0	175	200	225	200	800
FPT Housing Partnership Framework	0	0	355	460	530	1,345
National Housing Co-Investment Fund	0	169	333	383	447	1,332
Other National Housing Strategy Initiatives	12	163	287	316	346	1,124
Less: Funds in the fiscal framework and other revenues	-13	-76	-255	-321	-404	
Subtotal-Budget 2018 Allocation	0	1,226	1,776	1,955	2,093	7,049
Reprofile of Social Infrastructure Allocation	1	43	88	104	125	361
Grand Total - Budget 2018 Allocation	674	3,153	4,326	5,149	6,301	19,603
Total Reprofile of Budget 2017 Infrastructure Allocation	29	-896	-512	-251	118	-1,512

Includes funding allocations to support other initiatives such as Innovation Superclusters, Women in Construction Fund and Indigenous Capacity Building.

² Connecting Communities by Rail and the Ocean Protection Plan include funding to support capital projects where costs are amortized over the useful life of the asset. The 11-year totals include the remaining amortization amounts beyond 2027-28.

2022- 2023	2023- 2024	2024- 2025	2025- 2026	2026- 2027	2027- 2028	Total
7,911	8,885	9,764	10,733	11,132	11,207	81,200
2,520	2,804	3,189	3,748	3,996	4,078	25,300
1,425	1,925	2,328	3,448	3,529	4,275	20,110
510	586	631	689	839	889	5,000
21	11	18	8	13	0	100
4	0	0	0	0	0	90
1,960	2,521	2,977	4,145	4,381	5,164	,
-560	-282	-212	397	385	1,086	0
200	200	200	250	250	250	2,000
138	196	238	441	345	443	2,000
138	196	238	441	345	443	,
-62	-4	38	191	95	193	0
2,200	2,498	2,794	3,000	3,028	3,030	21,900
749	937	1,134	1,488	1,626	1,940	9,215
525	601	646	704	704	704	5,000
21	11	18	8	13	0	100
200	250	250	255	300	300	2,000
21	21	21	21	21	21	281
0	0	0	0	0	0	100
25	0	0	0	0	0	200
47	32	0	0	0	0	220
0	0	0	0	0	0	120
26	25	25	20	0	0	182
200	200	200	200	200	200	2,000
28	40	48	86	70	90	400
276	276	325	320	320	308	2,000
1	0	0	0	0	0	82
2,118	2,392	2,666	3,102	3,253	3,563	,
-82	-106	-128	101	225	533	0
920	978	1,036	1,091	1,077	1,083	10,100
1	0	0	0	0	0	77
104	87	100	96	82	89	1,925
230	230	230	230	230	230	2,000
0	0	0	0	0	0	16
599	674	719	778	778	778	5,000
5	5	5	5	5	5	50
9	9	9	9	9	9	1,325
1	1	1	1	1	1	16
-17	-17	-17	-17	-17	-17	-309
931	989	1,047	1,102	1,088	1,094	,
11	11	11	11	11	11	0
2,072	2,405	2,545	2,643	2,781	2,766	21,900
725	775	775	800	870	870	7,000
30	30	30	30	30	30	300
8	8	8	8	8	8	77
93	132	160	286	233	310	1,347
8	8	8	12	12	12	80
0	0	0	0	0	0	1,000
21	11	18	8	13	0	100
200	200	200	200	200	200	2,000
675	810	975	1,160	1,330	1,445	7,740
461	628	677	687	675	674	5,134
347	349	354	354	359	339	3,226
-472	-629	-786	-919	-1,055	-1,174	,
2,096	2,321	2,420	2,625	2,675	2,713	,
25	-84	-125	-18	-106	-53	0
7,242	8,419	9,348	11,414	11,743	12,977	81,200
-669	-465	-416	681	611	1,770	0

+ ANNEX 3

Strengthening and Modernizing Canada's Financial Sector

Canadians expect and deserve a stable financial system that safeguards their savings and investments. They want technology to make everyday banking easier, to provide them with up to date and accurate information. At the same time, they want to know information is secure, products and services offered meet the highest standard of quality and safety, and that the fees they are paying for products and services are fair.

In this spirit, the Government proposes to advance measures that will strengthen financial sector stability, support innovation and competition in the financial sector; and bolster consumer protection.

Ensuring a Safe and Sound Financial System Modernizing the Deposit Insurance Framework

Deposit insurance contributes to maintaining public confidence in the financial system by protecting depositors' savings in the unlikely event that a deposit taking institution fails. The Department of Finance Canada held public consultations on changes considered to the deposit insurance framework in the fall of 2016.

Budget 2018 proposes to introduce legislative amendments to the Canada Deposit Insurance Corporation Act to modernize and enhance the Canadian deposit insurance framework to ensure it continues to meet its objectives. These changes would modernize the scope of deposit insurance coverage to better reflect products currently offered in the market, address the complexity of trust deposits, help protect depositors and improve understanding of insurance coverage, and ultimately better support financial stability.

Financial Market Infrastructure Resolution

Financial Market Infrastructures (FMIs) facilitate the clearing, settling, or recording of payments, securities, derivatives, and other financial transactions among participating institutions and financial brokers. They act as a hub for financial transactions. FMIs allow consumers and firms to safely and efficiently purchase goods and services, make financial investments, and transfer funds, playing a vital role in the financial sector and the economy as a whole.

Under the Payment Clearing and Settlement Act, FMIs that are considered to have the potential to pose systemic or payments system risk can be designated, and are subject to the Bank of Canada's oversight for risk management. In a worse case scenario, the disorderly failure of a systemically important FMI could result in severe market disruption, contagion to other FMIs (and the financial system more broadly) with the potential to negatively impact the Canadian economy.

Based on collaborative work with FMIs and provincial regulators, Budget 2018 proposes to introduce legislative amendments that would implement a resolution framework for Canada's systemically important FMIs. The objectives of the FMI resolution regime are to maintain the critical services of the FMI, promote financial stability, and reduce potential public exposure to loss.

Maintaining a Robust Currency Regime

Canadians need secure bank notes that they can use with confidence and pride.

Payment technologies continue to evolve, but cash remains a resilient payment instrument. However, large denominations facilitate illicit activities such as counterfeiting, money laundering and tax evasion.

The Government proposes to introduce legislative amendments to facilitate the maintenance of high-quality bank notes in the money supply and to provide greater clarity on the bank notes that can be used as legal tender. These changes would allow the Government to better manage the money supply so that it is safe and secure for Canadians.

Following these legislative amendments, the Government intends to initiate the process to remove the legal tender status of bank note denominations no longer issued by the Bank of Canada (i.e., \$1000, \$500, \$25, \$2 and \$1). The Bank of Canada would continue to honour these bank notes and exchange them at their face value.

In addition, legislation governing the declaration of currency and monetary instruments is in place to protect Canadians and the integrity of the Canadian financial system, while supporting the efficient flow of travellers at the border. The Government will propose targeted amendments to ensure that this legislation remains up to date.

Fostering Innovation and Competition

Review of Open Banking

Financial technology (fintech) is driving change in the financial sector, and has the potential to increase innovation and competition, providing Canadians with more affordable and useful services, and increasing financial inclusion as specific customers or markets (e.g. small and medium sized businesses) are better served.

Within this overall context, a number of international jurisdictions are implementing open banking platforms. At its core, open banking is about empowering consumers to share their financial data between their financial institution and other third party providers through secure data sharing platforms. This in turn enables financial service providers to offer more tailored products and services, on a more competitive and innovative basis. Open banking also has the potential to provide consumers with greater transparency on the products and services offered by financial institutions, thus allowing them to make more informed decisions, and makes it easier for consumers to move and manage their money.

Recognizing these potential benefits, the Government proposes to undertake a review of the merits of open banking in order to assess whether open banking would deliver positive results for Canadians with the highest regard for consumer privacy, data security and financial stability.

Supporting an Innovative Retail Payments System

Innovative, well-functioning retail payments systems allow consumers and businesses to transfer payments smoothly and efficiently. The Government is undertaking consultations with stakeholders, including provinces and territories, on a proposed oversight framework that aims to ensure that retail payment services continue to be reliable and safe for Canadians and the providers of such services can continue to develop faster, cheaper and more convenient methods of payments.

The framework would strengthen the reliability of the payment system for consumers when they purchase goods and services or transfer money, and foster innovation in the payments sector.

Budget 2018 announces the Government's intention to introduce legislative amendments to implement a new framework for the oversight of retail payments following the conclusion of consultations. In the coming months, the Government also proposes to launch a review of the Canadian Payments Act to ensure that Payments Canada is well positioned to continue to fulfill its public policy objectives of ensuring the efficiency, safety and soundness of its systems. The review will include consultations with stakeholders, including provinces and territories.

Modernizing the Financial Sector Framework

To ensure the financial sector keeps pace with global developments and the changing needs of businesses and consumers, Budget 2016 announced consultations with stakeholders as part of a financial sector legislative review. Stakeholders indicated that the financial sector legislative framework is functioning well, but called for targeted updates to adapt to innovations and sectoral developments.

Budget 2018 proposes to introduce legislative amendments to implement targeted proposals from the review. Priority amendments would adapt the legislative framework and facilitate greater partnering in response to the emergence of financial technology (fintech). Proposed changes would include:

- greater flexibility for financial institutions to undertake and leverage broader fintech activities that enable the delivery of financial services in new and innovative ways;
- permitting life and health insurance companies to make long-term and predictable investments in infrastructure;
- providing prudentially regulated deposit-taking institutions, such as credit unions, flexibility to use generic bank terms, subject to disclosure; and,
- renewing the sunset date in the federal financial institutions statutes.

Additional legislative amendments will be proposed to position the federal framework for the future. These include modernizing financial institutions' corporate governance, providing for the continued clarity and prudential integrity of federal financial sector legislation, as well as targeted updates to streamline the federal framework and to ensure that it continues to support a stable, competitive and resilient financial sector.

To further enhance Canada's private pension policy framework, the Government will shortly launch public consultations on a regime to address unclaimed pension balances. Following the consultations, the Government may introduce legislative and regulatory amendments.

Enhancing Consumer Protection in Banking

Canadians expect strong consumer protection standards in their dealings with banks. The Government takes the protection of financial consumers very seriously and intends to ensure that all Canadians benefit from strong consumer protection standards.

Over the last year the Government has undertaken a comprehensive review of the consumer protection framework. Budget 2018 proposes to introduce legislation that would strengthen the Financial Consumer Agency of Canada's tools and mandate and continue to advance consumers' rights and interests when dealing with their banks. New legislation will be developed through targeted consultations with stakeholders, including provinces and territories.

Treasury Management

The Exchange Fund Account is mainly composed of liquid foreign currency assets, and represents the largest component of Canada's official international reserves. The Government proposes to introduce legislative amendments to support the administration of the exchange fund account and ensure continuity of related Bank of Canada authorities. Additionally, in January 2019, new International Financial Reporting Standards will come into effect that impact how variety of leases are reported, measured, presented and disclosed. Accordingly, the Government intends to introduce legislative amendments to ensure that Crown corporations are able to implement these new standards without exceeding their statutory authorities or borrowing limits.

Debt Management Strategy for 2018–19

Introduction

The Debt Management Strategy sets out the Government of Canada's objectives, strategy and borrowing plans for its domestic debt program and the management of its official international reserves. Borrowing activities support the ongoing refinancing of government debt coming to maturity, the execution of the budget plan and the financial operations of the Government. The Debt Management Strategy for 2018–19 reflects Budget 2018 fiscal projections.

The Financial Administration Act requires that the Government table in Parliament, prior to the start of the fiscal year, a report on the anticipated borrowing to be undertaken in the year ahead, including the purposes for which the money will be borrowed. The Debt Management Strategy fulfills this requirement.

Outlook for Government of Canada Debt

The Government of Canada continues to receive triple-A credit ratings, with a stable outlook, from major rating agencies that evaluate its financial position.

Those rating agencies indicate that Canada's triple-A credit ratings are supported by strong political institutions, economic resilience and economic diversity, well-regulated financial markets, monetary and fiscal flexibility, as well as the country's effective, stable and predictable policy-making.

Canada's general government gross debt and net debt positions also remain favourable. According to the International Monetary Fund (IMF), Canada's net debt-to-GDP (gross domestic product) ratio is the lowest in the Group of Seven (G7), reflecting significant holdings of financial assets.

Planned Borrowing Activities for 2018–19

Borrowing Authority

The Minister of Finance is required to seek Parliamentary approval to borrow on behalf of Her Majesty in Right of Canada (i.e., the Government). The authority to manage public debt flows from the Borrowing Authority Act and Part IV of the Financial Administration Act, which together allow the Minister of Finance to borrow money up to a maximum amount as approved by Parliament.

Parliament granted its approval via the Borrowing Authority Act, which came into force on November 23, 2017. With that Act, Parliament authorized a maximum stock of outstanding government and Crown corporation market debt of \$1,168 billion. The Government does not expect to exceed this limit in 2018–19 and therefore is not required to seek renewed Parliamentary approval. Outstanding government and Crown corporation market debt is projected to reach \$1,066 billion in 2018–19, including \$755 billion in projected year-end government market debt and an anticipated Crown corporation market debt stock of approximately \$311 billion.

The projected sources and uses of borrowings are presented in Table A3.1. Actual borrowings and uses of funds for the upcoming fiscal year compared with the projections will be reported in the Debt Management Report for 2018–19, and detailed information on outcomes will be provided in the Public Accounts of Canada 2019.

Sources of Borrowings

The aggregate principal amount of money to be borrowed by the Government in 2018–19 is projected to be \$258 billion. All borrowing will be sourced from domestic and foreign wholesale markets (Table A3.1).

Table A3.1
 Projected Sources and Uses of Borrowings for 2018–19
 billions of dollars

Sources of Borrowings	
Payable in Canadian currency	
Treasury bills ¹	138
Bonds ²	113
Total payable in Canadian currency	251
Payable in foreign currencies	7
Total cash raised through borrowing activities	258
Uses of Borrowings	
Refinancing needs	
Payable in Canadian currency	
Treasury bills	125
Bonds	94
Of which:	
Switch bond buybacks	1
Cash management bond buybacks	35
Retail debt	1
Total payable in Canadian currency	220
Payable in foreign currencies	7
Total refinancing needs	227
Financial source requirement	
Budgetary balance	18
Non-budgetary transactions	
Pension and other accounts	-2
Non-financial assets	3
Loans, investments and advances	
Enterprise Crown corporations	6
Other	1
Total loans, investments and advances	6
Other transactions ³	9
Total non-budgetary transactions	17
Total financial source/requirement	35
Net Increase or Decrease (-) in Cash	0
Adjustment for risk ⁴	-3
Other unmatured debt transactions ⁵	0
Total uses of borrowings	258

Note: Numbers may not add due to rounding. A negative sign denotes a financial source.

- ¹ Treasury bills issued with maturities of less than 12 months are rolled over, or refinanced, a number of times during the year. This results in a larger number of new issues per year than the stock outstanding at the end of the fiscal year, which is presented in the table. Any issuance of ultra-long bonds will reduce the stock of treasury bills.
- ² Total bond borrowings presented here is on a cash basis. Including non-cash adjustments of switch buyback issuance and additional debt that accrues as a result of the inflation adjustments to Real Return Bonds, gross bond issuance is expected to be \$115 billion.
- ³ Other transactions primarily comprise the conversion of accrual transactions to cash inflows and outflows for taxes and other accounts receivable, provincial and territorial tax collection agreements, amounts payable to taxpayers and other liabilities, and foreign exchange accounts.
- ⁴ The adjustment included in the budgetary deficit for prudent fiscal planning purposes is removed to increase the accuracy of borrowing needs. Debt issuance can be altered during the year to adjust for unexpected changes in financial requirements.
- ⁵ Includes cross-currency swap revaluation, unamortized discounts on debt issues and obligations related to capital leases and other unmatured debt.

Use of Borrowings

The Government's borrowing needs are driven by the Government's projected financial requirements, the refinancing of maturing debt and projected changes in the Government's cash balances.

Financial requirements measure the net cash flow attributed to the Government's budgetary and non-budgetary transactions.¹ If the Government has a net cash inflow (financial source), it can use the cash to decrease the total debt stock. However, as is currently the case, if a net cash outflow (financial requirement) is projected, the Government must meet that requirement by increasing the total debt stock or by drawing down cash balances.

In 2018–19, the financial requirement is projected to be approximately \$35 billion, the refinancing of maturing debt is projected to be \$227 billion, and the Government's cash balances are not projected to change as new borrowings are expected to meet all borrowing requirements.

Actual borrowings for the year may differ due to uncertainty associated with economic and fiscal projections, the timing of cash transactions, and other factors such as changes in foreign reserve needs and Crown corporation borrowings. To adjust for unexpected changes in financial requirements, debt issuance can be altered during the year—typically through changes in the bi-weekly treasury bill issuance and through slight changes in cash balances for smaller adjustments. It should be noted that the \$3 billion budgetary risk adjustment included in the budgetary deficit for prudent fiscal planning purposes is subtracted from the calculation of borrowing needs to increase the forecast accuracy.

¹ Budgetary transactions include government revenues and expenses. Non-budgetary transactions include changes in federal employee pension accounts; changes in non-financial assets; investing activities through loans, investments and advances; and changes in other financial assets, including foreign exchange activities.

Debt Management Strategy for 2018–19

Objectives

The fundamental objectives of debt management are to raise stable and low-cost funding to meet the financial needs of the Government of Canada and to maintain a well-functioning market for Government of Canada securities. Achieving stable, low-cost funding involves striking a balance between the cost and risk associated with the debt structure as funding needs change and market conditions vary. Having access to a well-functioning government securities market ensures that funds can be raised efficiently over time to meet the Government's needs. Moreover, to support a liquid and well-functioning market for Government of Canada securities, the Government strives to promote transparency and consistency.

Debt Structure Planning

The Debt Management Strategy for 2018–19 is informed by an analysis of several debt structures over a wide range of economic and interest rate scenarios and forecasts over a medium-term horizon.

The Government seeks to strike a balance between keeping funding costs low and mitigating risks, as measured by metrics such as debt rollover and the variation in annual debt-service charges.

Market Consultations

As in previous years, market participants were consulted as part of the process of developing the debt management strategy.

Market participants indicated that markets for Government of Canada bonds and treasury bills have, for the most part, functioned well throughout the past year. Further details on the views expressed during consultations for the Debt Management Strategy for 2018–19 can be found on the Bank of Canada's website (http://www.bankofcanada.ca/content_type/press/notices/?post_type%5B0%5D post&post_type%5B1%5D page).

Composition of Market Debt

The stock of total market debt is projected to reach \$755 billion by the end of 2018–19 (Table A3.2).

Table A3.2
Change in Composition of Market Debt
billions of dollars, end of fiscal year

	2014–15 Actual	2015–16 Actual	2016–17 Actual	2017–18 Estimated	2018–19 Projected
Domestic bonds ¹	488	504	536	578	598
Treasury bills	136	138	137	125	138
Foreign debt	20	22	18	16	17
Retail debt	6	5	5	4	2
Total market debt	649	670	695	723	755

Note: numbers may not add due to rounding.

¹ Includes switch buyback issuance and additional debt that accrues during the fiscal year as a result of the inflation adjustments to Real Return Bonds.

Over the next decade, the share of domestic market debt outstanding with original terms to maturity of 10 years or more is projected to stay at about the current level (i.e., around 40 per cent). Additionally, the average term to maturity of domestic market debt is projected to remain relatively stable at around 5.5 to 6.5 years over the medium term.

The Government of Canada continues to follow prudent debt management practices compared to global peers. Canada's level of federal market debt as a proportion of GDP is the lowest among G7 countries. Despite this, Canada has continued to prudently issue debt across different maturity sectors and has maintained a weighted average term to maturity similar to that of most G7 countries.

2018–19 Treasury Bill Program

Borrowing requirements in 2017–18 were lower than projected in Budget 2017 due to a convergence of factors, including increased tax revenues from higher-than-projected economic activity throughout 2017–18. Accordingly, the size of bi-weekly treasury bill auctions declined in response to lower financial requirements, as treasury bills are typically used as the main shock absorber to adjust cash flows according to the evolution and timing of the Government's borrowing needs. Reflecting this, the stock of treasury bills is projected to decline to \$125 billion by the end of 2017–18, \$6 billion less than projected in Budget 2017.

In response to feedback from market participants, adjustments are being made in 2018–19 to increase the projected year-end stock of treasury bills. This is consistent with the medium-term objective of maintaining a treasury bill stock that is large enough to support a liquid and well-functioning market for Canadian federal government treasury bills, while also managing debt rollover risk.

Bi-weekly issuance of 3-, 6- and 12-month maturities will be continued in 2018–19, with bi-weekly auction sizes projected to be largely in the \$8 billion to \$14 billion range. Cash management bills (i.e., short-dated treasury bills) help manage government cash requirements in an efficient manner. These instruments will also continue to be used in 2018–19.

2018–19 Bond Program

In 2018–19, gross bond issuance is projected to be around \$115 billion (Table A3.3). This approach balances liquidity requirements in both the treasury bill and core benchmark bond sectors necessary to promote market well-functioning, while also satisfying the Government’s objective of achieving stable, low-cost funding.

Table A3.3
Bond Issuance Plan for 2018–19
billions of dollars, end of fiscal year

	2014–15 Actual	2015–16 Actual	2016–17 Actual	2017–18 Estimated	2018–19 Projected
Gross bond issuance ¹	99 ³	93 ³	135 ³	138	115 ⁴
Bond buybacks on a switch basis	-1	-1	-1	-1	-1
Net issuance	98	93	134	138	114
Maturing bonds and adjustments ²	-84	-78	-103	-95	-94
Change in bond stock	15	16	32	43	20

Note: numbers may not add due to rounding

¹ Includes switch buyback issuance and additional debt that accrues during the fiscal year as a result of the inflation adjustments to Real Return Bonds.

² Includes cash management bond buybacks.

³ Historic bond issuances are accounted for at market value.

⁴ Unlike the \$113 billion in bond issuance presented in Table A3.1, gross bond issuance includes \$800 million in switch buybacks and \$1.2 billion in additional debt that accrues during the fiscal year as a result of the inflation adjustments to Real Return Bonds.

Maturity Date Cycles and Benchmark Bond Target Range Sizes

For 2018–19, slight decreases in benchmark bond target ranges are planned relative to fiscal year 2017–18 (Table A3.4).

Table A3.4
Maturity Date Patterns and Benchmark Size Ranges
billions of dollars

	Feb.	Mar.	May	June	Aug.	Sept.	Nov.	Dec.
2-year	10-16		10-16		10-16		10-16	
3-year ¹		4-9				4-9		
5-year		11-17				11-17		
10-year				10-16				
30-year ²								10-16
Real Return Bonds ^{2,3}								10-16
Total	10-16	15-26	10-16	10-16	10-16	15-26	10-16	10-16²

Note: These amounts do not include coupon payments

¹ Issuance in the 3-year sector will be fungible with the previous 5-year benchmark bonds. The benchmark size range for the 3-year sector presented here is in addition to fungible outstanding previous 5-year benchmark bonds.

² The 30-year nominal bond and Real Return Bond do not mature each year or in the same year as each other.

³ Includes estimate for inflation adjustment.

Bond Auction Schedule

In 2018–19, there will be quarterly auctions of 2-, 3-, 5- and 10-year bonds, and 30-year Real Return Bonds. Some of these bonds may be issued multiple times per quarter. The number of planned auctions in 2018–19 for each bond sector is shown in Table A3.5. The actual number of auctions that occur may be different than the planned number of auctions due to unexpected changes in borrowing requirements.

Table A3.5
Number of Planned Bond Auctions for 2018–19

Sector	Planned Bond Auctions
2-year	16
3-year	6
5-year	8
10-year	5
30-year	3
30-year switch buyback	2
Real Return Bond	4

The dates of each auction will continue to be announced through the quarterly Bond Schedule that is published on the Bank of Canada's website prior to the start of each quarter (www.bankofcanada.ca/stats/cars/results/bd_auction_schedule.html).

Ultra-Long Bond Issuance

The Government will continue to issue ultra-long bonds subject to favourable market conditions and with consideration for the Government's debt strategy objective of achieving stable, low-cost funding. Potential ultra-long bond issuance dates included in the quarterly Bond Schedule published on the Bank of Canada's website would represent a possibility but not a commitment to hold an ultra-long bond auction. An auction would be held only if a Call for Tenders is released confirming the date and size of the auction, and would be posted on the Bank of Canada's website in the preceding week. Alternatively, a market notice would be released in the preceding week in lieu of a Call for Tenders should the Government decide not to issue an ultra-long bond on the listed date.

Bond Buyback Programs

The Government plans to continue conducting regular bond buybacks on a switch basis and cash management bond buybacks.

Two bond buyback operations on a switch basis are planned for 2018–19. These operations would occur for bonds that were originally issued with terms to maturity of 30 years. The dates of each operation will continue to be announced through the quarterly Bond Schedule that is published on the Bank of Canada's website prior to the start of each quarter.

The cash management bond buyback program helps to manage government cash requirements by reducing large bond maturities. Weekly cash management bond buyback operations will be continued in 2018–19. A pilot project to increase the flexibility in the maximum repurchase amount was introduced in January 2017 and will remain in place until further notice.

Management of Canada's Official International Reserves

The Exchange Fund Account (EFA), which is held in the name of the Minister of Finance, represents the largest component of Canada's official international reserves. It is a portfolio of Canada's liquid foreign exchange reserves and special drawing rights (SDRs)² used to aid in the control and protection of the external value of the Canadian dollar and to provide a source of liquidity to the Government. In addition to the EFA, Canada's official international reserves include Canada's reserve position held at the IMF.

² SDRs are international reserve assets created by the IMF whose value is based on a basket of international currencies.

The Government borrows to invest in liquid reserves, which are maintained at a level at or above 3 per cent of nominal GDP. Funding requirements for 2018–19 are estimated to be around US\$10 billion, but may vary as a result of movements in foreign interest rates and exchange rates.

The mix of funding sources used to finance the liquid reserves in 2018–19 will depend on a number of considerations, including relative cost, market conditions and the objective of maintaining a prudent foreign-currency-denominated debt maturity structure. Potential funding sources include a short-term US-dollar paper program (Canada bills), medium-term notes, cross-currency swaps involving the exchange of Canadian dollars for foreign currency to acquire liquid reserves, and the issuance of global bonds.

Further information on foreign currency funding and the foreign reserve assets is available in the Report on the Management of Canada's Official International Reserves (www.fin.gc.ca/purl/efa-eng.asp) and in The Fiscal Monitor (www.fin.gc.ca/pub/fm-rf-index-eng.asp).

Cash Management

The core objective of cash management is to ensure the Government has sufficient cash available at all times to meet its operating requirements.

Cash consists of moneys on deposit with the Bank of Canada, chartered banks and other financial institutions. Cash with the Bank of Canada includes operational balances and balances held for prudential liquidity. Cash balances are projected to remain stable at \$37 billion at the end of the fiscal year. Periodic updates on the liquidity position are available in The Fiscal Monitor (www.fin.gc.ca/pub/fm-rf-index-eng.asp).

Prudential Liquidity

The Government holds liquid financial assets in the form of domestic cash deposits and foreign exchange reserves to safeguard its ability to meet payment obligations in situations where normal access to funding markets may be disrupted or delayed. The Government's overall liquidity levels cover at least one month of net projected cash flows, including coupon payments and debt refinancing needs.

Government of Canada fighting climate change with price on pollution

Government of Canada fighting climate change with price on pollution

Etobicoke, Ontario - October 23, 2018

Canadians are seeing the costs of climate change first hand, from wildfires in the west to floods in the east, smoke that makes the air unsafe to breathe and heatwaves that endanger the young and the elderly. We need to act now to fight back against climate change, for our children and grandchildren.

The Government of Canada has a plan that protects the environment while growing the economy, and that plan is working – our emissions are down and the economy has grown by 500,000 full-time jobs. But we know we need to do more.

The Government of Canada worked with provinces and territories for two years, giving them the flexibility to design their own climate plans that included putting a price on carbon pollution. A price on pollution gives people the incentive to make cleaner choices and gives businesses incentives to find clean solutions. Alberta, British Columbia, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Quebec and Yukon have stepped up and shown leadership, either by developing their own systems or choosing to adopt the federal pollution pricing system. Other provinces have not recognized the cost of pollution.

The Prime Minister, Justin Trudeau, today announced that there will be a federal system in place in Ontario, New Brunswick, Manitoba, and Saskatchewan in 2019. This is the next step in the government's plan to protect the environment and grow the economy. Any direct proceeds collected will go directly back to people in these provinces. Households will receive a Climate Action Incentive, which will give most families more than they pay under the new system. Funds will also be given to the provinces' cities, schools, hospitals, businesses, and Indigenous communities to, for example, help them become more energy efficient and reduce emissions, helping Canadians save even more money, and improve our local economies.

Canadians know pollution isn't free. And they know that carbon pollution doesn't have boundaries. Old or young, rich or poor, urban or rural, living in the south or the north, we are all in this together. Applying practical solutions today will give all Canadians more economic opportunities and a safer and more prosperous future.

Quotes

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“The effects of climate change are everywhere, and they are a constant reminder of the need to act now. While climate change is the biggest challenge of this generation, it also provides the opportunity to do better while growing the economy. We are investing in Canadian companies that are on the forefront of clean technologies, and are working with provinces, territories, and municipalities to provide Canadians with more clean energy options. Protecting the environment is a responsibility we all share. That is why we are taking action to promote clean energy and growth in Canada. Together, and only together, we can make a real difference for our planet’s future.”

— *The Rt. Hon. Justin Trudeau, Prime Minister of Canada*

“Canadians know that polluting isn’t free. We are all paying the cost of storms, floods, wildfires, and extreme heat. Our government is ensuring a price across Canada on what we don’t want, pollution, so we can get what we do want – lower emissions, cleaner air, opportunities for businesses with clean solutions, and more money in the pockets of Canadians. We have a plan for healthy environment and a stronger economy. Because, at the end of the day, it’s what we owe our kids.”

— *The Hon. Catherine McKenna, Minister of Environment and Climate Change*

“The case is clear: Canada needs to cut greenhouse gas emissions that cause climate change, and the best way to do that is to put a price on carbon pollution. Pollution pricing encourages Canadians and businesses to innovate, invest in clean technologies, and take advantage of long-term growth opportunities. Our plan will cut pollution and grow the economy, for the benefit of all Canadians.”

— *The Hon. Bill Morneau, Minister of Finance*

“Canadians are seeing the effects of climate change, and know that we need to take real action to reduce greenhouse gas emissions and drive innovation. I am proud of the provinces and territories who have acknowledged the need to address climate change and are implementing their own plans or choosing to adopt the federal system. Where provinces have not taken leadership, our government is taking action to combat climate change and grow the economy.”

— *The Hon. Dominic LeBlanc, Minister of Intergovernmental and Northern Affairs and Internal Trade*

Quick facts

- The three provinces that already have carbon pollution pricing systems – British Columbia, Alberta, and Quebec – were also among the top performers in GDP growth across Canada in 2017.
- According to the World Bank, 70 jurisdictions – representing about half of the global economy – are putting a price on carbon pollution.

- Investing in the clean economy presents an enormous economic opportunity. According to the Global Commission on the Economy and the Climate, the clean economy is expected to grow to \$26 trillion and create 65 million jobs worldwide by 2030.
- Climate change has already had financial impacts on Canada, and these costs will only continue to grow. In 2016, it was estimated that larger and more intense weather events will cost the federal Disaster Financial Assistance Arrangements program around \$902 million each year. The health costs of extreme weather are estimated to be over \$1.6 billion a year.
- The cost of property damages from climate change averaged \$405 million per year between 1983 and 2008, but have risen dramatically to \$1.8 billion a year since 2009. That number is expected to grow as high as \$43 billion by 2050.
- Since 2015, the Government of Canada has invested more than \$9 billion in public transit for more than 1200 projects across Canada.
- The federal carbon pollution pricing system has two components: the fuel charge and the output-based pricing system (OBPS) for emissions-intensive trade-exposed industries. In the provinces in which the backstop applies, the OBPS will take effect on January 1, 2019, and the fuel charge will take effect in April 2019. In Nunavut and Yukon, both components of the backstop will come into effect no later than July 1, 2019, at the same time as Northwest Territories' price on carbon pollution.
- To address high costs of living and energy, a full exemption from carbon pollution pricing will be granted to diesel-fired electricity generation in remote communities, and for aviation fuel in the territories.
- In addition, a full exemption for farmers and fishers from the fuel charge would be provided for eligible fishing and farming activities. Partial relief from the fuel charge would also be provided for eligible commercial greenhouse operators.
- We will continue to work with Atlantic provinces to advance an interconnected and efficient clean electricity grid to support growth in the region.

Related products

- Pricing pollution: how it will work (<https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work.html>)
- Alberta's Pollution Pricing System (<https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/alberta.html>)
- British Columbia's Pollution Pricing System (<https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/british-columbia.html>)
- Manitoba's Pollution Pricing System (<https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/manitoba.html>)
- New Brunswick's Pollution Pricing System (<https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/new-brunswick.html>)
- Newfoundland and Labrador's Pollution Pricing System (<https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/newfoundland-labrador.html>)
- Northwest Territories' Pollution Pricing System ([https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/northwest-climate-change/](https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/northwest-climate-change/services/climate-change/pricing-pollution-how-it-will-work/northwest-climate-change/))

1946 territories.html)

- Nova Scotia's Pollution Pricing System (<https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/nova-scotia.html>)
- Nunavut's Pollution Pricing System (<https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/nunavut.html>)
- Ontario's Pollution Pricing System (<https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/ontario.html>)
- Prince Edward Island's Pollution Pricing System (<https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/prince-edward-island.html>)
- Quebec's Pollution Pricing System (<https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/quebec.html>)
- Saskatchewan's Pollution Pricing System (<https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/saskatchewan.html>)
- Yukon's Pollution Pricing System (<https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/yukon.html>)

Associated link

- Pricing carbon pollution for clean growth (https://www.canada.ca/en/services/environment/weather/climatechange/climate-action/pricing-carbon-pollution.html?utm_campaign=not-applicable&&utm_medium=vanity-url&&utm_source=canada-ca_climate-action)
-

Backgrounder: Ensuring Transparency

The Federal Carbon Pollution Pricing System

The federal carbon pollution pricing system has two components:

1. A charge on fossil fuels ("fuel charge"), which will be administered by the Canada Revenue Agency (CRA), and
2. An output-based pricing system (OBPS) for emission-intense industrial facilities, which will be administered by Environment and Climate Change Canada.

Any fuel charge owing in applicable provinces and territories would generally be paid by fuel producers and distributors to the CRA on a monthly basis. The Government of Canada would only start to receive any proceeds that may arise from the OBPS in November 2020 for the 2019 compliance year.

Returning Proceeds to Jurisdictions of Origin

The Government of Canada has committed to returning direct proceeds from the federal carbon pollution pricing system to the province or territory of origin. The Government of Canada will return those proceeds:

- Directly to the governments of those jurisdictions that choose to adopt the federal system; and
- Directly to individuals and families, through proposed Climate Action Incentive payments, as well as to particularly affected sectors in those other jurisdictions that do not meet the Canada-wide federal standard for reducing carbon pollution – Ontario, New Brunswick, Manitoba, and Saskatchewan – in order to ensure that the carbon pollution price signal is preserved.
- Proceeds from the OBPS in Ontario, New Brunswick, Manitoba, and Saskatchewan will also be returned to the province of origin. Given that these proceeds would only be realized in 2020, the Government will decide in due course how best to return these proceeds in these provinces.

The Government of Canada will not keep any direct proceeds from carbon pollution pricing, and will provide an update each year on exactly how those proceeds were used.

Projected Proceeds for Provinces that Do Not Meet the Canada-wide Federal Standard for Reducing Carbon Pollution

For Ontario, New Brunswick, Manitoba and Saskatchewan, the tables below show the estimated direct proceeds from the federal fuel charge for fiscal years 2019-20 to 2023-24. The tables also indicate how much of the direct proceeds will be provided to support particularly affected sectors including

small and medium-sized enterprises (SMEs) and the municipalities, universities, colleges, schools and hospitals, non-profit organizations, and Indigenous communities. An estimate for total Climate Action Incentive payments to individuals and families is also included in the tables.

As the tables show, all net fuel charge proceeds will be returned in each of these provinces.

Table 1: Projected Proceeds and Proceeds Return in Ontario, 2019-20 to 2023-24 (in Million \$)					
	2019-20	2020-21	2021-22	2022-23	2023-24
Projected Fuel Charge Proceeds – before Proposed Additional Targeted Relief	1,770	2,625	3,455	4,270	4,270
Less: Additional Targeted Relief for Greenhouses and Generation of Electricity in Remote Communities	30	45	65	80	80
Net Fuel Charge Proceeds	1,740	2,580	3,395	4,190	4,190
Less: Proceeds Return					
Projected Total Climate Action Incentive Payments	1,585	2,345	3,085	3,810	3,810
Support for SMEs	105	155	205	255	255
Support for the Municipalities, Universities, Schools, Colleges, Hospitals, Non-Profit Organizations, and Indigenous Communities	50	75	100	125	125
Total Net Fuel Charge Proceeds Returned	1,740	2,580	3,395	4,190	4,190
Projected Fuel Charge Proceeds less Total Proceeds Returned	0	0	0	0	0
Notes: Totals may not add due to rounding. Numbers under \$5 million are rounded to the nearest million; those over \$5 million are rounded to the nearest \$5 million; and "S" indicates a value of less than \$500,000. This table excludes the costs of administering the fuel charge and OBPS in jurisdictions subject to the federal carbon pollution pricing system, and the costs of delivering Climate Action Incentive payments and relief to certain sectors, which will be borne by the Government of Canada. Estimates beyond 2019-20, in particular of Climate Action Incentive Payments, are illustrative and subject to adjustments as more information becomes available.					
Table 2: Projected Proceeds and Proceeds Return in New Brunswick, 2019-20 to 2023-24 (in Million \$)					
	2019-20	2020-21	2021-22	2022-23	2023-24
Projected Fuel Charge Proceeds – before Proposed Additional Targeted Relief	90	130	170	210	210
Less: Additional Targeted Relief for Greenhouses and Generation of Electricity in Remote Communities	S	S	S	S	S
Net Fuel Charge Proceeds	90	130	170	210	210

Less: Proceeds Return					
Projected Total Climate Action Incentive Payments	80	120	155	190	190
Support for SMEs	5	10	10	15	15
Support for the Municipalities, Universities, Schools, Colleges, Hospitals, Non-Profit Organizations, and Indigenous Communities	3	4	5	5	5
Total Net Fuel Charge Proceeds Returned	90	130	170	210	210
Projected Fuel Charge Proceeds less Total Proceeds Returned	0	0	0	0	0

Notes: Totals may not add due to rounding. Numbers under \$5 million are rounded to the nearest million; those over \$5 million are rounded to the nearest \$5 million; and "S" indicates a value of less than \$500,000. This table excludes the costs of administering the fuel charge and OBPS in jurisdictions subject to the federal carbon pollution pricing system, and the costs of delivering Climate Action Incentive payments and relief to certain sectors, which will be borne by the Government of Canada. Estimates beyond 2019-20, in particular of Climate Action Incentive payments, are illustrative and subject to adjustments as more information becomes available.

Table 3: Projected Proceeds and Proceeds Return in Manitoba, 2019-20 to 2023-24
(in Million \$)

	2019-20	2020-21	2021-22	2022-23	2023-24
Projected Fuel Charge Proceeds – before Proposed Additional Targeted Relief	190	280	370	460	460
Less: Additional Targeted Relief for Greenhouses and Generation of Electricity in Remote Communities	S	1	1	1	1
Net Fuel Charge Proceeds	190	280	370	460	460
Less: Proceeds Return					
Projected Total Climate Action Incentive Payments	170	250	330	410	410
Support for SMEs	15	20	25	35	35
Support for the Municipalities, Universities, Schools, Colleges, Hospitals, Non-Profit Organizations, and Indigenous Communities	5	10	15	15	15
Total Net Fuel Charge Proceeds Returned	190	280	370	460	460
Projected Fuel Charge Proceeds less Total Proceeds Returned	0	0	0	0	0

Notes: Totals may not add due to rounding. Numbers under \$5 million are rounded to the nearest million; those over \$5 million are rounded to the nearest \$5 million; and "S" indicates a value of less than \$500,000. This table excludes the costs of administering the fuel charge and OBPS in jurisdictions subject to the federal carbon pollution pricing system, and the costs of delivering Climate Action Incentive payments and relief to certain sectors, which will be borne by the Government of Canada. Estimates beyond 2019-20, in particular of Climate Action Incentive payments, are illustrative and subject to adjustments as more information becomes available.

Table 4: Projected Proceeds and Proceeds Return in Saskatchewan, 2019-20 to 2023-24
(in Million \$)

	2019-20	2020-21	2021-22	2022-23	2023-24
Projected Fuel Charge Proceeds – before Proposed Additional Targeted Relief	310	465	615	770	770
Less: Additional Targeted Relief for Greenhouses and Generation of Electricity in Remote Communities	1	2	2	3	3
Net Fuel Charge Proceeds	310	465	615	765	765
Less: Proceeds Return					
Projected Total Climate Action Incentive Payments	265	395	525	650	650
Support for SMEs	30	45	60	80	80
Support for the Municipalities, Universities, Schools, Colleges, Hospitals, Non-Profit Organizations, and Indigenous Communities	15	25	30	40	40
Total Net Fuel Charge Proceeds Returned	310	465	615	765	765
Projected Fuel Charge Proceeds less Total Proceeds Returned	0	0	0	0	0

Notes: Totals may not add due to rounding. Numbers under \$5 million are rounded to the nearest million; those over \$5 million are rounded to the nearest \$5 million; and "S" indicates a value of less than \$500,000. This table excludes the costs of administering the fuel charge and OBPS in jurisdictions subject to the federal carbon pollution pricing system, and the costs of delivering Climate Action Incentive payments and relief to certain sectors, which will be borne by the Government of Canada. Estimates beyond 2019-20, in particular of Climate Action Incentive payments, are illustrative and subject to adjustments as more information becomes available.

Transparency and Annual Reporting

To ensure accountability, the Government of Canada will provide annual updates on the direct proceeds and disbursements realized from the federal carbon pollution pricing system in respect of each province and territory where it applies. Any actual variance between the proceeds originating in a given jurisdiction and the amount of proceeds returned to that jurisdiction would be addressed through changes in future payment amounts to that jurisdiction. This transparent process will ensure that direct proceeds are fully returned to the jurisdiction of origin over time.

For those jurisdictions that do not meet the Canada-wide federal standard for pricing carbon pollution, the amounts being returned to individuals and families under Climate Action Incentive payments would be based on estimated proceeds. As actual proceeds and the total amount of proceeds returned in a specific jurisdiction through Climate Action Incentive payments (where applicable) may differ from estimates, adjustments would be made through changes in future Climate Action Incentive payment amounts to individuals and families (and possibly also through changes in amounts of support for affected sectors).



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Ontario and pollution pricing



Protecting the environment and growing the economy go together. In 2016, the federal government worked with provinces, territories, and with input from Indigenous Peoples on Canada's first comprehensive climate action plan, which includes a stringent, fair, and efficient price on carbon pollution.

As part of Canada's plan, provinces and territories had the flexibility to maintain or develop a carbon pollution pricing system that works for their circumstances, provided it meets the federal standard. The Government of Canada worked with provinces and territories on this for over two years.

On July 3, 2018, the Government of Ontario ended its climate plan, including its cap-and-trade pollution pricing system. This has resulted in a projected annual increase of emissions of approximately 48 million tonnes of carbon pollution in 2030, equivalent to the emissions from about 30 coal-fired electricity units. The province has also cancelled their investments in energy efficiency and low-carbon projects that help schools, businesses, and hospitals reduce emissions and reduce costs, therefore costing Ontarians money and good jobs.

The federal carbon pollution pricing system will apply in Ontario.

Federal system highlights

The federal carbon pollution pricing system will be implemented in Ontario, under the federal Greenhouse Gas Pollution Pricing Act with the following features:

- For larger industrial facilities, an output-based pricing system for emissions-intensive trade-exposed (EITE) industries will start applying in January 2019. This will cover facilities emitting 50,000 tonnes of carbon dioxide equivalent (CO₂e) per year or more, with the ability for smaller EITE facilities that emit 10,000 tonnes of CO₂e per year or more to voluntarily opt-in to the system over time.
- A charge applied to fossil fuels, generally paid by registered distributors (fuel producers and distributors), as set out in the Greenhouse Gas Pollution Pricing Act, Part 1, will start applying

1954 In April 2019, Information on targeted relief for rural and remote residents, farmers, and fishers is available from Finance Canada.

Use of proceeds

The Government of Canada has committed to return all direct proceeds collected in Ontario, under the federal carbon pollution pricing backstop system through direct payments to families and investments to reduce emissions, save money, and create jobs. In Ontario, we will return the direct proceeds as follows:

- **Climate Action Incentive payments:** Under the proposed approach, most of the proceeds the federal government collects from Ontario through the fuel charge will be returned directly to Ontario's individuals and families through Climate Action Incentive Payments ¹.
- **Support for particularly affected sectors:** The remainder of fuel charge proceeds will be used to provide support to the province's schools, hospitals, small and medium-sized businesses, colleges and universities, municipalities, not-for-profit organizations and Indigenous communities, which will help save money and create good jobs. In Ontario, this amount is estimated at \$1.45 billion over the next five fiscal years.
- Direct proceeds from industrial facilities under the federal output-based pricing system will be directed to supporting reductions in greenhouse gas emissions in Ontario.

How Climate Action Incentive payments will be calculated – An Ontario family of four will receive \$307 in 2019

Under the proposed approach, most of the proceeds the federal government collects from Ontario through the fuel charge will be returned directly to Ontario's individuals and families through Climate Action Incentive Payments.

- \$154 for a single adult or the first adult in a couple.
- \$77 for the second adult in a couple. Single parents will receive this amount for their first child.
- \$38 for each child in the family (starting with the second child for single parents).

Under this proposal, an Ontario family of four will receive \$307 in 2019. The average household in Ontario will receive \$300, taking into account the various family sizes and circumstances.

Family of four

Joseph and Bianca, who have two young children, live in Windsor. They decide that Bianca will be the parent claiming the Climate Action Incentive payment for their family when she files her 2018 tax return in early 2019. She will claim \$154 for herself, \$77 for Joseph, and \$38 for each

child, for a total amount of \$307. She will see this full amount when her tax return is assessed.

Supplement for residents of small and rural communities

To further support small and rural community residents in Ontario, the Government proposes to provide a supplementary Climate Action Incentive amount for people who live in small and rural communities, in recognition of their increased energy needs and reduced access to energy-efficient transportation options. This supplement will be an additional 10 per cent of the payment amount to which they are entitled. Small and rural communities will be defined as anywhere outside of a census metropolitan area (CMA), as defined by Statistics Canada ².

Delivery of payments

Under the proposal, individuals will claim the Climate Action Incentive payment on their tax return. This will involve filling out a short schedule identifying the number of adults and children in the family unit for which payments would be claimed. There will be one claim per family.

The provision of Climate Action Incentive payments through the Canada Revenue Agency will ensure timely, accurate, and cost-efficient delivery.

Single parent with one child eligible for rural supplement

Melissa is a single mother who lives in Petawawa, with her three-year-old son. Under the proposed Climate Action Incentive payment, Melissa will claim \$154 for herself and \$77 for her son when she files her 2018 tax return in early 2019, for a total Climate Action Incentive payment of \$231. Given that the family lives in a small and rural community, Melissa will indicate on her tax return that her family qualifies for the small and rural community supplement, meaning that their payment will be boosted by 10 per cent. As a result, Melissa will see an amount of \$254 when her tax return is assessed.

Impact on individuals and families

Climate Action Incentive payments enable the Government to encourage lower greenhouse gas (GHG) emissions without imposing a financial burden on households. The federal backstop system helps the environment and the economy because it puts a price on pollution and supports cleaner alternatives. Most households in Ontario will receive more in Climate Action Incentive payments than they incur in total costs resulting from pollution pricing. As the pollution price itself encourages fewer GHG emissions, it will both protect the environment and promote green innovation.

1956 Payment amounts in subsequent years

Climate Action Incentive payments will increase annually to reflect increases in the price on pollution under the federal backstop system, until at least 2022. The federal Minister of Finance will make annual announcements of Climate Action Incentive payment amounts, reflecting the increasing price on pollution and updated levels of direct proceeds.

Based on current projections, Climate Action Initiative payment amounts (excluding the supplement for residents of small and rural communities) in future years would be as follows:

	2020	2021	2022
First adult	\$226	\$295	\$360
Spouse	\$113	\$147	\$180
Child	\$56	\$73	\$89
Family of four	\$451	\$588	\$718

Building on the examples above and based on current projections, Bianca will receive \$718 for her family of four, and Melissa will receive \$594 (including the supplement for residents of small and rural communities) for her family of two in 2022.

Costs summary

Federal fuel charges – Starting in April 2019 and increasing in stringency over time, the federal pollution pricing system will add a nominal cost to everyday fuels.

In Ontario, for example, the fuel charge on gasoline, in 2019, will be 4.42 cents per litre and the fuel charge for natural gas used in home heating will be 3.91 cents per cubic metre. These rates will increase over time. [A complete list of fuel charge rates is available on Finance Canada's website.](#)

Estimated annual costs – We know from experience in British Columbia, Alberta, and Quebec that provinces with a price on carbon pollution in 2017 were the fastest-growing economies in Canada.

Under the federal system, the estimated average cost impact for a household in Ontario is \$244, in 2019, which is less than the average for Climate Action Incentive payments (\$300). Households of Ontario can also reduce this cost through many options, such as better home insulation, switching to a more fuel-efficient vehicle, using public transit, and lower-cost solutions like LED lightbulbs.

Studies consistently show the cost of inaction is much greater than the cost of addressing climate change. Extreme weather events like floods and wildfires are becoming more severe and happening more frequently due to climate change. These disasters can carry huge costs from damaged

homes, businesses, and infrastructure. For example, insurance losses related to climate change and severe weather averaged \$405 million per year between 1983 and 2008, and \$1.8 billion between 2009 and 2017.

Canada's clean growth investments in Ontario

Since 2016, the Government of Canada has allocated over \$9.8 billion for investments in Ontario for public transit projects. Through our investments, Sudbury was able to expand its fleet of busses, make it easier and faster for people to get to around. In addition to investing in the Yonge subway extension, the Government of Canada helped the TTC buy clean diesel and electric busses, all of which help reduce emission and improve air quality. The Government of Canada also invested in Toronto's cycling network, helping install bike lanes on Lakeshore and Woodbine, which keep cyclists safe. This is how we're working to make sure that public transit is available for all and that people can get where they need to go, quickly and safely, while reducing pollution. It's a part of the Government's Investing in Canada Plan.

Over \$2.8 billion is also allocated for investments in Green Infrastructure in Ontario, for projects that reduce emissions, build resilience to the impacts of climate change, or provide additional environmental benefits such as clean air and clean water. For example, the Government of Canada contributed \$384 million to the Toronto Port Lands Flood Protection Project to protect residents and businesses. The Government of Ontario and Canada are working together to fund priority projects that will help reduce pollution and grow the economy.

Canada is investing in electric-vehicle charging stations to help people drive to more places, with low-emission vehicles. Natural Resources Canada's Electric Vehicle and Alternative Fuel Infrastructure Deployment Initiative gave \$1.2 million to install electric-vehicle charges across the Greater Toronto Area (GTA) and southern Ontario, from Niagara Falls, to London, to Pickering. The Initiative has also made investments in hydrogen and natural gas fueling stations.

Investing in new technologies is also critical to Canada's economic and environmental plan. For example, Morgan Solar received almost \$3 million to support the development of products that provide solar power for large buildings.

Specific initiatives to increase resilience to climate impacts within Ontario include community-based climate-risk assessments, address the impacts of extreme events to the shores of Lake Huron, and build the resilience of nature and wildlife in addition to developing a regional climate organization to work with the Government of Canada's Canadian Centre for Climate Services. Furthermore, the Government of Canada is investing \$44.84 million for the Great Lakes Protection Initiative, protecting the world's largest body of fresh water for swimmers, boaters, and wildlife.

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- 1 The Government of Canada will propose amendments to the Income Tax Act to allow for these payments to be made.

 - 2 Individuals will indicate on their tax return whether they reside in a rural area. Ontario has 16 census metropolitan areas: Barrie, Belleville, Brantford, Greater Sudbury, Guelph, Hamilton, Kingston, Kitchener-Cambridge-Waterloo, London, Oshawa, the Ontario part of Ottawa-Gatineau, Peterborough, St. Catharines-Niagara, Thunder Bay, Toronto, and Windsor.
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Date modified:

2018-11-20



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

House of Commons Debates

VOLUME 148 • NUMBER 279 • 1st SESSION • 42nd PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Monday, April 16, 2018

Speaker: The Honourable Geoff Regan

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HOUSE OF COMMONS

Monday, April 16, 2018

The House met at 11 a.m.

Prayer

PRIVATE MEMBERS' BUSINESS

• (1105)

[*English*]

OPPORTUNITY FOR WORKERS WITH DISABILITIES ACT

Hon. Pierre Poilievre (Carleton, CPC) moved that Bill C-395, An Act to amend the Federal-Provincial Fiscal Arrangements Act, be read the second time and referred to a committee.

He said: Mr. Speaker, work is a basic human need. Its wages feed, clothe, and shelter us. It offers the pride and purpose of doing something valuable for others. Work makes us a living. It also helps us to make a life. That is why almost a million Canadians with disabilities work—including about 300,000 with severe disabilities, according to Statistics Canada—but the system effectively bans many more from working. It is called the “welfare wall”, and here is how it works.

When people with disabilities earn a paycheque, governments sharply claw back supports for income, housing, medications, and other help. These clawbacks, plus taxes, mean that often people are poorer when they work more. They are stuck behind the welfare wall.

For example, if a person with disabilities who is earning the minimum wage in Saskatchewan goes from working part time to working full time, he would see his take-home pay drop from \$21,600 to \$21,500 on an annual basis. That is right: he is working double the hours and making less money at the end of the year.

Just read the social assistance website in New Brunswick:

For example, a single mother with one child may receive \$861 each month. If she has no income at all, she would receive the full \$861. If she has income of \$300 a month, then she would receive \$561 in social assistance.

Therefore, she makes \$300 and immediately loses \$300. It is like a tax rate of 100%, and that does not include other taxes, such as income taxes, payroll taxes, and gas taxes to drive to work, or clawbacks of non-cash benefits such as housing and medication. When all of these different work penalties are added together, many have a negative wage for working.

Mark Wafer, who hired 200 workers with disabilities at his Tim Hortons shops, once asked an official with the Ontario government, “What is the best way to get off disability assistance?” She replied, “Die”.

That is not just the experience of an entrepreneur talking to government; that is the insight of Canada's former chief statistician, Dr. Munir Sheikh, who wrote:

... in Canada, many inappropriate tax-transfer policies have helped to condemn people to being trapped behind low-income and poverty walls and, rather than improving social mobility, may have worsened it: we refer to it as the Zero Dollar Linda model following the work of social policy expert John Stapleton, who examined the incentives that caused a Toronto woman, Linda Chamberlain, to return to social assistance after a successful attempt to rejoin the workforce.

Chamberlain's story is a tragic one. “After three decades of battling schizophrenia and homelessness and poverty, Chamberlain finally got a job”, wrote *Toronto Star* columnist Catherine Porter. As a reward, the government boosted Linda's rent almost 500% and cut her disability payment, making her \$260 a month poorer because she worked. Therefore, she had no choice but to quit and remain in poverty on social assistance, ironically at greater cost to the system.

Linda is not alone. Statistics Canada surveyed people with disabilities who were not in the labour force even though they indicated they could work or had worked in the past. I quote Statistics Canada's findings: roughly 94,000 people reported that if they were employed, they felt they would lose additional support. About 82,000 people reported that they expected their income to drop if they worked.

It is time to knock down this welfare wall. It is time to allow people to earn a living. It is time to pass Bill C-395, the opportunity for workers with disabilities act.

This legislation would require governments to permit these workers to keep more in wages than they lose in clawbacks and taxes. It would do this through measurement, action, and enforcement.

Private Members' Business

First is measurement. The bill would require Finance Canada to calculate how much governments take away in taxes and clawbacks of income, housing, medication, and other help for each thousand dollars a worker with disabilities earns. This calculation would only use publicly available tax and benefit rules, not personal financial information.

Second is action. If the calculation shows people were losing more than they gained from work, within 30 days the finance minister would have to identify and report to Parliament changes to tax and benefit programs that would fix the problem. He might adjust federal disability tax credits, the CPP disability plan, or any other federal measure to make work pay.

Third is enforcement. Provinces must already meet numerous existing federal conditions in exchange for billions of dollars in federal transfer payments. This legislation would add one more condition that would require provincial taxes and benefits to always allow people with disabilities to gain more than they lose from work. To be clear, the federal government would not dictate how provincial policies work; rather, it would instill one simple principle: do not punish people with disabilities for working. Provinces would have total liberty in how they instill this principle.

For example, in British Columbia, people used to lose their drug coverage if they got a job and left welfare. That is not the case anymore. Economist Kevin Milligan, who advised the governing party on its platform, wrote, B.C. "replaced an 'all or nothing' program for social assistance recipients with one that is income-tested and more gently smoothed out as incomes rise. This had the effect of removing a very tall 'welfare wall' that provided a disincentive to work for people on benefits." Similar solutions can allow other Canadians to get jobs without losing life-saving medications.

Respecting the bill and allowing people with disabilities to work could save taxpayers money. Data from the Ontario government showed that if one person on disability assistance gets a \$17-an-hour job, the government saves \$14,000 in benefits and collects an extra \$1,000 in taxes. Imagine what we would save if we knocked down the welfare wall and freed tens of thousands of workers with disabilities to earn a living and escape poverty.

Speaking of poverty, the best anti-poverty plan is a job. If an individual is of working age but lives in a household where no one works, that person has a 50% likelihood of living in poverty today. However, if an individual works full-time year-round, that person will only have a 3% chance of being poor.

The same is true for people with disabilities, who generally have a higher poverty rate. However, people with disabilities who are employed are only 8% likely to be below the poverty line. Let me give the House a startling example.

Let us put two people side by side, one who has a disability and a job and the other who has no disability and no job. The second person is more than twice as likely to be below the poverty line, which shows that it is joblessness more than disability that causes poverty, and it is not just material poverty.

While we are always told how dangerous it is to overwork, we often forget the greater danger to health and happiness of not

working at all. Allow me to quote former *British Medical Journal* editor Dr. Richard Smith, who said, "Unemployment raises the chance that a man will die in the next decade by about a third. The men are most likely to die from suicide, cancer, and accidents and violence. ... Separation, divorce, and family violence are also linked with unemployment."

● (1110)

He went on, "But it is mental health that is most harmed by unemployment. The unemployed experience anxiety, depression, neurotic disorders, poor self-esteem, and disturbed sleep patterns, and they are more likely than the employed not only to kill themselves but also to injure themselves deliberately."

Dr. Diette, a Washington and Lee University economist, wanted to determine if unemployment causes bad mental health or if it is just the other way around. He studied the mental health of people who had never before experienced serious psychological distress. Those who went on to lose their jobs later became at least 125% more likely to suffer such psychological distress than those who kept working.

Elsewhere, researchers tested 1,000 laid-off Danish shipyard workers for psychiatric symptoms during a three-year follow-up period. He found these workers suffered worse mental health results than other workers who kept their jobs at a different shipyard. Here we have a very large sample size of people in the same country and in the same industry. Those who were not working went on to suffer far worse mental health than their counterparts who continued to have jobs.

Some would say, "Of course unemployment harms health and happiness. People without jobs are stressed about money", but that is only part of the story. University of Zurich economist Dr. Winkelmann found that life satisfaction for unemployed German men was significantly lower on a scale of 1 to 10 than for working German men, even when their total incomes were the same. How can this be? We are always told that work is a necessary but miserable slog, and we would all be happier retiring at 30. Trendy TED talkers are always talking about this amazing future when robots will do all the work for us, yet evidence proves that people are happier and healthier working, even when money is no issue.

Why is that?

First, it is because work makes us valuable to others. Tibet's Nobel Prize-winning spiritual leader, the Dalai Lama, and the American Enterprise Institute president wrote together that virtually all the world's religions teach us that diligent work in the service of others is our highest nature and thus lies at the centre of a happy life. In one shocking experiment, researchers found that senior citizens who did not feel useful to others were nearly three times as likely to die prematurely as those who did feel useful. That is especially true for people with disabilities, whose skills and contributions are often undervalued by ignorant attitudes and small-minded people.

Second, work connects us to one another. A workday is a constant flow of exchanges of goods, services, emails, phone calls, handshakes, questions and answers that link us together, and in each of these exchanges a worker is important to someone else. That is especially true of people who might be isolated and lonely. Their work colleagues form a social network, and even a family. A worker matters to his colleagues. He has a name, and as the *Cheers* jingle taught us so many years ago, sometimes we want to go where everybody knows our name.

Third, work puts us in control of our lives, which is a basic human need. "One of the most prevalent fears people have is losing control", wrote psychologist Dr. Elliot Cohen. Welfare surrenders our control to a system in which politicians we do not know make decisions that shape our lives. Through work, however, we take control of our lives. We do, rather than being done to. We become active players, not passive observers. We are the independent authors of our lives.

For these reasons, work is a blessing, not a burden. A system that robs people of this blessing is not only foolish but inhumane. Therefore, let us knock down this welfare wall and open up opportunity for people with disabilities to earn a great living and live a great life.

• (1115)

Mrs. Celina Caesar-Chavannes (Parliamentary Secretary to the Minister of International Development, Lib.): Mr. Speaker, my hon. colleague mentioned Mark Wafer, who is from Whitby, my riding. I had an opportunity to hear Mark speak a number of times about the importance of hiring individuals with disabilities not for the benefit of the company, because they get some kind of arbitrary credit, but because individuals with disabilities often work harder. They are not often late for work. They are dedicated individuals. Therefore, I appreciate the comments my colleague made.

However, we will be introducing in Canada a disabilities act with the Minister of Sport and Persons With Disabilities and our parliamentary secretary. We have done over 6,000 consultations. I did one in Whitby at the Abilities Centre. We heard a lot from individuals who said, quite frankly, that they would like to have a job and would like to not have the clawbacks. I wonder if and how my colleague is working with the minister and our team to ensure this particular idea of an incentive is embedded in the legislation we are developing.

• (1120)

Hon. Pierre Poilievre: Mr. Speaker, that is a very good question, and I will address the two questions in reverse order. I have reached out to the current public services minister, who was the disabilities

Private Members' Business

minister, to discuss this bill. She was very receptive. However, she was obviously unable to commit to government support, or opposition. I am looking forward to seeing the government's bill with respect to making workplaces more inviting to people with disabilities. I am sure there will be many good measures included in that bill.

The member also pointed to Mark Walker's success at employing people with disabilities, to great profitable success in the six Tim Hortons that Mark Walker owns. All of the performance metrics were higher because of, not in spite of, the fact that about 200 of his employees have disabilities. The service at the window was faster at the Tim Hortons that Mark Walker runs than it was on Camp Day when all of us politicians go to work at Tim Hortons. It was actually about half of the service time when persons with disabilities were doing the work than when the bigwigs like us were standing there trying to figure out how to do it. In the United States, Randy Lewis of the huge Walgreens distribution centre and the ruthlessly profitable business that it runs, became one of the most profitable in the company's entire ecosystem when 1,000 people with disabilities went to work there.

Again and again, we underestimate people. This bill gives them a chance to prove all of their worth to contribute and be their best.

[*Translation*]

Ms. Christine Moore (Abitibi—Témiscamingue, NDP): Mr. Speaker, as everyone probably knows, there are costs associated with working, such as the cost of transportation and, for working parents, the cost of child care. Does my colleague believe our tax system should be set up to ensure that working never costs more than not working and that working is always worthwhile, regardless of an individual's personal circumstances? Unfortunately, sometimes that is not the case.

Does my colleague believe that basic principle of taxation should inform all our policies?

Hon. Pierre Poilievre: Mr. Speaker, I thank the hon. member for her question. First of all, I would like to make it clear that the government should never punish people who work. It should never take back more than a dollar for each dollar a person earns.

The system we have in Canada right now can make things better or worse, depending on the province and the individual situation. In some cases, people end up worse off when they decide to work, increase their hours, or get a raise. I think we can all agree that nobody should ever be in a situation where the effective tax rate exceeds 100%. That does happen in some cases in this country. The finance minister should do the math to make sure nobody ends up being penalized for working.

Mr. Stéphane Lauzon (Parliamentary Secretary for Sport and Persons with Disabilities, Lib.): Mr. Speaker, I am pleased to take part in the debate on Bill C-395, an act to amend the Federal-Provincial Fiscal Arrangements Act.

Private Members' Business

The bill raises an important question: what can we do to encourage people who are not currently in the workforce to enter and remain in it? In the context of this legislation, how do we ensure that measures are put in place to encourage persons with disabilities to work, if they so wish?

[English]

Canada's future progress depends on making sure that every Canadian has an equal and fair chance at success. We need to ensure that the benefits of a growing economy are felt by more and more people with good, well-paying jobs for the middle class and everyone working hard to join it. The number of Canadians in low-wage jobs is high by international standards. Many of these workers struggle to support their families and afford basics like healthy food and clothes for growing kids.

• (1125)

[Translation]

That is why budget 2018 introduces the new Canada workers benefit, for example. This measure, which replaces the working income tax benefit, will help low-income workers keep more of their income. With this benefit, the government is also proposing an increase in the disability supplement in order to provide more assistance to Canadians who wish to enter the labour force and face financial barriers because of their disability. The Canada workers benefit will help lift approximately 70,000 Canadians out of poverty by 2020. It will encourage more people to join the workforce.

[English]

Whether this extra money is used for things such as helping to cover the family grocery bills or buying warm clothes for the winter, the improved benefits will help low-income working Canadians to make ends meet.

Furthermore, starting in 2019, the government will also make it easier for people to access the benefits they have earned by making changes that will allow the Canada Revenue Agency to calculate the Canada workers benefit for any tax filer who has not claimed it. Allowing the Canada Revenue Agency to automatically provide the benefit to eligible filers will be especially helpful for people with reduced mobility, people who live far from service locations, and people who do not have internet access. As a result, everyone who can benefit from the Canada workers benefit will receive it when they file their taxes, and an estimated 300,000 additional low-income workers will receive the new Canada workers benefit for the 2019 tax year because of these changes. Combined with previous enhancements, our government is investing almost \$1 billion in new funding per year to help low-income workers get ahead.

In addition to the new Canada workers benefit, the federal government has provided the refundable medical expense supplement to improve work incentives for Canadians with disabilities. This supplement helps to offset the loss of coverage for medical and disability-related expenses when individuals move from social assistance to the paid labour force.

The intention of ensuring that a financial work incentive exists for Canadians with disabilities is strongly supported. That is why the government is taking action to achieve improvements in labour market outcomes for persons with disabilities. However, while it is

obviously desirable to ensure that social assistance programs preserve an incentive to work, the provision of social assistance for the working age populations, including for persons with disabilities, is primarily a provincial and territorial area of responsibility. Of course, the federal government has an interest in ensuring that its policies preserve work incentives and has collaborated with the provinces in this area. In recognition of the important role played by provinces and territories in providing basic income support, our government has worked with them to make province-specific changes to the design of the working income tax benefit to better harmonize with their own programs. Quebec, Alberta, British Columbia, and Nunavut have already taken advantage of this opportunity. Moving forward, our government will continue to work with interested provinces and territories to harmonize benefits under the new Canada workers benefit and to help support the transition from social assistance and into work.

• (1130)

[Translation]

Another noteworthy measure in budget 2018 is a new pre-apprenticeship program that would help under-represented groups in the economy, including women, indigenous peoples, persons with disabilities, and newcomers, explore the trades, gain work experience, and develop the skills needed to succeed.

After 20 years experience in teaching and professional development, I can say that the future is bright and there will be jobs for these people. This program will benefit many people, especially those who need it the most.

As the hon. member probably knows, the government is also committed to providing Canadians more information on the practices of federally regulated employers. This transparency will contribute not only to shedding light on leaders in matters of pay equity, but also to putting pressure on employers responsible for the wage gaps that affect women, indigenous peoples, persons with disabilities, and visible minorities.

We are also introducing in the House a new bill on accessibility, which will seek to improve accessibility and opportunities for Canadians with disabilities in sectors under federal jurisdiction by removing the barriers these people currently face.

[English]

The new legislation will build on a series of Accessible Canada consultations that we held across the country.

[Translation]

As a government, we understand the importance of helping Canadians remove the obstacles to economic development. That is why fairness and equality are at the forefront of budget 2018, which contains new investments to help those who need it most.

Private Members' Business

I urge the member from Carleton to support these measures and the upcoming accessibility bill because they are good for Canadians with disabilities and millions of other Canadians.

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, I would like to thank my colleague from Carleton for introducing Bill C-395. I believe that this bill addresses a gap in the tax system known as the “welfare wall”, a fairly well-known economic principle. It occurs when those who are receiving social assistance or people with disabilities, as we are talking about here, want to enter the workforce but will lose money to taxes or benefit clawbacks by doing so.

I do not think that this is a result of any level of government acting in bad faith; rather, I think it is an indication of the complexity of our tax system. It is becoming so complex that, despite our best efforts, we have introduced unintended effects into the system that penalize people who want to re-enter the labour market.

I will vote in favour of the bill at second reading so that we can study it at committee. I have questions about some aspects of the bill, such as whether the financial implications for different levels of government are those suggested. I believe that will be the case, but we will be able to do a more in-depth analysis at committee.

This is an example of the left and the right being able to work together because we have a common interest. I believe that we have the greater good at heart. We want to help people who want to work, in this case, once again, people with a disability. Support for the bill introduced by the member for Carleton has come from progressives and Conservatives, including a former representative of the Canadian Tax Foundation, the Canadian Association of Social Workers, Jack Mintz, and Ian Lee, who will never be taken for progressives, as well as the Canadian Association for Supported Employment. The entire political spectrum is represented on this long list of supporters, which clearly indicates that we have a social consensus.

I am saddened by the government's attitude. If I am not mistaken, my colleague, the parliamentary secretary, said that the government will not encourage support for this bill, at least at second reading, which I find very disappointing. The bill by the member for Carleton is clear. It would amend the Federal-Provincial Fiscal Arrangements Act. The various levels of government are subject to conditions with respect to social transfers and health transfers, and these conditions help address any problems that may arise or any issues regarding how different governments use the transfers. When the federal government is able to punish persons with disabilities who want to return to the job market, this will be addressed at the federal level, and it must also be addressed at the provincial level. I am saddened that the speech I just heard had nothing to do with the bill itself, and instead had to do with government measures, since at the end of the day, this bill is worthy of consideration.

If the bill passes, there will be three requirements. The first has to do with the Minister of Finance.

• (1135)

[English]

Finance Canada will be asked to calculate the level of taxation and the loss of benefits that would be incurred by the person with a

disability in going back on the job market and having a job and wages. Following that, if the earned income is lowered by the effect of taxation and the loss of benefits, then Finance Canada would have to modify or amend in some form the working income tax disability supplement. The same would be asked of the provinces through that modification and the agreement between the federal government and the provincial governments for the social transfer. It is that simple. That is all that is asked here.

[Translation]

I do not see why the government would not study this new measure, which would complement what it proposed in its last budget. At the end of the day, I worry that the government is telling us it can do better than this bill. Personally, I really doubt it.

I introduced Bill C-274 in the House of Commons to fix a specific problem with the transfer of SMEs and family farms. I managed to secure the support of many members. The Conservative Party was on board, as were the independent members and, in theory, 15 to 20 Liberal members. Then the Minister of Finance released a cost estimate for the bill. The tax specialists I had been dealing with had estimated that my bill would cost between \$75 million and \$100 million.

During the final week of debate, however, the government pulled a rabbit out of its hat and claimed the bill would cost between \$800 million and \$1.2 billion in lost revenue. That scared off a lot of Liberal backbenchers. Several of those who had initially supported the bill and acknowledged the existence of the problem my bill was trying to fix decided to vote against it.

The Department of Finance misled the members of the Liberal Party, because in a report on the fiscal impact of my bill that was published two months after the vote, the Parliamentary Budget Officer put the fiscal revenue shortfall at about \$150 million, not \$800 million to \$1.2 billion as the finance department led the House to believe.

The government tends to completely ignore positive legislation brought forward by the opposition, especially on fiscal matters. It is trying to undermine the members of the House by systematically refusing all opposition-led tax bills, whether they are proposed by the official opposition or other opposition parties.

In our consideration of Bill C-395, however, we are working on the particular issue of Canadians who are struggling to get over the welfare wall.

Private Members' Business

•(1140)

[English]

The welfare wall exists, and we need to attack it where we can, federally and provincially. It makes no sense.

My colleague, the member for Abitibi—Témiscamingue, actually showed that this is a principle that should be applied everywhere in our tax system. It should be applied, because it makes sense in terms of creating incentives for people with disabilities or people on social assistance or people who want to find an opportunity to work. We need to give them every single opportunity to do so.

Creating walls and keeping a state of affairs where people going to work actually lose money and benefits because they are going to work makes no sense. It is our duty as parliamentarians, it is our duty as people who have been elected by our constituents, to ensure that we correct these problems. The bill tabled by the member for Carleton aims to do exactly that.

I will be asking the government to look at this bill and to send it to committee to ensure that the objectives targeted by this bill would be achieved. This would actually be a positive contribution by this Parliament. It would ensure that people who want to gain some dignity by going back to work and being able to contribute socially in their communities would not be penalized and would not suffer from the shortcomings of our own legislation when we adopt tax measures provincially and federally.

I encourage all members of Parliament in this House to vote in favour of this bill and to send it to committee to try to see what we can do for people with disabilities who want to gain dignity by joining the job market.

Mrs. Shannon Stubbs (Lakeland, CPC): Mr. Speaker, I support Bill C-395, the opportunity for workers with disabilities act, put forward by my colleague, the member for Carleton. I want to thank him for his steadfast and exceptional advocacy for accountability to taxpayers and for economic freedom, security, and opportunity for all Canadians, especially the vulnerable and disadvantaged. His bill could benefit many Canadians who have different barriers than others in their day-to-day lives.

The bill would mandate Finance Canada to calculate how much people with disabilities currently lose in taxes and clawbacks as a result of each additional income of \$1,000 they earn, up to \$30,000, on a province-by-province basis. If there are cases where clawbacks are higher than the employment income, the finance minister can review possible changes to the federal tax and benefits system so people with disabilities are not worse off or get paid simply less because they are working. The finance minister would then consult with each province to fix the problem. Of course, the federal government puts conditions on provincial programs and services all the time.

I support Bill C-395 because every Canadian has value and every Canadian with disabilities who wants to work and is able to do so should be able to maximize his or her opportunities without penalties or barriers from government. Meaningful work is important for well-being, a sense of dignity, for a fulfilling life, and it should be a public policy priority to support people with disabilities who want and are able to work.

Unfortunately, Canadians with disabilities often struggle to secure employment or when they do, government policies stop them from being able to fully benefit from their efforts and endeavours.

According to a 2012 Statistics Canada report on persons with disabilities and employment, the last report done on this subject, the employment rate of Canadians aged 25 to 64 who have a physical or mental disability was 49%, compared to a 79% rate of those without a disability.

In my home province of Alberta, people with disabilities who do work often lose \$1.15 for every new dollar they earn under the current system. The assured income for the severely handicapped, or AISH, is Alberta's program supported by the Canada social transfer. This separate supplement income program acknowledges the unique financial costs and significant barriers that only this exceptional group of people face.

Currently, an Albertan living with a disability can receive a standard living allowance of almost \$1,600 monthly through AISH. Like many provincial income programs for the disabled, the financial benefit decreases as earned income increases. Of course, an individual living with a disability who is able to work full-time may not receive the same level of support as someone who cannot work at all or who struggles to be accommodated by prospective employers.

Right now in Alberta persons with disabilities in the AISH program can only earn a certain amount before their payments are reduced. Under Alberta's AISH employment income exemption calculation, a single person on the AISH program can only earn up to a maximum of \$800 before his or her payments are clawed back monthly. Once a person earns just over \$2,700 monthly, he or she no longer receive an AISH benefit at all. That is a salary of \$32,000 a year with no additional benefits. However, the reality is that people with disabilities often have an additional set and scope of costs and requirements for survival, never mind to thrive, in their daily lives and for their whole lives that people without disabilities can not imagine.

Canadians with the same income who are not disabled already struggle to make ends meet. People with disabilities who can and want to be included in the workforce should not lose benefits that are specifically designed to support their disabilities.

A notable exception about Alberta's program, through recent improvements by both the former PC government and the current NDP one, is that it is actually significantly more generous when compared to other provinces.

Ontario, for example, has the Ontario disability support program where a single person with a disability can earn a maximum financial benefit of only just over \$1,100 monthly. The benefit is based on family status, providing more if a disabled person has dependants.

Private Members' Business

British Columbia has the person with disability program under B. C. employment and assistance, which is also based on family status. A single person can only receive just over \$1,100 per month.

This scenario means there is virtually no financial incentive for disabled people to work. The more they work the less money or benefits they receive, even if they have a low-paying job. If there is no benefit for disabled people to work because they may get paid more if they do not, then what incentive is there for them to go to work and why should they be punished for wanting to contribute to society and for doing something that is fulfilling and meaningful and fulfilling?

The current system therefore presents a unique problem. In "The Dignity Deficit", Arthur Brooks says, "We feel a sense of dignity when our own lives produce value for ourselves and others. Put simply, to feel dignified, one must be needed by others."

Involuntary unemployment can be extremely damaging to a person who wants to work. Studies conclude that compared with people who are employed, unemployed people can experience mental health issues, which is not just highly correlated but tied directly to their lack of work. Many struggle with depression and have lesser physical well-being generally. Unemployed people are more likely to cope by drinking, smoking, and using drugs.

• (1145)

It is often assumed that these physical and mental challenges are the cause of unemployment, but there is a growing body of evidence that suggests that the relationship is also the other way around and that for people with disabilities, those who are able to work, are more healthy mentally and emotionally, benefiting from a sense of self-worth from gainful employment, than people with disabilities who can work but do not.

Brooks says, "Involuntary unemployment saps one's sense of dignity." Receiving employment insurance or disability benefits does not actually help disabled people who want to work. It is backward and perverse for a government system to disincentivize it or claw back fundamental supports for those who do.

I am passionate about this issue in part because of my personal experience with people with disabilities. In university, I volunteered with the Little Bits Therapeutic Riding Association at the Whitemud Equine Learning Centre in Edmonton. I got to know adults and children with cognitive, developmental, mental, and physical challenges, originating from birth, from tragic accidents, and from diseases and illnesses. They and their families and guardians had a major impact on me. Many of them would not be able to work. They depended completely on a network of family, friends, public and private support systems, and programs. However, there were those who could work, and did, and who made all kinds of contributions through work and volunteerism. They should not be penalized for meaningful employment or profitable entrepreneurialism, and for their efforts to advance and support themselves. All of them, those who could work and those who could not, also contributed to my life, my perspective, and my well-being in ways I am sure they never knew.

In Lakeland, the Vegreville Association for Living in Dignity is a not-for-profit association that helps support people with develop-

mental disabilities to have opportunities for success and personal growth by promoting the development of communication and cognitive and motor skills through participation in work and in many initiatives and events in the community.

VALID has long-standing partnerships with businesses for employment positions, and with charities for volunteer activities in Vegreville. For more than 20 years, VALID's program with the immigration case processing centre secured work placements for three to five, and sometimes more, disabled people every year. These opportunities will soon be taken away from workers with disabilities in CPC Vegreville because despite an outpouring and herculean effort to stop it by employees and their families, union reps, and elected representatives at all levels and of all parties in Alberta, and right across the country, the Liberals are closing the office in September 2018.

That closure will eliminate hundreds of much-needed jobs in Vegreville, with wide-ranging and significant economic and social consequences for the town and region. The Liberal closure will end decades of consistent and predictable employment opportunities for adults living with disabilities in and around the town and end all fundraising by the employee champions for local charities and not-for-profit associations that help the disadvantaged, needy, and vulnerable through their contributions to workplace charitable campaigns.

The immigration department said that the new office in Vegreville would accommodate 312 employees, only a maximum addition of 32 positions. Vegreville could have expanded for them and for more jobs or placements for people with disabilities.

It is a huge loss that was imposed with no consultation and no economic impact assessment. The cost study the Liberals hid for a year showed it would cost millions more. Nothing ever actually prevented them from opening an office in Edmonton. They have never proven the case why the Vegreville office has to be closed, not to the whole team of employees who consistently outperform targets and backstop other offices, not to the 76% of employees there who are women, and not to the people with disabilities who will no longer have opportunities for worthwhile and meaningful work there.

Canadians with disabilities should be able to exercise their talents, abilities, and ambition to pursue and attain employment and entrepreneurial opportunities when they can and want to. Governments should not penalize them for doing so. The aim of Canadian public policy should be to enable and empower people with disabilities to enjoy meaningful work without barriers and to thrive, not take away incentive from their drive to work and pursue their goals.

Private Members' Business

That is why I support Bill C-395, and all members should support it. It is a focused, specific, and necessary initiative to actually deliver in policy on all the words and intentions elected representatives often share about compassion and about supporting diversity, abilities, and inclusions. The Conservatives mean those words, are acting on those words, and I am sure the Liberals will support it.

• (1150)

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Mr. Speaker, it is an honour to join in the debate on the opportunities for workers with disabilities act. I would like to take a moment to share with this place an example of why I believe this is a needed and helpful measure for many who are disabled.

Most provincial disability programs are obviously capped at a certain amount. For the sake of an example, and this is not the example I am using from British Columbia, let us say an individual's provincial disability assistance is \$1,200. Unless one has the benefit of being subsidized, rent for housing takes a very good portion, if not almost all, of that monthly amount. For many who are disabled there is simply not enough funds left over to pay utilities, buy groceries, toiletries, and other basic items. For many, the only other option is to find some work, and this is where it gets interesting.

Any income generated independently of social assistance support in some regions may be deducted dollar for dollar. That means if an individual were to earn an extra \$800 working part-time, once that additional income is deducted dollar for dollar, the net income is the same \$1,200. In other words, that individual is no better off working at all. That is what gets to the heart of this legislation. In order for someone on disability to come out ahead, that individual would have to earn at least \$1,300 or more, getting into the range of almost full-time, which for many who are on disability may not be practical or even an attainable solution.

Fortunately, most provinces have developed some income earning exemptions for those on disability. In my home province this is now \$1,000 for a single person on disability. Most would agree that is a positive. We all know that having a job provides more than much-needed additional income. It provides a sense of value and it helps restore confidence.

A retired public servant who has spent many years working with disabled citizens once shared with me some interesting observations. From his perspective, the importance of learning what one can do with a disability as opposed to what can no longer be done is an important part of moving forward.

His other observation was that time was of the essence. The sooner a person is able to return to the workforce in some way, the odds are more likely that person will remain actively engaged in the workplace. Being engaged and productive and finding ways we can achieve that is something government policy should always encourage.

Knowing that in some regions a person with a disability can be adversely impacted by returning to the workplace in any way goes against the principles that help promote a positive and potentially more productive lifestyle. For those of us who are not disabled, our net take-home pay will generally always ensure we come out ahead. This principle should be no different for those who are disabled.

When I think of the observations from that retired civil servant, what the bill proposes would help to ensure that the framework would be in place. That is a positive and it is one of the reasons why I support the bill.

I would like to thank and commend the member for Carleton for bringing forward this important legislation. I am not sure of the member's original reasons for getting involved in this area, but he has been a champion for the Canadian National Institute for the Blind. He has been a champion locally for people with disabilities. I am sure it is in part due to his exposure to some people that he has been able to realize he adds unique contributions to this place and his contributions are forwarded by the same. I give him full credit as he continues to stand up for people with disabilities to ensure they can participate meaningfully.

I would like to beg the House's indulgence for a moment on a related subject that is also of concern and is all too often overlooked. To be clear, the bill would create new opportunities to help disabled Canadians. However, from my experience, and perhaps from the experience of other members here, there are those citizens who have barriers, be they mental or physical, that prevent them from securing employment. In some cases, these people are not able to secure disability status. It could be because of a lack of capacity, or as is common in my region a doctor shortage, and that can make it extremely difficult for a marginalized person to receive the required medical certification to qualify for disability status.

• (1155)

That is not something we can directly fix with a private member's bill from this place. Health care, as we know, is a provincially delivered service. However, one thing we have done in this place is to make Canada a less attractive location for new doctors. Recent tax changes, including to personal income tax rates, will result in many doctors having a reduced net take-home pay. That is not helpful in physician recruitment, and it is definitely not helpful for retaining those physicians. I mention these things because I believe it is important to recognize the role of doctors and physicians in establishing disabled status.

Getting back to the bill, I would like to thank all members in this place for taking the time to hear my comments today. I believe it is fundamentally important to find ways we can help disabled Canadians, and this bill is one of the steps we can take together. I would hope that the members here, as well as our colleagues who are trying to travel to Ottawa through ice storms and whatnot, will consider these arguments and support the initiative of the member for Carleton. This is an important step for ensuring that every single Canadian from coast to coast to coast has the same benefit and the same principle to participate meaningfully in the workplace, earn some more income, feel the pride of being more self-sufficient, and not be subject to government clawbacks, which oftentimes make very little sense to the people who are subject to them, or to many of us in this chamber.

*Government Orders***GOVERNMENT ORDERS**

[Translation]

Ms. Christine Moore (Abitibi—Témiscamingue, NDP): Mr. Speaker, I am very happy to have an opportunity to speak to this bill, which is important to understanding the situation many people face on a daily basis. For instance, some couples, when one of them has a disability and is not currently working, have to crunch the numbers before accepting a job. A number of considerations come into play when deciding whether it is worth it to go to work. Transportation costs, for one, are a factor that must be considered and so are day care costs, if the couple has children, since staying at home saves on this expense. A number of factors come into play in the calculation. Furthermore, many benefits are lost once a certain income bracket is reached. For instance, the amount of family allowance payments goes down as income goes up. This can have a significant impact considering all the benefits. In Quebec, the public drug insurance plan covers people who are not working. People who work are obligated to join the drug plan offered by their employer, and that plan is sometimes a lot more expensive than the government plan. Choosing to go to work can have significant financial consequences.

When you add up all the money people do not have to spend when they are not working but do have to spend when they are, and then you factor in lost benefits, the tax rate, and rising costs of various services they need, unfortunately for a lot of people, it is not worth having a job. That is just so sad.

Right now, we have an unprecedented labour shortage. In Abitibi—Témiscamingue, people are tearing their hair out trying to come up with ways to find workers. Many of these jobs require minimal skills, and employers are even hiring people who are not qualified at all. For many of these jobs, the only requirement is willingness to work. The situation is so dire that employers have no choice. Right now in Abitibi—Témiscamingue, businesses are closing and restaurants are cutting back their hours because they cannot find workers.

We need to figure out how to help everyone with the ability and the desire to work find those opportunities because the labour shortage is having a major impact on regional economies like mine. A bill like this one would guarantee that people with disabilities benefit from making that decision to work. I think that is so important.

Employers are left with no choice. They have to resort to non-traditional labour pools. When people do the math and realize it is not worth it to go to work, then we lose out on potential employees. Countless studies have shown how effective persons with disabilities are at work.

I will be pleased to continue my speech when we resume debate on this bill.

• (1200)

The Assistant Deputy Speaker (Mr. Anthony Rota): The time allotted for debate has expired. The hon. member will have six minutes for her speech when the House resumes debate on the bill.

The time provided for the consideration of private members' business has now expired and the order is dropped to the bottom of the order of precedence on the Order Paper.

[English]

BUDGET IMPLEMENTATION ACT, 2018, NO. 1

Hon. Jody Wilson-Raybould (for the Minister of Finance) moved that Bill C-74, an act to implement certain provisions of the budget tabled in Parliament on February 27, 2018 and other measures, be read the second time and referred to a committee.

[Translation]

Mr. Joël Lightbound (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, I am very pleased to speak to Bill C-74 on behalf of the Government of Canada, as well as our government's planned investments to strengthen the middle class and maintain the strength and sustainable growth of the Canadian economy. Budget 2018, entitled "Equality + Growth: A Strong Middle Class", represents the next stage in our plan to invest in people and the communities where they live in order to provide the best opportunities for success to the middle class and all Canadians.

The bill we are talking about today, budget implementation act, 2018, No. 1, is the next step in the plan that our government launched over two years ago. When we took office, we jumped into action by helping develop a confident middle class that stimulates economic growth and that is currently benefiting from more opportunities for success than ever. Giving Canadians the opportunity to reach their full potential is not only the right thing to do, but it is also the smart thing to do for our economy. The decision to invest in the middle class is the right decision. Targeted investments combined with the hard work of Canadians across the country have helped create good, well-paying jobs and will continue to strengthen the economy over the long term.

Canada's economy is strong and growing, and the government's finances are continuously improving. Since 2016, Canada has been leading the G7 in economic growth. It has the lowest net debt-to-GDP ratio of any G7 country, by far. The federal debt-to-GDP ratio has been firmly placed on a downward track, and based on our projections, the deficit-to-GDP ratio should also drop to 0.5% in 2022-23. Our government knows that its plan is working because Canadians are working. Over the past two years, the Canadian economy has grown and generated 600,000 new jobs, most of which are full time. Today, we have the lowest unemployment rate in nearly 40 years. These jobs have made it possible for Canadians to better meet their families' needs and better plan for their retirement.

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However, we know that there is still work to be done. We must ensure that the economy reflects the diversity of our country, a country where all Canadians can contribute to and benefit from the nation's prosperity in a significant way. Bill C-74 contains worthwhile measures. I would like to take a few moments to present a few of them, since they are an important part of our government's plan to help the middle class and all those who are striving to reach their full potential. The government believes that Canada's biggest strength is our diversity. In order to succeed in a rapidly changing world, our economy must reflect our diversity and give every Canadian real and fair opportunities to succeed.

Regarding gender equality, we know that although Canadian women today are among the best educated in the world, they earn less than men, are less likely to participate in the labour market than men, and are more likely to work part time. We believe it is time for a change. Closing these gaps and giving women equal opportunities to succeed will encourage a more inclusive dialogue on the questions that will shape our future. We know that it will also improve the quality of life of our families and communities while stimulating the economy. Simply put, when women have the support and opportunities to fully contribute to Canada's economy, all Canadians do better.

For example, the Canada child benefit is an important government initiative aimed at making a positive change for the millions of Canadian families with children. Close to 3.3 million families with children are receiving more than \$23 billion in annual Canada child benefit payments. A single mom of two children aged five and eight with a net income of \$35,000 in 2016 will have received \$11,125 in tax-free Canada child benefit payments in the 2017-2018 benefit year. Naturally, this \$11,125 is absolutely tax free. That is \$3,500 more than she would have received under the previous child benefit system.

Last year, single mothers earning less than \$60,000 a year received \$9,000 in benefit payments on average to help make things like healthy food and summer programs for their kids more affordable. Thanks to this increased support, the Canada child benefit is helping to lift hundreds of thousands of Canadian children out of poverty. Child poverty has been reduced by 40% compared with 2013.

● (1205)

By better supporting those families that need it most, including those led by single mothers, the Canada child benefit helps them give their children a good start in life by providing a safe place to live, music lessons, affordable sports camps, and all the day-to-day necessities to which every child has a right.

With Bill C-74, our government will enhance the Canada child benefit in order to ensure that the benefit is indexed to the cost of living effective July 2018, which is two years earlier than initially scheduled.

We realize that some people, especially indigenous people living in northern and remote communities, have often faced barriers when it comes to accessing essential government services and federal benefits such as the Canada child benefit. With Bill C-74, our government will take steps to ensure that anyone who is eligible for support receives it.

Through Bill C-74, the government proposes to expand outreach efforts to all indigenous communities on reserves and in northern and remote areas, and to conduct pilot outreach projects for urban indigenous communities so that indigenous peoples have better access to a full range of federal social benefits, including the Canada child benefit.

● (1210)

[English]

Now I would like to talk about the Canada worker's benefit. Canadians working hard to join the middle class deserve to have their hard work rewarded with greater opportunities for success. We know that these Canadians are working to build a better life for themselves and their families. Low-income Canadians are sometimes working two or three jobs so that they can give themselves and their children a better chance at success. That is why budget 2018 introduced the new Canada workers benefit, the CWB. Building on the former working income tax benefit, the CWB would put more money into the pockets of low-income workers. The CWB would encourage more people to join and remain in the workforce by letting them take home more money while they work.

Through Bill C-74, the government would increase the overall support provided by the CWB for the 2019 and subsequent taxation years. In particular, the government proposes to increase maximum benefits under the CWB by up to \$170 in 2019, and increase the income level at which the benefit is entirely phased out. As a result, low-income workers earning \$15,000 could receive up to almost \$500 from the CWB in 2019 than they could receive this year under the current working income tax benefit. That is \$500 to invest in the things that are important to them, and to make ends meet.

The government would also propose changes to improve access to the CWB to allow the Canada Revenue Agency to calculate the CWB for anyone who has not claimed it starting in 2019.

Due to these enhancements and intended actions to improve take-up in 2019, the government estimates that more than two million working Canadians would benefit, many of whom were not benefiting from the working income tax benefit. This would help lift approximately 70,000 Canadians out of poverty.

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With regard to small businesses, the government is also committed to providing direct support to the small businesses that create the jobs that Canadians depend on. Small businesses are a critical part of our economy, and the government is taking action to help them grow, invest, and create good, well-paying jobs. To that end, Bill C-74, proposes to lower the small business tax rate to 10% from 10.5%, effective January 1, 2018, and to 9%, effective January 1, 2019. This means up to \$7,500 in federal corporate tax savings per year to help entrepreneurs and innovators do what they do best: create jobs. Lowering small business taxes should encourage new capital investment in businesses. These investments, whether in better machinery, more efficient technology or new hires, make businesses more productive and competitive.

Bill C-74 also proposes measures to ensure that the tax system encourages corporate owners, including small business owners, to use low corporate tax rates to support their business and not for significant personal tax advantages. The first measure would reduce the ability to access the small business tax rate for small businesses with significant income from passive investments. For those earning less than \$50,000 of passive investment income each year, there will be no change in the tax treatment. Also, the tax applicable to investment income remains unchanged. Refundable taxes and dividend tax rates would remain the same.

A second measure corrects a flaw that allows larger private corporations to gain an unintended tax advantage. The measure would better align the refund of taxes paid on passive income with the payment of dividends sourced from passive income. Together, these two changes would impact less than 3% of all private corporations and provide a simpler and more targeted approach. Ninety per cent of the tax impact would be borne by households in the top 1%.

We listened and the design of these proposals is based directly on the feedback that we received during the consultations on our tax proposals. Thanks to this input, we have put forward an approach that is simpler and better targeted than what was outlined last summer. At the same time, we are doing more to help typical small businesses grow by enabling them to retain more earnings for investment and job creation through a lower small business tax rate.

To help Canadians succeed today and in the economy of tomorrow, the government is making long-term investments to grow the economy in a way that ensures good jobs, healthy communities, and clean air and water. Canadians understand that pollution is not free nor should it be. That is why putting a price on carbon pollution is central to the government's plan to fight climate change and grow the economy.

In Canada and abroad, the impacts of climate change are evident, including coastal erosion, thawing, permafrost, and increases in heat waves, droughts, and flooding. Our shared quality of life and our present and future prosperity are deeply connected to the environment in which we live.

Today, through Bill C-74, the government is taking action in order to reduce emissions by introducing the greenhouse gas pollution pricing act. Pricing carbon pollution is the most effective way to reduce emissions. It creates incentives for businesses and households to innovate and pollute less.

I would like to underline that our approach to putting a price on carbon pollution has been collaborative from the beginning. As a first step, the government worked with most provinces and territories and indigenous partners to adopt the pan-Canadian framework on clean growth and climate change in December 2016. The framework includes a pan-Canadian approach to pricing carbon pollution, with the aim of having carbon pricing in place in all provinces and territories this year. The plan provides provinces and territories with the flexibility to choose between two systems: an explicit price-based system or a cap-and-trade system. Right now, a price on carbon pollution is in place in four provinces—Ontario, Quebec, British Columbia, and Alberta—covering over 80% of the Canadian population. All other provinces have committed to adopting some form of carbon pollution pricing this year.

Four out of five Canadians live in jurisdictions that already have a price on carbon pollution, as I have mentioned, and right now those provinces are leading Canada in job creation. With that goal in mind, the government is moving ahead to ensure that a legal framework is in place for the proposed federal carbon pollution pricing system. In jurisdictions that fall short of the federal standard, the federal carbon pollution pricing system would apply on January 1, 2019, starting at a price of \$20 per tonne of emissions. The direct revenue from the carbon charges on pollution under the federal system would go back to the province or territory of origin.

On an annual basis, the provincial and territorial systems in place would be assessed by the Government of Canada against the federal standard. By putting a price on carbon pollution, Canada is joining 67 other jurisdictions that have already taken this important step to curb greenhouse gas pollution. Together, those jurisdictions represent about half of the global economy and more than a quarter of global GHG emissions, according to the World Bank's November 2017 report, "State and Trends of Carbon Pricing 2017".

Putting a price on carbon pollution would help put Canada on a course to meet our 2030 emissions target, in combination with other complementary clean growth measures under Canada's clean growth and climate action plan. It makes sense not only for our shared environment, but also to strengthen our growing economy.

Government Orders

•(1215)

[Translation]

This bill represents the next steps in the government's plan to put people first by giving them the help they need now, all while investing in the years and decades to come.

In order to remain competitive and successful in the global economy, every Canadian must have the opportunity to contribute to our prosperity and to benefit from it. As we continue to grow and strengthen the middle class, we are making significant progress in terms of equality of opportunity, to ensure that the next generation of Canadians can share in a prosperous middle class; a more innovative, creative, and competitive knowledge-based economy; and environmental protections.

[English]

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Mr. Speaker, before I comment on my colleague's speech, I would like to draw attention to the fact that all of us in this House today are standing with the families of the Humboldt Broncos team, the unspeakable tragedy that occurred just days ago. We want them to know that our thoughts and prayers are with them. We are so grateful for the outpouring of support that has occurred.

In relation to the comments of my colleague, he failed to mention that the government is actually raising taxes on more than 90% of middle-class families. He also failed to mention that we are paying \$26 billion in interest alone to carry the national debt, which will rise to \$33 billion in just a few years. This year alone another \$18 billion is being added to that national debt.

Could my colleague inform this House as to when the budget will be balanced? We were promised during the campaign that the budget would be balanced by 2019. Now we understand that it could be as late as 2045. I wonder if my colleague could enlighten this House as to when the budget will actually be balanced.

•(1220)

[Translation]

Mr. Joël Lightbound: Mr. Speaker, I want to echo my colleague's sentiments about the recent tragedy. My thoughts and prayers are with the victims and the community as a whole. I think all members of the House share these sentiments.

As for the member's question about taxation, it is important to bear in mind that one of the first things we did as a government was to lower taxes on the middle class, in the \$45,000 to \$80,000 bracket, while increasing taxes on the wealthiest 1%, in order to give the middle class more money to make investments and meet their many day-to-day obligations. Actually, if I am not mistaken, that was the first thing we did.

However, we did not stop there. We introduced the Canada child benefit, which is more progressive than the family benefits program introduced by the Conservatives. It is more generous to those who need it most, and it is tax free. It provides support directly to Canadian families who need it the most. The Canada child benefit allows nine out of 10 families to keep more money in their pockets, money that is tax free. As I was saying in my speech, this measure

has lifted hundreds of thousands of children out of poverty. It has reduced child poverty in Canada by 40% relative to 2013 levels.

As far as the deficit is concerned, as I said very clearly, the ratio of our debt to the size of our economy is the best in the G7 and is trending downward, as is the ratio of our deficit to the size of our economy. These were precisely the results we were looking for when we decided to grow our economy by investing in the middle class and in infrastructure.

[English]

Mr. Peter Julian (New Westminster—Burnaby, NDP): Mr. Speaker, the budget implementation act seems to be very much in the realm of the Bay Street mentality with which the government approaches issues. It does not close any of the tax loopholes that are incredibly egregious, giving hundreds of millions of dollars to some of Canada's wealthiest citizens. It does not do anything to shut down the overseas tax havens. We have seen the government sign more and more of these tax treaties with these egregious overseas tax havens, letting tens of billions of dollars leave the country.

What the budget implementation act does is ask regular Canadians to wait. They are being asked to wait for pharmacare, until perhaps after the next election or perhaps another decade. Who knows? They are being asked to wait for pay equity, when Canadian women have already waited for decades and decades. For Canadians in my neck of the woods, in New Westminster—Burnaby, who have seen the acute housing and homelessness crisis we are facing, this budget implementation act and the budget basically say to wait as well.

My question is very simple. Since the government seems to be so incredibly generous with its Bay Street friends, why is it always asking Canadians to wait for the essential services they need and that they are asking for?

[Translation]

Mr. Joël Lightbound: Mr. Speaker, as far as tax havens are concerned, it is important to mention that nearly \$1 billion were invested in the Canada Revenue Agency over the past two years so the CRA could have investigators on the ground conducting audits and getting results for Canadians. That did not make it to the list of priorities for the Conservative government of Stephen Harper, who did not even talk about it, as the then-minister, Mr. Blackburn, told us just last summer.

We invested \$1 billion to conduct the necessary investigations in order to bring to justice those who send their revenue to tax havens. That is what the Minister of National Revenue is working hard to do at the head of the CRA.

The member said our government waited, but we did not wait when it came to indexing the Canada child benefit to make sure it met the middle class's growing needs and continued to reduce inequality in this country. We did not wait when it came to increasing the Canada workers benefit, formerly the working income tax benefit, by almost 165%, a move that will lift tens of thousands of low-income Canadians out of poverty.

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In my opinion, our government is progressive to the core and is working hard to help those who need it most.

• (1225)

[English]

Mrs. Celina Caesar-Chavannes (Parliamentary Secretary to the Minister of International Development, Lib.): Mr. Speaker, over this past weekend, I had a round table, an open discussion, about budget 2018 in the riding of Whitby. My hon. colleague had an opportunity to visit the riding a little while ago. In Durham region, of which Whitby is a part, over the last couple of years, we have seen unemployment decrease to the lowest it has been in 15 years. When I was knocking on doors, it was about 11% or 12%, and now it is down to 5.6%. Members in my riding are excited about that. They are excited about the fact that we have been reducing the small business tax rate, we have indexed the CCB, and we have introduced the Canada working income tax benefit.

One of the things that people were questioning and a bit concerned about is what we have done for seniors. I wonder if the hon. member could address some of the concerns that the residents of Whitby have had.

Mr. Joël Lightbound: Mr. Speaker, it is true that I was in the member for Whitby's region. I was impressed by the dynamism of the local entrepreneurs and also the community members I met, who are very involved and shared their concerns with me. It is a region that is very dynamic. With regard to making sure that this growth is sustained, though it was not part of the member's question, I would like to highlight the investments in 2018 in science. They are historic and will make sure that we continue to innovate in this country and create well-paying jobs for Canadians as Canadian scientists are hard at work finding the bright ideas of the future.

In terms of seniors, it is important to remember that one of the things we have done as a government is to increase the guaranteed income supplement by 10%. That is helping close to a million seniors with a little less than \$1,000 per year every year. That is something we should be proud of. That is on top of the national housing strategy we have put forward, which will help provide more housing for senior citizens across this country. These concerns have found an echo in the actions of this government, and I could go on for longer.

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Mr. Speaker, in regard to the national carbon tax and imposing one upon provinces that may not be in agreement with the government's aims, the courts previously found, in the Vander Zalm ruling regarding the HST, that a province not only needed to be consulted, but there needed to be agreement by the province in order for the feds to collect a tax that would normally be collected by the province. It was under the good governance clause that it was allowed.

Does the member or his government have an opinion from the Minister of Justice's officials that he can share outlining the constitutionality of a nationally imposed federal carbon tax? Our Constitution would allow an environmental program to be tabled by the Minister of Environment, but a tax by a federal minister of finance basically engaging in energy regulation, I believe is ultra vires and outside its constitutionality. Does the member have any evidence that he can table, or will his government be tabling such an

opinion, so that members can know this has been thought through? He said in his speech "a legal framework" for the imposition of this national carbon tax? Is it legal?

[Translation]

Mr. Joël Lightbound: Mr. Speaker, obviously we would not introduce a bill if we did not believe it to be legal.

Here is where I disagree with my esteemed colleague: we see this as a price on carbon pollution. My colleague calls it a tax, but it is actually a price on carbon pollution. I think this shows how the Conservatives' vision contrasts with ours. Members on this side of the House believe it is important to grow our economy in a way that protects and preserves our environment. I would also like to remind him that this type of system is in place in four Canadian provinces so far, four provinces that account for 80% of the population.

[English]

Hon. Pierre Poilievre (Carleton, CPC): Mr. Speaker, there are only two questions that Parliament must ask when presented with a budget: what does it cost us, and what do we get for it as Canadians?

Let us start with the cost of this budget. Costs are borne out through government in three ways: spending, debt, and taxes. Debt and taxes are the symptoms; spending is the cause. Whatever Parliament agrees to allow the government to spend, it must ultimately tax or borrow from the citizens and from bondholders.

The Liberal government loves to spend. The stats show that it has been increasing spending at an annual rate of roughly 6.5% to 7% per year, which is three times the combined rate of inflation and population growth. In other words, spending is growing three times as fast as the need. That spending, of course, requires a source. The government has been plundering taxpayers and borrowing to pay for that spending ever since it took office.

Let me talk briefly about the government's approach to spending. In an adjoining piece of legislation to this budget bill, the government will attempt to change the way in which Parliament approves the executive branch's expenditure of money. We, as Canadians, live in the British parliamentary system, which for roughly 800 years has meant that the power of the purse rests with the elected officials and that the crown cannot spend what Parliament does not approve. That principle originated in the fields of Great Britain at the time that King John signed the Magna Carta.

Typically governments have come forward before the House of Commons with detailed spending plans, item by item, agency by agency, department by department, and purpose by purpose, saying "Here is what we want to spend. Here is what it is for." Then, Parliament has scrutinized that spending and passed it, and that government has been restricted by the specificity that it put in that legislation. In other words, it can only spend the money on the things it said it would, and only in the amounts that it said it would spend.

Instead, this year the government wants to do something that has only once been done in Canadian history, and then only during a crisis, and that is for Parliament to approve \$7 billion of discretionary spending, which ministers on the government's Treasury Board can spend whatever they want on, as long as it stays under that \$7-billion limit.

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As I said, normally that \$7 billion would be carefully earmarked in the main estimates that come before the House, and we as parliamentarians would approve or reject it. If it were approved, then the government would have to spend each dollar where it said it would. However, not this time.

The government has changed the system in a way that allows the government to have a big bundle of cash for a group of politicians sitting on the Treasury Board to allocate as they wish. As it stands, based on the system of financial reporting, the results of that spending will only come out in subsequent public accounts.

The public accounts for the fiscal year we have just entered will not come out until the fall of 2019. As members all know, we will be in an election at that time, and therefore those accounts cannot be tabled in the House until after the election. What the government is asking us to do is approve \$7 billion of discretionary spending, and it will get back to us after the election on how it spent it.

One example of the attitude of the government to spending money was what the parliamentary secretary to the Minister of Finance was saying. He was bragging that the government has spent an extra \$1 billion on tax collectors. Normally, most governments blush when they talk about the resources they put into tax collecting departments. The Liberal government openly brags about it.

We all know that tax collection is necessary for any functional country. We also know that given their druthers, the Canadian people would like to see lower taxes and lower costs, and less money spent on bureaucrats hounding our small businesses and workers, as has become the customary practice of the government. We have seen tax collectors go after the tips of waitresses, shoe salesmen's discounts, and the disability tax credit for people suffering with diabetes.

• (1230)

However, the government brags openly about its expenditure on those same tax collectors, which is the Liberal approach to spending: Spend more. Spend now. Spend faster. What does that bring? It brings debt, which is the next pillar of the current Liberal government's plan. It is more debt.

The Liberals ran in the last election on a \$10-billion deficit, which meant they would increase the national debt by a mere \$10 billion a year. In the first two budgets, that deficit was twice what they promised. This time, it will be three times what they promised. Not only that, they promised that the deficit would be gone by 2019, which is next year. Now they say that will not happen for another quarter century. During that time, Canada's national government will add almost half a trillion dollars in additional debt. That assumes that the government introduces no additional spending in the upcoming pre-election budget next year—an unlikely story. It also assumes that direct program spending will only go up by about 1.5% over the next five years, when the government has been increasing that spending at a rate of about 5.5% since it took office. Therefore, we are expected to believe that the Prime Minister is a new man, that he has changed, and that he will not increase spending at 5.5% but only 1.5%. Who believes that the Prime Minister has even the intention of changing his ways, when his words have not suggested that he believes restraint is necessary?

Originally the government told us that its plan, its anchor, was that the deficit must never be more than \$10 billion. Now the Liberals have shattered that promise. The Liberals said their anchor was that they would not add more than \$25 billion total. Well, they have already done almost double that in new debt since taking office. They released that anchor as well.

However, the new anchor that the Liberals say will guide them in their spending is that the debt-to-GDP ratio will decline. That is, the debt will never be allowed to grow faster than the economy. Now, there are problems with using that measurement as an anchor, which I will list. One, the debt-to-GDP ratio of the Government of Canada is an incomplete measure of the country's ability to withstand indebtedness.

The Canadian government is supported by taxpayers. Those taxpayers have to support other levels of government which also have debt. Alberta is adding almost \$10 billion to its debt this year, which means that one-fifth of every expenditure that the Government of Alberta makes is paid for by borrowing. Ontario has doubled its debt in the last 10 years alone, and it is the most indebted subnational government in North America. Atlantic provinces are similarly indebted. Their aging populations will retire in disproportionately large numbers, meaning fewer taxpayers and more people needing health care at a time when their provinces are already struggling with large debt interest payments to lenders. Therefore, the same taxpayers that the federal government are relying on to support the federal debt also have provincial debts that are growing exponentially. Finally, those taxpayers have personal debts, which happen to be among the largest in the OECD. Right now, the average Canadian household has \$1.70 in personal debt for every dollar in disposable income.

If we take the personal debt, the corporate debt, and the government debt of the entire economy, it is three times the size of GDP, which is a larger ratio than Greece, Spain, or other basket cases on debt around the world. This is according to Gluskin Sheff, which is a major financial firm that performed that calculation just a month and a half ago. Therefore, if we take all the debt that the Canadian economy is supporting, we are in a worse financial position today than is Greece.

Government Orders

•(1235)

The government just assumes that all of its good luck will continue. Oil prices have doubled. The American economy is roaring. The world economy has picked up. Interest rates have been at historic lows. The real estate bubble in Toronto and Vancouver has created a short-term and unsustainable employment boom and revenue for the government it cannot count on. All of these events are temporary. They are out of the government's control, and they could be gone just as quickly as they appeared.

If we are running massive, promise-shattering deficits today, while lady luck is smiling, how will we pay the bills when she starts to frown? The government has not prepared for those eventualities. In fact, its arbitrary debt-to-GDP ratio anchor creates a whole series of perverse policy incentives.

The debt is the numerator in that measurement, and the GDP is the denominator. If we were hit with a financial crisis that caused the GDP to shrink, to reduce the debt-to-GDP ratio, as the government claims is its promise, it would actually have to cut spending dramatically in the middle of a recession, which is exactly the opposite of what it claims should be done during such economic times. It would have to cut spending to reduce the size of government faster than the economy overall was reducing in size, and it would have to do so in a way that would allow it to run budget surpluses in order to pay down the debt at a faster rate than the economy was shrinking.

Who in the House would really think it was responsible to prepare for a rainy day by suggesting that if a financial crisis were a problem and an external threat were to arise, the solution, according to the government's plan, would be to cut spending and dramatically reduce the government's ability to respond? That is effectively what the government's current anchor would require it to do to reduce the debt-to-GDP ratio in the event that a crisis came along and shrunk the GDP. Nevertheless, that is the anchor it chooses to rely upon as it goes forward.

That brings me to taxes, because, as we know, today's deficits are tomorrow's taxes. The government cannot ultimately spend any money that it does not tax, either by taking it out of the pockets of people today or by forcing them to pay interest on debt tomorrow. That interest, by the way, is going to rise by one-third over the next five years under the government's plan, from about \$25 billion to \$32 billion. That is an increase of \$7 billion or \$8 billion in the amount Canadian taxpayers will give wealthy bondholders. That is another wealth transfer, by the way, from the working class to the super-rich. That always happens through higher taxes.

What do we know about the government's record already on taxes? According to the Fraser Institute, which conducted an objective and scientific analysis of the taxes paid by middle-class Canadians, 80% are already paying higher taxes under this government, on average \$800 more. With other projected tax increases, those the government has already legislated or committed to, it will be about 90% of Canadian taxpayers, and they will pay, on average, over \$2,000 more in taxes once the government's full plan is implemented.

Taxpayers are already contributing more to feed the government's insatiable, uncontrollable spending. However, the government is just getting started. It has an additional carbon tax it wants everyone to pay. That tax is laid out in a 206-page section of the budget bill we are now debating. Let us step back a minute and ask ourselves what we were told about this carbon tax.

•(1240)

First, we were told that it would be revenue neutral, that the government would cut taxes as much as it raised them. While people might pay more for gas, groceries, electricity, and other basic essentials, they would get an income tax break or perhaps a consumption tax break. As a result, it would be a strictly neutral transaction shifting taxes from what we earn to what we burn. That was the promise. However, nowhere in these 206 pages of legislation on the federal carbon tax is there any mention of a tax reduction to offset the new burden to be paid by Canadian taxpayers for the carbon tax.

Second, we were told that the carbon tax would be simple. There would be a wholesale levy, and then the marketplace would do its work. The government would put a price on something we do not want, and people would therefore consume less of it, that being carbon-intensive goods, and the problem would solve itself. We would not need all this bureaucracy: regulators, administrators, rules, and accountants to administer the tax on the end of the small business or household. That would all be behind us.

We now have the legislation, and it is 206 pages long. There are permits. There are credits that could be traded between provinces, and there are different rates of taxation for different kinds of carbon products, all of which will have to be sorted out through endless paperwork by high-priced accountants and lawyers who will then administer this scheme.

This carbon tax, as established by this legislation, would benefit some. It would benefit those who are wealthy and well-connected and who have the ability to get their hands on the resulting revenue.

Ontario already has a carbon tax, and while it takes one-third more of the income of a low-income household than that of a rich household, it provides benefits to people who can afford to buy a \$150,000 electric Tesla. If someone is a millionaire and can buy a Tesla, that person will get \$15,000 as a bonus, but a low-income single mom trying to keep the lights on or pay for gas to get to work will pay more so that the rich guy can have his fancy electric car. It is another wealth transfer to the privileged elite using government as the delivery mechanism to move money from those who earned it to the privileged few who did not.

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•(1245)

Herein lies the worst part of the carbon tax, and it is the cover-up, the carbon tax cover-up. For the last two years, I have asked the Liberal government what it would cost the average family to pay the \$50-a-tonne carbon tax. The good news is that the government has that information. I know, because I submitted access to information requests for which it released the information. However, it released the information with some black ink over the numbers. We are not allowed to know the numbers. We know there is a cost, and we know that the government knows the cost, but it does not want us to know the cost.

This is the first time in my parliamentary career that a government has imposed a tax without telling people what it will cost them. The basic principle of parliamentary democracy is that the commoners must approve any tax the common people must pay, but we cannot approve what we do not know. If the government is so proud of its carbon tax, why does it not tell people what it will cost them?

Finally, the government will not tell us how much greenhouse gases will be reduced. We do not know the cost and we do not know the benefit, yet we are supposed to judge the cost-to-benefit analysis.

This budget costs too much and will achieve too little, so I am moving a motion to amend the budget bill. I move:

That the motion be amended by deleting all the words after the word "That" and substituting the following: the House decline to give second reading to Bill C-74, an act to implement certain provisions of the budget tabled in Parliament on February 27, 2018 and other measures, since the Bill: (a) fails to address the cost of the government's carbon tax to the average Canadian Family; (b) neglects to implement, or to even mention, the government's promise of a balanced budget; and (c) will continue on the path of adding debt at twice the rate foreshadowed by the Minister of Finance.

•(1250)

The Assistant Deputy Speaker (Mr. Anthony Rota): The motion seems to be in order.

Questions and comments, the hon. member for Whitby.

Mrs. Celina Caesar-Chavannes (Parliamentary Secretary to the Minister of International Development, Lib.): Mr. Speaker, the hon. member took me back to my fourth grade days when he mentioned that debt was the numerator and GDP was the denominator and that if, for example, we got into a fiscal crisis, we would need to cut services to maintain our debt-to-GDP ratio.

I am wondering if my hon. colleague remembers the days before the last election, when that is exactly what his government did. It cut services and essential programs needed by Canadians to create a fictional surplus before the last election. During the election, his government then ran on an austerity budget at a time when the economy was stagnant, such that at this time, we would not see Canada as the fastest-growing country in the G7, we would not see the job creation we have seen so far, and we would not see the economy booming as we do.

I am wondering if the hon. colleague can speak to that.

Hon. Pierre Poilievre: Mr. Speaker, I certainly can, as a matter of fact. She said we would not have seen Canada as the fastest job-creation jurisdiction in the G7 if Conservative policies were in place. Actually, that is exactly what we saw. When the great global recession struck here in Canada, we had the best job record

anywhere in the G7. In fact, we were the last country to go into deficit and the last country to go into recession, and we were the first to come out of recession. That was the result of careful planning in the good times.

In the years leading up to that great global recession, which originated outside our borders, our previous finance minister, Jim Flaherty, paid off \$40 billion in debt so that we had a cushion and could absorb those external shocks. We then quickly recovered and turned that short-term, externally caused deficit into a surplus so that when the next worldwide shock struck, the 70% drop in oil prices in late 2014, we were once again insulated against its effects, and we were able to move forward with a solid economic position. That is a good reminder that when times are good, we should squirrel away everything we can so that we are prepared for the bad times that may come ahead.

Mr. Peter Julian (New Westminster—Burnaby, NDP): Mr. Speaker, I like the hon. member, and he is certainly very articulate, but I really have to ask where he was over the past decade, particularly under the Harper government. We saw the worst deficits in our nation's history under the Conservatives, and we saw the highest family debt load in Canadian history. It has gotten worse under the Liberals.

He mentioned in his speech the question of transferring money to the privileged few. This was a practice started by the Harper government, and it has been amplified by the Liberals, particularly when we look at overseas tax havens. We lose anywhere from \$10 billion to \$40 billion each and every year. No one knows how much, because the Liberals, up until a few weeks ago, refused to give the figures to the Parliamentary Budget Officer, as the Conservatives did before them. We lose billions and billions of dollars a year that could go to job creation, building social programs, and providing the things Canadians really need. What we have seen is the Liberals continuing the practice of signing these tax treaties with notorious tax havens.

My question for the hon. member is very simple. Does he think it is bad, as I do, that the Liberals are continuing the practice of signing these agreements with overseas tax havens and allowing tens of billions of dollars to leave the country untaxed, when they could be serving to build job creation, build a better economy, and build programs for Canadians?

•(1255)

Hon. Pierre Poilievre: Mr. Speaker, I like the member as well. He talks about the Liberal approach to tax fairness. In the last election, the Prime Minister said that he would go after wealthy tax cheats. It was not until after the election that we found out whom he meant. He meant pizza shop owners, farmers, and welders who own small businesses. He meant waitresses who might get a discount on a sandwich during their break at the restaurant. He meant diabetics, from whom his government attempted to take away the disability tax credit. Those were the wealthy tax cheats the Prime Minister had in mind.

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That reminds us that whenever government gets big, costly, and expensive, it is always the working class that pays the bills. That is because capital and higher income people are more mobile. They have the ability to reap the benefits of big government without absorbing the cost. Of course, workers do not have the same ability. They cannot hire a fancy accountant or move their money offshore. They cannot get on a plane and just move somewhere else to work for another company around the world somewhere. As a result, when all the bills come due for big government programs, it is always working people who end up shouldering the burdens.

The solution to that is to contain government and allow people to keep more of what they earn to expand free enterprise, a system based on voluntary exchange, where one can get ahead only by offering something to someone else that is worth more to that person than it costs to pay for it. That system of voluntary exchange and free markets has lifted literally billions of people around the world out of poverty. It is the number one determinant of economic success, and it is the greatest invention for the creation of material prosperity and the defeat of poverty ever conceived by any human being.

I am sure the hon. member from the NDP would agree with that.

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Mr. Speaker, I certainly appreciate this member's contribution to the debate today. Absolutely, government debt is at a high when we add in the provinces. However, we also add our demographics, and it becomes incumbent upon any responsible government to make sure it is not taking on more debt than it needs, particularly since there is no war, recession, or public safety concern.

Could the member extrapolate a little on the issue of carbon pricing or carbon taxes? When the carbon tax was brought in, the cement industry in my province of British Columbia was hit extremely hard. Since Washington state and Alberta did not have a carbon tax, and Washington state still does not have one, that industry has been hit particularly hard, and now taxpayers are permanently subsidizing millions of dollars every year, which was supposed to be temporary, just to keep the cement industry going.

I would appreciate if the member could extrapolate more on how carbon taxes actually end up pushing people's behaviour in odd ways.

Hon. Pierre Poilievre: Mr. Speaker, the member from British Columbia is a great champion for entrepreneurship. He understands that entrepreneurship is about allowing people to produce prosperity for themselves, their families, and their communities. That is one of the points of distinction between this side and that side. As he correctly points out, governments tax industries and people into submission. As Reagan put it, "If it moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidize it."

We see it over and over again. Let us just consider the current example of the Trans Mountain pipeline. The government has wrapped the project in so much bureaucratic red tape that the proponent has suggested that the project may no longer be economically viable and they may cancel it altogether. Now the government is saying, "It is okay. We will just take taxpayers' money to prop up what we have been holding down." One wonders why it did not just get out of the way in the first place and let this

ecologically friendly, safe, and secure project go ahead without so much burden.

Again, the government imposes taxes, regulations, and other costs until businesses finally cannot operate. Then it says that it needs to spend more money to prop up all these failing businesses. We saw it impose massive new taxes on small businesses, or at least attempt to, in the fall, before we stopped it. Simultaneously, it is saying that we need billions of dollars of corporate welfare to save businesses from collapse. Why not just get out of the way in the first place, so that enterprise can rely on investment and sales to generate its revenues and pay its bills, rather than constantly forcing businesses to hire lobbyists, suck up to politicians, and turn to government?

• (1300)

Mr. Peter Julian (New Westminster—Burnaby, NDP): Mr. Speaker, I will talk about the size and scope of Bill C-74. I would like to start with the size. I have been here for a few years, and a number of my colleagues have been as well, and we recall the worst years of the Harper government, when massive 300- and 400-page bricks would be dropped in the middle of the House of Commons.

Those omnibus bills, as part of the budget implementation act, were designed to hit sometimes a couple of dozen areas and various pieces of legislation. It was a deliberate tactic, which was anti-democratic and designed to hide from the Canadian public what was actually in the budget implementation act. Of course, we spoke very loudly about that, as did many Canadians, seeing it as a fundamentally anti-democratic approach to government, with 300 or 400 pages touching 24 or 25 different pieces of legislation. What it did was hide the intent of the budget in a very real way.

At that time, we were the official opposition, but the Liberals, as the third party, also rose in this House and repeatedly condemned the Harper government for putting in place anti-democratic omnibus legislation. My colleagues will recall Liberal members standing up and saying that having 300 or 400 pages of legislation that is dumped in one brick hitting 24 or 25 different pieces of legislation is fundamentally anti-democratic. It does not allow Canadians to know what is really in the budget implementation act, and it does not provide the kind of clarity and transparency that hopefully we would all seek to see in a budget implementation act, which is perhaps one of the most important pieces of legislation brought forward by Parliamentarians, who are elected by the people of this country to come together and discuss transparently and democratically the nation's business. This piece of legislation is one of the most important.

Thus, my colleagues can understand my complete dismay when the Liberals, just a couple of weeks ago, tabled their budget implementation act. We have had previous budget implementation acts of 300, 350, 400, and sometimes as many as 450 pages of legislation tackling 27, 28, even 29 different pieces of legislation.

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The Liberals made commitments of sunny ways and a new approach to transparency. We all recall, back in 2015, the Prime Minister making those commitments, that the Liberals would take a completely different approach to governance, that they would have respect for democracy and bring in a different type of electoral process, putting away first past the post. The Liberals also said very clearly, many times, that they were going to do away with omnibus legislation.

However, what did the Liberals table? They tabled the largest omnibus bill in Canadian history, 556 pages, amending not just 28, 29, or 30 different acts, but 44 separate pieces of legislation. It is nearly 100 pages longer than any of the omnibus legislation we have seen in the past, which the Liberals used to criticize and attack. We are 100 pages beyond what the Conservatives used to do, 100 pages beyond the Harper record. We have the biggest, fattest, and least transparent budget implementation act in Canadian history.

There is no other way to put it. This is a profound betrayal of everything the Liberals said they stood for in 2015, every commitment they made to Canadians at that time, and every speech the Prime Minister and other Liberal MPs made in the House of Commons saying that they were going to do away with omnibus legislation. The size of this is beyond belief. We have never seen anything like it, 550 pages. It is beyond anything the Harper government imagined or was able to table. It is that much worse.

• (1305)

It will come as no surprise to you, Mr. Speaker, that in the coming days we will be endeavouring to put the case to you, because, as Speaker of the House of Commons, on behalf of all Canadians, you have the ability to divide or carve up this omnibus legislation and create stand-alone bills that can be voted on separately. That power, which has been given to you, Mr. Speaker, is sacrosanct and so important. When the government is refusing to heed Canadians' calls, when it is refusing to be transparent and democratic, then the Speaker of the House of Commons has the ability to intervene, and we will be asking and laying out the case in the coming days for you to do just that. It is fundamentally important.

That is the start of what is probably one of the most cynical budget implementation acts we have ever seen, cynical in its size and in its scope. Before I go into those details, let us talk about what the current situation is for the vast majority of Canadians, because this is very germane to the debate we are going to be having over the next few days. Far from having sunny days and sunny ways, as the Prime Minister likes to say, as he goes around the globe to various meetings, Canadians are actually struggling to make ends meet in a way that is perhaps unprecedented, beyond the depressions and recessions we have seen in the past. We now have a new reality that the government should have taken account of.

The new reality is that the average Canadian family now has, inflation-adjusted, the worst family debt load in any period in Canadian history. The average Canadian family is struggling under a worse debt load than it had under the Great Depression or under recessions. It is struggling under a massive debt load far beyond its annual earnings. That debt load is making it difficult for so many families in this country to make ends meet.

The average Canadian family is now surviving on temporary or part-time work. Despite the fact that the finance minister will stand in the House and say how things are rosy out there, the jobs that are being created tend to be temporary in nature. They do not allow for the family-sustaining type of employment that the NDP has always promoted and that we believe very strongly in achieving. However, that takes investments, forethought, and planning, which we do not see from the government.

When we look at the situation of the average Canadian family, as the price of housing goes up and rents go up, the homelessness and the housing prices are beyond belief. The debt load is considerable and growing. For most Canadians, temporary or part-time work, or cobbling together a series of part-time jobs, is the alternative they have economically.

That is the context of the budget, the context that the government should have paid close attention to. Instead, the Liberals tabled the largest and most fundamentally anti-democratic omnibus piece of legislation in Canadian history, 100 pages beyond anything Mr. Harper did, and they did so in such a timid way that even the scope of the budget itself has been eroded.

It is profoundly cynical as a budget implementation act because it goes far below where the budget was, which was already very timid, so we are looking at an extremely timid budget implementation act in terms of what it seeks to achieve. At the same time, it is fundamentally anti-democratic in the size of what has been dumped into this omnibus legislation.

What could have been in this budget implementation act and should have been in the budget? We talked about this a number of times. I spoke at a press conference with Jagmeet Singh, the national NDP leader, a very charismatic and energetic guy, and we gave some direction to the federal government as to what it should put in the budget. One of the most important items was tackling what is a profoundly unfair tax system. I also intervened in a letter to the finance minister with the hon. member for Nanaimo—Ladysmith, who is an extremely effective member of Parliament, and we spoke about gender equality.

• (1310)

When we look at what is in the budget, we see absolutely nothing that touches on the issue of tax fairness. Tens of billions of dollars is going offshore that the government refuses to cap or take action on in any way. In fact, on the current government's watch, more of these very egregious tax treaties, which are basically no-tax treaties, are being signed with notorious tax havens like Antigua, Barbuda, Grenada, and the Cook Islands. The Conservatives signed them all the time. However, the Liberals are signing even more.

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The Liberals did nothing to tackle the issue of the stock options loophole, which is a nefarious loophole that in the latest year we have figures for helped 75 wealthy corporate CEOs pocket \$6 million each, for a grand total cost to Canadian taxpayers of half a billion dollars. That was \$6 million each, on average, for 75 of Canada's wealthiest corporate CEOs who used the stock option loophole. Jagmeet Singh and I directed our comments to the finance minister and the Prime Minister stating that it needs to end. The Liberals could have chosen to end the stock option loophole and take action on the issue of tax havens. However, they did neither. They are allowing that privilege, the transfer of wealth that we are seeing, and a growing inequality in this country, such that now a third of the Canadian population has as much wealth as two Canadian billionaires, something that came out just a few months ago and continues to reverberate with regular Canadians because they see the inequality in the tax system. They see a tax system that is built to be profoundly unequal, and of course they are reacting, because the Liberals and the Prime Minister promised in the last campaign to take action against the proliferation of tax havens and the profoundly unfair tax system that makes sure that tradespeople, small business owners, nurses, or truck drivers pay their fair share of taxes, yet someone who is running one of Canada's biggest and most profitable corporations does not have to worry about that.

As members know, the Canadian Centre for Policy Alternatives has now estimated the real marginal income tax rate for Canada's biggest corporations at less than 10%. It is at 9.8% on average. There are a lot of corporations that are not paying any tax at all. However, the average tax rate is now 9.8%, which is far lower than for regular individuals, who are working hard each and every day to put food on the table, seeing an erosion of their services, and participating in a tax system that is absolutely and profoundly unfair.

That is what could have been in this budget implementation act. However, there is no sign of that at all.

We would expect that there would be provisions from the budget in the budget implementation act. This is something I would like to tackle now.

When we talk about the scope of the budget implementation act, there are two things that come to mind immediately. The first is the issue of pharmacare. I have spoken in this House many times about constituents, as have my colleagues. All of us have raised specific cases as to why it is important to have pharmacare in this country. First off, as a country we pay too much, and many Canadians are left to choose between putting food on the table or paying for their medication. Jim, whom I have cited a number of times, is outside here, just off Wellington Street, and begs every day for the \$580 he needs every month to pay for the medication that keeps him alive. Because there is no pharmacare, Jim and so many others like him are forced into that awful choice.

We, the Parliamentary Budget Officer, and every expert who has analyzed this issue have said that bringing in pharmacare makes sense from a whole range of perspectives. Overall, it actually saves money for Canadians. It allows us to bring down the costs of medications. It reduces costs for some small businesses that pay up to \$6 billion a year for medical plans that allow their employees to have access to medications.

● (1315)

Therefore, for all of those reasons, it made sense to bring in pharmacare. We certainly heard in the weeks coming up to the budget a refrain that the Liberal government was going to bring in pharmacare, so we should watch out, because this budget was going to steal the NDP's thunder. We are happy to have our ideas stolen; we just do not like to have them gawking at our ideas, because gawking does not mean they are implementing them, which is what they should be doing. They should be implementing pharmacare right now. That is what they should be doing.

We saw in the budget that instead of doing anything practical to address the issue of pharmacare, the Liberals promised a study, and that was it. There was nothing more. As a result, the scope of the budget implementation act is a mighty failure when it comes to actually putting in place programs that matter.

We then come to the issue of gender parity. My colleague from Nanaimo—Ladysmith has been a very articulate spokesperson on this issue. We raised it with the Minister of Finance and the Prime Minister prior to the budget. There were some words in the budget about moving forward on pay equity. We saw that. We read that. Yes, the government was going to implement pay equity, finally, after decades.

Then, as I madly perused the 556 pages of the most massive and most bloated omnibus legislation in Canadian history, I looked for something that indicated that the Liberals would implement pay equity, but there was nothing, not a word. The Liberals promised it in the budget, and they have already broken their promise with the budget implementation act a couple of weeks later. It is unbelievable. It was an issue that the Liberals admitted it was time to take action on. In the transfer from the budget to the budget implementation act, it is not as if they were trying to scale it down. At 556 pages, they were dumping everything they could into it, but they decided not to dump in pay equity, which was actually in the budget and could be in the budget implementation act as a respectful and democratic way of processing the commitment that was made in the budget, but there was absolutely nothing. It is another broken promise, another fail. It is appalling to me.

Therefore, looking at the scope of the budget implementation act, not only do we see all sorts of things thrown into the BIA that should not be there and that we will be requesting that you remove, Mr. Speaker, so that we can have the appropriate democratic process even though the government does not seem to want to respect that, but there are also things that should be there that are simply not. That is the real failure of this budget implementation act.

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It is so cynical in its nature. Everything that the Liberals said they stood for in 2015 they no longer stand for. We all saw those promises about making Parliament work, making it more transparent and democratic. On every commitment that they made to the public in 2015, we are seeing exactly the opposite in the greatest, most bloated omnibus legislation in Canadian history, not tabled by the Harper Conservatives, as bad as they were, but tabled by this Prime Minister's Liberal government. What a failure for those Canadians who have been waiting for decades for pay equity. What a failure for those Canadians who have been waiting for decades for pharmacare so that they do not have to beg to raise enough money to pay for their medication or do not have to choose between paying the rent and paying for their medication. On behalf of all those Canadians across the country who were hoping to see a different approach from the current government, I can say we are all profoundly disappointed by this budget implementation act. As a result, we will be voting against Bill C-74.

• (1320)

Ms. Filomena Tassi (Hamilton West—Ancaster—Dundas, Lib.): Mr. Speaker, to be fair, I know that when the Liberals ran, their platform was different from that of the opposition parties. It was different in that we committed to invest in Canadians. We made that commitment because we believed that this investment was important and worthwhile. We know what Canadians are about, and we know that this investment is going to pay off.

Those investments have paid off. In fact, over 600,000 jobs have been created since November 2015. Canada has the best balance sheet in the G7, with the lowest debt-to-GDP ratio. It is projected to soon be at the lowest point in almost 40 years.

We will index the CCB this July. That is what the budget implementation bill will do. We know that when the CCB was first introduced, nine out of 10 families benefited, raising over 300,000 children out of poverty. In the budget implementation bill, the Canada workers benefit is going to raise approximately 70,000 Canadians out of poverty. We have reduced small business tax. There are many things that our budget will do, because we want to invest in Canadians, we believe in Canadians, and we are very proud of the results.

I recognize that the opposition party took a different approach. However, in terms of the budget implementation bill, I would like to ask the hon. member about one thing in particular. I would like to hear his comments on the new gender results framework. How does the member feel about that framework? Does he believe that this is important for Canadians? Does the member see the merit in implementing it the budget implementation bill?

Mr. Peter Julian: Mr. Speaker, I think the answer is quite simple. It is the actions brought forward in the budget implementation bill that will actually make a difference for Canadian women. It is not there, nor are the commitments around pay equity that were made, and these were commitments made in the budget. We are not talking about a broken Liberal promise from five years ago, 10 years ago, or 15 years ago; we are talking about a few weeks ago.

A commitment was made in the budget, but it is not contained in the budget implementation bill. For all of the Canadian women who have been fighting for pay equity and for all of them who have said

that they have waited long enough, both Liberal and Conservative governments have been responsible for that broken promise.

There would have been the light of hope, when the budget came out, that the budget implementation bill would contain those provisions, but it did not. There is not a word. It is a tragically broken promise.

What makes this such a cynical budget implementation bill is that a commitment made just a few weeks ago is already being broken by the Liberal government.

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Mr. Speaker, I could not agree more with the member on his enumeration of the many failed and broken promises of the Liberal government in relation to its platform and all of its great plans. Suddenly, all of those promises are being broken.

My question relates particularly to the carbon tax. If I am not mistaken, my colleague and his party do support a carbon tax. We know that the government knows what the carbon tax will cost, but it has not been willing to divulge that information.

I wonder if my colleague and his party have done any substantive studies on what this carbon tax will actually cost the average Canadian family.

• (1325)

Mr. Peter Julian: Mr. Speaker, this is the problem of transparency that we have seen with both the government of the member's prime minister, Mr. Harper, and the current government. There is a lack of transparency.

That is why the provisions that are contained within this budget implementation bill are so inappropriate. It should be a stand-alone bill. Perhaps the member will be raising this as well with the Speaker. I have certainly indicated that we will be raising the idea that it should be carved off for that exact reason, so that we can do the appropriate study and have the appropriate vote around that issue.

The environment is something that I feel profoundly strongly about. We have seen failure from the current government, as we saw failure from the previous government. I think younger Canadians certainly get it, because we are seeing more and more of them saying "A pox on both the old parties. They simply do not take into consideration the intense impacts of climate change."

The fact is that climate change is costing our economy billions of dollars more every year. The federal government needs to make provisions. Our national government, working with the provinces, has to put measures into place. The current government has completely failed on that. In fact, it is actually going backwards, as the previous government did.

To have that debate, we need transparency. We need to hive off those provisions of the omnibus budget bill so that we can have that debate in Parliament.

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[*Translation*]

Ms. Christine Moore (Abitibi—Témiscamingue, NDP): Mr. Speaker, I was very surprised to see that this budget implementation bill amends the Parliament of Canada Act. That is one of the measures that I fought for, particularly at the Procedure and House Affairs Committee. These are recommendations that I made. They seek to recognize motherhood and new parenthood as valid reasons for members to be absent from the House without penalty. Unfortunately, the government included those recommendations in an omnibus budget bill, when they have nothing to do with the budget.

Past amendments to the Parliament of Canada Act were always made in an open and transparent manner. They were never made surreptitiously. Since members must abide by the measures set out in that act, they cannot be amended in secret. To amend the Parliament of Canada Act in a way that is not open and transparent would be an insult to Canadians' intelligence.

I would like to know what my colleague thinks about the transgression that the Liberal government dared to commit in the budget, namely planning to quietly amend the Parliament of Canada Act as part of an omnibus bill.

Mr. Peter Julian: Mr. Speaker, I want to thank the member for Abitibi—Témiscamingue for her intervention. I know her region well, and she is doing a great job of representing it. She is always tremendously passionate about representing her constituents effectively. The concerns she has raised in the House are issues that the people in her region care deeply about. I want to commend her for being such an excellent representative in the House.

My colleague asked a very good question: why did the Liberals cram so much into this monster bill, after criticizing the Harper Conservatives for doing the exact same thing?

What the Liberals are doing now is even worse. Certain measures that should have been included in this bill to implement the budget are missing, and several elements that are included should be removed. As my colleague suggested, this bill ought to be split up so that each element can be considered separately.

We will be back shortly to discuss the possibility of burying this monster bill and drafting fair, well-targeted legislation. That would make the House much more democratic.

• (1330)

[*English*]

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, when we talk about an economic vision for this nation, one concern for me is the Liberals' love of the mega cluster, the supercluster. If they put as much money as possible into two or three big giants, we will have a much broader economy. However, Canada is a very diverse region. Rural regions need specific economic development dollars, yet it has all been put on the desk of the Minister of Innovation. Particularly in my region of northern Ontario, we have the undermining of FedNor programs and the lack of understanding of how we build rural, blue collar, resource-based economies throughout rural parts of Canada.

What does my hon. colleague think of this Liberal vision where by picking a few winners that is going to create a more sustainable economy?

Mr. Peter Julian: Mr. Speaker, very quickly, I would like to praise the member for Timmins—James Bay. He is an amazing and very articulate spokesperson for rural areas across the country and northern Ontario in particular. He speaks up effectively and is one of the leading parliamentarians in the House.

The member raises a very important question. Do we centralize all of our economic considerations around a few companies or do we look to broadening economic development right across the country?

I think members would agree that economic development needs to take place right across the country, not just in a few areas. We need a government with the leadership and the ability to understand all the regions of the country, which is not what we see from the government.

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Mr. Speaker, I will be splitting my time today with my hon. colleague from the riding of West Vancouver—Sunshine Coast—Sea to Sky Country.

[*Translation*]

It gives me great pleasure to speak to Bill C-74, the budget implementation act, 2018, No.1, which is intended to strengthen the middle class and make sure all Canadians have the skills and opportunities they need to succeed.

[*English*]

Budget 2018, appropriately entitled “Equality + Growth: A Strong Middle Class”, is a statement that continues to build upon the solid foundation laid out in our government's prior two budgets.

Our economy is strong and the future for our country and for all Canadians is bright. Our progress as a government over the last two and a half years is something of which we can all be proud.

Hard-working Canadians, including those in my riding of Vaughan—Woodbridge, are taking risks, investing in their communities and their businesses. Due to their efforts over 500,000 net new jobs have been created, an overwhelming majority of which are full time.

[*Translation*]

Our unemployment rate is below 6%, the lowest in 40 years, and thanks to the middle-class tax cut, nine million Canadians are paying less tax. Over a period of five years, that will add up to more than \$20 billion in tax relief for Canadian families.

[*English*]

Our government has ambitiously completed historical and progressive trade deals, including CETA, which will create thousands of good middle-class jobs for Canadians, will strengthen economic relations, and will allow Canadian companies unlimited access to over 500 million consumers.

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[*Translation*]

Putting the interests of the middle class at the centre of our trade discussions ensures that Canadian businesses and the Canadian economy will reap tangible benefits.

[*English*]

We have also put in place an infrastructure plan that invests billions in public transit so commuters in my riding of Vaughan—Woodbridge can get home sooner to their families. This we can see is real tangible progress for all Canadians.

[*Translation*]

Our vision strengthens Canada's social fabric and balances the desire for a strong economy, while introducing long-term measures for a healthy environment. This includes pan-Canadian pricing for carbon pollution, an important measure in Bill C-74. Each province will determine how to spend the money generated from carbon pricing. This is the right approach.

• (1335)

[*English*]

I do wish to stress that all the measures in Budget 2018 and laid out in Bill C-74, in my view, only further strengthen our fiscal position.

As an economist and someone with over two decades of experience in the private sector, I have seen and experienced the ups and downs of the global economy, including the 2008 global financial crisis and before that the technology bubble. I know how important it is to maintain a strong fiscal framework.

[*Translation*]

I am proud to say that our plan includes a gradual reduction in the federal debt-to-GDP ratio. According to the International Monetary Fund, Canada has the lowest net debt-to-GDP ratio in all G7 countries.

[*English*]

We have looked at Bill C-74 on a larger scale, so why not look at how the measures we have laid out in this bill would directly affect Canadians in their day-to-day life.

Let us examine the Canada child benefit.

In my riding of Vaughan—Woodbridge, the CCB is assisting thousands of families. The numbers speak for themselves. In one year alone, CCB payments benefited 19,400 children in my wonderful riding, with approximately 10,400 payments and an average tax-free payment of \$5,400. This is approximately \$59 million that is delivered tax free to families in Vaughan—Woodbridge and to 337 other ridings in Canada. This is money which will assist families with paying for their kids' sports, clothes, or can help save for their children's future.

[*Translation*]

Bill C-74 indexes the Canada child benefit beginning in July 2018, that is, two years earlier than originally planned, to help families deal with the high cost of raising children.

It is estimated that this measure will provide an additional \$2.1 billion to families in Ontario alone until 2022-23. That is the kind of leadership Canadians expect from our government.

At this time, the CCB is helping lift millions of families and hundreds of thousands of children out of poverty across the country.

[*English*]

These measures are not only putting more money in the pockets of numerous Canadians families, but they will also positively affect business owners across the country.

In my riding of Vaughan—Woodbridge, the city of Vaughan is home to over 11,000 small and medium-size businesses, employing more than 208,000 people. I am proud to say the city of Vaughan is the largest employment area in the whole York Region.

My riding is home to many businesses, from the large, multinational companies like FedEx and Home Depot, to many family-run firms, including Vision Enterprises, Quality Cheese Inc., Decor-Rest Furniture Manufacturers, to family-run bakeries, which I frequent all too often. When I am home, my family and I enjoy visiting our favourites like Sweet Boutique, La Strada Bakery, and St. Phillips Bakery to just name a few.

[*Translation*]

With Bill C-74, we will strengthen our businesses by lowering the small business tax rate to 10% effective January 1, 2018, and to 9% effective January 1, 2019.

[*English*]

Once fully implemented, those hard-working small business owners will see a tax reduction of up to \$7,500 annually. This measure is a cumulative tax reduction of nearly \$3 billion over the next five years in the pockets of hard-working Canadians across the country.

[*Translation*]

Our government initiated extensive consultations to make sure that entrepreneurs can continue to invest in and grow their business, but also to ensure that all Canadians are paying their fair share of taxes and that the economy is working for everyone.

[*English*]

I know this is crucially important for the many successful private business owners in my riding of Vaughan—Woodbridge who are involved in various industries, from advanced manufacturing, high tech, construction, and the food and beverage sector. I have met with many of these hard-working large, medium, and small business owners, some employing 10 workers and others employing thousands. I am incredibly proud of their hard work and to be their voice in Ottawa.

Our government will ensure that business owners can continue to invest in their businesses and also increase flexibility for owners to build a cushion of savings for personal circumstances, such as maternity leave or retirement.

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• (1340)

[*Translation*]

However, we will restrict tax deferrals for passive investments in private corporations. Once a private corporation has amassed significant passive investments, it will no longer be subject to the small business tax rate. This measure will affect less than 3%, or about 50,000, of Canadian-controlled private corporations.

[*English*]

As I noted in my introduction, our government is committed to helping all Canadians succeed, and we are putting money in the pockets of those who need it most.

In budget 2018, our government makes a significant investment in boosting the earnings of low-income workers with a near \$1 billion investment in the Canada workers benefit. The investment will lift 70,000 Canadians out of poverty and, as important, encourage more people to join the workforce.

With the legislative changes that will automatically enrol Canadians, an estimated 300,000 additional low-income workers will receive the new CWB for the 2019 tax year. For example, an individual in my riding who is earning \$20,000 annually, which is not a large sum for a lot of people, and some people make that stretch a long way, will receive an additional \$500 from this measure, where previously no boost was received.

[*Translation*]

As the son of parents who immigrated to Canada with nothing but the desire to work and create a better future for their family, I know that the Canada workers benefit will improve the living conditions of thousands of Canadian workers.

[*English*]

I have touched merely upon a few things that Bill C-74 introduces. The indexation of the Canada child benefit, the Canada workers benefit, and support for small businesses are all measures that will benefit millions of Canadian workers and Canadian businesses from coast to coast to coast.

These measures will lift tens of thousands out of poverty, help families in raising their kids, encourage more folks to enter the labour force, and allow business owners to invest more money to grow their businesses. These are real, tangible, positive outcomes that will better the lives of Canadian families, business owners, and our economy. I am proud of budget 2018 and what is in Bill C-74.

Mr. Peter Julian (New Westminster—Burnaby, NDP): Mr. Speaker, the Liberals always committed to pushing back against omnibus legislation. The member will recall from previous Parliaments that the Conservatives introduced 300- or 400-page pieces of omnibus legislation. The Liberals always decried that, said it was inappropriate, that we should not have all of these measures dumped into one bill. Certainly during the election campaign in 2015, we all recall that the Prime Minister committing to showing more transparency in Parliament, avoiding the egregious type of omnibus legislation we had under the Conservatives. However, lo and behold, we now have the largest omnibus bill in Canadian history, with 556 pages amending more than 44 pieces of legislation.

It is bigger, fatter, more bloated than any omnibus legislation we have had before.

How does the member feel about the betrayal of a solemn commitment made during the election campaign by the Prime Minister on behalf of all Liberal candidates, saying that the Liberals will not do this anti-democratic, non-transparent dumping of omnibus legislation, and then having the Liberals do the worst omnibus bill ever?

Mr. Francesco Sorbara: Mr. Speaker, the measures contained in Bill C-74 are real. They impact people in my community and communities across this country, whether it is the indexation of the CCB, implementing the Canada workers benefit, whether it is putting a price on carbon. I could go on and on. Whether it is encouraging women to enter the labour force in greater numbers, closing the wage gap, all of these measures, many of them contained in Bill C-74, are real measures which impact real people every day. They are working hard and trying to save for their families and their future. I am proud to be part of a government that has put forth these measures as making a real difference in people's lives, not some theoretical justification.

• (1345)

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Mr. Speaker, I asked a similar question of the parliamentary secretary a few minutes ago, but there were no answers forthcoming, so I want to see if my colleague could answer some concerns that have been raised.

First of all, my colleague failed to mention that 90% of middle-class families are paying more taxes now than they were two and a half years ago. He also failed to mention the increasing amount of interest we are paying on our national debt. It is \$26 billion this year, and up to \$33 billion by 2021. This is a huge cost in our national budget.

During the last election, the Liberal Party promised that by 2019, one year from now, we would be back to balanced budgets. All of the current estimates indicate that under the government's leadership, the earliest we will balance a budget is 2045. I wonder if my colleague could tell the House when the budget will be balanced.

Mr. Francesco Sorbara: Mr. Speaker, we are undertaking the necessary investments to grow our economy today and for tomorrow. We are undertaking the necessary investments to invest in families through the Canada child benefit and in businesses much like the five superclusters. One of the superclusters is located near my colleague's riding who is asking the question. Through their hard work and our assistance, Canadians know we have created over 500,000 jobs, with an unemployment rate at less than 6%. It is a 40-year record for participation rates, and a debt-to-GDP ratio which is declining and the lowest in the G7.

Government Orders

Mr. Mark Gerretsen (Kingston and the Islands, Lib.): Mr. Speaker, with respect to the last question, it is all about how we do the math. What the Conservatives are not doing is not considering that there is a child benefit that people are getting back. Members are not including that in their math. They are also not talking about the fact that we are lowering the corporate tax rate to 9%. Those are meaningful things that Canadians get to see.

The member talks about the workers benefit that the government is bringing in under this budget. I am curious if he can expand on why he sees that as being important to getting people to work, encouraging people to seek out opportunities so they can continue to strive for and achieve meaningful jobs.

Mr. Francesco Sorbara: Mr. Speaker, it is great to see my colleague and friend from Kingston and the Islands this morning and his passion. His comments are exactly correct. The CWB will encourage and pull more people into the labour force. We need people entering the labour force. We have a demographic binge where a lot of people are retiring, and we need people coming into the labour force. This will allow low-income workers to benefit and to work hard, as well as remove people from the welfare trap, as one may want to call it in economic terms. This is something that is very important for our government and is going to benefit Canadians for years to come.

Ms. Pam Goldsmith-Jones (Parliamentary Secretary to the Minister of International Trade, Lib.): Mr. Speaker, I appreciate the opportunity to discuss Bill C-74 and the measures in budget 2018. This budget implementation act is the government's latest phase in growing and strengthening the middle class, promoting equality, and investing in the economy of the future. It is important to take a step back to see how Canadians have fared over these past couple of years. The government's plan to grow the middle class is working. Our plan is working because Canadians are working.

Over the last two years, hard-working Canadians have created nearly 600,000 new jobs, most of them full time. Unemployment rates are near the lowest levels that we have seen in over 40 years. Since 2016, Canada has led all other G7 countries in economic growth. As a result, we are able to continue to invest in the things that matter to Canadians while making steady improvements to the government's bottom line. Two weeks ago, the Minister of Infrastructure and Communities announced that the Government of British Columbia and the Government of Canada have come to an agreement on the investing in Canada infrastructure plan announced in budget 2016. Speaking as a representative from British Columbia, under the agreement, British Columbia will receive \$4.1 billion from 2018 to 2028, making significant investments in our communities' public, recreational, green, and rural infrastructure. Let me also reassure my hon. colleagues that the government is being diligent in making sure that Canada remains the best place to invest, create jobs, and do business. Our future prosperity depends on making sure that every Canadian has an equal and fair chance at success.

For many Canadians, being a parent and raising a family is the most important part of their lives. Employment insurance maternity and parental benefits offer vital income support to parents during the critical period in early childhood when they need to take time off from work to care for their children. Through budget 2018, our government is proposing a new EI parental sharing benefit to support

equality in the home and workplace, by providing up to eight additional weeks of benefits when both parents agree to share parental leave. This "use it or lose it" incentive encourages a second parent in two-parent families to share the work of raising their children more equally. This new EI parental sharing benefit would allow greater flexibility for new mothers and fathers who want to return to work sooner if they so choose, knowing that their families have the support they need; supporting all two-parent families, including adoptive parents and same-sex couples; and allowing parents to share more family and home responsibilities, leading to fairer, less discriminatory hiring practices for women, because men and women have the option to stay at home with their children equally. We need to ensure that the benefits of a growing economy are felt by more and more people.

At this point, I would like to turn to our support for veterans. In my riding and across the country, we are grateful to the men and women who have served and are serving in uniform. It is our responsibility to ensure that they get the services and support they are owed. In West Vancouver—Sunshine Coast—Sea to Sky Country, we have nine Legions, and nine remarkable ceremonies on Remembrance Day. These continue to grow in terms of attendance and reflect the deep regard of Canadians for veterans. We know it is our duty to uphold the men and women who serve our nation in uniform. We need to listen to and take action to support our veterans who have served with valour, dignity, and sacrifice. The Government of Canada is committed to supporting Canada's veterans and their families. We owe an enormous debt of gratitude to them, and I am pleased to offer comments outlining our commitment.

On December 20, 2017, the government unveiled its pension for life plan, a program designed to reduce the complexity of support programs available to veterans and their families. It proposes a broader range of benefits, including financial stability to Canada's veterans, with a particular focus on support for veterans with the most severe disabilities. Taking a closer look, the three new benefits that provide recognition, income support, and stability to Canada's veterans who experience a service-related injury or illness look like this. The pension for life plan would provide, under pain and suffering compensation, a monthly tax-free payment for life of up to \$1,150 for ill and injured veterans. The plan also proposes, for additional pain and suffering compensation, a monthly tax-free payment for life of up to \$1,500 for veterans whose injuries greatly impact their quality of life. The plan also proposes to provide an income replacement benefit, that is, monthly income replacement at 90% of a veteran's pre-release salary.

Statements by Members

•(1350)

These new elements represent an additional investment of almost \$3.6 billion to support Canada's veterans. These new services and benefits would impact lives significantly. Pension for life would mean that a 25-year-old retired corporal who is 100% disabled would receive more than \$5,800 in monthly support. For a 50-year-old retired major who is 100% disabled, monthly support would be almost \$9,000.

The bill before us includes amendments to the Pension Act and the Veterans Well-being Act to put measures of the pension for life plan into effect. It would also provide income replacement at 90% of pre-release salary for veterans who are facing barriers returning to work after military service.

The government recognizes that psychiatric service dogs play an important role in helping Canadians cope with conditions like post-traumatic stress disorder. Through this bill, the government proposes to expand the medical expense tax credit to recognize costs for these animals for 2018 and future tax years. This measure would directly benefit veterans and others in the disability community who rely on psychiatric service dogs. This measure also complements the work of organizations that support them, such as the Royal Canadian Legion, and Paws Fur Thought, which provide service dogs to veterans and first responders with invisible disabilities.

In conclusion, to face the challenges of today and tomorrow, we will need the hard work, health, and creativity of all Canadians, including our veterans and seniors. One of the ways to help make that happen is by strengthening the programs that make the biggest difference in people's lives and by making those benefits easier to get.

Since 2016, the government has put in place substantial improvements to the benefits and services available for veterans. For example, the government has raised financial supports for veterans and caregivers, introduced new education and training benefits, and expanded a range of services available to the families of medically released veterans. When combined with existing services and benefits to help veterans in a wide range of areas, including education, employment, caregiver support, and physical and mental health, the Government of Canada's investments since 2016 add up to nearly \$10 billion. These investments are the right thing to do to honour our nation's veterans, seniors, and all Canadians.

For that reason, I urge my colleagues to support the budget implementation act.

•(1355)

The Assistant Deputy Speaker (Mr. Anthony Rota): We have time for one question before we go to statements by members.

The hon. member for New Westminster—Burnaby.

Mr. Peter Julian (New Westminster—Burnaby, NDP): Mr. Speaker, the government has failed in the budget and the budget implementation act to take action against tax havens. We are talking about \$10 billion to \$30 billion a year that goes offshore and basically allows Canada's wealthiest citizens and biggest corporations to get off tax free, yet the government does not seem willing to take any action at all on that. It actually restricted the Parliamentary

Budget Officer from getting the information that office needs to tell us about the massive tax gap. As a result, Canadians are asked to wait for things like pharmacare and pay equity.

Why is the government's priorities always with Bay Street rather than main street?

Ms. Pam Goldsmith-Jones: Mr. Speaker, on the contrary, we have all sat here day in, day out, and listened to the leadership of the minister talking about the proactive stance that our government is taking with regard to tax havens and the success she has already met with. Furthermore, going a little broader, it is important to recognize that Canada is the first country in the world to support an ombudsperson to ensure accountability for responsible enterprise when Canadian companies are doing business abroad.

The Assistant Deputy Speaker (Mr. Anthony Rota): The hon. parliamentary secretary will have three minutes and 50 seconds coming to her when we resume after question period.

STATEMENTS BY MEMBERS

[English]

HUMBOLDT BRNCOS BUS CRASH

Mr. Jonathan Wilkinson (North Vancouver, Lib.): Mr. Speaker, I rise today to express my very deepest sympathy to the families directly affected by last week's tragic events, to the community of Humboldt, and to all Saskatchewanians.

Having spent my childhood, adolescence, and early adult life in that wonderful province, I was extremely saddened. In a province that is so community oriented and where personal relationships among community members are so strong, there is clearly great sorrow. However, these strong bonds that exist between neighbours and communities have and will be a source of strength as Saskatchewanians struggle to come to grips with the impacts of the accident.

All Canadians mourn with the families, with Humboldt, and with Saskatchewan. On behalf of my constituents, my family, and myself, I would like to express our deepest condolences to the families, the community, and to all Saskatchewanians.

*Statements by Members***HUMBOLDT BRONCOS BUS CRASH**

Mr. Todd Doherty (Cariboo—Prince George, CPC): Mr. Speaker, like all Canadians, I was absolutely heartbroken by the news of the Humboldt Broncos tragedy. Although I did not personally know any of the players or coaches, like many Canadians from coast to coast to coast, I, too, have spent countless hours on the bus, first as a player and then as a coach. It is what we have to do in rural communities when we choose to play sports or participate in events.

At the beginning of a season when parents bring their children to the rink to join our team, they are placing their trust in us as coaches and as an organization to protect their children. Their children become our children. They become our family. Just as we would with our own children, we agonize over every detail to ensure the safety of their children on and off the ice.

My heart has been filled with incredible sadness since first hearing this news. The scenario has been played out in our minds over and over again. This indeed is among our worst nightmares.

Since the news of the accident broke, former players, coaches, and volunteers have all reached out to me. Their reaction is the same. We are all numb.

I can imagine what was going on just before the accident: an iconic sports movie playing on the video, a poker game in the back, coaches sitting quietly thinking about the previous game and the night's lineup, and the quiet conversations of hopes and dreams.

As a father, I cannot even begin to imagine the pain the families are experiencing. The community of Humboldt, the surviving players, and the families of the deceased will need our nation's prayers, strength, and support for a very long time. Long after the cameras and the media go away, these communities and these families will need us all as a nation to continue to lift them up. This pain will endure long after the ice from this season has melted. Hearts will continue to break long after the final buzzer goes off.

On behalf of all families in my riding of Cariboo—Prince George and our proud hockey teams, the BC Major Midget League, Cariboo Cougars, the WHL Prince George Cougars, the British Columbia junior hockey league, and the Prince George Spruce Kings, our thoughts and prayers are with those we have lost, those who are still fighting, the community of Humboldt, and the Humboldt Broncos organization.

We ask that we all take a moment to say a prayer for the families involved as well as for the first responders involved in this unbelievable tragedy. This will undoubtedly have an immeasurable impact on them as well. We ask that beyond today we continue as a nation to embrace and lift these families up and hold them in our hearts.

* * *

● (1400)

ANNE-MARIE EAGLES

Mr. Matt DeCoursey (Fredericton, Lib.): Mr. Speaker, a loving mother, wife, educator, and caring friend of many, Anne-Marie Eagles passed away last month after a long battle with cancer.

Anne-Marie was strong in her faith and had a love of life that she shared oh so well with oh so many.

[*Translation*]

As a dedicated teacher and guidance counsellor, Anne-Marie loved to encourage her students to achieve their dreams and give them the means to do so. In recent weeks, a number of students have shared stories about how Mrs. Eagles has had a lasting impact on their lives.

[*English*]

The outpouring of support at her passing reminds us of the tremendous impact that a simple warm smile and sincerity for the well-being of others can have on a community.

Together we honour the life and legacy of this beloved and inspiring woman and send our thoughts and prayers to her husband Mike, sons Matt and Chris, and to the entire Eagles and Allain families.

* * *

VAISAKHI

Mr. Peter Julian (New Westminster—Burnaby, NDP):

[*Member spoke in Punjabi*]

[*English*]

Mr. Speaker, I wish everyone a very joyous Vaisakhi from the NDP and from our national leader, Mr. Jagmeet Singh. May the festival of Vaisakhi fill everyone with hope and happiness.

[*Translation*]

This festival is a celebration of human rights and serves as a reminder that we are all connected, and that everyone must be free from prejudice, oppression, and discrimination, regardless of gender, ethnicity, sexuality, or identity.

[*Member spoke in Punjabi*]

* * *

[*English*]

AIRPORTS

Mr. Stephen Fuhr (Kelowna—Lake Country, Lib.): Mr. Speaker, I wish to welcome to Ottawa the Canadian Airports Council. CAC is the voice for more than 100 airports across Canada and they work to ensure that Canada is a leader in safe, high-quality, and economically prosperous air transport. Serving as gateways to the world, our airports generate nearly 200,000 jobs and contribute \$35 billion in GDP to our nation's economy.

In my riding of Kelowna—Lake Country, under the direction of airport manager Sam Samaddar, Kelowna International Airport is one of the busiest airports in Canada, serving nearly two million passengers annually and contributing more than \$800 million in total economic output to the province of British Columbia.

I invite all members in this House to join the Canadian Airports Council tomorrow night at a reception from 5 to 7 p.m. at the Chateau Laurier to recognize our airports' contributions to our communities and the Canadian economy.

Statements by Members

If members have an airport in their riding, I will see them tomorrow at the Chateau.

* * *

• (1405)

HUMBOLDT BRONCOS BUS CRASH

Mrs. Karen Vecchio (Elgin—Middlesex—London, CPC): Mr. Speaker, today I stand in my Team Canada jersey remembering the young men and woman we lost to the horrific tragedy in Humboldt.

As a parent, I know what it's like to send my children on a bus destined for camp, school, or a sports tournament. This story touches the lives of all Canadians. It is about the families and all of the lives that have been impacted and affected. It is about the people who welcomed these young men into their homes as billets. It is about hockey moms and dads. It is about the volunteers who do their best to keep our kids safe on trips away from home.

Through the outpouring of support on Jersey Day and the hashtags #SticksOutForHumboldt and #HumboldtStrong, I know that this has deeply touched individuals across the country.

On behalf of the residents of Elgin—Middlesex—London, we offer our sincere condolences to Humboldt and everyone affected. May God watch over them in the coming days.

* * *

PROJECT WELLNESS

Mr. Dan Ruimy (Pitt Meadows—Maple Ridge, Lib.): Mr. Speaker, Canada is a place that is filled with incredible and kind-hearted individuals, whose deeds are done without acknowledgement and for the benefit of others. I am proud to say that my riding of Pitt Meadows—Maple Ridge is home to many of these hidden heroes, such as George Klassen and his late wife, Sheila. They started their non-profit organization, Project Wellness, in 2006, providing clean water, education, medicine, and food to orphans in Malawi.

Last week I was invited to George's 80th birthday. Words cannot express how inspiring it was to hear his experiences. Since 2006, George has built a total of 39 wells, has taken almost 500 orphans under his care, and continues to successfully drill clean water wells. In a week's time, at the young age of 80, he is leaving to drill the first of five new wells in 2018.

I wish George good luck. He is an inspiration to me and our community. On behalf of all of Parliament, I wish him safe travels. Maybe one day I will be out there drilling a well alongside him.

* * *

TRANS MOUNTAIN EXPANSION PROJECT

Mr. Randy Boissonnault (Edmonton Centre, Lib.): Mr. Speaker, the environment and the economy must go hand in hand to ensure the long-term prosperity of all Canadians. With this in mind, and following rigorous reviews, our government approved the Trans Mountain expansion project. Working with our indigenous partners, we have completed the deepest consultations with rights holders ever on a major project in this country. Forty-three first nations have negotiated benefit agreements with the project, 33 of those in B.C.

Despite clear federal jurisdiction, repeated attempts have been made to undermine the project over the past months. We say enough is enough. As such, we have begun financial discussions with Kinder Morgan in order to remove the uncertainty surrounding this vital project. We are also pursuing legislative options that will assert the federal jurisdiction the courts have already told us we clearly have.

The Trans Mountain expansion project is in the national interest. It will be built.

* * *

[*Translation*]

HUMBOLDT BRONCOS BUS CRASH

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Mr. Speaker, all Canadians over 50 remember where they were when Paul Henderson scored his famous goal. Today, all Canadians remember where they were when they heard about the Broncos tragedy.

On April 6, 16 Canadians died in a bus accident in Saskatchewan. These young people were members of the Humboldt Broncos team. Players, coaches, staff members, and even an announcer were among the victims. In such tragic and difficult times, we all feel united as Canadians.

Whether it is the families of Lebourgneuf, in my riding, who put hockey sticks on their doorsteps, Canadian members of the military in Iraq, me, as I left my hockey stick at the door of the House of Commons, or the Muslim men who brought their sticks to the largest mosque in the country, all Canadians have been affected and wanted to express their condolences.

Hockey is not just any sport, it is our national sport. When we are playing or watching a game, there is no language, race, religion, or nationality. Now and forever, we are Canadians, and we will always be Broncos.

* * *

• (1410)

[*English*]

VAISAKHI

Ms. Kamal Khera (Brampton West, Lib.): Mr. Speaker, this past Saturday, people of Sikh faith both in Canada and around the world celebrated Vaisakhi, marking the founding of Khalsa by Guru Gobind Singh in 1699.

Statements by Members

During this celebration of prayer, reflection, and unity, our thoughts turn to community. We are reminded of the ways our vibrant Sikh community helps to enrich our national fabric. All across Canada, Sikhs reaffirm the values of equality, social justice, and most importantly, selfless service.

Each year, thousands of Sikh Canadians take part in selfless service, also known as Seva, through free community kitchens, food drives, equality initiatives, and youth outreach programs. These programs, often run through local gurdwaras, such as the Gurdwara Sikh Sangat in Brampton West, provide crucial support to their local communities. I applaud these programs for highlighting values that we share not only as Sikhs, but also as Canadians.

To all those celebrating in Brampton West, across Canada, and around the world, happy Vaisakhi.

[Member spoke in Punjabi]

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RUSTY STAUB

Mr. Marc Miller (Ville-Marie—Le Sud-Ouest—Île-des-Soeurs, Lib.): Mr. Speaker, known to fans as “Le Grand Orange” because of his bright orange hair, Rusty Staub was one of the original Montreal Expos, far and away their first star.

Arriving in Montreal for the 1969 season, Staub helped establish the fledgling team and the professional sport of baseball in the hearts of Montrealers.

[Translation]

On March 29, the opening day of the 2018 baseball season, “Le Grand Orange” passed away and the Montreal baseball community lost one of its superstars. On the field, he was one of the Expos' best hitters. Off the field, he wasted no time integrating into the Montreal and Quebec culture, even taking French courses to better communicate with local media, French fans, and, above all, young people. As a result of his efforts, “Le Grand Orange” left an indelible mark on the hearts of Expos fans.

[English]

It is with great sadness that we say a final goodbye to Canada's first baseball superstar.

Mr. Speaker, through you I say to Rusty, rest in peace. There are some kids up there that need you.

* * *

HUMBOLDT BRONCOS BUS CRASH

Mr. John Brassard (Barrie—Innisfil, CPC): Mr. Speaker, it has been 10 days and the collective soul of our nation is still coming to grips with the tragedy that took place at that rural Saskatchewan intersection involving the Humboldt Broncos hockey team.

Despite the confusion, the anger, and the anguish, over the past 10 days Canadians have come together beautifully with an outpouring of love and support for those who perished, those who survived, and for their families. It has been incredible to see the compassion that Canadians have shown our neighbours in their time of pain.

Tributes like Jersey Day, hockey sticks, athletic tape, and headsets placed on our porches, from Timbits Hockey to the National Hockey League and all levels in between, Canadians have wrapped Humboldt and the Broncos in their arms to mourn and to give comfort to those who need it.

Hockey is Canada. Canada is hockey. Humboldt is Canada. Humboldt is hockey.

This game, this beautiful game, will see the puck drop again in Humboldt, and when it does, all of Canada, and indeed all members of the House, will be cheering for Humboldt and our Broncos.

* * *

[Translation]

NATIONAL VOLUNTEER WEEK

Mrs. Eva Nassif (Vimy, Lib.): Mr. Speaker, this week is National Volunteer Week, and I am delighted to rise to congratulate all those who volunteer in their communities.

I would like to highlight the work of Simone Langevin, who passed away on March 27. She volunteered with the Relais communautaire de Laval for 12 years and was named volunteer of the year in 2017 for her dedicated contribution to her community. Like her, we can be part of a group that is greater than the sum of its parts and that ultimately benefits society as a whole.

I would like to thank all those who give of themselves to their communities. No matter the cause they choose, people who give their time are a treasure because they truly believe in what they are doing.

* * *

[English]

HUMBOLDT BRONCOS BUS CRASH

Mr. Erin Weir (Regina—Lewvan, NDP): Mr. Speaker, I rise on behalf of the NDP to mourn the loss of life in the horrific bus accident 10 days ago. We also pay tribute to the heroic work of Saskatchewan's first responders and extend condolences to everyone touched by this tragedy.

Hockey brings people together as a touchstone of Canadian identity, and nowhere more so than in Saskatchewan. While our province has been too small to support an NHL team, Saskatchewan has produced by far the most NHL players per capita of any province or state in the world.

But the young people who were killed were not just great hockey players; they were pillars of the Humboldt community. They embodied a spirit of public service that inspires all Canadians, one that we should strive to emulate here in this Parliament.

Oral Questions

●(1415)

HUMBOLDT BRONCOS BUS CRASH

Mr. Dane Lloyd (Sturgeon River—Parkland, CPC): Mr. Speaker, on April 6 Canada experienced a national tragedy after a collision in Saskatchewan claimed the lives of 16 people and forever changed the lives of many others. Sturgeon River—Parkland's own Conner Lukan and Parker Tobin passed away in this terrible crash. Conner and Parker grew up in Sturgeon River—Parkland and both played for the Humboldt Broncos. They are survived by their friends, family members, and teammates, whose lives they touched.

I would like to thank the first responders, whose actions on the scene saved lives, and also the nurses and physicians who have spent countless hours attending to the needs of the victims and their families. They have the thanks of a grateful nation.

For Lorne and Robin, Ed and Rhonda, no words I say can ease the pain of their loss. However, I want them to know that the thoughts and prayers of the people of Sturgeon River—Parkland and our nation are with them, and that they are in our hearts. God bless.

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HUMBOLDT BRONCOS BUS CRASH

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, as a former Junior A hockey coach and the father of a Quebec Major Junior Hockey League graduate, I can speak first-hand to the near sanctity of the team bus. Aspiring young Canadians spend days, weekends, even weeks on what serves as the team's rec room, lunchroom, bedroom, and library. It is their sanctuary. However, when the bus pulls out of the home rink parking lot, parents and billets alike think more in terms of "I hope the team gets a win and brings back some points." I know I can never recall thinking, "I hope they all make it back."

That unspoken confidence in the team bus has been shattered, and the collective heart of a hockey nation has been broken. We mourn together.

We know that the first responders, who inherently and willingly accepted a high degree of danger and risk when they signed on to the job, could never have imagined the horror and tragedy of that night.

The Humboldt Broncos website posted, "They woke up that morning with hopes to win the game but instead they united a nation."

To the family and friends of all involved, know that our country shares your grief, today and always.

* * *

HUMBOLDT BRONCOS BUS CRASH

The Speaker: As members of Parliament, we gather in this chamber to represent the people of Canada and to express their views and their wishes.

[Translation]

Today, on their behalf, we honour the memory of those who lost their lives or were injured in the tragic Humboldt Broncos accident.

[English]

In the name of all Canadians, and in tribute to the Humboldt Broncos, I ask all members to rise in unity and observe a moment of silence.

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

●(1420)

*[Translation]***NATURAL RESOURCES**

Hon. Andrew Scheer (Leader of the Opposition, CPC): Mr. Speaker, almost 10 months ago, an openly anti-pipeline government took office in British Columbia. We have been urging the Prime Minister to take action ever since, but now the Trans Mountain pipeline conflict has escalated into a crisis. Every time the resource transportation issue comes up, the government's response is the same: delays and obstruction.

Why does the Prime Minister always wait until the eleventh hour to do something about issues that are vital to economic development?

[English]

Hon. Jim Carr (Minister of Natural Resources, Lib.): Mr. Speaker, may I begin to speak as a Manitoban and as a prairie hockey dad? On behalf of my family and all Manitobans, I offer our sincere condolences to the people of Humboldt and of Saskatchewan. This is a tragedy that we all feel personally in our families and in our communities.

The Prime Minister was very clear yesterday on the government's position of ensuring that the pipeline be built. He offered ways in which the government intends to act. He has instructed the Minister of Finance to engage in financial discussions with Kinder Morgan. He is discussing with his government legislative ways to reassert federal jurisdiction.

This pipeline will be built.

Hon. Andrew Scheer (Leader of the Opposition, CPC): Mr. Speaker, the reason the stakes are so high for Trans Mountain is because of the government's disastrous energy policy from start to finish.

It vetoed northern gateway, something that had gone through an independent, evidence-based analysis. It killed energy east. It has driven out \$87 billion worth of investment in the energy sector. It has brought in Bill C-69, which has further shaken confidence in Canada's economy.

Why is that the Trans Mountain project had to become a crisis before the Prime Minister finally took action?

Oral Questions

Hon. Jim Carr (Minister of Natural Resources, Lib.): Mr. Speaker, the government approved the Line 3 replacement project. It is already under way with construction in Alberta and Saskatchewan. There will be further construction in the coming weeks in Manitoba.

We are in support of the Keystone XL project. We have approved the TMX project. This will result in tens of thousands of jobs being created for Canadians. It will give us an opportunity to expand our export markets. As members know, 99% of the export of oil and gas in Canada goes to one country, the United States.

At the same time, we are investing unprecedented—

The Speaker: The hon. Leader of the Opposition.

* * *

[*Translation*]

PUBLIC SAFETY

Hon. Andrew Scheer (Leader of the Opposition, CPC): Mr. Speaker, today, in committee, the Prime Minister's national security adviser completely debunked the conspiracy whereby the Indian government was behind the invitation of a convicted terrorist to an event in India hosted by the Prime Minister.

Will the Prime Minister stand and withdraw the false accusations he made here in the House on February 27 and issue an apology to the Government of India?

[*English*]

Hon. Ralph Goodale (Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, I am sure there will be further opportunities to respond to similar questions.

Since this is my first opportunity as a member of Parliament from Saskatchewan, may I express my deep condolences to those who have suffered loss in the terrible tragedy that has befallen the Humboldt Broncos and join with all of those in the House who are expressing prayers for the speedy recovery of all those who have been injured?

The demonstration of solidarity in the House of Commons today is extremely important to the premier and the province and all the people of Saskatchewan, a province that both the Leader of the Opposition and I share.

• (1425)

Hon. Andrew Scheer (Leader of the Opposition, CPC): Mr. Speaker, I want to thank the hon. minister for his sincere words. I know I speak on behalf of all members of the Conservative Party and all Canadians who have come together over this tragedy. I appreciate the non-partisan sentiments that have brought us all together in tribute to the victims of the crash.

On February 27, the Prime Minister advanced the theory that Jaspal Atwal's presence at a Government of Canada event in India was orchestrated by rogue elements within the Indian government. Today, the Prime Minister's national security adviser said that the Prime Minister's theory is false.

Will the Prime Minister stand and withdraw the false accusations he made on February 27 in this House and issue an apology to the Government of India?

Hon. Ralph Goodale (Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, I note that the national security adviser was very clear in the remarks that he made today before the standing committee. I also note that on numerous occasions, when asked similar questions in the House, the Prime Minister has repeatedly said that he agrees with his national security adviser.

Hon. Andrew Scheer (Leader of the Opposition, CPC): Mr. Speaker, the information that has come out of the committee hearing today indicates the government's theory that it was elements of the Indian government that were responsible for Mr. Atwal's presence was completely false, and that the theory being perpetrated was the responsibility of the Prime Minister's Office. Did the Prime Minister approve the release of the false information about his India trip?

Hon. Ralph Goodale (Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, the hon. gentleman seems to be following a misguided path here, because he says in one breath that he agrees with and accepts the evidence that has been given by the national security adviser. That is good. That is exactly what the Prime Minister said.

* * *

[*Translation*]

NATURAL RESOURCES

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, yesterday, on leaving his meeting with the premiers of British Columbia and Alberta, the Prime Minister said he wants to impose a solution on the provinces to try to resolve the dispute over Trans Mountain.

Whether the federal government likes it or not, that solution violates one of the provinces' environmental legislation. In an open letter, the Government of Quebec reminded Ottawa that no project located partially or entirely on a province's territory is exempt from the environmental legislation adopted by that province's legislature.

What of the co-operative federalism that the Liberals promised?

Hon. Marc Garneau (Minister of Transport, Lib.): Mr. Speaker, we are very proud of our federal-provincial co-operation and we always have been. Let us be clear: this project is in the national interest. That is why we are moving forward with it. This type of project falls under federal jurisdiction. Let us be clear: the Supreme Court has already ruled on the matter, as everyone knows.

This project is in the national interest and we will continue to move ahead with it.

[*English*]

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, the Liberals approved the Trans Mountain project by relying on the environmental assessment process of the Harper government, which they used to denounce. They now use it because it suits them. Ramming a project down the province's throat is not co-operative federalism.

Yesterday the Prime Minister said he will pursue legislative options to reinforce the federal jurisdiction regarding energy projects, which, he said, "we know we clearly have."

Oral Questions

However, it is not clear. Will the government partner with B.C. and first nations in Alberta to seek greater clarity from the Supreme Court of Canada?

Hon. Jim Carr (Minister of Natural Resources, Lib.): Mr. Speaker, first of all, the Trans Mountain expansion project was approved by the British Columbia government, and there was an environmental assessment process in British Columbia that led to the approval.

Second, we did not use the same rules as the Harper administration. We used different ones, which led to incredible consultation, historic consultation, with indigenous peoples up and down the line. After months of consultation and tens of thousands of conversations, we approved this in Canada's interests.

• (1430)

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, the ultimatum over the Kinder Morgan pipeline will not be solved by jumping to the deadline of a Texas oil company, because the issue of social licence for indigenous Canadians remains unresolved.

In the minister's own briefing notes, the government admits that its response to the legitimate indigenous questions are “paternalistic, unrealistic, and inadequate”. That is Colonialism 101.

Did the Prime Minister really think he was going to stop the Kinder Morgan impasse by deliberately excluding indigenous leadership from Alberta and British Columbia from the talks?

Hon. Jim Carr (Minister of Natural Resources, Lib.): Mr. Speaker, as the hon. member knows, major projects such as this are by their very nature controversial, and they divide communities. There are many people in British Columbia who think this is a very important project for Canada. As a matter of fact, it even divides political parties. Perhaps the member would want to organize a meeting with the NDP premiers of Alberta and British Columbia to see what kind of consensus he can arrange.

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I refer him to his notes about being paternalistic and inadequate. I am very pleased that the Premiers of British Columbia and Alberta tabled the question as to why they were deliberately excluding indigenous Canadians. That is the question. The Liberals are asking Canadians to assume the financial risks for Kinder Morgan, but there is also a significant social risk.

Just how far are the Liberals willing to go to run roughshod over indigenous rights to do the work of a Texas-based oil company?

Hon. Jim Carr (Minister of Natural Resources, Lib.): Mr. Speaker, the member knows that the Government of Canada has engaged in unprecedented consultation with indigenous communities. Up and down the line, we know that 44 indigenous communities have signed benefit agreements with Kinder Morgan, 33 of them are in British Columbia. Others have been involved with us in establishing a monitoring committee co-developed between the government and indigenous communities for the first time in Canadian history.

Mrs. Shannon Stubbs (Lakeland, CPC): Mr. Speaker, on April 6, in B.C., the Prime Minister claimed Trans Mountain would be safe, jobs would be created, and it would be built. Forty-eight hours later, Kinder Morgan said that it would not if roadblocks were not gone by May 31.

On April 9, the Canadian Pipeline Association said that the energy sector was in crisis mode. That same day, the natural resources minister said that it was not a crisis. Ministers met urgently, spouted empty words, and ran away. The PM took a day off while the finance minister met the Alberta premiers then went to Peru.

Yesterday he met with both premiers for the first time and announced nothing. He had failed. When will the Trans Mountain expansion be built?

Hon. Jim Carr (Minister of Natural Resources, Lib.): Mr. Speaker, yesterday the Leader of the Opposition, in front of a national audience, decided to speak before the Premier of Alberta and before the Prime Minister of Canada. He has powers of intuition beyond the normal. He was in tune with exactly what the premier and the Prime Minister were going to say so well, but he spoke before they did.

We are looking for the Leader of the Opposition's vision of the energy future for Canada, not seeking to speak—

The Speaker: The hon. member for Lakeland.

Mrs. Shannon Stubbs (Lakeland, CPC): Mr. Speaker, at least my leader did not run away from the media.

The Prime Minister's failure is more more than the pipeline. It is a crisis of confidence in Canada's economic and investment reputation. It tells the world Canada is closed for business, destroys competitiveness, and risks the future. It is the latest in a pattern of capital fleeing Canada under the Prime Minister and it is just the tip of the iceberg.

Hundreds of thousands of jobs in all sectors, billions for the economy, for social programs for all, hundreds of millions for more than 40 first nations and national unity are at risk. It has been a year and a half since the Prime Minister said that it was in the national interest. When will Trans Mountain be built?

Hon. Jim Carr (Minister of Natural Resources, Lib.): Mr. Speaker, the hon. friend says running away from the media. Last week, Country 93.3 in Fort McMurray, *The Globe and Mail*, CBC Radio in Vancouver, 660 News in Calgary, the *Calgary Herald*, Bloomberg Media, CBC/Radio Alberta, the *Toronto Star*, 770 news in Calgary, the Canadian Press, Radio/Canada in Edmonton, the *Daily Oil Bulletin*, *Le Devoir*, Global News, CKNW Vancouver, Global News TV in Edmonton, I had ample opportunity to talk about the government's position to the media and to the country.

Oral Questions

•(1435)

[*Translation*]

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Mr. Speaker, the Liberal Prime Minister and his government detest and despise Canadian oil. That is the truth. I would remind you that with regard to Alberta oil, on January 12, 2017, in Calgary, the Prime Minister said that “we need to phase them out.” It is unacceptable for a Prime Minister of Canada to say that. Today, the Prime Minister is saying that there is nothing to worry about and that the western pipeline will go forward, but it is not, because the person supposed to sell the project is doing a bad job.

Can the Prime Minister acknowledge that he does not believe in Alberta oil?

Hon. Marc Garneau (Minister of Transport, Lib.): Mr. Speaker, as we have said time and time again, this project is in the national interest. We cannot make that any clearer. That is why we are going to move it forward and ensure that it is built. We are currently talking to our partners. I can also say that Harper's Conservatives were unable to accomplish anything on this file for 10 years. They did not even initiate discussions with indigenous peoples. They did not develop environmental strategies. We believe in developing both the economy and the environment.

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Mr. Speaker, the minister will agree with me. This is a very serious subject. Not as serious as the rivalry between the Canadiens and the Nordiques, of course. We know that.

However, what I want to say to the minister is very serious. Sadly, this government's record so far is one of failure after failure. First there was northern gateway, which the Liberal government said no to. Then there was energy east, which was cancelled by the company because of the Liberals' policies. Now the issue is Trans Mountain, and the outcome is uncertain.

Does the minister realize that when his boss, the Prime Minister, says we need to phase out Alberta oil, he is sending a terrible message not only to Canadians, but to the world?

Hon. Marc Garneau (Minister of Transport, Lib.): Mr. Speaker, I can only repeat that our government is moving ahead on this project. It is in the national interest. It is important for our country. It is important not only for Alberta, but for Canada as a whole. By contrast, the Harper Conservatives did not get anything done during their 10 years in office. We are moving ahead on this project. The question is not if, but when. We are working with our partners to make sure that we are going to move forward on this project, which is so important for Canada.

[*English*]

Hon. Candice Bergen (Portage—Lisgar, CPC): Mr. Speaker, nine weeks ago, when talking about Trans Mountain pipeline and our motion supporting it, the natural resources minister said “There is simply no need for a motion today that attempts to manufacture a crisis where one does not exist...”

Well, there is a crisis. If that minister spent half the time recognizing the crisis going on in the energy sector as he does compiling the list of interviews that he clearly spent a whole bunch of time doing, he would know that this is a crisis not only on

pipelines but jobs. It is the Liberals' abdication of responsibility to the energy sector that has caused this. When—

The Speaker: The hon. Minister of Natural Resources.

Hon. Jim Carr (Minister of Natural Resources, Lib.): Mr. Speaker, I do not talk to the press enough and I talk to the press too much.

All the time we look at ways to embolden and enhance the oil and gas sector and the future of the energy sector in Canada. As a matter of fact, it was only a week ago when the Prime Minister and I were in Fort McMurray, talking to workers and CEOs within the energy sector, understanding the importance of certainty for investment, the importance of investment in the sector internationally, that Canada was a place where people could have confidence. That is why we are determined to see this project, in the national interest, will be built.

Hon. Candice Bergen (Portage—Lisgar, CPC): Mr. Speaker, we have been warning the Liberal government that its policies are hurting Canada's energy sector, killing competitiveness and jobs. Its carbon tax, its tanker ban, and its disastrous approval process has killed projects like Petronas LNG, northern gateway, energy east. Now we see Trans Mountain dying a slow death. Investment and jobs are leaving Canada as we speak.

When will the Liberals get their heads out of the sand and realize their policies are disastrous for Canada's energy sector?

•(1440)

Hon. Jim Carr (Minister of Natural Resources, Lib.): Mr. Speaker, approved pipelines, job creation for the people of Alberta, for the people of western Canada, compared to the 10-year record of the Harper Conservative government of not one kilometre of pipeline built to tidewater, no consultation with indigenous people, court cases that said the Harper government had failed in its constitutional responsibilities, no conversation with the importance of energy and the environment being part of the conversation, why would we want to mimic that record of failure?

Ms. Sheila Malcolmson (Nanaimo—Ladysmith, NDP): Mr. Speaker, in 2015, in B.C., the Prime Minister said that it was essential for social licence for any project like the Kinder Morgan pipeline. When he okayed Kinder Morgan, using Harper's deeply flawed process and over the objections of cities and first nations, he went back on his word.

He also promised provinces a co-operative relationship, but instead is pushing Kinder Morgan through, in spite of the alarm raised by B.C. over oil tanker traffic increases and increased oil spill risk. Why did the Liberal government break its promise?

Oral Questions

Hon. Jim Carr (Minister of Natural Resources, Lib.): Mr. Speaker, the member talks about the same process that was used by the Harper government. As I said a moment ago, we changed the process. We added layers of consultation with indigenous peoples, because the Federal Court of Appeal said that the Harper government did not consult enough. We sent an expert panel that went up and down the line. There are now 44 indigenous communities that will benefit, 33 of them in British Columbia.

We know that projects like this do not achieve consensus everywhere. We do know that this is in the national interest.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, last year the people of British Columbia elected a government truly committed to our coast. More than two years ago, the Liberal government promised to completely redo Stephen Harper's failed assessment of the Kinder Morgan pipeline project. However, because the Liberals broke that promise, the people of B. C. have taken to the streets and to the courts to defend our beautiful coast and our legal rights.

However, it is not just the Prime Minister who is betraying that commitment. Every single Liberal MP elected from B.C. broke that promise too. My question is simple. Is there just one B.C. Liberal MP who has the courage to stand up to the Prime Minister? Is there just one who will stand with British Columbians—

The Speaker: The hon. Minister of Natural Resources.

Hon. Jim Carr (Minister of Natural Resources, Lib.): Mr. Speaker, the member opposite forgot to mention the \$1.5 billion oceans protection plan. He did not mention it because, for whatever reason, he is not prepared to admit that this government has established and will establish a world-class system to protect our coasts. Why is that not part of the conversation? This is a coast that the member and his riding know all too well is essential not only to British Columbia but to all Canadians.

Mr. Jamie Schmale (Haliburton—Kawartha Lakes—Brock, CPC): Mr. Speaker, for months now, we have been demanding that the Prime Minister take action to get Trans Mountain built, but all we have gotten are slogans and platitudes. This crisis is about more than a pipeline. It is about the confidence that job-creating businesses have in Canada. This crisis will take more than just a layover on his way to Paris to get the problem solved.

When will it get built?

Hon. Jim Carr (Minister of Natural Resources, Lib.): Mr. Speaker, the government is committed to having the pipeline built. We intervened in motions at the National Energy Board when there were attempts to unnecessarily delay the project, and we happened to be successful in that motion. We will be continually alert to attempts to delay because we know that delay adds to uncertainty and uncertainty adds to costs. What the Prime Minister said yesterday was that we would not tolerate unnecessary delays and that we would add certainty.

Mr. Jamie Schmale (Haliburton—Kawartha Lakes—Brock, CPC): Mr. Speaker, the Prime Minister continues to demonstrate that he either does not want the Trans Mountain pipeline to be built or really does not care if it even proceeds. Instead, he continues to make matters worse by imposing policies that harm the Canadian

energy sector, like the carbon tax and new regulations that penalize Canadian oil experts.

The failure of the Prime Minister to take leadership has caused this crisis. When will the Liberals finally take this crisis seriously?

● (1445)

Hon. Jim Carr (Minister of Natural Resources, Lib.): Mr. Speaker, I just do not understand where the preamble comes from. Members opposite talk about “just words”. If they were tuning in to what the Prime Minister said yesterday, or maybe they tuned off after the Leader of the Opposition was finished, not waiting for the Premier of Alberta, not waiting for the Prime Minister of Canada, he would have heard not only words but commitment in significant and substantial ways, because this pipeline will be built.

Mrs. Stephanie Kusie (Calgary Midnapore, CPC): Mr. Speaker, it has been five months since the Prime Minister approved the Trans Mountain pipeline, but Kinder Morgan is still unable to get its shovels into the ground. The Prime Minister has failed to show the leadership required to solve an interprovincial dispute. The blame for this project's failing to move forward falls squarely at his feet.

When will the Prime Minister stop promising this pipeline and start delivering it?

Hon. Jim Carr (Minister of Natural Resources, Lib.): Actually it was not five months ago, Mr. Speaker, when the pipeline was approved; it was more than a year ago. Ever since the pipeline was approved, the Prime Minister in his speeches, regardless of where they are delivered, whether in Nanaimo, in Vancouver, in Edmonton, in Fort McMurray, in Calgary, in Winnipeg, in St. John's, Newfoundland, in Fredericton, has the same message. The message is that we have the capacity and the commitment in this government to make sure that we are stewards of the environment, that we are creating good jobs for the energy sector in Canada, while—

The Speaker: The hon. member for Peace River—Westlock.

Mr. Arnold Viersen (Peace River—Westlock, CPC): Mr. Speaker, the Prime Minister says he wants the Trans Mountain pipeline built, but like every promise he makes, it is all talk and no action. Let us be clear. Since the government has taken power, 125,000 jobs have been lost in the Canadian oil patch. That is devastating for local communities and families. We are six weeks away from losing this project and all the jobs that go with it.

When will the pipeline be built?

Oral Questions

Hon. Jim Carr (Minister of Natural Resources, Lib.): Mr. Speaker, the member quotes 125,000 jobs lost. He does not quote that half of them have been regained. As often is the case in having a discussion with members opposite, we do not get the full picture. For example, how often do we hear them talk about the jobs that have been created by approving Line 3? How many times do we hear them talking about the pipelines we have approved in northern Alberta? Why do they not talk about this government's commitment to work with the private sector to make sure that Canada is at the leading edge of using the resources we have and the—

The Speaker: The hon. member for Edmonton Strathcona.

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THE ENVIRONMENT

Ms. Linda Duncan (Edmonton Strathcona, NDP): Mr. Speaker, the Prime Minister is now promising to remove the uncertainty around the Kinder Morgan pipeline, yet 28 months into their mandate, the Liberals have yet to deliver their promised strengthened environmental and project review laws. Industry, legal experts, and indigenous leaders alike all agree that this fast-tracked omnibus bill will create even greater uncertainty and fails to make significant reforms.

Will the government finally agree to divide this bill and enable constructive dialogue and to deliver the promised strengthened environmental and energy laws?

Mr. Jonathan Wilkinson (Parliamentary Secretary to the Minister of Environment and Climate Change, Lib.): Mr. Speaker, our government has brought forward in Bill C-69 better rules for the review of major projects that will protect our environment, fish, and waterways; will restore public trust and respect indigenous rights; and will strengthen our economy and encourage investment. Reforms to these laws were important because of the gutting of environmental assessment procedures undertaken in 2012 under the previous Conservative government. We are committed to changing the way decisions on projects are made so that they are guided by science, evidence, and indigenous traditional knowledge.

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Mr. Speaker, after they said yes to Kinder Morgan, the Liberals' logic is hard to follow. On the one hand, they present a new environmental assessment process designed to regain public trust. On the other hand, they cannot tell us which projects will be subject to this process. The process is useless if nothing is assessed. The Minister of the Environment is already giving a free pass to some potentially high-polluting projects.

What is the point of an environmental assessment process if the projects that pose a danger to our environment are not even assessed?

[*Translation*]

Mr. Jonathan Wilkinson (Parliamentary Secretary to the Minister of Environment and Climate Change, Lib.): Mr. Speaker, the environment and the economy go together. We proposed improved regulations that will protect the environment, restore public trust, and respect the rights of indigenous peoples. These better regulations provide for one assessment per project, to reduce overlap and support a clearer and more effective process.

• (1450)

[*English*]

SENIORS

Mr. Bryan May (Cambridge, Lib.): Mr. Speaker, as the chair of the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities, I was proud to table our committee's study on Canada's seniors, tabled in the House a few weeks ago. Our government has shown that it is committed to improving income security and to promoting social inclusion for seniors.

Could the minister responsible for seniors tell this House what the next steps are for Canadian seniors?

Hon. Jean-Yves Duclos (Minister of Families, Children and Social Development, Lib.): Mr. Speaker, I would first like to thank the member for Cambridge as well as all members of the HUMA committee for their outstanding work on behalf of seniors. I would also like to thank the member for Nickel Belt for tabling the motion that led to this report, as well as all members of the Liberal caucus on seniors.

I will also say that we are looking forward to working with the National Seniors Council to review and respond to the important work of the committee.

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[*Translation*]

PUBLIC SAFETY

Mr. Pierre Paul-Hus (Charlesbourg—Haute-Saint-Charles, CPC): Mr. Speaker, on February 22, the Prime Minister told Canadians that one of his MPs had invited Mr. Atwal in India. Then, on February 27, he claimed that this was a conspiracy by rogue members of the Indian government.

Today, Mr. Jean, the national security adviser, revealed that he never mentioned the Indian government in his briefing.

Will the Prime Minister do the right thing and withdraw his comments?

[*English*]

Hon. Ralph Goodale (Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, the Prime Minister has always supported his national security adviser. Whether by accident or by design, the opposition continues to pursue a faulty and misleading line of argument. To provide the opposition with full information, both classified and unclassified, an offer has been outstanding for more than three weeks now to provide that full briefing to the Leader of the Opposition.

When will that briefing be scheduled by the Leader of the Opposition?

[Translation]

Mr. Pierre Paul-Hus (Charlesbourg—Haute-Saint-Charles, CPC): Mr. Speaker, I think this morning's briefing was fairly clear. Nevertheless, according to the testimony given by the national security adviser this morning, Canadians still do not know the truth about the Atwal affair. Mr. Jean denies saying that there was a conspiracy orchestrated by rogue elements within the Indian government. We do not need a classified briefing to find that out. He said it this morning. Our relations with India, a country that is so important for our companies' exports, remain fragile because of the Prime Minister's actions.

When will the Prime Minister show some leadership and apologize to the Indian government?

[English]

Hon. Ralph Goodale (Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, the speculation about some so-called conspiracy theory largely came from the opposition. That is the problem when one is operating on misinformation and disinformation and a willful ignorance of the facts.

The offer has been made to provide the opposition with a full classified briefing, and so far, they have refused to schedule that meeting. They should schedule the meeting so that the Leader of the Opposition can be fully briefed.

Hon. Erin O'Toole (Durham, CPC): Mr. Speaker, on February 22, in India, the Prime Minister acknowledged that one of his MPs invited Jaspal Atwal to his events. On February 27 in this place, the Prime Minister acknowledged claims by his security adviser that the Indian government's conspiracy was a possible route to the invitation as well. Today the minister is suggesting that it is us making this claim, when he, in this House, refused to talk about classified information. If an invitation from his own MP is classified, why do we need a special investigation if it is all unclassified?

Hon. Ralph Goodale (Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, the hon. gentleman fails to understand the difference between classified and unclassified information. He is in desperate need of a briefing to explain the distinction.

The offer has been made to the Leader of the Opposition. The Leader of the Opposition should accept that invitation, and maybe the Leader of the Opposition would then avoid headlines like "Conservatives Duped by False Story".

Hon. Erin O'Toole (Durham, CPC): Mr. Speaker, today the minister has suggested that the opposition is on a misguided path. Well, the tour guide on that misguided path is the Prime Minister and this minister.

I would put it back to him. If a Liberal MP invited Mr. Atwal, a convicted terrorist, to the Prime Minister's events, and they cancelled that, and that is the only possible explanation for the India scandal, why do we need a classified briefing?

• (1455)

Hon. Ralph Goodale (Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, maybe the obvious fact is that the Leader of the Opposition, and the opposition generally, is not fully informed of all the facts they need to know to fully understand

Oral Questions

the situation, and indeed, to avoid mistakes like they made last week in getting sucked into a totally false story.

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FOREIGN AFFAIRS

Mr. Randall Garrison (Esquimalt—Saanich—Sooke, NDP): Mr. Speaker, while the repeated use of chemical weapons by Syrian government forces is unquestionably a war crime, the air strikes last week were not only contrary to international law but similar strikes last year failed to end the use of chemical weapons on Syrian civilians. The government has clearly expressed its support for these air strikes, but there is no evidence of any plan for what is next or any diplomatic effort to try to end this crisis.

Where is Canada in pushing for an international solution to the Syrian crisis?

Mr. Matt DeCoursey (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.): Mr. Speaker, we have been clear in our condemnation of the use of chemical weapons against people in eastern Ghouta, and we have been working hard with international allies to pursue accountability for what are war crimes. This includes \$9 million for the verification, investigation, and fact-finding activities of the Organisation for the Prohibition of Chemical Weapons and the UN. We are also providing over \$290 million to support NGOs, UN partners, and the Red Cross to deliver life-saving assistance in Syria.

The murderous Assad regime must end the deliberate targeting of civilians.

[Translation]

Ms. Hélène Laverdière (Laurier—Sainte-Marie, NDP): Mr. Speaker, it is not just chemical weapons that Assad is using against civilians, against his people. Other tactics include cluster munition attacks, torture, enforced disappearances, the blocking of humanitarian assistance, starvation, and displacement.

Does the government intend to contribute to the diplomatic efforts being made to put an end to the terrible suffering of the Syrian people, bring the perpetrators of these crimes to justice, and increase humanitarian aid?

Mr. Matt DeCoursey (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.): Mr. Speaker, we have been clear in our strong condemnation of the use of chemical weapons in eastern Ghouta and any violence committed against the people of Syria. Canada continues to work with its international allies to pursue accountability for these war crimes. This includes \$9 million for the investigation activities of the Organisation for the Prohibition of Chemical Weapons and the UN. Let us be clear. Assad's murderous regime must stop deliberating targeting these people.

*Oral Questions***RAIL TRANSPORTATION**

Mr. Luc Berthold (Mégantic—L'Érable, CPC): Mr. Speaker, this is national grain week, and many farmers from western Canada will be in Ottawa this week. The grain transportation crisis will definitely be on the agenda. By failing to take action, the Prime Minister and Minister of Agriculture and Agri-Food have cost farmers and the Canadian economy billions of dollars. Waiting for crises to resolve themselves has become the trademark of the Liberal government. The Prime Minister has tarnished Canada's reputation when it comes to grain exports.

Can the Minister of Agriculture and Agri-Food inform the members of the House of the government's intentions regarding the proposed amendments to Bill C-49?

Hon. Marc Garneau (Minister of Transport, Lib.): Mr. Speaker, as you know, I have written to both railways to get grain moving faster, and considerable progress has been made since that time. We will continue to work on this.

As for the amendments proposed in the Senate regarding Bill C-49, we received all of them. We are studying them carefully and will share our position with the House very soon, I hope. I hope to have the Conservatives' support so that we can get this legislation through as soon as possible.

[English]

Mr. Luc Berthold (Mégantic—L'Érable, CPC): Mr. Speaker, the Liberals have said again and again that Bill C-49 will resolve the rail backlog. They refuse to divide Bill C-49. They refuse to use an order in council to force the railway companies to move our farmers' grain to market.

The Minister of Agriculture and Agri-Food finally unveiled the truth in Winnipeg recently, saying that "if Bill C-49 passes, it won't solve the issue right away".

How will he respond to the amendments to Bill C-49? Will it be another refusal to act for farmers?

Hon. Marc Garneau (Minister of Transport, Lib.): Mr. Speaker, we care very deeply about the movement of grain in this country. It is an extremely important commodity.

I have written, with the agriculture minister, to the railways to get them to increase the flow of grain to our ports. They are certainly doing that as well. I have also spoken to them about the 90% of the other commodities they carry that are so important for Canadians: forestry products, potash, containers, coal, minerals, and all those other products as well.

* * *

● (1500)

FISHERIES AND OCEANS

Mr. Todd Doherty (Cariboo—Prince George, CPC): Mr. Speaker, the minister's corrupt surf clam decision had nothing to do with reconciliation. Rather, it had all to do with blatantly lining the pockets of Liberal families and Liberal family insiders.

The Premier of Newfoundland and Labrador was in Ottawa late last week raising serious questions about job losses, economic impacts, and the corrupt bid process.

Can the Prime Minister please explain why lining the pockets of Liberal family members and Liberal insiders is more important than the families of Grand Bank?

[Translation]

Mr. Serge Cormier (Parliamentary Secretary to the Minister of Immigration, Refugees and Citizenship, Lib.): Mr. Speaker, our decision to increase indigenous participation in fishing is consistent with our government's commitment to forging a renewed relationship between Canada and indigenous peoples. Enhancing access to the surf clam fishery broadens the distribution of benefits from this public resource and is a powerful step toward reconciliation with indigenous fisheries.

I know it is hard for the previous government to admit it, but it completely neglected the first nations. In this public process, we put indigenous peoples first, and we are going to continue to do that in order to ensure that this resource benefits all Canadians.

* * *

[English]

SPORT AND PERSONS WITH DISABILITIES

Mr. Gordie Hogg (South Surrey—White Rock, Lib.): Mr. Speaker, as a former youth probation officer and little league, football, and basketball coach, I have seen the amazing power of sports to change lives.

Following the incredible successes of Canadians at the 2018 Olympic and Paralympic Games, and now at the Commonwealth Games in Australia, could the Minister of Science and Minister of Sport and Persons with Disabilities please, like Rusty Staub, knock this softball out of the park? What is the importance of these games for Canadians?

Hon. Kirsty Duncan (Minister of Science and Minister of Sport and Persons with Disabilities, Lib.): Mr. Speaker, our athletes' tremendous achievements at the Gold Coast 2018 Commonwealth Games are a source of pride for Canada and reflect the strength of our sport system.

[Translation]

The Commonwealth Games are a springboard to the Olympics and Paralympics.

[English]

We are so proud of our athletes for their podium and personal best successes. They are bringing home 82 medals, and they are an inspiration for all Canadians.

FOREIGN AFFAIRS

Mr. Glen Motz (Medicine Hat—Cardston—Warner, CPC): Mr. Speaker, this weekend, armed rebel factions conducted two coordinated attacks against UN bases in Mali. It came a week after two peacekeepers were killed in Mali. These were targeted attacks by a variety of terror groups operating with impunity in Mali, and increasingly UN peacekeepers are the target.

Will the Liberal government finally admit that the Mali mission is not a peacekeeping mission? Will it bring this deployment to the House for debate and a vote?

Hon. Harjit S. Sajjan (Minister of National Defence, Lib.): Mr. Speaker, regardless of where our Canadian Armed Forces personnel serve, whether in Iraq or on UN peacekeeping missions, we are going to make sure they have the appropriate mandate, the appropriate equipment, and the right rules of engagement that will be set out by the chief of defence staff to make sure they have the right of self-defence and, more importantly, for the protection of civilians.

* * *

[Translation]

THE ENVIRONMENT

Ms. Anne Minh-Thu Quach (Salaberry—Suroît, NDP): Mr. Speaker, the *Kathryn Spirit* caught fire last Tuesday, and 75 firefighters were called to the scene. These firefighters saw thick black smoke billowing from the blaze, and they are extremely worried about what they might have breathed in. I have other questions to ask.

Were all the contaminants removed from the ship as planned? What was the cause of the fire? What will the consequences be? The ship ought to be dismantled safely.

Will the government agree to my request to launch an investigation into this fire?

Mr. Serge Cormier (Parliamentary Secretary to the Minister of Immigration, Refugees and Citizenship, Lib.): Mr. Speaker, our government recognizes the risks that abandoned vessels pose to shoreline communities and the marine environment. For the sake of clarification, a small fire occurred in the machine room of the *Kathryn Spirit* during work to dismantle the vessel on April 10. No one was injured, and, to be clear, no pollution was observed.

The Coast Guard has remained and will remain in constant communication with stakeholders regarding the decontamination of the *Kathryn Spirit*. We will continue to monitor the vessel closely so that the local community is kept abreast of developments, and we are going to fix this problem once and for all.

* * *

CANADA REVENUE AGENCY

Mr. Nicola Di Iorio (Saint-Léonard—Saint-Michel, Lib.): Mr. Speaker, like most Canadians, my Saint-Léonard—Saint-Michel constituents are filling out their tax returns. Doing so will give them access to valuable benefits and credits our government introduced, such as the Canada child benefit and the Canada caregiver credit. This year, our government has improved services to tax filers.

Oral Questions

Can the Minister of National Revenue tell the House about the major improvements that have been implemented to make it easier for Canadians to file their tax returns electronically?

• (1505)

[English]

Ms. Kamal Khera (Parliamentary Secretary to the Minister of National Revenue, Lib.): Mr. Speaker, improving services at the agency is our top priority. We have done so for nearly 90% of Canadians who choose to file online with services such as Auto-fill My Return and NETFILE. The express notice of assessment service lets Canadians using certified tax software receive and print their notice of assessment immediately after filing.

I would like to remind all members and all Canadians to file their tax returns by April 30 to ensure that they access the benefits to which they are entitled.

* * *

FOREIGN AFFAIRS

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Mr. Speaker, the Assad regime has repeatedly used chemical weapons against its own people, and our allies have struck to try to take this capability away.

Next month, despite being one of the world's worst offenders of international law regarding the possession and use of illegal weapons, Syria will chair the UN Conference on Disarmament. There can be no equivocating about whether or not this is acceptable.

Canada has boycotted this conference in the past when it was chaired by other rogue states. Will the government condemn this appointment and boycott this meeting?

Mr. Matt DeCoursey (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.): Mr. Speaker, my colleague across the way knows how strongly this government condemns the use of chemical weapons by the Assad regime on people in eastern Ghouta. We have supported the decision by the United States, the United Kingdom, and France to take action to degrade the Assad regime's ability to launch chemical weapon attacks against its own people.

We continue to work closely with our allies in the international community on this and many other issues that concern the Syrian regime and security for the people of Syria. We are providing vital support to the fact-finding mission in Syria and humanitarian efforts.

We condemn the Assad regime and its backers, Russia and Iran, for repeated violations of human rights.

Routine Proceedings

[Translation]

INTERGOVERNMENTAL RELATIONS

Mr. Rhéal Fortin (Rivière-du-Nord, GPQ): Mr. Speaker, the Prime Minister made a very bad decision to resolve the dispute between Alberta and British Columbia. In so doing, he essentially threw social licence, indigenous rights, and the provinces' power to decide what happens in their territory out the window. From now on, Ottawa makes all the decisions. Enough of this co-operative federalism malarkey; we all know that Ottawa knows best. British Columbia was no more interested in Kinder Morgan than Quebec was in energy east.

Is that so hard to understand?

Hon. Marc Garneau (Minister of Transport, Lib.): Mr. Speaker, I would like to say that the relationship between our federal government and the Province of Quebec has always been one of utmost respect. We know it is important to respect provincial areas of jurisdiction. That is what we have been doing since day one.

However, I want to make it clear that the decision to expand the Trans Mountain pipeline was a matter of federal jurisdiction. It is important to know who is responsible for which file. By the way, I would like to compliment my colleague on the very nice shirt he is wearing today.

Mr. Rhéal Fortin (Rivière-du-Nord, GPQ): Mr. Speaker, respect, respect.

If Quebec passes legislation on environmental protection or land development, Ottawa can then ignore those laws passed by our elected officials, all in the name of national interest. No, thank you. In Quebec, imposing a pipeline in the name of national interest is out of the question. That is why we support British Columbia.

Since when does acting in the national interest mean going against the interests of First Nations, the interests of Quebec, and the interests of the provinces?

Respect, respect.

Hon. Marc Garneau (Minister of Transport, Lib.): Mr. Speaker, to quote Premier Couillard, "Our friends in Alberta are very aware of the ways in which their resources can be developed to benefit the entire country. It would be like telling me that I cannot export my hydroelectricity. I would not be very happy. That is what people need to understand."

We here in the government understand where Alberta is coming from.

• (1510)

[English]

Hon. Andrew Scheer: Mr. Speaker, on a point of order, during question period, the Minister of Natural Resources misled the House by indicating that the previous Conservative government was not able to complete any pipelines.

I would like to seek unanimous consent to table the list of the four major pipelines that were built under the previous Conservative government, including the approval of northern gateway, a pipeline to tidewater—

Some hon members: Oh, oh!

The Speaker: Order. I have to hear the answer and I have to ask the question. Can the members come to order?

Does the hon. leader of the opposition have unanimous consent?

Some hon. members: No.

ROUTINE PROCEEDINGS

[English]

MAIN ESTIMATES, 2018-19

A message from Her Excellency the Governor General transmitting estimates for the financial year ending March 31, 2019 was presented by the President of the Treasury Board and read by the Speaker to the House.

Hon. Scott Brison (President of the Treasury Board, Lib.): Mr. Speaker, I have the honour to table, in both official languages, on behalf of 87 departments and agencies, the departmental plans for 2018-19.

* * *

FEDERAL TAX EXPENDITURES

Hon. Scott Brison (President of the Treasury Board, Lib.): Mr. Speaker, I rise to table a document on behalf of the Minister of Finance, in both official languages, entitled "Report on Federal Tax Expenditures".

* * *

[Translation]

COMMITTEES OF THE HOUSE

CITIZENSHIP AND IMMIGRATION

Mr. Serge Cormier (Parliamentary Secretary to the Minister of Immigration, Refugees and Citizenship, Lib.): Mr. Speaker, Pursuant to Standing Order 109 of the House of Commons, I have the honour to present, in both official languages, the government's response to the 15th report of the Standing Committee on Citizenship and Immigration entitled "Building an Inclusive Canada: Bringing the Immigration and Refugee Protection Act in Step with Modern Values".

* * *

[English]

GOVERNMENT RESPONSE TO PETITIONS

Ms. Kamal Khera (Parliamentary Secretary to the Minister of National Revenue, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 24 petitions.

HUMBOLDT BRONCOS BUS CRASH

Hon. Ralph Goodale (Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, ever since about five o'clock in the afternoon a week ago last Friday, hearts have been aching in Saskatchewan. Tears have been flowing. Shock and trauma have gripped an entire province. Prayers have been uttered by the faithful of every possible creed, as the cruel reality settled in that a terrible highway crash had devastated the Humboldt Broncos hockey team.

Twenty-nine souls were on the Broncos bus on that drive northeast to Nipawin to meet the Hawks in the SJHL playoff game on April 6. Twenty-three of them were great young hockey players aged 16 to 21. Two were coaches, plus the trainer, the statistician, the play-by-play broadcaster, and the bus driver. Sixteen lives were lost, including 10 players. For the other 13, their lives have been profoundly changed. They were young people, for the most part. They were fit, strong, smart, and talented, working hard to pursue their passion for hockey, living the dream. They were the pride of their families and their hometowns, the pride of the families with which they were billeted away from home, their teachers and mentors, and the Broncos organization, who tried so hard to look after them.

The pain hit hard in Humboldt and in nearby Saskatoon, in eight other Saskatchewan towns, in Winnipeg, and in eight communities across Alberta. However, the anguish knew no bounds. It swept the entire province and the country. After all, this is Canada. Despite the calendar, it is still mostly winter. Hockey playoffs are in full swing virtually everywhere, and hockey, in large measure, shapes our lives. There is hardly a family anywhere in Canada that would be unfamiliar with those buses, which take thousands of our kids somewhere almost every day to play hockey or some other sport they love.

• (1515)

[*Translation*]

Humboldt's pain is being felt by communities across Canada, where buses full of young people going to play hockey or practice another sport they love are a part of everyday life. This tragedy has hit all our communities hard.

[*English*]

This was a tragedy that really struck home. For most of us it was personal, hitting right where we live. It extended into the United States and Europe and rippled around the world from Uganda to Australia and back to the high Arctic. It engaged people like Drake, golf champion Brooke Henderson, Her Majesty the Queen, and thousands and maybe millions more.

Everyone wanted to connect and help with prayers and gestures of solidarity. We left our sticks out on the doorstep. We wore jerseys; we still are. There were editorials and heart-wrenching cartoons. Tons of people raised money and gave money. They played road hockey, pond hockey, floor hockey, and regular hockey. They started marathons. They sold stickers and badges. Some wrote songs and poems. Others sent flowers to vigils, memorials, and funerals, which are still ongoing. Thousands of people are attending to be together, to share and support. There are cards, letters, posters, banners, videos, and miles of green and yellow ribbons on virtually

Routine Proceedings

everyone's lapel. There are messages on Twitter, Facebook, Instagram, and Snapchat. From the smallest novice, atom, or peewee team to the top brass of the NHL, the entire hockey community worldwide brought awareness, compassion, and understanding about how big and how painful this situation was, and is.

The outpouring of interest and concern is likely unparalleled. It is a way to show that we care. It is basic human kindness. That, too, is what defines us. Everyone affected is thankful for that.

Together, we thank the first responders, RCMP officers, firefighters, and paramedics from Nipawin, Tisdale, Melfort, Zenon Park, and other places who were on the scene of that horrific crash, doing probably the hardest work of all. We thank the emergency medical teams in the local hospitals, the STARS air ambulance crews who flew the victims there, and the medical staff at the Royal University Hospital in Saskatoon. We thank the trauma teams, the grief counsellors, and the victim services people, who continue to provide aid and comfort, and will for a long time. We thank the teachers, the school boards, and the community volunteers who work with young people especially to help them come to terms with what has happened.

We hold in our hearts all the bereaved and troubled families and friends of the victims, the city of Humboldt, and the entire Broncos organization.

To the injured and the suffering, Brayden, Bryce, Derek, Graysen, Jacob, Kaleb, Layne, Matthieu, Morgan, Nick, Ryan, Tyler, and Xavier, we pray for their healing and recovery, and for hope to replace despair.

For those we cannot see again, gone far too soon, we pledge always to remember their zest for life, their skill and talent, the joy they brought into the lives of so many others, and the potential they represented of the very best of Canada.

Rest in peace and abiding love, Tyler Bieber, from Humboldt; Logan Boulet, from Lethbridge; Dayna Brons, from Lake Lenore; Mark Cross, from Strasbourg; Glen Doerksen, from Carrot River; Darcy Haugan, from Humboldt; Adam Herold, from Montmartre; Brody Hinz, from Humboldt; Logan Hunter, from St. Albert; Jaxon Joseph, from Edmonton; Jacob Leicht, from Humboldt; Conner Lukan, from Slave Lake; Logan Schatz, from Allan; Evan Thomas, from Saskatoon; Parker Tobin, from Stony Plain; and Stephen Wack, from St. Albert. They will forever be heroes in our eyes and in our hearts. The goodness of their lives, and the kindness of so many people now sharing their loss, will help the grieving country find strength and rekindle hope.

I extend deep condolences from the government, the Parliament, and the people of Canada.

Routine Proceedings

• (1520)

[*Translation*]

Hon. Andrew Scheer (Leader of the Opposition, CPC): Mr. Speaker, last week, a group of people gathered to mark a loss of life of near-unprecedented magnitude in Canada. These people gathered in the cold just before the start of the NHL playoffs, an event that most Canadian families usually do not want to miss.

[*English*]

They brought hockey sticks, not to play with this time, but to hold quietly and say a prayer. This did not happen in Humboldt, Saskatchewan, or even in the town next door. It was more than 5,000 kilometres away, in the community of Mount Pearl, Newfoundland and Labrador. From the heart of our beautiful Canadian prairies to the outermost limits of our nation at the edge of the continent, the tragedy that took 16 lives and shattered hundreds more has connected us all in a way we never expected.

• (1525)

[*Translation*]

Anyone who drives Canada's highways knows the vastness of our country. The feverish pitch of activity in many countries contrasts with Canada's highways and rural roads, the farm fields, small villages, and remote communities.

[*English*]

I am proud to live in the great province of Saskatchewan. We have hundreds of small communities, all spread out. It has always struck me how, despite the hundreds and hundreds of small towns over a space larger than most European countries, people always seem to know someone from one of those towns, no matter where they live. A friend could mention that he is from Hanley, and everyone will know where that is. I once asked a friend of mine how he always seemed to know where so many of these small towns are. They surely could not have taught every town and village in geography class in Saskatchewan. "It's simple," he said. "I played hockey. I've probably been to more than half of them."

It is always a tragedy to lose a loved one. Far too many Canadians lose their lives on our roads and highways every year, but to have lost so many young people, all taken at once, has sent shockwaves through our entire province and our country.

We may be spread out all over to the four corners of our province, but there are many things that connect us together. There are so many reasons why we always seem to know somebody from every corner of Saskatchewan. There are not too many degrees of separation. It is almost like the whole province is one big small town. Everybody feels connected. People support each other, whether they are from Meadow Lake, Nipawin, Estevan, Fort Qu'Appelle, or Humboldt. We care about the people from our province. We cheer them on. We rally together, and we do it with pride.

Hockey has been one of those great unifiers that pull communities together. With that community spirit, sport is one of the greatest unifiers of all. On game night, everyone heads down to the arena for the match. Getting a rink burger is even considered a romantic date. It is where one hears all the town news, gets all the good gossip, and

finds out the big events for the weekend. There are friendly rivalries, memories of legendary games and players, and the fall fundraiser to pay for new boards or new stands.

For the kids who play on these teams, these will be some of the best days of their lives. They develop friendships on the ice and on the bus that become lifelong bonds. Laughing in hotel rooms and holding up championship trophies, they learn to depend on each other and to trust each other. They tap their goalie on the helmet and say something nice, even after he lets in a goal. They learn the valuable lessons of sportsmanship: how to win, how to lose, how to communicate, and how to listen. They learn that hard work pays off. Best of all, they learn what it means to be a teammate.

So many young boys and girls have ridden the bus down those long stretches of highways, in good weather and bad. So many parents have followed along. So many families have opened their doors to billet young kids playing out their dreams. That is why this tragedy has shaken us all so much.

However, in times of crisis, in times of tragedy, a Canadian in Humboldt, Saskatchewan becomes the neighbour of a Canadian in Newfoundland, British Columbia, or the territories. For days, Canadians have been leaving hockey sticks outside their front doors in a show of mourning for the lives lost in the Humboldt Broncos family. In our hockey-obsessed country, a stick left against a garage door or on a front porch is as normal a sight as the school bus pulling up to the curb in the morning, as comforting as mom calling the kids in for dinner. Last week, those sticks became a symbol of a nation coming together to grieve and to support the families and friends of the Humboldt Broncos.

[*Translation*]

We simply cannot imagine what the family and friends of the 16 people who lost their lives in this terrible accident are going through. It is a tragedy that defies understanding. It is a moment in time that brought our country to a standstill and from which we are just now starting to recover.

[*English*]

From a small town in Saskatchewan has flowed a river of grief, one that has washed over thousands of families across the country. Everybody back home knew somebody touched by this tragedy: their doctor's cousin, their sister's co-worker, their son's neighbour.

To the community of Humboldt and to the towns across Canada from which the victims came just to play the game they love, we say we grieve with them and we will remember them. No matter where they live, no matter how quiet the nights seem, no matter how small the town feels, we are all their neighbours now.

To those still recovering in hospital, we are thinking of you and sending our prayers for strength for the challenges that lay ahead. That powerful photo of Derek, Graysen, and Nick holding hands in the hospital has become a powerful image. As Premier Scott Moe said, "Saskatchewan, these are our boys."

Routine Proceedings

The entire country will be there to help support the victims and their families and to keep the game going and win the next one for the Broncos. For those we lost, Dayna, Parker, Darcy, Brodie, Logan, Jaxon, Adam, Mark, Tyler, Stephen, Logan, Conner, Glen, Evan, Jacob, and Logan, may God rest their souls. For them, we will keep the stands full, we will keep the rink lights on, and we will keep the sticks by the door.

• (1530)

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, today with heavy hearts we rise to mourn the lives of those we lost in the tragedy that struck the Humboldt Broncos last week. We wrestle with tears and our voices tremble as we remember the names of those who were taken from their families and communities: Tyler Bieber, Logan Boulet, Dayna Brons, Mark Cross, Glen Doerksen, Darcy Haugan, Adam Herold, Brody Hinz, Logan Hunter, Jaxon Joseph, Jacob Leicht, Conner Lukan, Logan Schatz, Parker Tobin, Evan Thomas, and Stephen Wack.

Hockey is a powerful force that binds Canadians together. For anyone who has travelled with players on their way to a game, be it for hockey, basketball, soccer, or baseball, there is a palpable sense of excitement on board the bus, a buzz around the possibilities presented by the upcoming 60 minutes of hockey.

[*Translation*]

However, on April 6, that sense of excitement ended in tragedy. Now, the puck will never drop to open the Bronco's playoff game, but their commitment to their teammates and their love of hockey will never be forgotten.

This event has profoundly shaken our country. Canadians responded as only they know how, with empathy and solidarity, by wearing hockey jerseys, leaving hockey sticks on their front porches, and expressing their love for all those affected by this devastating accident. This reminds us of how tight-knit the hockey community is in Canada and our need to feel connected in moments like this to help make sense of what happened and find a way to eventually move forward together.

[*English*]

On behalf of New Democrats, I want to thank the first responders who arrived on the scene and cared and continue to care for all those affected by this tragedy. Their work is a terrible burden that most of us will never know.

I also want to wish the survivors of the crash and their family and friends the strength to overcome the challenges that lie ahead. Know that they are in our thoughts and prayers.

To the parents, friends, and family who have lost 16 remarkable Canadians, as well as those still recovering from their injuries, I want to extend my most sincere condolences for their loss. Their town, their province, and their country are here for them. I encourage them and I encourage us all to, in Jacob Leicht's mother's words, to be a part of something bigger. From hurt can come good.

[*Translation*]

The Speaker: Is there unanimous consent for the member for Rivière-du-Nord to add his remarks?

Some hon. members: Agreed.

Mr. Rhéal Fortin (Rivière-du-Nord, GPO): Mr. Speaker, I too rise to talk about the Humboldt tragedy. I am rising to speak when, like millions of our fellow Canadians, I am speechless and at a loss for words.

Humboldt, Alma, Truro, Yellowknife, Val-d'Or, Sudbury. All of these communities are home to young hockey players. Young hockey players and the men and women who support them, train them, and care for them, that is the story of all of our towns, cities, and regions. That is what living in the north is all about. Hockey is what makes winter fun and what brings our communities together come winter.

It is a dream come true for many young people to travel from town to town to play the sport they love. It is a source of great joy and pleasure. It is supposed to be fun, not tragic.

The tragedy that struck Humboldt has affected us all. We all know young people who play on teams like the Broncos. This tragedy could have befallen any of us, any community, but it happened to Humboldt. The Broncos are the ones who were taken from us, and our thoughts are with them.

They were taken too soon, and it is not fair. It is never fair. On behalf of myself, the members of the Groupe parlementaire québécois, and, I would venture to say, on behalf of all Quebeckers, I offer my sincerest condolences to the families and loved ones of the Humboldt Broncos, to the community, and to the people of Saskatchewan. I wish the survivors a speedy recovery. Our hearts go out to you.

• (1535)

The Speaker: Does the hon. member for Manicouagan have the unanimous consent of the House to speak?

Some hon. members: Agreed.

Mrs. Marilène Gill (Manicouagan, BQ): Mr. Speaker, thank you for allowing me to speak in response to the statement by the Minister of Public Safety and Emergency Preparedness.

On behalf of the Bloc Québécois; the Baie-Comeau Drakkar, of the Quebec Major Junior Hockey League, whose jersey I am wearing today; the city of Baie-Comeau and its mayor, Yves Montigny; and myself, as member of Parliament for Manicouagan, I would like to offer our support as well as our deepest sympathies to the families affected by the Humboldt Broncos tragedy, and to all the communities in mourning.

Routine Proceedings

In rural and remote communities like ours, young hockey players and the team's support staff inevitably spend long hours on winding, and sometimes dangerous, roads as they live out their passion. We are proud and happy when our children and our team set out to achieve their dreams, but we are all aware that there is a risk involved. We all want to take them in our arms, both to comfort them and to congratulate them upon their return home. As a government and as elected officials, we must ensure that our children are safe, so that parents can welcome their children home safe and sound.

We are still reeling from this unspeakable tragedy, one that did, however, give rise to a tremendous feeling of solidarity among young people. As an example, primary school children from the village of Ragueneau on the north shore made cards and sent hockey sticks this morning to the primary school in Humboldt, which is located 3,387 kilometres away.

Flags in Baie-Comeau have been flying at half-mast for the past week. In my region and across Quebec, people are doing whatever they can to support those directly or indirectly affected by the immeasurable loss suffered by the Broncos team, because the fact is, we are all affected. Our children are our heroes.

On behalf of everyone on the north shore, the Bloc Québécois, and all Quebeckers, I want to offer our deepest sympathies to all communities affected, and I wish a speedy recovery to everyone who was injured. Our hearts go out to them. We will never forget them.

[*English*]

The Speaker: Is there unanimous consent of the House for the hon. member for Saanich—Gulf Islands to add her comments?

Some hon. members: Agreed.

[*Translation*]

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, it is an honour for me to rise today to join my colleagues in offering our condolences to the families, loved ones, and communities in Saskatchewan, as well as across Canada.

[*English*]

I stand here today in a minor hockey jersey from one of our local teams, the Peninsula Eagles, because we know that right across this country, as my other colleagues have said, there is not a community that is not touched, saddened, grieved, in tears over the terrible tragedy that occurred at that Saskatchewan crossroads.

I want to thank the hon. Minister of Public Safety, a son of Saskatchewan, who spoke so beautifully and encompassed a lot of what I thought I might want to say. He said it better. As well, the hon. Leader of the Opposition, also from Saskatchewan, brought beautiful imagery that brings to mind what it is like to watch one's kids grow up playing hockey with their friends, and the lessons they learn. I watch my grandkids now. As my grandkids in Toronto take to the ice on weekend mornings, grandkids in Vancouver do the same. Right across this country, it is something that brings us together. I think that is why the senseless, horrific loss of 16 bright young lives and the serious injuries to their teammates have hit us so hard.

All we can say once again as Canadians is that we are with the Humboldt Broncos, those they play with, those they love, and those

they billet with. As the young men in hospital go through their recovery, God be with them. I commend the bravery and the words of Ryan Straschnitzki, who now is facing life paralyzed and is saying he is going to keep playing hockey. We can bet our bottom dollar he is going to win the Paralympics.

God bless Humboldt. God bless all of Canada, which rose in one voice with one heart to say that this is a tragedy that touches us all. We grieve as one community, one Canada.

• (1540)

The Speaker: I thank all hon. members who have spoken for expressing so eloquently and touchingly the sentiments we all share.

Heaven's hockey team just got stronger.

* * *

COMMITTEES OF THE HOUSE

NATURAL RESOURCES

Mr. James Maloney (Etobicoke—Lakeshore, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the eighth report of the Standing Committee on Natural Resources in relation to Bill C-354, An Act to amend the Department of Public Works and Government Services Act (use of wood). The committee has studied the bill and has decided to report the bill back to the House with amendment.

I would like to thank the committee members, the clerks, and the analysts for working so hard to make this happen, and in particular the member for South Okanagan—West Kootenay for introducing the bill and being so accommodating with the committee members.

PROCEDURE AND HOUSE AFFAIRS

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I would like to add my condolences from the people of Yukon to the people of Humboldt. Northerners grieve with them at this time.

[*Translation*]

Mr. Speaker, pursuant to Standing Orders 104 and 114, I have the honour to present, in both official languages, the 59th report of the Standing Committee on Procedure and House Affairs regarding the membership of committees of the House. If the House gives its consent, I move that the 59th report be concurred in today.

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

Some hon. members: No.

* * *

[*English*]

PETITIONS

ANIMAL WELFARE

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, it is an honour to rise today to present a petition that deals with the issue of animal testing.

Routine Proceedings

The petitioners are from throughout the GTA, including Toronto, Mississauga, and Ajax. They ask the government to look at our current laws in relation to animal cruelty and compare them to what is done in the European Union, where half of the global cosmetic market exists and where they have prohibited the importation and sale of cosmetics that have been tested on animals. Norway, India, and Israel have acted similarly.

The petitioners call on the House to act to ensure that we ban the use of animal testing for the purpose of cosmetics.

• (1545)

PHARMACARE

Mrs. Carol Hughes (Algoma—Manitoulin—Kapuskasing, NDP): Mr. Speaker, before I start, the good people of Algoma—Manitoulin—Kapuskasing share in the grief of Humboldt, Saskatchewan. Families, friends, and communities within my riding are really troubled by what happened. They wanted me to express their sincere condolences to the families, friends, and communities.

It is always a pleasure for me to rise and table a petition on behalf of the good people of Algoma—Manitoulin—Kapuskasing. This petition is signed by people from Elliot Lake who call for universal pharmacare in Canada.

The petitioners point out that one in five people are unable to fill their prescriptions due to financial reasons. They feel that people should not have to struggle to pay for the prescription drugs they need. They say that Canada is the only country in the world with a universal medicare system that does not include prescription drugs.

[*Translation*]

The petitioners also point out that the estimated savings are in the billions of dollars and add that a universal pharmacare program would be a wise investment. That is why they are calling on the government to work with the provinces on implementing such a program within the framework of our health care system.

[*English*]

THE ENVIRONMENT

Mr. Gord Johns (Courtenay—Alberni, NDP): Mr. Speaker, before I table this petition, I would also like to bring condolences from the people of Courtenay—Alberni to my colleague in the Conservative Party from Carlton Trail—Eagle Creek, to her constituents, to the people of Humboldt, and to the people of Saskatchewan, from Vancouver Islanders, from our junior hockey team in the Alberni Valley, the Comox Valley Glacier Kings and the Oceanside Generals. People in our riding have put hockey sticks outside their doors and have been holding vigils throughout our communities to send strength and stand in solidarity.

Today, I table a petition that calls on the Government of Canada to support Motion No. 151 to create a national strategy to combat ocean plastics and to work with all levels of government to develop the strategy. It is an important issue to the people of coastal British Columbia.

CANADIAN VOLUNTEER SERVICE MEDAL

Ms. Irene Mathysen (London—Fanshawe, NDP): Mr. Speaker, I have two petitions.

The first is from a number of citizens ask the Government of Canada to reinstate the Canadian Volunteer Service Medal. As members know, it was a medal that was available for the volunteer work done by our veterans and troops until March 1947. The constituents who have signed this petition wish the government would consider bringing this medal back.

The petitioners call on the government to create and issue a new Canadian military volunteer service medal for Canadians in the regular forces, reserve military forces, cadet corps, and support staff, all who have completed 365 days of uninterrupted honourable duty in service of our country of Canada.

PHARMACARE

Ms. Irene Mathysen (London—Fanshawe, NDP): Mr. Speaker, my second petition calls upon the House to consider the needs of communities and members of those communities who do not have access to pharmaceuticals.

As members know, one in five people are unable to fill their prescriptions. People struggle to have the money to pay for prescription drugs. Canada is the only country with a universal medicare system that does not include prescription drugs in that system. We have estimated, and a number of very knowledgeable people have estimated, that we could save billions of dollars if we had a universal pharmacare system.

The petitioners call upon the Government of Canada to actively work to lower prescription drug costs for all Canadians, to work with the provinces, and to implement a universal pharmacare system as part of our public health care program.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Ms. Kamal Khera (Parliamentary Secretary to the Minister of National Revenue, Lib.): Mr. Speaker, if the government's response to Questions Nos. 1511 to 1560 could be made orders for returns, these returns would be tabled immediately.

The Speaker: Is that agreed?

Some hon. members: Agreed.

[*Text*]

Question No. 1511— **Mr. Deepak Obhrai:**

With regard to the Access to Information and Privacy (ATIP) sections of departments, agencies, Crown corporations or other government entities, and broken down by each: (a) how many employees or full-time equivalents (FTEs) did each ATIP section have as of (i) January 1, 2016, (ii) January 1, 2018; and (b) how many employees or FTEs are assigned to process ATIP requests, if different than (a)(i) and (ii)?

(Return tabled)

Question No. 1512— **Mr. Deepak Obhrai:**

With regard to infrastructure funding: what amount has been actually delivered, as opposed to simply announced, in infrastructure funding between November 4, 2015, and February 12, 2018, broken down by riding?

(Return tabled)

*Routine Proceedings***Question No. 1513—Mr. Tom Kmiec:**

With regard to the Canada Revenue Agency's (CRA) administration of the Alberta government's new carbon tax rebates in the last calendar year: (a) what is the total number of rebate payments issued; (b) what is the total monetary amount of these rebates; (c) what is the total number of rebate payments issued to non-residents of Alberta; (d) what is the total monetary amount of rebates issued to non-residents; and (e) what is the total annual administrative cost for the CRA to manage this program for the provincial government?

(Return tabled)

Question No. 1514—Mr. Harold Albrecht:

With regard to the livestreaming of events on government Facebook pages during the 2017 calendar year: (a) what is the complete list of events or announcements which were livestreamed on official government Facebook pages; and (b) how many views did each livestream have (i) live (not including views after the conclusion of the event), (ii) in total as of February 12, 2018?

(Return tabled)

Question No. 1515—Mr. Harold Albrecht:

With regard to the purchase of "likes" on Facebook by government departments, agencies, Crown Corporations, or other government entities since January 1, 2016: (a) what are the details of all such purchases, including (i) amount, (ii) date, (iii) number of "likes" purchased, (iv) title of page or post which received the likes; and (b) what is the total of all expenditures in (a)?

(Return tabled)

Question No. 1516—Mr. Luc Berthold:

With regard to the development of Canada's new Food Guide: (a) has Agriculture and Agri-Food Canada done any studies related to the impact of the Guide on various sectors of the agricultural industry; (b) if the answer to (a) is affirmative, what are the details of the studies, including (i) findings, (ii) who conducted the study, (iii) website where findings are located; and (c) what specific role does the Minister of Agriculture and Agri-Food have in relation to the development of the new Food Guide?

(Return tabled)

Question No. 1517—Mr. Dean Allison:

With respect to Transport Canada's Trade and Transportation Corridors Initiative (TTCI), and the 2 billion dollar commitment over 11 years for the National Trade Corridors Fund: (a) what are the details of all completed applications received for the National Trade Corridors Fund as of December 31, 2017, including (i) applicant, (ii) amount requested, (iii) project description, (iv) province or territory of applicant; and (b) what are the details of all pilot project applications for the 50 million dollar investment for transportation innovation, including (i) applicant, (ii) amount requested, (iii) project description, (iv) province or territory of applicant?

(Return tabled)

Question No. 1518—Ms. Karine Trudel:

With regard to the Dairy Farm Investment Program (DFIP) announced on November 10, 2016, to support the productivity of the dairy sector: what farms have received DFIP funding in the federal riding of Jonquière, broken down by name, date of funding and amount received for the (i) City of Saguenay, (ii) Town of Saint-Honoré, (iii) Municipality of St-Ambroise, (iv) Municipality of Saint-Fulgence, (v) Municipality of Sainte-Rose-du-Nord, (vi) Municipality of Saint-Charles-de-Bourget, (vii) Municipality of Bégin, (viii) Municipality of Saint-Nazaire, (ix) Town of Labrecque, (x) Municipality of Lamarche, (xi) Municipality of Larouche, (xii) Municipality of Saint-David-de-Falardeau?

(Return tabled)

Question No. 1519—Mr. Peter Van Loan:

With regard to contracts over \$10,000 signed by Canadian Heritage since November 4, 2015, where the final contract value is more than double the original contract value: what are the details of each such contract, including (i) date, (ii)

vendor, (iii) description of product or service, (iv) original contract value, (v) final contract value, (vi) reason why final contract value was higher than original value?

(Return tabled)

Question No. 1520—Mr. Larry Miller:

With regard to performance pay for employees at the executive (EX) or higher level during 2017, and broken down by department or agency: (a) how many individuals received performance pay; and (b) what is the total amount paid out during 2017?

(Return tabled)

Question No. 1521—Mr. Steven Blaney:

With regard to projects funded under the Canada 150 Signature Project Program: what are the details of each project, including (i) project name, (ii) description, (iii) location, (iv) original funding commitment, (v) final funding amount provided to the project, or funding provided to date if project is not yet completed, (vi) current status, (vii) completion date, or projected completion date if project is not yet completed?

(Return tabled)

Question No. 1522—Mr. Kelly McCauley:

With regard to the Name-Blind Recruitment Pilot Project Report provided by the Public Service Commission of Canada: (a) what were the total amounts spent on developing, producing, and publishing the report; (b) how many full-time equivalents worked on the report; and (c) of the employees in (b), what are their occupational groups and levels?

(Return tabled)

Question No. 1523—Mr. Kelly McCauley:

With regard to the Industrial Research Assistance Program, since November 4, 2015: (a) how much funding has been contributed, by quarter, to the program; and (b) what are the projects within the program that have received funding, broken down by (i) the amount spent per project, (ii) the city in which these projects are located?

(Return tabled)

Question No. 1524—Mr. Larry Maguire:

With regard to drug-impaired driving training for RCMP and Canada Border Services Agency officers noted in the 2017-18 Supplementary Estimates: (a) how many officers have been trained so far; (b) how many officers are currently scheduled to be trained; (c) who is providing the training; (d) where is the training taking place; and (e) how much of the funds noted in the 2017-18 Supplementary Estimates (B) are dedicated to officer training?

(Return tabled)

Question No. 1525—Mr. John Nater:

With regard to Commonwealth Heads of Government Meetings related to succession plans: (a) how was Louise Fréchette chosen to be Canada's representative at the meetings; (b) to which department, agency, or government entity does Ms. Fréchette report; (c) is Ms. Fréchette considered an employee of the department, agency, or government entity in (b); (d) what instruction has the government provided to Canada's representative at the meetings; and (e) what is Canada's official position regarding succession plans in regard to the Head of the Commonwealth?

(Return tabled)

Question No. 1526—Mr. Arnold Viersen:

With regard to the Canadian Passport Order, since November 4, 2015, in order to prevent the commission of any act or omission referred to in subsection 7(4.1) of the Criminal Code: (a) how many passports has the Minister of Immigration, Refugees and Citizenship (i) refused, (ii) revoked, (iii) cancelled; and (b) what is the monthly breakdown of (a)(i), (ii), and (iii)?

(Return tabled)

*Routine Proceedings***Question No. 1527— Mr. Gord Johns:**

With regard to the Recreational Fisheries Conservation Partnership Program and the Coastal Restoration Fund, for each year from 2006 through 2017: (a) what is the annual budget for each year; (b) who are the recipients of all grants and contributions made under these programs, broken down by the constituency in which they are located; and (c) what is the description of each approved project, including how it supports the objectives of the program?

(Return tabled)

Question No. 1528— Mr. Robert Aubin:

With regard to the incident involving two-metre-high waves in Yamachiche and the Collision Regulations: (a) does the government intend to amend the Collision Regulations to provide for a victims' financial compensation fund; (b) if the answer to (a) is affirmative, what are the details of the implementation of the compensation fund; (c) if the answer to (a) is negative, what are the detailed reasons for Transport Canada's decision; (d) how many cases similar to the Yamachiche incident have been identified by Transport Canada; (e) did the victims of the cases identified in (d) receive financial compensation; (f) if the answer to (e) is affirmative, what compensation mechanism did these victims use; (g) if the answer to (e) is negative, what are the reasons for Transport Canada's refusal to provide for a financial compensation mechanism; (h) does Transport Canada plan to publish a detailed investigation report on the Yamachiche incident; (i) if the answer to (h) is affirmative, when will this report be published; (j) if the answer to (h) is negative, what are the detailed reasons for Transport Canada's decision; (k) has Transport Canada estimated the financial cost of the damage to the affected properties in Yamachiche; (l) if the answer to (k) is affirmative, what was the estimate provided by Transport Canada; and (m) if the answer to (k) is negative, what are the reasons for Transport Canada's refusal to provide an estimate of the financial cost of the damage to the affected properties in Yamachiche?

(Return tabled)

Question No. 1529— Mr. Robert Aubin:

With regard to the agreement between Transport Canada and Air Canada on the safety of Air Canada's entire operations, including its pilot training: (a) what are the details of the agreement; (b) what are the details of the measures taken to date by Air Canada as a result of the agreement; (c) what is Transport Canada's detailed assessment of the measures taken to date by Air Canada; (d) what did Transport Canada determine was the level of risk of the safety of Air Canada's entire operations before the agreement was made; (e) what has Transport Canada determined is the level of risk to date, since the agreement was made; (f) what are the issues associated with managing pilot fatigue identified by Transport Canada during its review of Air Canada's safety management system; (g) how long had Air Canada had its system in place for the safety of its entire operations before reaching the agreement with Transport Canada; (h) what were the reasons for the six-month delay between the first Air Canada incident in July 2017 and when the agreement was reached with Transport Canada, in January 2018; (i) what was the annual failure rate for Pilot Proficiency Checks (PPCs) when Transport Canada inspectors carried out the PPCs for Air Canada pilots between 2005 and 2016; (j) what was the annual failure rate for Pilot Proficiency Checks when industry Approved Check Pilots finished the PPCs for Air Canada pilots between 2005 and 2016; (k) has Transport Canada estimated the savings achieved by Air Canada regarding the safety of its entire operations before the agreement; (l) if the answer to (k) is affirmative, what are the details of the estimate; (m) how many agreements have Transport Canada and Air Canada entered into since 2005 on the safety of its entire operations; (n) what agreements have been made between Transport Canada and other airlines on the safety of their entire operations and all of their pilots; and (o) what are the details of the agreements in (n)?

(Return tabled)

Question No. 1530— Mr. Robert Aubin:

With regard to the fares charged by Air Canada for regional air transportation and Air Canada's virtual monopoly in several regional markets: (a) how many times has the Minister of Transport met with Air Canada officials; (b) what are the details of the issues discussed by the Minister of Transport and Air Canada officials during the meetings in (a); (c) what are the details of Transport Canada's analyses of the fares charged by Air Canada; (d) has Transport Canada requested an opinion or a review from the Commissioner of Competition; (e) if the answer to (d) is affirmative, (i) when did Transport Canada request this opinion or review, (ii) what are the details of this request for an opinion or a review, (iii) what were the responses from the

Commissioner of Competition to this request for an opinion or a review; (f) if the answer to (d) is negative, what were the reasons behind Transport Canada's refusal to request an opinion or a review from the Commissioner of Competition; (g) what is Transport Canada's position on establishing a financial compensation mechanism; (h) what is Transport Canada's position on setting a floor price; (i) what are the detailed reasons for Transport Canada's position in (g); (j) what are the detailed reasons for Transport Canada's position in (h); (k) how many regional air carriers in Quebec and elsewhere in Canada have withdrawn from the regional air transportation market each year since 2003; (l) what is Transport Canada's detailed position on the withdrawal from the regional market by each of the regional air carriers in (k); and (m) what is Transport Canada's detailed position on Air Canada's pricing strategy in regional aviation markets?

(Return tabled)

Question No. 1531— Mr. Robert Aubin:

With regard to the five-year update to CSA A23.1 and its lack of clarity regarding the sulphur content in aggregate for use in concrete: (a) does the Standards Council of Canada, or any other government department or agency, provide financial support to the Canadian Standards Association; (b) if the answer to (a) is affirmative, what is the amount invested to date; (c) if the answer to (a) is negative, what are the reasons for this lack of financial support; (d) what is the total number of employees assigned by government departments and agencies to the five-year update of CSA A23.1; (e) does the National Research Council's revision of the Building Code provide for an update to CSA A23.1; (f) what are the details of the work to date to improve the clarity of CSA A23.1; (g) what organizations were consulted by the Standards Council of Canada and the Canadian Standards Association; (h) what are the details of the work by the Canadian Standards Association to develop a scientific standard for pyrrhotite content in concrete; (i) what are the differences between the 2009-14 five-year review and the 2014-19 five-year review with respect to developing a scientific standard for pyrrhotite content in concrete; (j) is the Canadian Standards Association proposing to develop a scientific standard for pyrrhotite content in concrete and, if so, how; and (k) if the answer to (j) is negative, what are the reasons given by the Canadian Standards Association or any other government department or agency?

(Return tabled)

Question No. 1532— Mr. Tom Kmiec:

With regard to immigration to Canada, between December 7, 2016, and December 6, 2017: (a) how many economic class immigrants have been admitted to Canada; (b) how many family class immigrants have been admitted to Canada; (c) how many refugees have been admitted to Canada; (d) how many temporary student visas were issued and how many individuals were admitted to Canada on a temporary student visa; (e) how many temporary worker permits were issued and how many individuals were admitted to Canada on a temporary worker permit; (f) how many temporary visitor records were issued and how many individuals were admitted to Canada on a temporary visitor record; (g) how many temporary resident permits were issued; (h) how many temporary resident permits were approved by the Minister of Immigration, Refugees and Citizenship; (i) for (a) to (h), what is the breakdown by source country by each class of migrant; and (j) for applications for the categories enumerated in (a) to (h), how many individuals were found inadmissible under the Immigration and Refugee Protection Act in (i) section 34, (ii) section 35, (iii) section 36, (iv) section 37, (v) section 40?

(Return tabled)

Question No. 1533— Mr. Arnold Viersen:

With regard to studies conducted by, or on behalf of, Health Canada, since January 1, 2016: (a) what studies have been done on the side effects of Mifegymiso, including (i) date, (ii) methodology, (iii) who conducted the study, (iv) location, (v) finding; and (b) what data has been collected on the side effects of Mifegymiso, broken down by (i) each of the known side effects of Mifegymiso, (ii) Health Canada's estimate on the number of Canadians affected by each of the known side effects of Mifegymiso?

(Return tabled)

*Routine Proceedings***Question No. 1534—Mr. Mark Warawa:**

With regard to the Prime Minister's trip to India in February 2018: (a) what was the trip's itinerary; (b) for any receptions, dinners or similar events on the itinerary, who was on the guest list, broken down by event; and (c) what are the details of any reception or dinner invitations which were rescinded or revoked by the government, including (i) individual or organization which had their invitation rescinded, (ii) event for which original invitation was sent, (iii) reason for rescinding or revoking invitation?

(Return tabled)

Question No. 1535—Mr. Mark Warawa:

With regard to the February 2018 New Delhi reception invitation which was issued to Jaspal Atwal: (a) on what date did the Prime Minister's Office become aware of the invitation; and (b) what departments or agencies were aware that Mr. Atwal received an invitation and when did each department become aware of the invitation?

(Return tabled)

Question No. 1536—Mr. Ron Liepert:

With regard to the claim by Outlook India magazine that the government withdrew the publication's invitation to a February 2018 reception in New Delhi, because of the magazine's criticism of the Prime Minister: what is the government's official reason for revoking the invitation of the magazine or its editors?

(Return tabled)

Question No. 1537—Mr. Ron Liepert:

With regard to the Prime Minister's trip to India in February 2018: (a) for the purpose of facilitating the issuing of visas, did the Government of Canada provide, by diplomatic note or otherwise, the Government of India with a list of (i) delegation members, (ii) other individuals who would attend delegation events or have interactions with the delegation; and (b) if the answer in (a)(i) or (ii) is affirmative, (i) how and by whom was each list communicated, (ii) on what date was each list communicated, (iii) broken down by categories in (a)(i) and (ii), and broken down by list, who was named on each list?

(Return tabled)

Question No. 1538—Mr. Martin Shields:

With regard to the Prime Minister's trip to India in February 2018: (a) who were the members of the Canadian delegation, including (i) name, (ii) organization, (iii) title; (b) for each delegation member, which ones (i) were required to reimburse taxpayers for all expenses related to the trip, (ii) were required to reimburse taxpayers some expenses related to the trip, (iii) were not required to reimburse any expenses related to the trip; and (c) for each delegation member, why was he or she chosen to be a delegation member?

(Return tabled)

Question No. 1539—Mr. Martin Shields:

With regard to government expenditures on clothing, shoes, other apparel, or fashion accessories for the Prime Minister and his family, since November 4, 2015: what are the details of all such expenditures, including (i) vendor, (ii) date, (iii) amount, (iv) description of goods purchased, including brand and quantity?

(Return tabled)

Question No. 1540—Mr. Charlie Angus:

With regard to the trip to India in February 2018 taken by the Prime Minister and several ministers: (a) for each leg of the Prime Minister and each individual minister's travel across India, (i) what was the place of origin and destination, (ii) what was the means of conveyance, (iii) who were all the individuals travelling with the Prime Minister or ministers, and what was their reason for travelling with the Prime Minister or minister, (iv) were any registered lobbyists travelling with the Prime Minister or ministers and, if so, who were the individuals, and for whom what are they registered to lobby, (v) were any individuals affiliated with a commercial or non-profit entity that receives grants, contributions, or contracts from the Government of Canada travelling with the Prime Minister or ministers and, if so,

who were the individuals, with which entity are they affiliated, and what is that entity's business with the Government of Canada; (b) how were articles of Indian national dress worn by the Prime Minister acquired, broken down by article of clothing, and what was their individual and aggregate total costs, if applicable; (c) for any invitation-only events at which the Prime Minister was present, (i) was there a process by which invitees were screened by Canadian officials either in advance of invitation, after being invited, or upon request of a minister or other official, (ii) what was the process in (c)(i), (iii) were there any known lapses in or breaches of the process in (c)(i), (iv) has there been an investigation into known lapses or breaches of the process in (c)(i) and, if so, what were their conclusions; and (d) for every specially-invited guest of the Prime Minister on the trip to India, (i) what were the names and reasons for invitation of any invited guests, (ii) what was the cost, broken down by leg of travel, accommodations, and any honorariums or per diems claimed against cost by any invited guest of the Prime Minister?

(Return tabled)

Question No. 1541—Mr. Charlie Angus:

With respect to the Innovation Superclusters Initiative: (a) what was the full assessment, evaluation and selection process and criteria used to select the five successful supercluster entities representing industry-led consortia, namely, the SCALE.AI Supercluster, the Next Generation Manufacturing Supercluster, the Ocean Supercluster, the Protein Industries Supercluster, and the Digital Technology Supercluster, from other applicants; (b) what are the Lead Applicants and Partner Applicants as well as participating or enabling firms, individuals and other entities in each of the five successful supercluster entities in (a); (c) what were the names of the industry-led consortia that submitted unsuccessful applications, broken down by region and economic sectors as defined by Innovation, Science and Economic Development Canada; (d) what were the Lead and Partner Applicants in the unsuccessful applications; and (e) what is the breakdown by supercluster and by fiscal year, over the next five years, of planned spending in the Innovation Superclusters Initiative?

(Return tabled)

Question No. 1542—Mrs. Rosemarie Falk:

With regard to the Prime Minister's trip to India in February 2018: (a) what are the titles and summaries of all agreements signed between the Prime Minister and the Government of India on the trip; (b) for each agreement in (a), what is the website address where the text is located; and (c) if the text of any agreement in (a) is not available on the government's website, how can the public obtain copies of the relevant texts?

(Return tabled)

Question No. 1543—Mr. Tom Lukiwski:

With regard to the Prime Minister's trip to India in February 2018: (a) what are the details of all expenditures, including airfare and travel costs, related to Vikram Vij's participation on the trip, including (i) vendor, (ii) amount, (iii) date, (iv) description of goods or services provided; (b) what are the details of any meals which Mr. Vij prepared for the Prime Minister or other delegation members or guests on the trip, including (i) date, (ii) number of individuals for whom a meal was prepared, (iii) menu, (iv) description of event; and (c) what are the details of any Canadian food products which were exported to India for use in the meals in (b), including (i) date of export, (ii) description of product, (iii) quantity of product, (iv) value of product, (v) meal in which product was used?

(Return tabled)

Question No. 1544—Mr. Gord Johns:

With regard to the Recreational Fisheries Conservation Partnership Program and the Coastal Restoration Fund, for each year from 2006 through 2017: (a) what is the annual budget for each year; (b) who are the recipients of all grants and contributions made under these programs and how much did each receive, broken down by the constituency in which they are located; and (c) what is the description of each approved project, including how it supports the objectives of the program?

(Return tabled)

*Routine Proceedings***Question No. 1545— Ms. Sheila Malcolmson:**

With regard to the five proposed anchorages east of Gabriola Island, BC: (a) how many consultation sessions were organized by the government; (b) where did these consultation sessions take place, broken down by (i) city, (ii) constituency; (c) what groups and individuals were invited to the consultation sessions; (d) what groups and individuals participated in the consultation sessions; (e) which Members of Parliament attended the consultation sessions; (f) how many online consultation sessions took place; (g) which bands, leaders, Indigenous communities and organizations did the Minister of Transport consult with, broken down by (i) date, (ii) location, (iii) name and title of the Indigenous group or community, (iv) attendees, (v) recommendations that were made to the Minister; (h) regarding the consultations in (a), by which criteria did the Minister decide which bands, leaders, communities and organizations to consult with; (i) what are the details of the discussion questions brought to each meeting; (j) how many meetings has the Minister held with Snuneymuxw First Nation, broken down by (i) date, (ii) location, (iii) attendees, (iv) recommendations that were made to the Minister; and (k) what are the details of any briefing notes or correspondence related to the meetings referred to in (a), including the (i) title, (ii) date, (iii) sender, (iv) recipient, (v) subject matter, (vi) file number?

(Return tabled)

Question No. 1546— Mrs. Karen Vecchio:

With regard to the book cover for Budget 2018: (a) how much did the government spend on the cover, including any artwork, graphic design, or photography; and (b) what is the breakdown of all expenses, including, for each expense, the (i) amount, (ii) date, (iii) vendor, (iv) description of good or service, (v) file number?

(Return tabled)

Question No. 1547— Mr. Deepak Obhrai:

With regard to the trip to India by the Prime Minister and the conspiracy theory advanced by a Privy Council Official that the Government of India was responsible for Jaspal Atwal receiving an invitation to a reception: does the government have any proof to corroborate this conspiracy theory and, if so, what are the details of such proof?

(Return tabled)

Question No. 1548— Mr. John Barlow:

With regard to the trip to India by the Prime Minister and other ministers in February 2018, and for each member of Cabinet who was on the trip: (a) what were the details of each of their itineraries; and (b) for each meeting listed on the itineraries in (a), what is the list of attendees?

(Return tabled)

Question No. 1549— Mrs. Shannon Stubbs:

With regard to all expenditures on hospitality (Treasury Board Object Code 0822), between January 1, 2018, and February 1, 2018, by the Office of the Prime Minister and the Privy Council Office: what are the details of all expenditures, including (i) vendor, (ii) amount, (iii) date of expenditure, (iv) description of goods or services provided, (v) file number, (vi) number of government employees that the hospitality expenditure was for, (vii) number of guests that the hospitality expenditure was for?

(Return tabled)

Question No. 1550— Mr. Phil McColeman:

With regard to the Veterans Affairs Canada offices: (a) how many veterans physically visited the following offices in order to utilize services, broken down by month, since January 1, 2017, (i) Corner Brook, (ii) Sydney, (iii) Charlottetown, (iv) Thunder Bay, (v) Brandon, (vi) Saskatoon, (vii) Kelowna, (viii) Windsor, (ix) Prince George; and (b) for each of the Veterans Affairs Canada offices in (a), (i) what was the monthly operating cost, broken down by standard object and line item, for each month since January 1, 2017, (ii) what is the number of full-time equivalents who physically worked in each office, broken down by month?

(Return tabled)

Question No. 1551— Ms. Sheri Benson:

With regard to the Visa Office at the Canadian High Commission in Singapore: (a) what is the total number of sponsorship requests the Singapore Visa Office received in each year from 2012 to 2017; (b) how many applications were processed in each of the years in (a) and, of those processed, what percentage was approved in each of those years; (c) which group of asylum seekers had the highest acceptance rate through the Singapore Visa Office in each of the years in (a); (d) which group of asylum seekers had the lowest acceptance rate through the Singapore Visa Office in each of the years in (a); (e) what number of Pakistani Christian asylum claims have been handled by the Canadian Singapore Visa Office in each of the years in (a); (f) what number of Pakistani Christian asylum claims have been accepted by the Singapore Visa Office for resettlement in Canada in each of the years in (a); (g) what number of Pakistani Christian asylum claims were rejected by the Canadian Singapore Visa Office for resettlement in Canada in each of the years in (a); (h) of those Pakistani Christian asylum claims rejected by the Singapore Visa Office for resettlement in Canada, how many Pakistani Christian asylum claims filed for a judicial review in each of the years in (a); (i) of those Pakistani Christian asylum claims rejected by the Singapore Visa Office for resettlement in Canada, how many Pakistani Christian asylum claims filed for a judicial review and received a "second interview" by the Singapore Visa Office in each of the years in (a); (j) how many Pakistani Christian asylum claims which received a "second interview" from a judicial review were accepted for resettlement in Canada by the Canadian Singapore Visa Office in each of the years in (a); (k) does the Singapore Visa Office conduct independent evaluations of asylum claims from Pakistani Christians; (l) what role, if any, does the Office of the United Nations High Commissioner for Refugees' assessment of asylum seekers have on the Canadian Visa Officers' decision; and (m) is a Canadian Visa Officer in Singapore allowed to work for the Canadian government, as well as a private international immigration firm, or would that be considered a conflict of interest?

(Return tabled)

Question No. 1552— Mr. Mel Arnold:

With regard to the new Arctic Surf Clam licence in Atlantic Canada and Quebec: (a) which Indigenous groups comprise the Five Nations Premium Clam Company; (b) what are the details of all correspondence and briefing notes prepared for the Minister of Fisheries, Oceans and the Canadian Coast Guard, the Minister of Crown-Indigenous Relations and Northern Affairs and the Minister of Indigenous Services, since May 31, 2016, related to the decision to award the Five Nations Premium Clam Company a new surf clam licence, including (i) dates, (ii) senders, (iii) recipients, (iv) titles, (v) subjects, (vi) summaries, (vii) file numbers; (c) what are the details of all correspondence between the government, including Ministerial Exempt Staff, and the Five Nations Premium Clam Company, since May 31, 2016, including (i) dates, (ii) senders, (iii) recipients, (iv) titles, (v) subjects, (vi) summaries, (vii) file numbers; (d) what are the details of all correspondence between the government, including Ministerial Exempt Staff, and the Chief of the Ełsipotog First Nation, since May 31, 2016, including (i) dates, (ii) senders, (iii) recipients, (iv) titles, (v) subjects, (vi) summaries, (vii) file numbers; (e) what are the details of all correspondence between the government, including Ministerial Exempt Staff, and Premium Seafoods, since May 31, 2016, including (i) dates, (ii) senders, (iii) recipients, (iv) titles, (v) subjects, (vi) summaries, (vii) file numbers; (f) what are the details of all correspondence between the government, including Ministerial Exempt Staff, and the Member of Parliament for Sackville-Preston-Chezzetcook, since May 31, 2016, including (i) dates, (ii) senders, (iii) recipients, (iv) titles, (v) subjects, (vi) summaries, (vii) file numbers; and (g) what are the details of all meetings related to the new Arctic Surf Clam licence, including (i) dates, (ii) lists of attendees, (iii) locations, (iv) agendas?

(Return tabled)

Question No. 1553— Mrs. Cathay Wagantall:

With regard to the federal carbon tax or price on carbon: (a) did the government conduct a gender-based analysis of how it would affect men versus women; and (b) if the answer to (a) is affirmative, what are the details, including (i) specific findings, (ii) who conducted the analysis, (iii) date the analysis was completed, (iv) methodology?

(Return tabled)

S. O. 52

Question No. 1554—**Mr. Peter Kent:**

With regard to government expenditures in relation to the Prime Minister's attendance at the Young Changemakers Conclave and, specifically, the event at Indira Gandhi Stadium in New Delhi on February 24, 2018: (a) how much did the government pay to sponsor the event; (b) does the government consider the map of "India" displayed at the event to be an accurate representation of India's borders; and (c) if the answer to (b) is negative, what actions has the government taken in order to address the validity of the representation displayed on the map?

(Return tabled)

Question No. 1555—**Mr. Jim Eglinski:**

With regard to expenditures related to the preparation and presentation of Budget 2018: what are the details of all expenditures, including (i) date, (ii) vendor, (iii) amount, (iv) description of goods or services, (v) contract date and duration, (vi) number?

(Return tabled)

Question No. 1556—**Mr. Mike Lake:**

With regard to federal student loans, in 2016-17: (a) how many loans have been forgiven; (b) how much debt has been forgiven; (c) how much student debt is sent to collection agencies; (d) of the debt in (c), how much has been recovered; (e) what is the base cost of contracting the collection agencies in (c); (f) what is the overall labour cost of the recoveries; and (g) how much has been collected in student debt interest?

(Return tabled)

Question No. 1557—**Mr. Mike Lake:**

With regard to the Senate selection committee in 2017: (a) how many Senate openings were advertised, by province, and (i) what were the dates of these, (ii) how many applications were received for each posting, (iii) how many interviews of applicants were conducted for each posting; (b) how many full-time equivalents (FTEs) work on the committee; (c) of the FTEs in (b), what are their corresponding pay scales; (d) how much has been spent by the selection committee, broken down by (i) accommodation, (ii) travel, (iii) per diems, (iv) incidentals, (v) office renovation, (vi) office set-up; (e) how much has been budgeted for 2018; and (f) how much was spent on travel for candidate interviews?

(Return tabled)

Question No. 1558—**Mr. Mike Lake:**

With regard to the Conference Secretariat, in 2017: (a) how many conferences have been organized; (b) what is the cost breakdown of each conference that has been organized; and (c) for each conference, (i) how many external contractors have been commissioned, (ii) who are the contractors?

(Return tabled)

Question No. 1559—**Mr. Mike Lake:**

With regard to fitness facilities, including gymnasiums, swimming pools, boxing rings, weight rooms, etc. installed or renovated in government buildings since November 4, 2015, what are the details of each, including (i) address, (ii) building name, (iii) description of facility, (iv) total cost of development or renovation of facility, (v) number of employees who have access to facility?

(Return tabled)

Question No. 1560—**Mr. Gabriel Ste-Marie:**

With regard to the Prime Minister's trip to India in February 2018: (a) were the outfits for the Prime Minister, his family and members of the delegation paid for with taxpayers' money; (b) if the answer to (a) is affirmative, how much did the outfits for the Prime Minister, his family and members of the delegation cost; (c) in which city and by which company were the outfits for the Prime Minister and his family made; (d) what was the total cost of the Prime Minister's family's trip to India; (e) who covered the cost in (d); (f) how many people were part of the Canadian delegation, broken down by department; (g) what was the total cost of the trip; and (h) what was the total cost of having Canadian chef Vikram Vij come and prepare a meal at the Canadian High Commission in India?

(Return tabled)

• (1550)

[*English*]

Ms. Kamal Khara: Mr. Speaker, I ask that the remaining questions be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

REQUEST FOR EMERGENCY DEBATE

TRANS MOUNTAIN PIPELINE EXPANSION PROJECT

The Speaker: I have notice of a request for an emergency debate from the hon. member for Lakeland.

Mrs. Shannon Stubbs (Lakeland, CPC): Mr. Speaker, I am seeking leave for the adjournment of the House for the purpose of discussing an important matter requiring urgent consideration pursuant to Standing Order 52.

On Sunday, April 8, Kinder Morgan Canada Limited announced that it would not proceed with the construction of the federally approved \$7.4 billion Trans Mountain pipeline expansion after May 31, without explicit agreement that there would be no further legal challenges and no further disputes or obstacles by provincial and municipal governments.

Both the federal government and the official opposition agree that the Trans Mountain expansion is in the national interest. In response to Kinder Morgan's announcement, the federal government called an emergency cabinet meeting. An emergency meeting was held between the finance minister and the Premier of Alberta on Wednesday, April 11, and the Prime Minister returned from an international trip to meet with the Premiers of Alberta and British Columbia on Sunday, April 15.

The threats of punitive economic measures between provincial governments have escalated significantly, including announcements of intent to restrict energy supply between three provinces. Representatives of the Canadian Energy Pipeline Association, CEOs of major Canadian banks, and investment management portfolios warn that this situation is a crisis and that the impacts extend well beyond the pipeline itself to confidence in Canada overall.

Billions of dollars of investment in the Canadian economy, billions of dollars in future government revenues for social programs and services, tens of thousands of energy jobs and hundreds of thousands more in other sectors, \$400 million in equity partnerships with 43 indigenous communities, market access for Canadian oil, and national unity are all at risk.

I trust you will agree, Mr. Speaker, that this is an emergency and will grant leave for the adjournment of the House to discuss this important matter that clearly requires urgent consideration.

Government Orders

SPEAKER'S RULING

The Speaker: I thank the member for Lakeland for her intervention on this matter, which I know is of interest to many members in the House. I find that it does meet the exigencies of the Standing Order and therefore grant the request for the emergency debate, to be held later tonight.

GOVERNMENT ORDERS

[*English*]

BUDGET IMPLEMENTATION ACT, 2018, NO. 1

The House resumed consideration of the motion that Bill C-74, An Act to implement certain provisions of the budget tabled in Parliament on February 27, 2018 and other measures be read the second time and referred to a committee.

The Speaker: I wish to inform the House that because of the ministerial statement, government orders will be extended by 28 minutes.

The hon. Parliamentary Secretary for Small Business and Tourism.

Mrs. Alaina Lockhart (Parliamentary Secretary for Small Business and Tourism, Lib.): Mr. Speaker, I would like to begin by offering condolences to Humboldt, to the team, the families, the billets, and the entire community from the people of Fundy Royal. Our hearts are with them.

I rise today to speak to Bill C-74, the first budget implementation act. This budget builds on the investments made in our previous budgets and really takes it to the next level to ensure that all Canadians have an opportunity to benefit from the growth that we see in the economy. Today I would like to focus on a few of the items that are having, and will have, a profound impact in my riding of Fundy Royal.

The riding of Fundy Royal is predominantly rural, nestled between three southern cities in New Brunswick, and bordered on the north by the beautiful Bay of Fundy. Although the area is peppered by communities that are unique in their own way, there is a common thread that runs through them—

The Deputy Speaker: I would ask the hon. parliamentary secretary to hold that thought temporarily. There is one item in the previous debate, just before statements by members, that we had three and a half minutes remaining for the hon. Parliamentary Secretary to the Minister of International Trade.

• (1555)

Our speaking order is being formalized as we speak. We will wrap up questions and comments of the hon. Parliamentary Secretary to the Minister of International Trade and then we will go to the member for Calgary Rocky Ridge for his intervention, after which we will carry on with the rest of the order. We will get back to the hon. Parliamentary Secretary for Small Business and Tourism in due course.

Questions and comments, the hon. member for Kitchener—Conestoga.

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Mr. Speaker, a large portion of the budget bill, over 200 pages, is devoted to the carbon tax. Could my colleague indicate what the cost per family will be? Apparently the Liberal government understands what it is and knows what it is, but is unwilling to share that information.

There have been estimates that the carbon tax will cost about \$1,100 per family. That is the lowest estimate. The highest estimate puts it somewhere around \$2,500 per family, which is a huge cost to the average family, especially to the middle-class families that the government purports to want to support.

Could my colleague come clean with the House of Commons and with all Canadians and indicate what the actual cost of the carbon tax per family will be?

Ms. Pam Goldsmith-Jones (Parliamentary Secretary to the Minister of International Trade, Lib.): Mr. Speaker, I rise in the House today, wearing this jersey from the 2010 Vancouver Winter and Paralympic Games out of deep respect for the families of Humboldt.

With regard to the question, I am very pleased to respond to the attention being paid with regard to putting a price on carbon pollution. It is an extremely important signal and something our government is deeply committed to in order to begin the transition to a low carbon economy. It is an integral aspect of the approval of the Kinder Morgan pipeline, together with the extensive consultation that has gone on with the 43 first nations in British Columbia which will be part of a brighter economic and cleaner environmental future.

Ms. Filomena Tassi (Hamilton West—Ancaster—Dundas, Lib.): Mr. Speaker, with respect to the consultation that has taken place, the hon. member respects and values consultation. I would like her to share with the House the consultation she engaged in with respect to the pre-budget and the implementation of previous budgets, as well as this BIA, and the response she has received from her constituents with respect to what our government has delivered.

Ms. Pam Goldsmith-Jones: Mr. Speaker, I would like to particularly comment on the six budget meetings I held last week in the riding. Each was sold out and ranged from our trade agenda, because there is a lot of support for our progressive trade agenda and particularly full benefits of CETA and the TPP. We held a wonderful Squamish round table for the things our budget would do for women in entrepreneurship, women in technology, and women in trade. We held another public meeting in West Vancouver with the chamber of commerce, which very much focused on the tax reforms proposed by the Minister of Finance. They were very appreciative of the ability of our government to listen to the concerns expressed last summer and to realize the real movement in this budget, because of listening to people. Generally speaking, people are very happy.

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Mr. Speaker, it is always an honour to rise in this place, even during difficult times such as today when it is with somewhat of a heavy heart one rises after the tributes we heard on the terrible tragedy in Saskatchewan.

Government Orders

It is also sometimes difficult to rise in trying times such as these when so much is at stake for the future of our country, even as we grapple with the ongoing crisis over the Trans Mountain expansion and the implications that a failure of that project would have for all future projects in Canada.

This budget implementation act necessarily brings us back to the budget that it implements. The bottom line of any budget, and really the first thing that anyone wants to know about a budget, is whether it is going to be a surplus budget or a deficit budget. Any analysis, criticism, or commentary has to take place in the context of the size and scope of any surplus or deficit. All the choices of inclusion or omission from a budget have to be viewed through that lens.

In the case of a deficit, it is customary to address the question of when the budget will return to surplus. I say this is customary because indeed it is. In fact, all 13 provincial and territorial governments either have a balanced budget or have a specific timeline or projection for when their budget will be balanced, and it is contained in their budget.

The finance minister is currently running a significant deficit, and neither the budget nor this implementation act make any mention of the means or timing of a return to balance. I raised this with the minister when he appeared before the finance committee last month. I asked him why he is the only finance minister in Canada who has no plan for a balanced budget, and why he did not even address the issue in a 400-page budget document. He said, "No matter how many times the Conservative members ask us to follow the playbook of the previous Conservative government, we won't do it." I may disagree with the minister on the point of whether or not he should follow the Conservative playbook, but at this point I think most Canadians would settle for this government merely following its own playbook.

On page 12 of the 2015 Liberal platform, its playbook, it reads:

We will run modest short-term deficits of less than \$10 billion in each of the next two fiscal years to fund historic investments in infrastructure....

After the next two fiscal years, the deficit will decline and our investment plan will return Canada to a balanced budget in 2019.

On page 72 under the fiscal plan and costing chapter it reiterates, "We will run modest deficits for three years so that we can invest in growth for the middle class and credibly offer a plan to balance the budget in 2019." Later on in the same chapter it says, "After the next two fiscal years, the deficit will decline and our investment plan will return Canada to a balanced budget...." The Liberal playbook refers to balanced budgets, and in fact, the Liberals promised balanced budgets. They promised small deficits and a return to a balanced budget.

Given that the Liberals promised a balanced budget by 2019 in the 2015 election, given that they promised only short-term deficits of less than \$10 billion, and given that they promised these short-term deficits only to fund historic investments in infrastructure, the question is why they are now implementing a structural deficit in a budget with over a \$20-billion deficit. Why does the finance minister repeatedly refuse to give any timeline for a balanced budget at all? Why does he bizarrely criticize the Conservatives for even asking about a balanced budget when he ran on an election platform that contained that very promise?

In fact, the finance minister got lucky this past year. The Canadian economy benefited from a whole host of factors, for none of which the finance minister can take any credit. Commodity prices were better than forecast. The world economy has had perhaps its best year since the great recession. The American economy was positively booming with a record-setting stock market run. Real estate price inflation has continued in Canada. Interest rates have remained low. Even with all of these factors in his favour, the finance minister still ran a promise-breaking deficit in this budget following what will surely be one of the strongest economic years in this Parliament.

• (1600)

If the minister promised to return to balanced budgets, he has completely failed to deliver, and it is more than reasonable for opposition members to ask if not now, then when. Given that a return to balance was a huge part of the Liberals' election promise, we would not be doing our jobs as an opposition holding the government to account without asking that question and no answer has been given so far. Still, there really is nothing in the bill to address that question either.

There is, however, in the original budget a troubling item contained on page 290, and that is a recognition of the fact that Canadian oil sells at a significant discount to world prices due to a lack of pipeline capacity in general and the routing of existing pipeline capacity mostly to the oversupplied Cushing, Oklahoma hub rather than to tidewater or to other refinery areas with spare capacity. This discount from world prices, which the government commented on in the budget itself, has grown significantly worse in the past few months.

This difference between the price that our producers get and world prices has a significant impact on business profits and jobs in the industry. The discount has an enormous impact on tax revenues to both the oil-producing provinces and to the federal government itself and it dictates the viability or non-viability of future projects. Simply put, this discount means that we are actually exporting tax revenue and public services to the United States.

Using round numbers, Canadian exports are about three million barrels a day. If Canadian producers take a \$20 discount, that means the industry loses \$60 million a day, or roughly \$22 billion per year. A significant portion of that \$22 billion will be taxable income at both the federal and provincial levels. The federal government loses billions in tax revenue because of this price differential, so it cannot be ignored as a factor in the budget.

Government Orders

What is truly alarming today, given the debacle over the Kinder Morgan Trans Mountain expansion, is that the finance minister, in his budget, assumes that both Trans Mountain and Keystone XL will be built at a reduced price discount. We obviously know that these assumptions are being challenged right now. Both projects at best will delay projected revenue from profitable oil production, but in typical fashion, the finance minister has just assumed that the pipelines will be built even though a host of opponents are doing everything they can, including breaking the law, to prevent these pipelines from getting built.

The finance minister surely knows that he has cabinet colleagues who oppose the energy industry, that he has caucus colleagues who campaigned in the last election against the Trans Mountain expansion, and that the most senior unelected adviser to the Prime Minister is notoriously anti-pipeline. Therefore, it was a fairly bold assertion for him to simply assume the Trans Mountain and Keystone XL pipelines would be built. Both projects are behind schedule. Both continue to be opposed by extremists committed to everything from vexatious litigation to violent clashes with police while defying court orders, trespassing, and destroying private property.

Given the government's track record, what credibility does it really think it deserves on pipelines? The finance minister's budget assumes the pipelines are going to be built, and yet one of the first things the government did after it was elected was to kill the northern gateway project, which was a pipeline to tidewater approved previously. The proponent was working through the conditions and the concerns that had been raised about the project when the Liberal government used an arbitrary tanker ban to ensure that it could never be built.

Then the Prime Minister completely failed to get Barack Obama to approve Keystone XL, which added another couple of years to the delay of that project. The finance minister is counting on this project to reduce the differential that has to be taken into account in his tax revenue projections.

We know energy east was killed by the government's decision to move the goalposts on its proponent by absurdly deciding to make both upstream and downstream emissions part of the criteria. I say absurd because the emissions from fossil fuels moved through a pipe are mostly determined by the type of vehicle the fossil fuel is put into by the end consumer.

● (1605)

Now the government is even pushing through Bill C-69. At the environment committee, the president of the Canadian Energy Pipeline Association said, "It is hard to imagine that any pipeline project proponent would be prepared to test this new process or have a reasonable expectation of a positive outcome at the end of it." He went on to say, "If the goal is to curtail oil and gas production and to have no more pipelines built, this legislation may have hit the mark."

What is the finance minister going to do if the capital flight that has been under way for months cannot be reversed? What is he going to do if nobody will invest and create jobs in the resource sector? What is he going to do if interest rates exceed his expectations? What is he going to do if there is a real estate price correction? What is he going to do if the NAFTA renegotiations end

in trade restrictions that damage Canadian access to the American market? Even with everything going his way he cannot balance the budget. Was he going to do it if any of these eventualities happen or any of the hundred other unforeseen events should happen? Now is the time to establish a fiscal cushion to prepare for the inevitability of difficult times ahead.

The budget is not balanced. There is no plan to balance it. There is no date for the budget to be balanced. There is no plan that will get pipelines built, which has a significant impact on the finance minister's ability to balance future budgets. There is no apology by the Liberals to Canadian voters for breaking their promise on the deficit in the first place. There is nothing in the budget implementation act to address any of these issues.

What does this bill do? It makes certain changes to the Income Tax Act to implement changes announced by the Minister of Finance last summer on the taxation of Canadian-controlled private corporations, and other tax changes that we are now getting to the point where the CRA has to actually implement them.

We know that on July 17, the Minister of Finance dropped his bombshell announcing that too many wealthy Canadians were using complex corporate structures to avoid taxes. He went on to announce, following a brief summertime sham consultation, that the Liberals would ram through private corporate tax changes to severely restrict dividend payments between related shareholders, the so-called sprinkling, eliminate the dividend tax credit, which would create the double taxation of passive income with rates at about 73%, and make it virtually impossible to sell a business to a relative, among other things.

I am sure that every member of this House heard from small business owners who do not have a pension, do not have a minimum wage, do not have the protections of employment law, and cannot collect employment insurance. They have to be 100% liable for the conduct of their own employees, who they also cannot sue for gross negligence. What all of these people, these hard-working business owners, heard in the summer was the wealthy finance minister called them tax cheaters.

What happened after that announcement was remarkable. Business owners and tax experts all across Canada spontaneously rose up and with diverse voices unanimously spoke in opposition to every aspect of the minister's proposals. This grassroots opposition did cause the government to partially backpedal on some of its plans contained in this bill. The part of last summer's announcement that many found the most egregious was the double taxation of passive income. Therefore, in December, the finance minister backpedalled and said there would be a limit under which the double tax would not apply. What he did instead in the budget, was he said there would now be a tie-in between passive income and access to the small business rate, which will now be reduced or eliminated for small business owners who have passive incomes of greater than \$50,000.

Government Orders

My suggestion to addressing the problem that he created back in the summer was simply a complete retraction of what the Liberals had announced then, and an apology to all of the hard-working small business owners across Canada who were deeply wounded by the bold assertions the finance minister made. Let us face it. The reason the finance minister and the Prime Minister believe that small businesses are really just tax dodges for the wealthy is that they themselves use private corporations to dodge taxes. All the while he was pointing his finger at shopkeepers, farmers, plumbers, realtors, accountants, doctors, lawyers, engineers, taxi drivers, and restaurant owners, the finance minister, that wealthy-born one percenter, was found to have failed to disclose the private corporation he used for tax planning purposes to shelter income and future gains on his French villa. Contrary to his past statements and all expectations of a minister of the crown, much less a finance minister, the finance minister still owned millions of dollars of Morneau Shepell shares.

● (1610)

How was that fact concealed from the public for almost two years? The shares were held in a private numbered company the finance minister registered in Alberta, presumably for tax-planning purposes. It was owned by him, his wife, and another Ontario numbered company. For the first time in the span of a few months, the finance minister was found not only to be personally using complex corporate structures to avoid paying tax but was using them to avoid requirements of the Conflict of Interest Act.

It is high time for this finance minister to end his war on small-business owners and to apologize for his own hypocrisy instead of proceeding with changes to the Income Tax Act contained in this bill.

If passed, this bill would also hand over to the CRA responsibility for dealing with the changes to the tax on split income and the reduction of the limit on the small-business tax rate for small businesses with over \$50,000 in passive income.

As shadow minister for national revenue, I could not help but notice that 2017 was a particularly tough year for the Minister of National Revenue and her agency. Every time we turned around, it seemed the agency had a half-baked plan to raise additional tax revenue at the expense of some vulnerable group or another, such as when the minister spent the entire months of October and November insisting that the CRA had done nothing to deny the disability tax credit to type 1 diabetics, despite the fact that it was obvious to everyone except her, and perhaps her parliamentary secretary, that of course the CRA had changed its forms in May 2017 to make it harder to qualify.

The agency also changed its folio to state that after 2017, it would tax employee discounts and meals, but the minister again seemed to be the last person at the agency to be aware that this was being done, before she ordered a reversal. The agency also appeared to be targeting single parents, restaurant-server tips, and disabled Canadians, who suddenly had problems qualifying for the disability tax credit.

On top of that, tax preparers complained about an ever-increasing backlog of corrections and appeals caused by sloppy or incompetent assessments, and a scathing Auditor General's report confirmed that

the agency's call centre hangs up on people 64% of the time and gives incorrect information to 30% of the rest who get through.

To an agency already struggling, and a minister who is clearly not in control of her department, this bill would now add a complex reasonableness test for dividends paid to related shareholders of private corporations. Let us think about that. An agency that hangs up on people and is wrong almost a third of the time when it speaks to taxpayers would now have to answer questions about things like the reasonableness of the payment of dividends, questions about share classes, questions about labour contributions, questions about property contributions, questions about the financial risks assumed, and a great catch-all, questions about such other factors as may be relevant.

How on earth can Canadians expect that they will get reliable answers to these questions, given the track record of both the current government and the CRA's call centre? These questions have been asked here in this House and at committee meetings and even at public meetings attended by the minister, and nobody from the government has been able to give anything but the most vague and hypothetical answers to these questions. Canadians might be forgiven if they are a bit worried that nobody knows the answers to these questions and that the legality of thousands of Canadians' tax planning is going to be at the mercy of future court decisions.

It would be very easy to go on for a lot longer about different aspects of this act, such as the implementation of the higher taxes on beer, wine, and spirits and the escalator clause; and certainly about the carbon tax, which is also part of the government's horrific mismanagement of its natural resources policy and an outrageously regressive tax on the poorest and most vulnerable members of society. However, time marches on, so I will wrap up.

I would like to conclude by urging members to vote against this bill, given that it would increase taxes; would fail to even address the very concept of a balanced budget; would do absolutely nothing to get pipelines built, the very same pipelines the budget needs for its own tax revenue; would help facilitate this minister's war on small business through the changes to the taxation of private corporations, and of course, would enable the job-destroying, poverty-inducing carbon tax. Therefore, I will be voting against this act, and I urge all other members to do so as well.

● (1615)

Ms. Filomena Tassi (Hamilton West—Ancaster—Dundas, Lib.): Mr. Speaker, I would like to thank my hon. colleague for his speech. I have a great deal of respect for him. However, I have a difference of opinion with respect to the response of business and small business to the budget. I consulted with business owners and small business owners, and they were very pleased that we were actually reducing the taxes to be paid. We reduced the taxes in 2015 from 11%, ultimately to bring them down to 9% in 2019. The other thing they were pleased with was the amount of consultation we had with them to get this right so it would help them.

Government Orders

I am curious about the view the member has stated, because my experience has been the opposite. In fact, I sent out a householder, and I had a number of small businesses that commended and thanked our government for the changes we would be making.

In the budget we did something that I think is very important, which is set a guide for a new gender results framework. I would like to know whether the hon. member supports that.

• (1620)

Mr. Pat Kelly: Mr. Speaker, there was a whole lot in that question. I will start with the last point and state that in my riding, what men and women want most is economic security through a job. They feel that their livelihoods are threatened by the government's agenda, in particular in the resource sector. Having the word "gender" hundreds of times in a budget does not give women, men, or anybody else a job or the economic security they are looking for through employment.

I respect the hon. member. As she mentioned, in this House there are differences of opinion. We are here today to exchange some of these differences.

With respect to consultation and the impact on small business people, I find it strange that the Liberals want extraordinary credit for going back and reversing a decision to break a campaign promise on the small business tax rate. It was a promise to merely do what the previous government had already promised to do in its final budget. I do not think there should be too much credit given to the government for that.

Mr. Wayne Stetski (Kootenay—Columbia, NDP): Mr. Speaker, I met with a number of small businesses in my riding during the furor, I guess would be the best way to describe it, on the original Liberal government proposals. Absolutely we need to do better for small businesses. For example, I would like to see a limit to the credit card charges our businesses pay.

I am going to read the title of the budget to make sure I get it right. The Liberals claim that it is a gender and growth budget. I want to be a little more specific than my colleague across the floor. Would the Conservatives agree that we need pay equity now?

Mr. Pat Kelly: Mr. Speaker, I did not get a chance in the limited time we had earlier to answer some of the previous questions. The question about pay equity or the issue of gender equality in the workplace and in pay is surely going to be best addressed through a strong economy. The way this budget simply repeats phrases and adds the word "gender" on every page is going to do nothing to actually make any change that will be meaningful in any way to women in the workplace or achieve anything that will bring economic security to women or men.

The member mentioned credit card rates. It reminded me of a meeting I had with some small business owners recently in Prince Edward Island. They were restaurateurs. They talked about the impact it has on their businesses. They pointed out that in a typical transaction, the government and the credit card company are paid the most, because restaurant margins are less than what either of those two bodies make in a transaction.

I want to go back to the earlier comments about consultation and what small business owners had to say. In my riding, it was

universal. I had very large round table meetings both in my riding and in other parts of the country, and I had a very different experience than the member for Hamilton West—Ancaster—Dundas. The finance minister's changes were universally panned. People recognized in them the attack they are on their livelihoods.

• (1625)

Mr. Colin Carrie (Oshawa, CPC): Mr. Speaker, I wonder if my colleague would comment on some of the comments Liberals have made about the economy in Canada. Former ambassador Frank McKenna, who was also the premier of New Brunswick, talking about the cancelled energy east pipeline, said, "We're buying 700,000 barrels a day for eastern refiners from other places in the world at world prices. There's no other country in the world that would do anything as dumb as this." McKenna also said that we have given up our leverage in NAFTA talks.

Former finance minister Manley has said that there is nothing to address competitiveness in this budget.

I stand here in an Oshawa Generals jersey today, because in Oshawa, we have to trade. We are a city that builds cars. The competitiveness issue is really starting to hit us.

How much time does Canada have if the Liberal government does not wake up and smell the roses on the importance of these issues the Liberals brought up?

Mr. Pat Kelly: Mr. Speaker, the member for Oshawa makes some excellent points. Importing 700,000 barrels a day at world prices while we are sending oil into the United States at \$20 a barrel less than the same oil they are then transferring north is crazy.

I hope it might be helpful to some of the members on the other side to hear some of the luminaries from their past, who are Liberals, tell them that they are wrong on energy issues. They are wrong everywhere they go on pipelines. Only the Liberal Party could have contradictory messages on pipelines, with candidates in one part of the country being pro-pipeline and candidates in other parts of the country being anti-pipeline, and manage to alienate both sides of the pipeline issue over energy east and Keystone. None of this is going to make—

The Deputy Speaker: Questions and comments, the hon. member for Saanich—Gulf Islands.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, although the debate this afternoon is taking us a little far afield from the budget, I want to pick up on the point the member for Calgary Rocky Ridge made. I could not agree more with former premier Frank McKenna that it does not make sense to be importing crude at high-value prices and exporting low-value bitumen, which always gets a low price, because it is solid, unlike the crude that comes into eastern Canada. Would he agree that it would be a good plan to stop importing foreign oil to eastern Canada and to process bitumen within Alberta and use it in the domestic market in Canada?

Government Orders

Mr. Pat Kelly: Mr. Speaker, this is an argument usually used by opponents of the industry who say that they are not really totally opposed to the whole industry and shutting it down, but could we not defy the market and build infrastructure to process our product rather than export it raw? If we upgraded bitumen in Alberta, would the member propose the most aggressive expansion of the oil and gas industry in Alberta and the most aggressive possible expansion of the distribution of these fuels? I think likely not, but who knows?

Mrs. Alaina Lockhart (Parliamentary Secretary for Small Business and Tourism, Lib.): Mr. Speaker, before I begin, I wish to inform the House that I will be splitting my time today with the member for Gatineau. I would also like to extend condolences to Humboldt, to the team, the families, the billets, and to the entire community, on behalf of the people of Fundy Royal. Our hearts are with them.

Today I rise to speak on Bill C-74, the budget implementation act. This is a budget that builds on the investments made by the previous budgets. It takes it to the next level to ensure that all Canadians have an opportunity to benefit from the growth we are seeing in the economy.

Today I would like to focus on a few items that are having, and will have, a profound impact in my riding of Fundy Royal. The riding of Fundy Royal is predominantly rural, nestled between three southern cities in New Brunswick, and bordered to the north by the beautiful Bay of Fundy. Although the area is peppered with communities that are unique, each in their own way, there is a common thread that runs through them: a tenacity to grow, prosper, and to build a better life for our next generation.

I came to Ottawa with a mission to address the concerns of my constituents, concerns I hear daily, about the sustainability and growth of our communities and the local economy. This became a bigger challenge shortly after I was elected when the Potash Corporation of Saskatchewan announced it was indefinitely suspending operations at the Picadilly mine. I am proud of how local leaders responded, how we quickly found a path forward, and how the federal government was there as a partner. At that time, our government did not waver in its commitment to Fundy Royal, and this budget is a continuation of the commitment to everyday Canadians who are facing challenges and are committed to progress.

I have always subscribed to the theory that a high tide raises all boats. Many of the commitments in budget 2018 will make sure that the most vulnerable in our communities are provided with the resources they require to find stability in their lives and participate more fully in society. These are measures that build on our monumental investments in the Canada child benefit, which supports over 16,000 children each month in Fundy Royal; skills training investments; flexibility in EI, which allows Canadians to return to school to upgrade their education; and a new national housing strategy, which will provide updated and additional rental units in our communities.

We are also building on investments for seniors, who are an important part of our families and communities. In addition to the special provisions for seniors in the housing strategy and the increase to the guaranteed income supplement for single seniors introduced previously, budget 2018 goes further for seniors in New Brunswick.

A commitment to a healthy seniors pilot project will see \$75 million to combat challenges produced by an aging demographic and determine best practices to keep seniors healthy and in their homes.

Budget 2018 also recognizes the struggles of those who are working hard to join the middle class. The Canada workers benefit was introduced to encourage more people to join the workforce. This will offer real help to over two million Canadians while raising 70,000 out of poverty.

Budget 2018 also recognizes the reality of seasonal work and the integral part it plays in rural economies like Fundy Royal. To support seasonal workers who have exhausted their EI benefits, my colleague from Acadie—Bathurst announced an agreement with the Province of New Brunswick just last week. This will provide the province with \$2.5 million immediately to directly help workers who have been impacted. The seasonal worker program offers income support as well as training and work experience for seasonal workers in the Restigouche-Albert region of New Brunswick, for those in the fisheries, agriculture, forestry, and tourism industries.

Our government continues to focus on growth in Atlantic Canada, and investing in the great people, communities, and ideas in the Atlantic region. That is what this budget does. It empowers women, parents, employees, small businesses, industry, and our regional economies.

For instance, spruce budworm is a native insect that periodically kills large numbers of balsam fir and spruce trees across eastern Canada. We saw this happen about 30 years ago. We know it is cyclical, and the threat is present again today. The economic impact of these disturbances has the potential to wipe out up to three million hectares of crown land in New Brunswick alone, and negatively impact up to 1,900 jobs every year if left unchecked.

I would like to thank my colleague from South Shore—St. Margarets for reflecting on this already during the debate on budgetary policy. I can very well attest to the threat that the outbreak poses in Fundy Royal. Forestry workers in Fundy Royal have a sense of relief knowing that our government is committing nearly \$75 million over five years to combatting spruce budworm. This will support the work of the healthy forests network to continue with its early intervention strategy, which has been showing very promising results over the past several years.

We have thriving fisheries in Fundy Royal, and the continued growth of these fisheries requires ongoing investments in small craft harbours. This budget commits \$250 million on a cash basis over two years, starting in 2018-19, for projects like extending the breakwater in Alma.

Government Orders

•(1630)

Fundy Royal is one of the most beautiful places in Canada. Not only is it home to the Fundy Biosphere, but also to the Hammond River, the Kennebecasis Valley, and the Fundy Trail. I am proud of the work that our local environmental organizations are doing, and I am glad that this budget will provide the resources needed to preserve and safeguard our environment. This budget makes one of the largest investments in nature conservation in Canadian history, \$1.3 billion, to protect more land, waters, species at risk, and preserve biodiversity. It is up to all of us to protect the environment so that future generations of Canadians can continue to hike the Fundy Footpath, mountain bike on the bluff, or kayak in St. Martins.

The Conservation Council of New Brunswick says that this groundbreaking investment by our government shows it is listening and acting to an unprecedented degree on Canadians' deep connection to nature and our desire to see the forests, parks, lands, and waters we love, and the wildlife that calls these places home, protected. Lois Corbett, the executive director of the council, said "This is a huge breakthrough and a day to celebrate for New Brunswickers and folks clear across the country who love nature, wildlife, and the outdoors."

Canada's new tourism vision places high importance on our rich natural surroundings, especially Parks Canada sites. More than 22 million people each year visit the national parks, historic sites, and marine conservation areas administered by Parks Canada. I am delighted to note that admission to Parks Canada sites, including Fundy National Park, will now be permanently free for those aged 17 and under.

One of the most exciting parts of my job as the member of Parliament for Fundy Royal is talking to future generations of political leaders. In December, I received a letter from a student at Three Oaks Senior High School in Summerside, P.E.I., in the riding of my friend, the member for Egmont. Kate was asked to write a member of Parliament about an issue of concern to her. She spoke about mental health with conviction, saying there are growing number of cases of anxiety, depression, and even suicide, and that it is becoming normal in our daily lives which should not be occurring in our society. She said that we need to stop the issue before it becomes worse. We agree with Kate. In our efforts to support veterans, we have further extended support by ensuring that the medical expense tax credit will now recognize the costs of psychiatric service dogs, provide assistance to the amazing organizations that support veterans, and invest in research for first responders who suffer from these invisible disabilities.

Our government is also supporting research for autism, as well as diseases such as Alzheimer's and dementia.

This budget is revolutionary, in that it focuses on Canada's future. It puts people first, and focuses on what matters most to the people of Fundy Royal. It invests in the protection of our environment, and promotes equality and prosperity for those from Hillsborough to Nauwigewauk and around the world. I am proud to stand and speak to this budget, one that recognizes the potential growth of our country and focuses on equality.

As part of this year's budget, the finance minister announced our government's women entrepreneurship strategy that will help women grow their businesses by accessing financing, talent, networks, and expertise. The women entrepreneurship strategy is part of a broader effort to address gender-related barriers that have impaired the progress of women in business. As a former small business owner, this is near and dear to my heart. I know the potential is there if we provide a path forward for more women to succeed and grow as entrepreneurs.

Like many others in Fundy Royal and in the House, I am driven when I think about our youth and the future they should have in Canada. It is why I became involved in politics, to ensure I am part of a movement to make sure they will have a prosperous future in our home province of New Brunswick. By becoming the first woman elected in Fundy Royal, I, like all of the men elected before me, am confident that I can make a difference, not only in the lives of these youth, but also in the lives of all Canadians.

Each progressive budget that has been presented by our government is a step in the right direction, and this budget is no different. I am confident that it will provide lasting challenges for generations to come.

•(1635)

Mr. Colin Carrie (Oshawa, CPC): Mr. Speaker, I would like the member to comment on a couple of things that she left out about the budget. In Canada now, we are basically seeing business investment at about 11% of GDP, which is 16th out of 17 OECD countries. Business investment in Canada, per worker, is 40% to 50% less than in the high-productivity countries like the United States and Switzerland, especially the United States, with our competing against them. Taxes in the United States are going down. We are basically at 19% now, from 34.6%. At the same time, her government is increasing taxes that were 17.5% in 2012. Now they are 21%, also with increases in CPP, EI, carbon taxes, and high electrical costs. Even the former Liberal finance minister, John Manley, who is the president and CEO of the Business Council of Canada has said, "Budget 2018 overlooks Canada's competitiveness challenges."

I come from a community in Oshawa. We depend on being competitive, and the government and its provincial partners are making us less competitive. Could the member please tell us what in the budget, if anything, is going to help address the competitiveness issue that Mr. Manley and many businesses in my community are worried about?

Government Orders

•(1640)

Mrs. Alaina Lockhart: Mr. Speaker, part of our path forward as a country and for our economy is to make sure we have an innovative economy that includes all people in Canada. That is what the budget focuses on, ensuring that Canadians have an opportunity to participate in the economy, making sure they have the skills training they require, and making sure women are in a position where they can overcome the barriers that have been there for them, not only in small business but also in trade and other areas.

It is important that we invest in Canadians at this time, and it is our Canadian people who will drive this economy forward in the future.

[*Translation*]

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Mr. Speaker, I thank my colleague for her speech.

I could focus my question on the fact that tax loopholes still exist for corporate CEOs or on the Liberal government's inaction on combatting tax havens, which is costing us billions of dollars. However, since the hon. member talked about the Maritimes, I would like to focus my question on the reality of seasonal work in a number of industrial sectors in her region. I think it is a shame that the Liberal government still fails to understand this issue and is failing to take action and use the employment insurance program to help seasonal workers, who, far too often, are left in the lurch because the program is not adapted to their reality.

I would like my colleague to explain why there is no pilot project and why her government has not addressed the five-week spring gap problem.

[*English*]

Mrs. Alaina Lockhart: Mr. Speaker, I thank my colleague for allowing me to elaborate. As I mentioned in my speech, there is in fact a pilot project that was announced for the area of Restigouche—Albert, for New Brunswick, that specifically looks at seasonal workers.

We are looking at not only giving them aid in the immediate term, but also looking at the long term, at encouraging them to return for training, to look at other areas they could improve, and strengthening our workforce.

Seasonal work is a reality in Atlantic Canada. We need to make sure that our EI system supports not only the workers, but also the employers, who are focused on maintaining that workforce and ensuring it is there for them season after season. We have put forward a plan that not only addresses the needs of the workers but also the employers.

Ms. Filomena Tassi (Hamilton West—Ancaster—Dundas, Lib.): Mr. Speaker, I would like to thank my colleague for the speech, and also for including women in that. She mentioned the women's entrepreneurship strategy. We know that budget 2018 is guided by a gender results framework. I wonder if she could comment on the importance of ensuring that framework includes the results of engaging and empowering women.

Mrs. Alaina Lockhart: Mr. Speaker, one of the things we are focused on right now in New Brunswick is how to strengthen our workforce. I mentioned the measures we are taking to strengthen the

workforce with the EI system, but there are also measures in the budget that look at strengthening the workforce by making sure women are in a position to benefit from the growing economy that we are seeing in Canada.

The women's entrepreneurship strategy is one excellent example. It is \$1.6 billion over the next several years, which will focus on breaking down the barriers to accessing capital, to networks, and to attaining the expertise needed. Women have wonderful ideas and have participated in our economy, but there is potential for so much more. The budget focuses on making sure they become a vital part of our economy.

[*Translation*]

Mr. Steven MacKinnon (Parliamentary Secretary to the Minister of Public Services and Procurement, Lib.): Mr. Speaker, I am proud to rise once again on behalf of the people of Gatineau. They did me the supreme honour of electing me to represent them in this House, and I am grateful to them every day for this honour and the weighty responsibility that comes with it. I am proud to rise today to support this bill and our government's budget plan in general.

Today is our first day back in the House since tragedy struck the community of Humboldt, Saskatchewan. Like Humboldt, Gatineau is a hockey town, a town where parents work hard every day to help their kids take part in organized sports like hockey, a town where parents put their kids on buses and send them off on long overnight trips to all kinds of destinations in the United States, Ontario, the Maritimes, and other parts of Quebec. On behalf of the people of Gatineau, I want to express our deepest condolences and dismay at what has happened. Our thoughts are with the parents and communities affected by this horrific tragedy.

In Gatineau, we introduced a plan based on our national election promises that focuses on the middle class and investing in our communities. That includes public transit, so this year I was very pleased to participate in announcing the Rapibus extension as well as other major construction projects in Gatineau, such as the Parks Canada artifact storage facility, the Library and Archives Canada Gatineau 2 document preservation facility, and the revitalization of Terrasses de la Chaudière. We are investing heavily in federal public assets in Gatineau.

I can assure my constituents that I will continue to fight for more investment in public transit. One of the files I am working on is a sixth interprovincial link between Quebec and Ontario, which people have been debating for the past 100 years. I made it my mission to champion that link, and I will continue to advocate and fight for it until the day the announcement is made.

More generally speaking, our budget plan is working. It is working for parents and for our most vulnerable seniors, whose guaranteed income supplement has gone up by 10%. It is working for infrastructure in Gatineau and across the country. It is working for our small businesses.

Government Orders

I have been very pleased to meet business people in my riding on several occasions. They are very satisfied and very happy that we have delivered on our commitment and are lowering the small business tax rate to 9% beginning next year. Our plan is also working when it comes to unemployment, which is under 6% at just 5.9%. That is the lowest unemployment rate ever seen for as long as Canada has been recording these statistics. Since the second quarter of 2016, GDP growth has been 3.7%, the best rate of any major industrialized country. Wage growth in Canada is tracking at approximately 3%. Once again, that rate is higher than anywhere else in the world. Year after year, the projected debt-to-GDP ratio is going down. Our plan is clearly working. It is improving Canadians' quality of life and prosperity and helping us keep our campaign commitments and the solemn promise we made to hard-working Canadians.

• (1645)

I want to highlight two initiatives in this budget. People sometimes become cynical at election time. People make choices based on personalities and specific commitments, but also based on philosophies. Here are two initiatives that Canadians would never have seen under a Conservative government, because these are not the kinds of things the Conservatives would ever choose. These two initiatives will benefit those who need it the most in our society, specifically people working hard to join the middle class. They are people working hard to become more prosperous and to be more productive citizens for themselves, for their children, and for future generations. Of course I am talking about the Canada workers benefit and the Canada child benefit.

What is the Canada workers benefit? We know that there are people who are receiving social assistance or other benefits. Perhaps they have a family member who is ill. Perhaps they work part time. Perhaps they are caring for their children. Regardless of their circumstances, they find it difficult to make the decision to get off social assistance and enter the labour market with confidence because they may be penalized by doing so. They might not earn enough to justify getting off welfare or other social programs. Obviously, with such a low unemployment rate, everyone benefits when the number of people in the labour force increases. We also want these people to have the dignity that comes with productive work and personal growth. We want them to feel as though they are contributing to the economy and becoming productive citizens.

The Canada workers benefit was created specifically to help those people and provide them with direct assistance. This year, eligible workers will automatically receive the benefit after filing their tax return, without submitting an application. They will be entitled to an increased Canada workers benefit. Our initiative will affect two million Canadians and lift 70,000 people out of poverty. They will be eligible for up to \$1,300 in benefits tax free.

There is also the Canada child benefit, which will be indexed this year for the first time. In my riding of Gatineau alone, 11,260 payments were made in January 2018 for 19,860 children. An average payment of \$540 a month represents a total of \$6.1 million in the pockets of Gatineau parents. I am proud of this, because this money is going directly to those who need it most. These people must make choices for their children. They need to spend money to enrol their children in sports or piano lessons, or to invest in a

registered education savings plan. We committed to make these choices, and these are choices that a Conservative government would never have made or maintained, because it wants to eliminate the deficit at any cost. One has to wonder what a Conservative government would cut. This is also a tax-free benefit that is automatically reinvested in our economy and in local businesses.

• (1650)

I am proud of these two measures. Unfortunately, I do not have enough time to talk about the other wonderful initiatives in this year's budget.

I am particularly proud of the fact that we are keeping our word and fulfilling our commitments to the people who need it most. They can access these resources and become good, highly productive citizens who can keep contributing to the Canadian economy.

• (1655)

[*English*]

Mr. John Brassard (Barrie—Innisfil, CPC): Mr. Speaker, I am glad that my glass was full with water every time the hon. member blamed the previous Conservative government for the past.

I want to talk specifically about deficits. On this side of the House, we have asked about that on numerous occasions and the finance committee has asked on numerous occasions. The member will recall that the promise in the last election by the Prime Minister was to have minor deficits and to balance the budget by 2019. We now know that the budget will not be balanced until far off. The finance minister is not even admitting when the budget will be balanced.

My question for the hon. member is this: When will the budget be balanced?

Mr. Steven MacKinnon: Mr. Speaker, lessons on deficit and debt from the Conservative Party are lessons that we do not normally take. The last balanced budget presented in this House was, of course, presented by a Liberal government. It was absolutely a pride to create a fiscal situation that benefited the previous government when it was first elected. However, the Conservatives automatically, immediately, and systematically, in a structured way, took us back into deficit, and then for 10 years there were deficits as far as the eye could see.

We will take no lessons from the other side of the House with respect to deficits. Those people borrowed and begged every year they were in office, and now they get up and decry it. They should be ashamed of themselves.

Government Orders

[*Translation*]

Ms. Christine Moore (Abitibi—Témiscamingue, NDP): Mr. Speaker, people come to my office every week because they are unable to access the benefits to which they are entitled. These people are often poor and unable to get the Canada Revenue Agency to process their files. It is maddening to see the number of documents they are asked to produce, for example, to prove that their children really do live with them. I really do not know where they would be if not with their parents. In every case, these people are poor and could have used that money.

Some people have not received any benefits since 2009, and the government has never helped them get that money. These people come to my office and I help them as best I can to figure out their file with the Canada Revenue Agency. In some cases, they have missed out on \$20,000 in benefits.

The member believes that the Canada child benefit lifts all children out of poverty. However, the reality is that many parents never access these benefits and the government is not doing anything to help them. They do not even have access to in-person services and are forced to fight for these benefits. We try to help them as best we can but, sadly, some cases are overlooked because the Canada Revenue Agency does not send me a list of those who might need help.

What are my colleague's thoughts on that?

Mr. Steven MacKinnon: Mr. Speaker, we made a commitment in the last election, one that we are working hard to fulfill. That commitment was for automatic enrolment of the people my colleague was talking about. There are indeed people who do not file tax returns. However, we encourage everyone to file a tax return so that we can determine whether they are eligible for benefits. I am especially proud of the fact that, starting this year, eligible workers will automatically receive the Canada workers benefit, without needing to apply.

I just listed a few statistics about my riding, and we can get the figures for my colleague's riding or other ridings. These are, of course, benefits that automatically go into Canadians' bank accounts, under the Canada child benefit, and they are tax free. Yes, we are working very hard.

The member mentioned the people she meets in her riding. I too am meeting people, and we handle their files with care. There are some exceptions, but I am certain that with a little bit of work, we will be able to make sure that Canadians automatically receive the benefits they are entitled to.

• (1700)

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Mr. Speaker, I am very pleased to speak after my colleague from the Outaouais region, the hon. member for Gatineau, for whom I have a great deal of respect and esteem, despite his oversights, to put it politely.

Before getting down to the nitty-gritty of this budget, let us establish the facts. What was the state of Canada's economy when the Liberal government was elected nearly two and a half years ago? There is no denying that the Liberals are an extraordinarily lucky bunch. When they came to power, the house was in order. Canada had a budgetary surplus, not a \$2.9-billion deficit. We like to

compare ourselves to the best. Let us compare ourselves to the G7. Canada had the best debt-to-GDP ratio of all G7 countries. Let us not forget that, when we came to power, we had just come through the worst economic crisis on the planet since the Great Depression of the 1930s. In the most challenging economic times, our government was able to keep Canada afloat, allowing it to emerge from the crisis with one of the strongest economies possible.

Then, unfortunately the Liberals came to power. That is the problem. Let us not forget that they were elected on a promise to run small deficits for three years and to return to a balanced budget in 2019. That was the Liberal Party's solemn promise. That promise then vanished into thin air as small deficits grew into deficits three times larger than planned and, worse yet, as achieving zero deficit by 2019 went from hypothetical to unrealistic. These people have absolutely no idea when they will return to a balanced budget. We will be in deficit for the foreseeable future.

The finance department says that, if nothing changes, Canada could, technically, in theory, return to a balanced budget in 2045. Our economy would certainly struggle in the meantime. The Liberals were elected on promises that they have now broken. They promised a small deficit, but ran up a big one. They promised a zero deficit and a balanced budget. They said the deficits would support an infrastructure program to stimulate the economy, but that is not what they delivered. They promised hundreds of billions in infrastructure spending, but the finance department's reports show that very little of the infrastructure funding has actually been handed out. The government is using these chronic deficits for routine spending, not investment.

This is economics 101. It makes perfect sense for the head of a household to borrow money to buy a home and then pay that money back, but anyone borrowing money from the bank to buy groceries has a problem. That is not an appropriate way to manage money. Anyone who tries to do what the Liberal government is doing is headed for a brick wall.

My Liberal colleague from Gatineau talked about how amazing the Canada child benefit is, about how the government is lifting people out of poverty and giving them all kinds of money. They have no trouble handing out money that is not theirs, money they are borrowing from our children. A deficit is just deferred taxation, and that is one thing this government is very good at. It is constantly maxing out its credit card.

Government Orders

•(1705)

That is why we completely disagree with the government's policy. The minister, the member, and our Liberal colleagues seem to have forgotten that in their first iteration of the Canada child benefit, which was to be absolutely extraordinary, they forgot a small detail: they forgot to take inflation into consideration. Any accountant at any firm who forgot to factor in inflation would be dismissed with a swift kick in the backside. The government, however, still crows over its lofty principles, claiming to be doing the right thing and giving more money to children. I can see why this is the party for families, the party for children. By working for children, the government is making them foot the bill down the line.

The government boasts about its lofty principles, but reality is catching up to it. For example, the Liberals are always repeating how they are going after the so-called 1%, the richest Canadians. The top 1% of Canadians with the highest salaries are going to pay. The Liberals forgot to mention that these people already pay 70% of the taxes in Canada. They said that these people would definitely pay more taxes. Is that right? Not exactly. In a report released last fall by the Department of Finance, and not by the Conservative Party, we learned that not only do the so-called 1%, the wealthiest Canadians, not pay more taxes, they pay less. The wealthy paid \$1.2 billion less under the current Liberal government even though the Liberals kept repeating that they would make the rich pay more in order to give to the poor. Not only are the rich paying less taxes, but the poor were given money we do not have because the Liberals are running up a deficit. They went into deficit financing.

Clearly, this government says one thing and does the opposite. It was elected on promises it cannot keep. Faced with their greatest economic challenge yet, the Liberals are doing nothing.

[English]

Now I want to raise the question of competitiveness with the United States of America, our great ally and partner but also our greatest competitor.

We all recognize that the president is not exactly the same kind of man that we had when we were in office. We can like him or we can dislike him, but we have to deal with him. That is the reality of politics. What we see now in the new administration, the Trump administration, is someone very aggressive, someone very productive, and someone who is first and foremost helping small business in America, and big business too. He is helping the business community of America.

What we see in the government is everything but that. Worse than that, it has no plan. The Liberal government has no plan to address the serious issue raised by the new administration in America. There is nothing in the government's budget to help our small business community to face and address the issue of the new competitiveness of America. There is nothing to address the fact that maybe NAFTA will collapse. That would not be good, so we have to be ready for that.

We do not want it to collapse. We were the party that created NAFTA, the first free trade agreement, in 1988, thanks to the Right Honourable Brian Mulroney. We can be proud of this heritage. We also recognize that the other governments pushed that forward, even

if at that time they said they were not going to be part of that deal. That was good. Now we have to address the new reality that maybe NAFTA will not be run again.

What can we do? What will the government do? There is nothing in the budget. What is the government doing to help our businesses address the issue of the new help being given by the American administration to their business community? It is doing nothing.

•(1710)

[Translation]

That is also worrisome. The budget needs to address today's realities. However, today's global economic reality is not about the collapse of oil prices as it was in the past. On the contrary, oil prices have risen. It is not about dealing with the worst economic crisis. It is exactly the opposite. We are experiencing an economic boom.

It is not about the collapse of the American economy, like it was in 2008-09. On the contrary, the American economy is booming. However, we are dealing with an aggressive protectionist American President. That is his right. We respect his choice and he makes his own decisions of course. We are dealing with a very aggressive protectionist American President and the government is doing absolutely nothing. The American President strongly supports the private sector and helps entrepreneurs a great deal, unlike Canada, whose government led an unspeakable attack against our entrepreneurs last summer with the reprehensible plan it tabled on July 11, in the middle of the summer, if memory serves. Fortunately, thanks to the extraordinary work of the member for Carleton, Canadian business people across the country united and put a stop to the Liberal government's plan, which sought to punish them for creating jobs and wealth. It is a good thing that we were there.

There is nothing in this budget to help business owners or meet their needs. The government is going on a spending spree, as we have mentioned, and is creating deficits. We are talking about a 20% increase in spending. Twenty percent in three years is a lot. It represents \$60 billion. A 2% or 3% increase would be in keeping with inflation. A little is okay, but in this case, we are talking about hyper-inflation, not inflation. A normal increase would have been 6% in three years. However, this government has increased spending by 20% in three years. Such is the hallmark of the Liberal government. We think this is very bad. The spending was supposedly for investments in infrastructure, but there have not been any infrastructure investments. The government is investing just 0.1% of our GDP on creating wealth and jobs in our country. This is not what the government promised during the election campaign. It promised to run small deficits. This is no surprise, given that the Prime Minister may not have studied at the great schools of economics. This is no guarantee, but three years ago, the Prime Minister introduced an unprecedented economic policy, or economic philosophy. I remind members that when the hon. Joe Oliver tabled the final budget of the previous government, the leader of the Liberal Party said that the budget would balance itself.

*Government Orders**[English]*

I was in university when I was young. I studied a lot, and I have never seen the fiscal or economic theory elsewhere, other than from the present Prime Minister, that a budget balances by itself. If there is someone else who has some information about that, I will welcome it. I really want to understand how someone can seriously speak such stupidity, but that is the signature of the present Prime Minister.

[Translation]

The Liberals have attacked businesses in several ways, by raising their taxes and reducing the government assistance they might be eligible for. The best way to help our businesses is to tax them less. However, in the past three years, the government has done something entirely different. First, it imposed a carbon tax, which will come into force across Canada in a few short months. Next, it reduced all the tax credits we had introduced for research, recruitment, and business development. The tax credits we brought in have been abolished by this government. That is the kind of thing that makes businesses owners lose confidence. This is troubling. All the economic indicators of business confidence are negative. Private investment in Canada is down 5% since 2015. Compared with the United States, it is not just a drop of 5%, it is actually another 5% to 9% on top of that. That is a difference of 14%. Canadian business owners feel uncomfortable and are investing less, while American business owners are investing three times more, relatively speaking. That is not a good thing.

● (1715)

Foreign investment in Canada has fallen by 42% over the past year. This means that less wealth is being created, since nothing is better for a nation's economy than foreign investment. It is a real source of wealth creation. When entrepreneurs create jobs and wealth, it is basically because their products are sold abroad, whether in Europe, Asia, or the United States. This is about the Canadian dollars, yen, euros, or even pounds that might be invested in our economy. That is the real source of wealth creation. That is why we are very worried about the fact that foreign investment has fallen by 42%.

As a final point, I want to talk about the debt. I have a bit of an obsession with the debt, because those folks over there were elected on a promise that they would run up small deficits and balance the books again by 2019, but they are not keeping their promises. On top of that, the debt generated by deficits is money that we cannot spend for our children. Quite the opposite, it is our children who will be forced to pay because of today's mismanagement. This government will go down in history for bringing Canada's national debt to \$1 trillion. This is not "billions of bilious blue blistering barnacles" for those familiar with Tintin, but rather \$1 trillion. This has "Liberal government" written all over it.

All these bad signs have shaken people's trust in their political leaders. A party can be elected on a certain campaign platform and then change direction based on external factors; however, in this case, there are no external factors. It is nothing but bad faith that has led the Liberal government to run up such huge deficits, rather than the small deficits promised and the balanced budget promised by 2019. Instead, it has absolutely no idea when we will return to a balanced budget. This government has just catapulted Canada

towards the sad reality of a trillion-dollar debt. That is right, I said \$1 trillion.

For all these reasons, we will vote against this budget. We feel it is an irresponsible, wrong-headed budget that will force our children to pay the price. It does nothing to help our economy and our entrepreneurs prepare for the new reality of a powerful neighbour that is both our number-one partner and our number-one competitor, the United States of America.

We hope this government will get public finances under control and take the bull by the horns so that one day, maybe a year and a half from now, we will be fortunate enough to have a realistic and responsible government led by the hon. member for Regina—Qu'Appelle.

Mr. David Lametti (Parliamentary Secretary to the Minister of Innovation, Science and Economic Development, Lib.): Mr. Speaker, I really enjoyed my hon. colleague's speech even though I subscribe to neither his opinion nor even remotely his economic theory.

In the budget, we allocated almost \$100 million to Canada Economic Development for Quebec Regions to support economic development in Quebec. My colleague's party opposed that investment during the sitting that lasted all night. I would like to know if my colleague agrees with his colleague from Beauce.

Is he against Canada's regional economic development agencies, including the one for Quebec?

Mr. Gérard Deltell: Mr. Speaker, it is so easy to spend money you do not have and to send the bill to our grandchildren. My colleague can go ahead and bring up the \$330 billion in this budget, but the reality is that we are living beyond our means.

The member talked about regional economic development. For the first time, a single person, the member for Mississauga—Malton, is responsible for this file. I have great respect for him, and no offence to the charming hon. member, but when the time comes to work on regional economic development, he will naturally think about his region. What a surprise. I see him shaking his head.

Need I remind my colleague that Bombardier publicly asked for a contribution for the C Series, which is assembled in Mirabel, and that the government loaned Bombardier twice as much money for the Global 7000 than for the C Series, even though the company had not asked for money for the Global 7000? Why? Because the Global 7000 is assembled in Mississauga. Shocking.

● (1720)

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Mr. Speaker, I thank my colleague for his speech, which was just as inspired and dynamic as usual. I will give him a chance to catch his breath, but I want to continue talking on regional development with him.

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I want to talk about regional development in a corner of Quebec that is quite a bit closer to his riding than mine, but that concerns us all. I want to talk about the Davie shipyard, which has already had to lay off more than 800 workers over the past few months because it did not get the Liberal government contract to carry on its operations, when we know that the Canadian Coast Guard and the Royal Canadian Navy have needs to be filled.

When he was in the region, the Prime Minister promised icebreakers. However, it is already mid-April, spring is around the corner, and no contract has been signed.

I would like my colleague to say a few words about the consequences to the economic development of the Quebec City region when good jobs disappear because of the Liberals.

Mr. Gérard Deltell: Mr. Speaker, I will talk about two things. First, with tongue in cheek, I might say that the Liberal icebreaker policy is to wait until there is no more ice, then there will be nothing to break. That is a stupid joke, but that is okay. I wanted to make it. Now, let us get down to business.

I am from Quebec City. I am 53 and I was a journalist for 20 years. I have heard a lot about the Davie shipyard in my time and, unfortunately, it has not always been good things. However, one of the Davie shipyard's great successes was the *Asterix* supply ship. Our government signed the letter of agreement so that the Davie shipyard could design and build a supply ship for the navy. It was to be built from an old ship at the Davie shipyard.

These people finished building the supply ship on time and on budget. It was a great success. They are now ready to build the second supply ship, the *Obelix*. The table has been set, but unfortunately the government is refusing to move forward. What is worse, the Prime Minister went to Quebec City in January. He turned on the charm for the people at the Davie shipyard—and interestingly, this time he wore his suit instead of dressing up like a dock worker—but nothing came of it. There was a lot of talk but no action.

We are holding the line. The government must give the Davie shipyard the contract for the *Obelix*, not as an act of charity or because the workers are nice people, but because the Davie shipyard deserves it, because those workers built the *Asterix* on time and on budget. They are prepared to build the *Obelix*. That would be good for all of Canada.

[English]

Hon. Tony Clement (Parry Sound—Muskoka, CPC): Mr. Speaker, I want the member to drill just a bit deeper on infrastructure. During an election campaign and then in budget after budget the government promised the infrastructure. Where is the infrastructure? The infrastructure will ensure we have more Chinese billionaires in the belt and road initiative, but where is the infrastructure for Canada?

Mr. Gérard Deltell: Mr. Speaker, it is not as expected.

The Liberals were elected saying that they would invest a lot of money. That was why they asked Canadians for a small deficit. The government does not invest in infrastructure. It invests in deficits to give money to people, but the children will have to pay for the money we do not have right now.

When we were in office, the Conservatives had a realistic plan for infrastructure, \$85 billion under the Hon. Denis Lebel, who was a member in the House for more than 10 years. We are very proud of what he did. We had a realistic plan, with a budget and a zero deficit. It was not a huge plan for absolutely nothing with a huge deficit that our children would have to pay.

Ms. Filomena Tassi (Hamilton West—Ancaster—Dundas, Lib.): Mr. Speaker, the focus for the government was clear from the very beginning. The commitment in our platform was clear, that we were going to invest in Canadians because we believed in Canadians. Those investments have been working.

For example, there has been the creation of over 600,000 jobs since November 2015. Some of those jobs are being carried out as a result of our infrastructure investments. There have been 300,000 young people who have been lifted out of poverty with our Canada child benefit, which we know today has been indexed, and 70,000 workers will be lifted out of poverty with our Canada workers benefit.

Would the member agree that investing in the middle class is a good thing and that the numbers we are seeing and producing because of our investments are in the interest of Canadians?

• (1725)

Mr. Gérard Deltell: Mr. Speaker, I want to thank my hon. colleague for her French. A few weeks ago, she spoke a few sentences in French, and I welcome each and every member to speak the other official language.

When I talk about the other official language, I am not saying that French is the second official language. French and English are at the same level of official languages.

[Translation]

In response to the member's comments, I would first like to point out that, under our leadership, Canada outperformed every other G7 country, creating nearly 200,000 jobs per year despite the economic crisis. I also want to make it clear that the reason the Canadian economy is doing so well today is that the price of oil is three times higher now than it was when we had to deal with the worst global economic crisis since the Great Depression. In addition, our top trading partner and customer, the United States, is experiencing an economic boom that is creating opportunities for our businesses to sell more. That is a huge boost for the economy.

What the government can control is the budget, but its spending is out of control. Yes, the government is giving money to families. I know this because they have been saying so forever. The problem is that it is not the government's money. The government is running deficits. Sure, we all want to help kids, but the government is helping them so much that those kids are going to have to pay the price later on.

*Government Orders**[English]*

Mr. Colin Carrie (Oshawa, CPC): Mr. Speaker, I listened to my colleague's speech. He gave a great example of how sometimes the head of the household has to decide whether to borrow money for a mortgage, or a car, or the kids' education. However, I ask him to look at who is running the country, a trust fund baby who has never even thought about a mortgage or a loan for a car. What is that? He is putting money aside for the education of his kids. This is something that is not done. When we look at the finance minister, it is pretty much the same thing.

The member talked about the importance of balancing the budget. If we have people running the country who have never had to balance a budget themselves, does he think they will ever balance the budget?

I am sure the Prime Minister was given this little plastic card called a "credit card". If he puts it into a machine and punches in four numbers, money just keeps coming out. I think he thinks Canadian taxpayers are the same as that credit card.

Does the member think the budget will ever be balanced under the finance minister and the Prime Minister?

Mr. Gérard Deltell: Mr. Speaker, as a family, we have to balance our budget. Yes, we have to borrow money to buy a car or a house. That is normal, because we need that. We cannot wait to have a half a million dollars in the bank so we can pay cash for our house and car. However, we do not borrow money to pay for lunch or dinner, but that is exactly what the government is doing right now.

The government gives money to people that we do not have, and this is the worst way to administer. We send the bill to those we are supposed to help, which is not the way to balance the budget correctly. When we have a leader who says that the budget will balance itself, well, we have that kind of stupid action.

[Translation]

Mr. David Lametti (Parliamentary Secretary to the Minister of Innovation, Science and Economic Development, Lib.): Mr. Speaker, it is an honour for me to rise in the House this evening to talk about the budget.

First of all, on behalf of the people of LaSalle—Émard—Verdun, as well as all Canadians, I would like to extend my condolences to all those affected by the tragic event that has befallen Humboldt, Saskatchewan. This was an absolute tragedy. We offer our prayers, condolences, and thoughts to all those it has affected. We hope that, through this tragedy, we will forge stronger ties across the nation.

It goes without saying that my constituents in LaSalle—Émard—Verdun will benefit from many elements of this budget. Some of my colleagues have already discussed these measures, such as housing, the child benefit, and benefits for workers seeking retraining. I would like to talk about one element of the budget that I personally think is very important for Canada's future. I am often asked why I went into politics. I used to be a university professor. I was full professor in a fantastic faculty with an exceptional teaching staff and amazing students, whom I must admit I miss very much. It was a good gig. Why change careers to go into politics?

● (1730)

[English]

The answer often turns, at least in terms of part of the answer, on funding for fundamental research in this country. As a university professor over the 10 years under the previous Harper government, I saw the literal destruction of research funding in Canada. There were cuts to the Social Sciences and Humanities Research Council, cuts to NSERC, cuts to CIHR. Colleagues and students across Canada whose funding was compromised by these very radical cuts in our education system struggled. Colleagues struggled, but worse was that students struggled. Graduate students struggled.

My funding for graduate work for my doctorate was funded by the Social Sciences and Humanities Research Council in a period when funding was more generous. How many people were unable to have that education that I was fortunate enough to get through SSHRC funding during the period of the Conservative government? How many are out there that we just do not know about, because they did not get the funding? How many good research projects that would have funded graduate and post-graduate students did not get funded in Canada because of the Harper cuts? How many good, innovative, brilliant students and academics went to other countries and never came back because of the budget cuts to basic research funding under the Harper government?

What is worse is the number of academics, intellectuals, and experts in various domains who left simply because they were sick and tired of hearing academics being run down by Stephen Harper and the people around him. That is why I jumped into politics. I gave up a good gig because I thought that everybody had a responsibility to make sure that we could do everything in our power to make sure that we could change that government, and we succeeded.

Before I go on, I just want to inform the House that I will be splitting my time with the member for St. John's East.

The election day came in 2015. Immediately, in budget 2015, we stopped the gap in terms of the deficit in basic fundamental research funding in Canada.

[Translation]

David Naylor and his colleagues were tasked with reviewing the state of basic research in Canada. In budget 2017, we invested a great deal of money in that part of the puzzle, specifically in innovation and skills. Budget 2017 really was about innovation and skills. Still, basic research in this country needed additional support.

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We waited for the Naylor report, and once we received it, we appointed a new chief science advisor. This measure was very well received by the scientific community. Then we began rebuilding. In budget 2017, we invested a lot of money in superclusters and in strategic funds for innovation. We made an important announcement today at Bell Helicopter, north of Montreal. That is another very innovative company in this country. We also invested to help young people learn how to code with the CanCode initiative. However, we waited until budget 2018 to create and build a future together through basic research with a \$3-billion investment over five years in Canada's research organizations.

• (1735)

[*English*]

That is \$1.7 billion over five years to support the next generation of researchers in Canada. This is curiosity-based research. It is research that is driven by the intellectual curiosities of basic research. It is absolutely critical that in addition to any innovation spending and any spending on skills training that we do, we also buttress curiosity-driven research.

In Canada right now, in Montreal, Toronto, and Edmonton, we are going through a boom in the artificial intelligence economy. That is wonderful, and our government is investing in that, as are provincial governments across Canada, as are private sector partners as well. Why are we at that state? It is because 20 years ago, when Yoshua Bengio, Geoffrey Hinton, and Richard Sutton were doing machine learning and other bits of artificial intelligence and were not necessarily getting any traction in other parts of the world, they were being funded in Canada by NSERC. They managed to convince, in very rigorous competitions for funding, enough of their colleagues that their research should be funded, and it was. Having seen the other side, I can say that these academic funding competitions are tough, very rigorous, and held to the highest standard, with experts from Canada and around the world participating as a matter of academic duty. Now, 20 years later, we are beginning to see the economic fruits of that research. Sometimes it will work and sometimes it will not. However, the point is that we need to be funding basic research in a big way, and \$1.7 billion over five years to the three major agencies is absolutely critical.

In addition to funding basic research, we also need to fund infrastructure for research. Hence, the Canadian Foundation for Innovation, the CFI, is receiving \$1.3 billion over five years for labs, equipment, and infrastructure...I have that number wrong. It was \$1.3 billion in total, of which \$763 million will go to the CFI. That is critically important, because it wanted and needed a stable budget. It often does the structural work that makes the curiosity-based research possible.

To conclude, when I look at this budget, I see the fulfillment of one of the major reasons that I went into politics. It was absolutely critical to help restabilize the research picture in Canada to make Canada a destination for research. I would like to think we have succeeded.

Mr. Colin Carrie (Oshawa, CPC): Madam Speaker, the member is a learned colleague. He mentioned how he received a government grant to pay for his education. My educational experience was a bit different and was probably more similar to the experience of most Canadians: I went to work on the line at GM. I had a part-time job

and I put myself through school. He has his perspective and I have mine.

The member really did not talk about business and how this budget pretty much ignores small business. I guess he believes in the Liberal policy for small business, that being to start with a large business like Kinder Morgan, regulate and tax it to death, and when there is a problem, put money into it to subsidize it, and then after that business fails, there is a business plan for small business. A big business is made into a small business.

I would like the member to comment on whether there is anything in the budget that would help streamline regulation or lower business taxes or anything that says the government will balance the budget in any time certain in the next few years. Is there anything about increasing Canada's competitiveness overall? We are losing out to our biggest competitors, such as the United States, and we are losing out around the world. Even former Liberal John Manley, who was the finance minister, recognizes that.

• (1740)

Mr. David Lametti: Madam Speaker, I am rather amused by the tone of my colleague's question. My parents came to this country with no formal education, and the one thing that they wanted their children to get was a formal education. Yes, I went to a number of very good universities on scholarships, and they were earned by merit. I earned the Social Science and Humanities Research Council money through a competitive process. I earned that money. I also worked on construction sites in the summer and worked my way through college.

The member seems to insinuate things quite often but his insinuation that everyone else had a silver spoon except him is completely off base. I stand by my education. I stand by the work I put into getting that education. I stand by the work I did to get funding for that education through competitive processes.

What we are trying to do in this budget is to give those same opportunities to Canadians who come from a socio-economic background similar to mine.

Mr. Wayne Stetski (Kootenay—Columbia, NDP): Madam Speaker, Bill C-74 contains 556 pages and would amend 44 acts.

I looked at some of the things that would be impacted by this legislation, such as carbon pricing. Climate change is probably one of the most important environmental issues of our time. It is top of mind for people in my riding of Kootenay—Columbia.

Pensions are important. I held a telephone town hall and almost 4,000 people stayed on the line to talk about pensions. Veterans are another important issue to Canadians. Cannabis is a hot issue in my riding. Part of my riding traditionally gets a fair bit of its economy from cannabis; these are outdoor growers. The Canada Infrastructure Bank would privatize our infrastructure projects. Mineral exploration and mining are very important in my riding.

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When I look at this list, I see that every one of the items on this list deserves individual debate and discussion. I am wondering if the member would agree that these items should be split out and debated separately because of their importance, not only to my constituents of Kootenay—Columbia but to all Canadians.

Mr. David Lametti: Madam Speaker, the hon. member asked a legitimate question. These are all important issues, and the budget is important.

I do not know that my answer will satisfy the member. These other issues are included because they have a financial aspect to them and it is important to include them in the budget. That is a matter on which we may very well reasonably disagree, but that certainly would be the answer to that concern on his part.

Mr. Nick Whalen (St. John's East, Lib.): Madam Speaker, I am pleased to stand today on behalf of the people of St. John's East in support of budget 2018. Budget 2018 proposes real and tangible benefits for my riding of St. John's East and reflects many issues raised by my constituents in the consultations I have had with them over the past year.

In my short remarks, I will focus on three aspects of the budget: specific supports to St. John's East and Newfoundland and Labrador; economic growth that benefits all Canadians; and support for the opportunities in trade, pharmacare, and innovation that will grow the future Canadian economy.

Budget 2018 proposes many important investments for Newfoundland and Labrador, including \$250 million to renew the network of small craft harbours and work with municipalities where investments and divestitures can enhance local communities and support a safe and prosperous fishery. I visited eight small craft harbours in and around my riding over the break weeks, and it was lovely to see what great work the small craft harbours do and what the priorities for improving the safety and the industriousness of those harbours would be.

There will be \$80 million in 2018-19 and \$150 million in 2019-20 to the provinces for training and support for seasonal workers who have exhausted their EI benefits. The new Canada workers benefit is expected to provide almost \$40 million to support 5,000 additional low-income workers in my province. There is \$48 million in new funding for ACOA, of which \$8 million is dedicated to women entrepreneurs. In 2018-19 alone, Newfoundland and Labrador will receive \$750 million through the Canada health transfer and the Canada social transfer.

There is also enhanced support for research and researchers, including those at Memorial University in my riding of St. John's East, by investing nearly \$4 billion across the country to help researchers solve the problems of today and create the innovations of tomorrow.

The benefits of budget 2018 are not only for St. John's East, obviously. They are intended to be enjoyed by the entire country. It is clear that the fastest and best way to grow our economy is by identifying and correcting systemic biases holding good people back. Budget 2018 identifies and addresses unfairness against women and indigenous people. Levelling the playing field for those groups will drive economic growth.

Women in Canada are among the world's most educated, and it is time we acknowledged that by ensuring greater participation of women in the workforce. It is not only the right thing to do, but the smart thing to do for our economy. That is why this budget puts gender at the heart of its decisions. Advancing women's equality in Canada will drive economic growth, while boosting the income of Canadian families. More women in leadership positions will not just grow the economy, create jobs, and strengthen communities; it will also lead to innovation and changes in the workplace that will benefit everyone.

In this budget, the government is providing leadership to address the gender wage gap. Through the increased transparency required by pay equity legislation, we will see how our government is meeting its commitment that women working in federally regulated sectors receive equal pay for equal work. We will also seek to introduce GBA+ legislation to make gender budgeting a permanent aspect of the federal budget-making process going forward.

The push for a level playing field does not end with gender equality. We will also be working to create a fair playing field for Canada's indigenous people by forging a new relationship based on trust, respect, and a true spirit of reconciliation.

Through budget 2018, the government is working to help close the gap between the living conditions of indigenous people and those of non-indigenous people, facilitate self-determination, and advance the recognition of rights. We will do this by, first, building on significant investments of \$11.8 billion in the past two budgets, and second, by investing in priority areas identified by first nations, Inuit, and Métis nation partners in the spirit of reconciliation.

We are committed to ending long-term drinking water advisories on public water systems on reserve by March 2021 and will make greater investments through budget 2018 to ensure that this happens more quickly. Nearly one in five indigenous people live in housing that is in need of major repairs, and others live in housing that is overcrowded. We are working to ensure that they get the support they need to enjoy safe, adequate, and affordable housing, something the majority of non-indigenous people take for granted. These investments will ensure that indigenous people can benefit from similar conditions for growth as their non-indigenous counterparts.

By addressing existing inequalities, we can grow the economy and create a better country for all Canadians.

●(1745)

Canada's future is bright. We have a lot to be optimistic about. Future opportunities in trade, pharmacare, and innovation will make it even brighter. This government knows that Canada's economic success also depends on strong trade relationships in an increasingly globalized world. Canada is a trading nation, and if done properly, trade can be a positive force for change. That is why this budget funds Global Affairs Canada with up to \$75 million over five years to establish a stronger presence for Canadian diplomatic and trade support in China and Asia. This includes bolstering the number of Canadian diplomats and trade commissioners on the ground in China, as well as new initiatives to promote Canada's trade with China and other Asian markets.

We are continuing to work with the United States and Mexico to modernize the North American Free Trade Agreement. We know that this agreement has been beneficial to the lives of workers and families in all three partner countries. Under NAFTA, North America has become the biggest, most comprehensive trading bloc in the world, comprising a quarter of the world's GDP, even though we represent only 7% of the world's population. That is why we are working hard to renegotiate an updated and improved North American Free Trade Agreement that would benefit all three countries and foster greater opportunity for the middle class.

Trade maintains the high standard of living enjoyed by many people in St. John's East. They are proud of Canada's improved global brand as a reliable partner in fair, progressive, environmentally conscious, and gender-balanced trade. Our country is one of innovators. Curiosity, courage, creativity, and a collaborative spirit are what leads to the kind of innovations and technologies that improve our daily lives and drive our economy and our country forward.

Science and technology, along with stronger international trade, are rapidly changing the way Canadians live and work, bringing new challenges and more opportunities. Nowhere is that more evident than at Memorial University, the university of Newfoundland and Labrador, where our Genesis Centre is fostering numerous young, smart, and innovative companies that are doing great things in oceans tech and health care in the digital economy, providing opportunities in clean energy and home improvement. Innovation is an integral part of Newfoundland and Labrador's growth.

On February 15, 2018, the Minister of Innovation, Science and Economic Development announced groundbreaking funding for Canada's five superclusters. I am proud and happy to say that this includes an ocean supercluster, which is based in Atlantic Canada and will use innovation to improve competitiveness in industries that we know very well in St. John's East: fisheries, oil and gas, clean energy, and oceans tech. The OECD predicts that the ocean economy will double by 2030, and St. John's is poised to enjoy that growth, partially due to budget 2018.

Many of my constituents in St. John's East are calling for a national approach to ensure that no Canadian needs to choose between food or heat and the medicine he or she needs. That is why I am excited about the creation of a new advisory council on the implementation of national pharmacare that was announced as part of this budget. The council will begin a national dialogue that would

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include working closely with experts from all relevant fields, as well as with national, provincial, territorial, and indigenous leaders. The council will report to the Minister of Health and the Minister of Finance, and will conduct an economic and social assessment of domestic and international models. As we move forward with some version of national support for access to pharmaceuticals, I think everyone would agree that this will improve the lives of the majority of Canadians.

Our government is investing in new generations of Canadian research and researchers by proposing \$1.2 billion over five years to the granting councils for fundamental research to provide increased support and training opportunities for researchers, students, and high-quality personnel.

There are so many great components to this budget. Once again, I am proud to say that I stand on behalf of my fellow citizens of St. John's East in support of this budget. If I were to highlight one thing, it would be the small craft harbours in my riding. For centuries, they were the lifeblood of the community. When Newfoundland joined Confederation, they became federal assets, and they provide one of the main connections that ordinary citizens have to their federal government. In places like Pouch Cove, Bauline, and Portugal Cove-St. Philip's, we really get an opportunity to see how the Government of Canada can make positive change in the lives of people. Those small craft harbours have been neglected, and by having this additional funding in place we will be able to make them safer and more economically useful for the fishers who create their livelihood and the livelihood of their communities out of those ports.

* * *

●(1750)

BUSINESS OF THE HOUSE

Ms. Filomena Tassi (Hamilton West—Ancaster—Dundas, Lib.): Madam Speaker, I rise on a point of order. There have been discussions among the parties, and if you seek it, I think you will find unanimous consent for the following motion:

That, notwithstanding any Standing Order or usual practice of the House, during the debate tonight pursuant to Standing Order 52, no quorum calls, dilatory motions or requests for unanimous consent shall be received by the Chair.

[*Translation*]

The Assistant Deputy Speaker (Mrs. Carol Hughes): Does the hon. member have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

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(Motion agreed to)

* * *

•(1755)

[English]

BUDGET IMPLEMENTATION ACT, 2018, NO. 1

The House resumed consideration of the motion that Bill C-74, an act to implement certain provisions of the budget tabled in Parliament on February 27, 2018 and other measures, be read the second time and referred to a committee.

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Madam Speaker, my colleague said that there were many more great things in the budget that he would like to enumerate. I am sure he would have liked to enumerate the fact that taxes for the middle class have gone up by 90%. He would have liked to say that there are new taxes on small businesses and employees, and that we are borrowing another \$18 billion to facilitate the budget. That is on top of all the other deficits this budget has incurred, not to mention the carbon tax, which estimates say will cost a family of four between \$1,100 and \$2,500 per year. All of these costs are going to make it that much more difficult. The debt alone is going to cost \$26 billion just in interest this year. That is not paying down any of the debt. It will be \$33 billion by 2021.

Does the member actually believe that these are helpful expenditures, when they are simply going to be pushed forward and will need to be paid for by our children and grandchildren?

Mr. Nick Whalen: Madam Speaker, the hon. member touched on a lot of different aspects, but I will focus on the one related to deficit spending. I agree with what the Minister of Finance has said. The appropriate metric for measuring Canada's progress on reducing debt is the debt-to-GDP ratio. We see that it is going down now. It has gone down each year under our government's tenure, and it will continue to do so.

When we focus merely on deficit without looking at the overall growth of the economy, we are seeing the trees and failing to see the forest. We need to see the overall economic growth that Canada has enjoyed over the first two years of the government's mandate, which has greatly surpassed expectations and provided for additional economic growth that renders the deficit spending less than the overall growth of the economy, so that we see an overall reduction. Therefore, Canada's fiscal position is stronger under our government. Even though there are modest deficits being run, they are less than the overall growth of the economy. This is more than the previous government can say, because it grew the debt-to-GDP ratio over its tenure, and we have reduced it.

Ms. Filomena Tassi (Hamilton West—Ancaster—Dundas, Lib.): Madam Speaker, I was very pleased that both my hon. colleague and the speaker before him mentioned the commitment to research and the \$1.7 billion over five years being invested in research. In my riding, I have three post-secondary institutions, and I cannot tell you how thrilled they are with the commitment of the government to research. In fact, the president of one of the post-secondary institutions has stated that this has breathed a whole new life into the institution.

I would like to ask the hon. member about the importance of this investment in research and how not only researchers but all Canadians would benefit from this very important investment.

Mr. Nick Whalen: Madam Speaker, St. John's East is the home of Memorial University, the university of Newfoundland and Labrador. There are over 18,000 full-time students at the institution. There is an engineering faculty, a business faculty, and social sciences. There is a new science building, to which our federal government has contributed \$100 million in infrastructure funding. There is a world-class medical school. Within each of these departments and programs, there are researchers who are solving today's problems. However, they often cannot do that without the support of additional faculty, without research staff, and without Ph.D. students who are working on those problems with them. In order to build those labs, build that base of knowledge, and have that work done, they need additional funding and support.

The granting councils have been underfunded for a long time. The recent report that led to our increase in research funding called specifically for a massive injection of federal government dollars into primary research so that these problems can be solved. Ultimately, and we see it within the incubators at our national universities, companies develop out of this primary research, and those companies go on to sell products not only in Canada but in global markets. The people who work in those companies have high-quality, interesting jobs that keep them in their local communities and at the universities, and drive the cycle of growth that we need in the 21st century.

[Translation]

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Madam Speaker, I am delighted to have the opportunity today to discuss the budget. First, I would like to talk about some things having to do with gender equality.

The budget bemoans the unequal sharing of caregiver responsibilities. Page 45 of the budget notes that 92% of EI parental leave is paid to women, while 8% is paid to men. The gap between 92% and 8% is very large, but there is nothing to indicate that it is the result of sexism or lack of autonomy. Most women claiming EI parental leave benefits are relatively young, between 25 and 34 years old. These women grew up in a relatively different world from that in which many members of the House grew up, especially in terms of equal opportunities for women. About 34% of these young women have a university degree, compared to 26% of men the same age. The young women most likely to have children today have a huge educational advantage over men.

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However, they are also much more likely to take parental leave. Why is that? Maybe it is because they want to. Maybe it is a personal choice, and that is all there is to it. Maybe in the privacy of the discussions that take place between couples, women are statistically more likely to express a preference for spending more time with an infant child. Some ideologues might see this as a problem resulting from patriarchal social programming, but I would argue that as long as women are freely making this choice, there is no problem. I would note as well that parental leave is for those caring for newborns. It may be that the division of caregiving responsibilities is somewhat different for older children. Perhaps women are more likely to take on caregiving responsibilities for infants because some women choose to breastfeed.

In practical terms, if a mother wants to breastfeed her child, we can hardly expect her not to take parental leave. I am sure that the government and private-sector employers can do more to make it easier for women who must breastfeed their children at work. This will not change the fact that it is still not feasible for the non-breastfeeding parent to care for the child and to bring the child to the breastfeeding mother's workplace every time the child is hungry. Most families face these types of practical considerations and must take them into account when they are allocating child care responsibilities.

In an attempt to increase the GDP, the government has presented a budget that restricts women's latitude by reserving part of the parental leave for each of the parents. It creates a restrictive system instead of a system in which parents have the choice to share parental leave as they see fit. Our approach is to give people more freedoms, not less, because we believe that the quest for equality is about promoting well-being, autonomy, and equality itself. It is not about promoting an ideology or increasing the GDP.

• (1800)

The leader of our party introduced a private member's bill to eliminate taxes on the EI benefits paid during parental leave, regardless of who is taking the leave, when it is taken, or for what reason.

• (1805)

[*English*]

I have made these points before, and I think they are particularly important. When I have spoken about the problems with the government's proposed change to the way that parental leave works, I have had a lot of positive feedback from young parents, young women in particular.

However, one young woman said that this was clearly a budget designed for women, written by men. In other words, it speaks about gender equality, but it does so in a way that is out of touch with the practical realities that young families experience. It introduces changes to the way parental leave works that limits the flexibility that families have. By spending money and introducing what it calls a "use it or lose it" approach to parental leave, it says it has to be divided up in a particular way if they are going to get all of it, as at least some of it has to be allocated to each person.

Of course, this does not work for single parents, families where, for various reasons, one person may be unable to take the leave as it

presently exists. Members of Parliament cannot do that. We just had our third child, and it had to be my wife who took all of the parental leave because of the nature of the position I am in. With the nature of her work, she was able to do that. The inflexibility of the system that the government is proposing is out of step with what many people are looking for.

Now, why did this person I spoke to say that this is a budget designed for women but written by men? Part of it is that what many young parents are looking for, in particular when it comes to parental leave and the way they approach work in general, is a greater degree of flexibility. They are not looking for the government to dictate and limit their choices to a greater degree. They are looking for greater flexibility. Many young women want to be able to work and earn income, and they also want to have a greater degree of flexibility from the stereotypical traditional job, where they have to get up early and commute, not working from home.

Many people I spoke to are looking for an ability to have earned income, but to do so in a way that is more flexible. I think that is true for all parents. It is something that we as policy-makers could do a better job of recognizing and responding to, trying to find policy changes that enhance flexibility rather than inflexibility.

I was thinking about this, and we need to get beyond this sort of old paradigm about the way that parents choose to divide up their relationship between working outside the home or being with their children. This was an old paradigm, and parents were stuck. They were either a stay-at-home parent and did not earn income, or they were a parent working outside the home, having to be away. They did not have any flexibility.

That old paradigm, because of changes in society, but also because of changes in technology, is very much breaking down. More and more people are able to work from home, and it is much easier to do so. It is practical and realistic for someone to be at home with their family during the day and yet have their own home-based business, or to perhaps have that flexibility to be at an external workplace some of the time and work from home at other times.

This is what more and more people are doing, and it responds to the desire that people have for that flexibility, to be able to be both at home and earning income at the same time.

To some extent, this was my reality before getting elected. I was the vice-president of an opinion research company that was based in a different city. We did not have a local office. I appreciated the opportunity to be able to be at home, and to be working from home. We had hired child care at our house but, at the same time, I was present. If there was a situation where I was needed, then I could be involved in some way. It was only my older daughter at the time, and since then our family has grown.

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The reality for more and more parents is that they are looking for flexibility, and wanting more parental leave is an expression of that flexibility. I would argue that rather than worrying about this pursuit of greater flexibility by parents, we should recognize and celebrate it as a choice that people are making. We should also recognize that despite the old model under which a person had to choose between either being at home or working outside of the home, the opportunity to more easily work from home provides parents with more choices. It provides more people with the ability to work, if they wish to, while also being present at home if they wish to be.

Policy-makers, through budgets, should look for ways of supporting people who want to have that greater degree of flexibility. One of these ways might be to make it easier to earn income while on parental leave. Rather than limiting flexibility in the way that the government proposes to, what about making it easier for someone to access parental leave while still taking some files home? I have talked to women in my riding, for example, who felt it was very important to take parental leave, but who also said it would have been easier if they could have taken some files home from work in the context of that leave. They were not able to do that because of the way the leave was structured; there was a very aggressive clawback for any earnings they made. That would be one thing we could do if we were thinking in the direction of improving flexibility instead of increasing inflexibility.

Another way would be to simplify the working from home tax benefit. Right now, the tax deductions associated with using one's home as a workplace are very complicated. We could develop a simplified formula to make that easier, so that the people who are considering working from home could quickly make that calculation and realize they would derive a benefit from it.

In general, I think the right approach is to listen to what families are telling us, and listen to what the reality is for many young parents. They want to be able to continue to work, have flexibility, and share responsibilities, but not be constrained in how they do it. That involves a very different approach from what the government is doing.

Why is the government proceeding in the way it is? It seems less to me about equality and more about GDP. It talks about getting more people into the workforce and that this will increase GDP. What we should be doing is increasing empowerment, giving more flexibility and choice to people. However, rather than using the "use it or lose it" approach of the government, if we gave more flexibility to the people, I think we would see an increase in GDP as well. I do not think that is what we should be aiming at, but that is a desirable ancillary benefit.

Having discussed these particular issues around gender equality in the budget, I want to speak more broadly about the problems we see in this budget. Again, let us be clear. The government promised that it would run three deficits of less than \$10 billion, and that in the final year it would balance the budget. What do we have? We have no plan to balance the budget ever. Its balanced budget will be later than flights out of Toronto were this weekend. There is no plan for this to happen at any point in the future. The government thinks that is okay, because it says it is investing. A plan to spend money, which is what this is, should be a plan, in that it should have a clear-sighted set of constraints and timelines. Every single province in this country

either has a balanced budget or a date by which they plan to get to a balanced budget. We might be skeptical in some of those cases about whether they will realize it, but every province either has a balanced budget or a timeline in terms of when they are going to get there. This is apparently the only finance minister in the country who does not think he needs to have that timeline, or at least he is not able to present it.

We need to have a balanced budget, and we need to have the associated stability to encourage investment over the long term. When individuals see rising taxes and an inability to balance the budget, it has a negative effect on investment, and we have seen the impacts of that.

● (1810)

What also has a negative impact on investment is when the government seems to no longer understand the importance of nation-building infrastructure. A central part of how this country became what it is was because of the vision of Sir John A. Macdonald, our first prime minister, our first Conservative prime minister, who realized we needed to have the national infrastructure associated with the railway for security and economic reasons so that essentially Canadians could access each other, protect each other, and do business with each other.

Pipelines, what we have been talking about so much today and in recent days, are the nation-building infrastructure of the 21st century. They are what allow us to prosper together. On this side of the House, we embrace the idea of pipelines as vital nation-building infrastructure that allow the whole country to prosper together. We have members from all across this country who understand this and are proud supporters of our position on it.

What has the approach been of the government? It directly killed the northern gateway pipeline, a pipeline that had already been approved by the previous Conservative government. It indirectly has been killing other pipelines. It killed the energy east pipeline by piling on conditions. Now the Trans Mountain pipeline is at risk through the Liberals' neglect and lack of action. What the government has now said is that it is considering nationalizing it.

It has become clear that the government has no interest in actually building pipelines. When it sends a signal that the only way it can build a pipeline is by nationalizing it, that is not exactly a positive signal to send in terms of investment. How about the government focus on enforcing the law, on having a plan to making those investments secure. How about the Liberals take a consistent position where they actually support the nation-building infrastructure we need in terms of energy east and the northern gateway pipeline.

I was recently in New Brunswick. At least one member of the government was annoyed and complained to the newspaper that I was in New Brunswick talking to his constituents. I will not apologize because I think it is part of my job to hear what constituents in Liberal ridings are saying, especially when what they are saying is not reflected by their MPs. I was in New Brunswick, and there is a great deal of demand on the east coast and across this country for the energy east pipeline for the kind of benefits that come with nation-building infrastructure.

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I said that the government is not making much progress in building pipelines. I should make one exception to that, of course. It put hundreds of millions of dollars into the Asian Infrastructure Investment Bank, which is a Chinese-controlled development bank that is building a pipeline in Azerbaijan. Canadians are investing in an infrastructure bank that is building infrastructure in Asia, that is building a pipeline in Azerbaijan.

I do not think that is what people thought Liberal MPs from Alberta meant when they said that they would support pipelines. When members, like the member for Edmonton Centre, said that they would support pipelines, I think people in Edmonton Centre thought that meant here in Canada, not in Azerbaijan. Instead of getting infrastructure built here in Canada, instead of getting pipelines built here in Canada, in its desperate bid to curry favour with all kinds of unsavoury regimes, including in this case the PRC regime, the government is spending money to get Canada into this infrastructure bank to build infrastructure such as pipelines in Asia, infrastructure that it is not building here in Canada.

This is an important issue. This is a lot of money we are spending overseas. What is the government's rationale for joining the Asian Infrastructure Investment Bank? It says it is because Canadian companies can then get opportunities associated with these infrastructure projects. Well, I say that Canadian companies can get those opportunities here in Canada. I will also say that I was in the headquarters of the Asian infrastructure bank in Beijing, and it told us that it already has open staffing and open procurement policies, which means Canadian businesses can already bid on those same opportunities regardless of whether Canada gives hundreds of millions of taxpayer dollars to those programs.

This is a misguided budget. It does not help Canadians. It invests in totally the wrong areas. That is why I am proud to oppose it.

• (1820)

Ms. Filomena Tassi (Hamilton West—Ancaster—Dundas, Lib.): Madam Speaker, I must say that I am very impressed with the hon. member's French, and I am going to try to get to the level that he is able to speak it. I know it is something that he has really committed a lot of time to, and I think it is very important and I commend him for that.

With respect to today's topic, the Liberal government was very clear in our platform that we were going to invest in Canadians. It was a different approach than that of the opposition members, but we were very clear that was the approach we were going to take. The reason we did that is we believed it was the best investment we could make. We believe in Canadians and knew they were good investments to invest in Canadians. The result was 600,000 jobs created since 2015, over 300,000 children raised out of poverty with the Canada child benefit, which will be indexed with this BIA. Over 70,000 workers approximately will be raised out of poverty with the Canada workers benefit. We have the best balance sheet in the G7, with the lowest debt-to-GDP ratio.

Does the member not believe in making these investments in Canadians and the middle class or does he deny the results?

Mr. Garnett Genuis: Madam Speaker, sometimes in political debate we get caught up in the jargon and use phrases that have been

focus grouped in detail but are not at all clear as to what they actually mean.

The member spoke about investing in Canadians. A suggestion for investing in Canadians is to cut their taxes. That would be an investment in Canadians that I think a lot of people are looking for. We see all kinds of ways in which the government is increasing taxes on Canadians so that it can fund a narrower group of people. For example, the government is spending \$1 billion on superclusters. It is giving money to big corporations, when what we have seen is that the most effective way to grow the economy is not by giving subsidies to superclusters and picking winners and losers in the economy, but by giving Canadians back more of their own money so that they can then invest and spend on things that are important to them.

With respect to what the member was talking about in terms of results, I will say that the status of the economy is always affected by a wide variety of different factors. I know, for example, that the members opposite wanted to entirely blame the Conservative government when there was a global financial recession. However, we are seeing worrying indicators in terms of business investments that are a direct result of the policies of the current government that will have a negative impact over time, and I think many analysts know that.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Madam Speaker, I am going to resist the temptation to pick up on the pipeline debate and will go to the bulk of the presentation by the member for Sherwood Park—Fort Saskatchewan, which I thought was a really interesting discussion around child care in a budget that is supposed to be about gender. I think we really do need to look at what kind of child care arrangements the Government of Canada can help facilitate, recognizing, as he said, that one size does not fit all. I was disappointed that in a budget that was about gender there were not the funds that we need to create the opportunity, for those families that want it, to have high-quality early childhood education enriched child care.

To push the point a little further, I wonder what he thinks of the Green Party's policy, which is to promote opportunities for workplace child care, with tax benefits to employers where the situation is appropriate, such as not in a high-risk environment. A lot of workplaces can provide workplace child care so that the mom or the dad has the advantage of much more time in close proximity to his or her children when at work.

Mr. Garnett Genuis: Madam Speaker, I will also resist the temptation to comment on pipelines. I am sure my friend and I will have plenty of opportunity to discuss them in the future.

In terms of child care and looking at what options the government can facilitate, I think that parents are the best child care decision-makers. I think there are a lot of different types of child care arrangements that can work. The member spoke about one that I think is reflective of the kind of flexibility people are looking for.

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For some people, their ideal would be to work from home, over the Internet or phone, while having their children there. For some people, the ability to bring their children with them to work is important. It may be more realistic in the context of the kind of work they do. I see a cultural shift happening where it is more and more acceptable to bring one's children to things, even things that in the past people may have raised their eyebrows and wonder why a child was there. From time to time, I will bring my children to meetings that I have. When we have round tables in my office, from time to time, we try to set it up so that there are toys and parents can bring their kids to play while the parents are participating in political discussions. I think those kinds of things are important.

From a government perspective, in terms of the spending power of the government, let us not decide where the ball is going. I do not think we should be picking winners and losers in terms of the economy. I also do not think we should be picking winners and losers in terms of the kind of child care arrangement. We should be looking for a way to support families in the context of the flexibility that they expect. The way we initially proposed to do that was by providing direct support to families, but there may be other ways, such as tax credits around initiatives that are undertaken by employers. Again, seeking the greatest possible flexibility in the context of how we do that is the way we should go.

• (1825)

[Translation]

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Madam Speaker, I thank my colleague, whom I recently had the chance to get to know better during an international trip we took together.

I know that politically we are not necessarily on the same page. To me, for example, socialism is not a bad word. It is something we can consider in the fight to achieve a balanced budget and increase the government's tax revenues.

I would like to know whether he believes that the Liberals broke their promise by not closing the tax loopholes that allow the CEOs of the largest companies, who earn millions of dollars annually, to not pay their fair share of taxes, when workers and the middle class do not have access to these measures and options. The Liberals promised to close the loopholes, but that did not happen in the last budget. I would like my colleague's comments on this.

[English]

Mr. Garnett Genuis: Madam Speaker, I certainly enjoyed getting to know the member, the NDP House leader, and others better on our recent trip. I could go further into that, but as we established, what happens in Ramallah stays in Ramallah.

Do I agree that the Liberals have broken their promises? Absolutely they have and in so many different areas. While we have a philosophical disagreement on many points with the NDP, I think we can agree on this point. We have a government that thinks it can take more and more from Canadians in taxes and that somehow that will benefit Canadians, and that by giving money to well-connected insiders and to those connected with superclusters, somehow that is going to benefit those who need it the most.

I think it was our finance critic, the member for Carleton, who said it best in that the Liberals have a theory of trickle-down government, that if the government has it, somehow it is going to benefit the majority of Canadians. Our belief is that investing in Canadians actually involves letting them keep more of their money in the first place. That is what we think a budget should do, and we are disappointed that it does not do that.

Yes, absolutely across the board, especially when it comes to the Liberals' commitment with regard to running a balanced budget by year four, the government is far out of step with many of the things it promised.

[Translation]

Ms. Christine Moore (Abitibi—Témiscamingue, NDP): Madam Speaker, I have a short question. My daughter is turning one on Saturday. I was wondering, if the Liberals are allowed to continue down the same path, will there be balanced budgets and pay equity by the time my daughter turns 18?

[English]

Mr. Garnett Genuis: Madam Speaker, my hope is that we will have a Conservative government after 2019, which will balance the budget in due course. However, if, against the odds, we are stuck with Liberal governments for longer than that, I think we will have to wait for our grandchildren at least before we have a balanced budget.

Mr. Randeep Sarai (Surrey Centre, Lib.): Madam Speaker, I will be sharing my time with the member of Parliament for Sackville—Preston—Chezzetcook.

I appreciate the opportunity to discuss Bill C-74 and the measures of budget 2018.

With the budget and with this budget implementation act, we are taking the next steps in the government's plan to grow and strengthen the middle class by promoting equality, investing in the economy, and the future.

Before I speak about the contents of the bill, I would like to walk hon. members through some important numbers that show our plan to grow the middle class is working. My riding of Surrey Centre has one of the youngest populations. It is a middle-class riding and it is an emerging centre of innovation. The proof is in the numbers.

Over the last two years, hard-working Canadians have created nearly 600,000 new jobs, most of them full-time. Unemployment rates are near the lowest levels we have ever seen in over 40 years. I am proud to say that since 2016, Canada has led all the G7 countries in economic growth. Our plan is working because Canadians are working. As a result, we are able to continue to invest in the things that matter to Canadians, while making steady improvements to the government's bottom line.

Let me also reassure hon. members that the government is being diligent in ensuring Canada remains the best place to invest, create jobs, and do business. We know that Canada's future success rests on ensuring every Canadian has the opportunity to work and to earn a good living from that work.

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Building on these goals, I would like to spend the rest of my time on what steps the government is taking to promote our shared values, bolster services to Canadians, and strengthen their protection at home, abroad, and online.

Canadians know that it is an interconnected world. New technologies offer great benefits to Canadian families and tremendous opportunities to businesses, small and large.

It is no exaggeration to say that the digital age has revolutionized how Canadians live and work, as well as how our institutions function. Digital technologies have changed the way we work, how we shop, how we access services, including government and financial services. These changes have brought with them vast benefits and challenges. They include efforts to preserve cybersecurity and protect the privacy of Canadians. Unfortunately, cyber-attacks are becoming more pervasive, increasingly sophisticated, and even more effective. Successful cyber-attacks have the potential to expose the private information of Canadians, cost Canadian businesses millions of dollars, and potentially put Canada's critical infrastructure networks at risk.

With this budget and the budget implementation act, the government is implementing a plan for security and prosperity in the digital age to protect Canadians against cyber-attacks. This includes significant investments to fund a new national cybersecurity strategy. The strategy focuses on three principal goals: to ensure secure and resilient Canadian systems; to build an innovative and adaptive cyber-ecosystem, and to support effective leadership and collaboration between different levels of Canadian government, and partners around the world.

Canada's plan for security in the digital age starts with a strong federal cyber-governance system to protect Canadians and their sensitive personal information. To that end, budget 2018 commits over \$155 million over five years, and \$44.5 million per year ongoing to the Communications Security Establishment to create a new Canadian centre for cybersecurity.

By consolidating operational cyber expertise from across the federal government under one roof, the new Canadian centre for cybersecurity will establish a single, unified Government of Canada source of unique expert advice, guidance, services, and support on cybersecurity operational matters. This will result in faster, better coordinated, and more coherent government responses to cyber-threats. The new centre will provide Canadians and Canadian businesses with a clear and trusted place to turn to for cybersecurity advice, to advance partnerships, and dialogue with other jurisdictions, the business community, academia, and international partners.

Given the importance of protecting Canadians from growing cyber-threats, I strongly encourage all members of the House to support consolidating various government cybersecurity functions into the new centre.

• (1830)

Budget 2018 will also help bolster Canada's ability to fight cybercrime by providing \$116 million over five years and \$23.2 million per year ongoing to the RCMP to support the creation of a national cybercrime coordination unit.

The national cybercrime coordination unit will create a coordination hub for cybercrime investigations in Canada and will work with international partners on cybercrime. The unit will also establish a national public reporting mechanism for Canadians and Canadian businesses to report cybercrime incidents to law enforcement.

Taken together, these investments will allow Canadians to continue to benefit from digital connections in a way that protects them, their personal information, and our infrastructure from cybercrime.

Let me very quickly tell the House about the new national cybersecurity strategy.

The new strategy will ensure secure and resilient Canadian cyber systems to improve the government's ability to investigate cybercrime, develop threat assessments, keep critical infrastructure safe, and work in collaboration with the financial and energy sectors on bolstering their cybersecurity.

Second, by investing in an innovative and adaptive cyber-ecosystem the government will support integrated cyber-learning placements for students and help businesses improve their cybersecurity posture through the creation of a voluntary cyber certification program.

Finally, by strengthening leadership, governance, and collaboration, the government will be taking the lead, both at home and abroad, to advance cybersecurity in Canada by working closely with provincial, territorial, private sector, and trusted international partners.

For Canadians, the national cybersecurity strategy will provide Canadians with a clear and trusted federal source for cybersecurity information, practical tips to apply to everyday online activities, and heightened awareness of malicious cyber-activity.

For Canadian businesses, the strategy will increase cybersecurity guidance for small and medium-sized enterprises and provide them with the tools and resources they need to improve cyber-resilience.

In a digital and globally connected world, I can reassure hon. members that the government is taking action to promote our shared values, bolster services to Canadians, and strengthen their protection, at home, abroad, and online, including establishing this country's first comprehensive cybersecurity plan.

A strong, safe, and secure Canada means our institutions are working effectively with the resources they need. Budget 2018 commits to a number of measures that will bolster the efficiency of Canada's safety and security institutions, without compromising our shared values as an open, inclusive, and welcoming society.

Whether through the guarantee of a fair and equitable justice system or the knowledge that their private information is secure, Canadians deserve to feel safe and protected in a rapidly changing world.

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•(1835)

Mrs. Cathay Wagantall (Yorkton—Melville, CPC): Madam Speaker, I have been hearing new buzzwords today from the government, everything about research and innovation. I am not hearing anything anymore with respect to infrastructure funding, the terminology that was big and bold in the Liberals platform on how the Liberals would bring our economy back to where they thought it should be all at the cost of just small deficits. Obviously things have not worked out well there.

Would the member like to explain why things are not working well for the Liberals with respect to their infrastructure plans and why they had to remove \$2 billion of funding that Canadians were expecting to help grow the economy directly in Canada with infrastructure spending.

Mr. Randeep Sarai: Madam Speaker, I am very pleased that I was asked that question. Over 4,000 infrastructure projects have been approved. In my own riding, I am pleased to say that \$2.2 billion have been approved for a new light rail system in Surrey Centre, which will go to Surrey Newton and connect Fleetwood—Port Kells as well. I am proud to say that the Broadway corridor will also be getting its SkyTrain line. British Columbia is extremely excited at the new infrastructure projects.

With respect to waste water, the Lions Gate wastewater treatment plant has already received \$750 million, is being built, and is going to make it one of the most ecofriendly wastewater plants. It was much needed and the previous government ignored it for many years. Now we will have safe water going to our oceans and our waterways.

When it comes to British Columbia, we are extremely happy.

My riding also received over \$950 million in the last budget for our public transportation system, including new buses, new SkyTrain stations being renovated, new escalators being put in, and pre-work being done on the LRT line.

I cannot thank the finance minister enough for his budget and for what it has done. The citizens of my riding and all ridings around my neighbourhood are pleased with the infrastructure announcements.

•(1840)

[*Translation*]

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Madam Speaker, I thank my colleague for his speech. Unfortunately, I think he is seeing the Liberal government's performance through rose-coloured glasses.

For example, there is a housing crisis in Quebec and Canada. Housing is expensive. With great fanfare, the Liberals announced major investments in social infrastructure, including affordable social housing. In the last budget, they announced \$11 billion for affordable social housing, a not inconsiderable sum. This seems like good news. However, on closer inspection, it turns out that only \$10 million of the new funding will be spent this year. That is less than 0.001% of the amount they announced. The investments they announced will not happen until after the 2019 election or even after the 2023 election.

Does my colleague think it is a good idea to announce spending that will not happen for two more election cycles, when he does not even know if he will still be in the House by then?

[*English*]

Mr. Randeep Sarai: Madam Speaker, I have met municipal members, mayors and councillors, from all across British Columbia, some during their lobbying week out here. They could not have been happier. They were ecstatic with the news of the new national housing strategy and the money being given to them.

I met with those who provide child care and food for the homeless. They were ecstatic. In my riding, 160 new units will be built for those who are now on the streets. They will be in beds, in homes, in those safe facilities by the end of June. There will be 250 new beds in our riding, which is a collaboration between the federal funding and B.C. housing. These are just in Surrey Centre. I could go on and on.

People need to know that when we have infrastructure announcements, there is a process, just like with everything else. Plans have to be made and permits issued. Those are not in the hands of the federal government necessarily. They involve the municipalities, the provincial governments, environmental engineers, and consultants who have to do their due diligence and their work before shovels hit the ground.

Perhaps my colleague might want to look into that, to see why some of those projects may be taking more time. The agencies on the ground that help with those who need housing the most, the most vulnerable, are very happy with this budget.

[*Translation*]

Mr. Darrell Samson (Sackville—Preston—Chezzetcook, Lib.): Madam Speaker, I am delighted to speak to budget 2018. This is a very important budget that continues the work we began so long ago.

[*English*]

I will be focusing, first of all, on my region of Sackville—Preston—Chezzetcook, a community I describe as a half-circle around the cities of Halifax and Dartmouth. We have some urban but also rural communities. It is a growing community. As well, we have the highest number of seniors. Those are big issues. We need to continue to grow the economy, create jobs, and make sure we support our seniors.

Today I will focus mostly on veterans, women, youth, and indigenous people. Before I do so, I want to share with the House the important work our government has done thus far for the economy. When I look at the unemployment rate of 5.7%, the lowest in the last 40 years, something great is happening on the ground. I am sure that all members in this House can confirm that jobs are being created in their communities, which is important.

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I also want to talk about the Canada child benefit. All members in this House have many families in their ridings that are receiving extra money, about \$3,000 more than the previous government was offering. This is tax-free money. As an example, in my riding of Sackville—Preston—Chezzetcook, \$5.6 million is being given monthly to support families with young kids. Think about that. In my riding alone, it is \$5.6 million monthly. That is \$60 million a year, and everyone sitting in this House today is receiving similar amounts of money. That is essential, and that is an investment in our young people and families.

I should add that we have created over 600,000 new jobs, most of which are permanent jobs.

This budget also has an additional investment in our health care system. In Nova Scotia, health care is very important to us. We need to continue supporting our communities, making sure that we have enough doctors and the supports required. We are seeing investments in mental health, a new sum invested in the last health accord, which is crucial. We are making sure that the investment will support individuals and families with mental health challenges.

I spoke earlier about keeping seniors at home. There is an investment there. In this budget we are also seeing \$20 million over the next five years invested in autism and another \$20 million for dementia support and research. As we know, that is a big issue in Canada, more so in Atlantic Canada, as we have the highest number of seniors in the country. Those are big investments, because those are big issues that need to be supported by government, and that is where we are investing major amounts of money.

Now I would like to talk about veterans. We have invested about \$10 billion over the last two and a half years to support veterans. This is an extremely important investment. We need to make sure that we support those who have supported our country, as well as their families. These are men and women who have been out there risking their lives every day. We are investing \$3.6 billion in the pension for life. That is a large amount of money. I held many town halls across my riding last year, and the pension for life was a major item these individuals wanted and needed. The lump sum may work for some but does not work for most.

• (1845)

We were able to add an option. They have an option that, by default, is a pension, but they also have the option to get a lump sum.

How much support is there? An individual determined to be 100% disabled can receive up to \$1,150 a month. If the individual's injury happened in Afghanistan, for example, and the person is 25 years old, with a life expectancy of about 82 for a man and 84 for a woman, we would multiply that by 57 years. That alone would give about \$700,000 or \$800,000. However, someone severely injured may also have an opportunity to receive another \$1,500 a month, in addition to the \$1,150, which brings it to \$3,150 a month, which would bring it to about \$38,000 or \$40,000 a year. Again, if we use the same formula, that would be about \$1.75 million from ages 25 to 82. There is a third criterion, which is a 90% pre-release salary that could also be included. That investment in our veterans is extremely important as a disability pension.

That is not to say what we are already done. In April, we increased the \$310,000 lump sum to \$360,000, which is a \$50,000 addition, depending on the percentage of the disability.

While I was making my tour, some asked what would happen if they took the lump sum. Could they still access the pension? This is something remarkable our government has done. The answer is yes. We break down the sum they have already received, and if they received a little extra, that sum is deducted. Some individuals could receive, depending again on the percentage of injuries, another \$800 a month. There would be a deduction of \$200 to \$300 a month to catch up the amounts that were overpaid. This has been built to support all veterans who have experienced some disability in the workforce.

In this budget there is a \$42-million investment for maintenance and repairs in cemeteries and graves, as we have over 45,000 grave sites to improve over time. This will be a way of reaching out very quickly on that.

I want to touch on a couple of investments, such as the new women entrepreneurs strategy, which is a \$1.6-billion investment over the next three years to support entrepreneurs in growing their businesses. We also have put in \$150 million over five years that is tailored to more regional challenges. We have received a lot of support from women's associations for that.

We have continued the summer jobs for youth amount we put in place two years ago, and we also invested \$448 million in an enhanced youth employment strategy to give young people opportunities and internships in various areas so they can have experience and build on it as they enter the workforce.

Finally, there is a major investment in indigenous areas for children and families. We invested billions of dollars in health care and millions on a clean water strategy.

I have focused on just a few key areas. There are many other areas I could have shared with the House, but I am thankful for this opportunity.

Government Orders

• (1850)

Mrs. Cathay Wagantall (Yorkton—Melville, CPC): Madam Speaker, I appreciated listening to the member across the way talk about veterans and this new pension the Liberals have put forward that is supposedly so good for our veterans. However, the example the member gave and the one in the budget document refer to maximums that would be available based on injuries. The example in the budget book talks about an individual who serves a full 25 years before stepping on a land mine or being involved in an IED incident and ending up 100% disabled. From what I understand of our veterans and those who have served in the infantry, that is a pretty unrealistic situation for the majority of those who end up that severely injured.

I wonder if the member could give me an idea of how many of our severely injured veterans actually serve a full 25 years before finding themselves in that kind of predicament and being able to receive that level of funding.

Mr. Darrell Samson: Madam Speaker, again, it varies. The example I gave is of someone who is injured at 25 in Afghanistan. We look at the formulas. For someone who has been in the military for 25 years, the formula can work differently. There are a lot of supports there. We could apply the third category, which is 90% of the pre-release salary, which would be very strong support. We could also apply the other categories. It all depends on the level of disability. That is the real question. There is this support system and the pension for life. Again, the option is still available. There are lots of opportunities tailored to the needs of individuals.

• (1855)

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Madam Speaker, my colleague listed many of the items on which his government has spent money, and he is proud of the millions and billions of dollars in spending, but he did not mention the incredible debt the Liberals are amassing. Currently we are paying \$26 billion of interest per year on this debt, and it will be \$33 billion a couple of years from now, in 2021. That works out to over \$3,000 per year per family of four. We add to that the carbon tax, which could add an estimated \$1,100 to \$2,500 per year per family of four.

How can my colleague stand here and champion the fact that this is good for the middle class, when in fact, his children and grandchildren and my children and grandchildren are going to be forced to pay this debt on the credit card these guys are building up?

Mr. Darrell Samson: Madam Speaker, my first reaction would be to ask what the Conservative Party would be willing to cut. What cuts would the Conservatives have made in the last two years to try to balance the budget, and create a major recession, if not allow this country to go into a depression, which would be much more challenging? The old saying is that it takes money to make money. That is what investment is. Our government is investing in our country. Our government is investing in all kinds of national programs that will not only benefit Canadians today but in 10 years, 20 years, and 30 years. The Canada pension plan is one. There is the Canada child benefit. The national housing strategy is another important one. There is a seniors' housing strategy. We are talking about a pharmacare strategy. I could go on and on. That is what a vision for this great country is about.

FISHERIES ACT

The House resumed from March 29 consideration of the motion that Bill C-68, An Act to amend the Fisheries Act and other Acts in consequence, be read the second time and referred to a committee.

The Assistant Deputy Speaker (Mrs. Carol Hughes): It being 6:58 p.m., pursuant to order made on Tuesday, March 20, 2018, the House will now proceed to the taking of the deferred recorded division on the motion. Call in the members.

• (1920)

Ms. Mary Ng: Mr. Speaker, on a point of order, I want to make sure that my vote is counted in favour.

[*Translation*]

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 647*)

YEAS

Members

Aldag	Alleslev
Amos	Anandasangaree
Arseneault	Arya
Aubin	Ayoub
Badawey	Bagnell
Bains	Baylis
Beech	Bittle
Blair	Blaney (North Island—Powell River)
Boissonnault	Bossio
Boulerice	Bratina
Breton	Brisson
Brosseau	Caesar-Chavannes
Cannings	Caron
Carr	Casey (Charlottetown)
Chagger	Chen
Choquette	Cormier
Cullen	Cuzner
Dabrusin	Damoff
DeCoursey	Dhaliwai
Dhillon	Di Iorio
Donnelly	Drouin
Dubé	Dubourg
Duclos	Duncan (Etobicoke North)
Duncan (Edmonton Strathcona)	Dusseault
Dzerowicz	Easter
Ehsassi	El-Khoury
Erskine-Smith	Eyking
Eyolfson	Fergus
Fillmore	Finnigan
Fonseca	Fortier
Fragiskatos	Fraser (Central Nova)
Fuhr	Garneau
Garrison	Gerretsen
Goldsmith-Jones	Goodale
Graham	Grewal
Hajdu	Hardie
Harvey	Hébert
Hehr	Hogg
Holland	Housefather
Hughes	Hussen
Hutchings	Johns
Jones	Jordan
Jowhari	Julian
Kang	Khera
Lambropoulos	Lametti
Lapointe	Lauzon (Argenteuil—La Petite-Nation)
Laverdière	LeBlanc

Leslie	Levitt
Lighthound	Lockhart
Longfield	MacAulay (Cardigan)
MacGregor	MacKinnon (Gatineau)
Malcolmson	Maloney
Massé (Avignon—La Mitis—Matane—Matapédia)	
Mathysen	
May (Cambridge)	May (Saanich—Gulf Islands)
McCrimmon	McDonald
McGuinty	McKay
McKinnon (Coquitlam—Port Coquitlam)	McLeod (Northwest Territories)
Mendès	Medicino
Mihychuk	Miller (Ville-Marie—Le Sud-Ouest—Île-des-Soeurs)
Monsef	Moore
Morneau	Morrissey
Murray	Nantel
Nassif	Nault
Ng	O'Connell
Oliphant	Oliver
O'Regan	Ouellette
Paradis	Peschisolido
Peterson	Petitpas Taylor
Picard	Poissant
Quach	Qualtrough
Ramsey	Rankin
Ratansi	Rioux
Robillard	Rodriguez
Rogers	Romanado
Rota	Ruimy
Rusnak	Sahota
Saini	Sajjan
Samson	Sangha
Sansoucy	Sarai
Scarpaleggia	Schulte
Serré	Sgro
Shanahan	Sheehan
Sidhu (Mission—Matsqui—Fraser Canyon)	Sidhu (Brampton South)
Sikand	Sohi
Sorbara	Spengemann
Stetski	Tabbara
Tan	Tassi
Vandal	Vandenbeld
Vaughan	Virani
Weir	Whalen
Wilkinson	Wilson-Raybould
Wrzesniewski	Yip
Young— 185	

NAYS

Members

Aboultaif	Albas
Albrecht	Allison
Anderson	Barsalou-Duval
Benzen	Bergen
Bernier	Berthold
Blaney (Bellechasse—Les Etchemins—Lévis)	Boucher
Boudrias	Brassard
Brown	Carrie
Chong	Clarke
Clement	Cooper
Deltell	Diotte
Doherty	Dreeschen
Eglinski	Falk (Battlefords—Lloydminster)
Fast	Fortin
Gallant	Généreux
Genuis	Gill
Gourde	Jeneroux
Kelly	Kent
Kusie	Lake
Lauzon (Stormont—Dundas—South Glengarry)	Liepert
Lloyd	Lobb
MacKenzie	Marcil
McCauley (Edmonton West)	McLeod (Kamloops—Thompson—Cariboo)
Miller (Bruce—Grey—Owen Sound)	Motz
Nater	Nicholson
Nuttall	O'Toole
Paul-Hus	Plamondon
Poillievre	Reid
Saroya	Schmale
Shields	Shiple
Stanton	Strahl

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Stubbs	Sweet
Thériault	Trost
Van Kesteren	Van Loan
Vecchio	Viersen
Wagantall	Warawa
Warkentin	Waugh
Webber	Wong
Yurdiga	Zimmer— 78

PAIRED

Nil

The Speaker: I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on Fisheries and Oceans. (Bill read the second time and referred to a committee)

EMERGENCY DEBATE

• (1925)

[English]

TRANS MOUNTAIN EXPANSION PROJECT

The Speaker: The House will now proceed to the consideration of a motion to adjourn the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely the Trans Mountain expansion project.

I would like to remind hon. members that they are not required to be at their assigned seats and that pursuant to the order adopted earlier today, the Chair will receive no dilatory motions, no quorum calls, and no requests for unanimous consent.

Mrs. Shannon Stubbs (Lakeland, CPC) moved:

That this House do now adjourn.

She said: Mr. Speaker, I will be splitting my time with the member for Grande Prairie—Mackenzie.

I am speaking for the hard-working Canadians, investors, and industries who are waiting for the Trans Mountain expansion to be built. Canada's Conservatives requested this emergency debate, because on April 8, Kinder Morgan set May 31 as the deadline to stop the challenges, settle the obstacles, and provide certainty once and for all.

However, this was not the first warning that there were too many barriers and delays, that this vital infrastructure so clearly in the national interest is at serious risk. For a year and a half since the approval, the Prime Minister has failed.

Trans Mountain is crucial for Canada, a \$7.4 billion initiative that will create 15,000 jobs directly and sustain hundreds of thousands more in the energy sector across Canada, and in all the other sectors that depend on thriving Canadian oil.

The Conference Board of Canada said that the combined government revenue impact for construction and the first 20 years of expanded operations is \$46.7 billion, including federal and provincial taxes for public services such as health care and education. B.C. would receive \$5.7 billion, Alberta \$19.4 billion, and the rest of Canada would share \$21.6 billion. Municipal tax payments before adjusting for inflation total \$922 million to B.C. and \$124 million to Alberta over the first 20 years.

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It will provide necessary access to export markets for landlocked environmentally and socially responsible Canadian oil, which is crucial now more than ever before, since the Liberals have killed the only two other new opportunities to tidewater, the Conservative-approved northern gateway pipeline and energy east. That leaves Canada almost entirely dependent on the U.S., which is now Canada's biggest energy competitor. Without Trans Mountain, Canada will remain wholly captive, which is an acute problem because the U.S. is aggressively pursuing its own domestic energy production and supply while exporting crude oil for the first time in 40 years and flooding world markets.

However, it has not been built yet, and construction season is soon. It faces highly organized, ongoing political, legal, and even foreign-funded opponents, who promise they will use every tool in the tool box to stop it. It is death by delay. The Prime Minister's failure has forced innocent Canadians, businesses and families, neighbours and friends, to be caught and at risk, in the crossfire of an escalating trade war and even threats to restrict energy supply between three neighbouring provincial governments.

Kinder Morgan's deadline is an alarming but predictable economic and constitutional emergency. It is a direct result of the Prime Minister's failure to act. Now it is about more than the pipeline itself; it is about investor confidence and certainty in Canada overall. Canada's international and economic reputation is at stake. That is because it is the latest in a pattern of multi-billion dollar energy investments and projects that have been cancelled under this Prime Minister.

The reality is that more Canadian energy investment has been lost under this Prime Minister in two years than under any other prime minister for the same time frame in 70 years. The total dollar value is like losing 75% of auto manufacturing and almost the entirety of the aerospace sector in Canada. The collateral damage is hundreds of thousands of people losing their jobs, families in turmoil and struggle, on this Prime Minister's watch. What is scary is that it is the tip of the iceberg if the Liberals ram through their new energy regulations, their tanker ban, their offshore drilling ban, the carbon tax, and more.

Provincial governments, energy investors, economists, and oil and gas proponents are all rightfully demanding certainty and clarity about Trans Mountain and the future of energy development and transportation in Canada. There is no firm commitment that barriers will cease. The Liberals will make it worse.

Oil and gas provides billions in tax and royalty revenues to all governments, hundreds of millions to charities and in partnership with academic and educational institutions across Canada. It directly and indirectly employs hundreds of thousands of Canadians in every part of the country, and hundreds of thousands more in spinoff jobs. It lifts the standard of living of every Canadian.

The escalating crisis over Trans Mountain is causing investors and proponents to speak out. That is rare, and elected representatives should take note. The CEO of one of the biggest midstream oil and gas operators in Canada, Keyera, said, "Canada is not looked upon as a good place to invest when it comes to oil and gas these days... partly because the U.S. environment is quite positive."

CEO David Smith outlined critical priorities for Canadian energy, "market access" and "competitiveness, as well as making sure that government is "not layering on additional costs that make it more difficult for us to compete."

The CEO of Suncor, the leading integrated oil and gas company in Canada, and a pioneer in the oil sands, said:

We're having to look at Canada quite hard. The cumulative impact of regulation and higher taxation than other jurisdictions is making Canada a more difficult jurisdiction to allocate capital in...

...other jurisdictions are doing much more to attract business, so Canada needs to do much more to up its game.

Absent some changes...you're going to see us not exercising the very big capital projects that we've just finished.

Upstream oil and gas developers are calling on the Prime Minister to ensure Trans Mountain can proceed. The CEO of Cenovus Energy said, "If the rule of law is not upheld and this project is allowed to fail, it will have a chilling effect on investment not just in British Columbia, but across the entire country."

● (1930)

Banks and investment firms are throwing up red flags. The Royal Bank said, "In real time, we're seeing capital flow out of the country. If we don't keep the capital here, we can't keep the people here." Scotiabank said, "We're going to lose our competitive advantage on a number of things. Canada has a productivity issue and it has a competitiveness issue. I'm concerned about the resource-based economy, and access to tidewater." CIBC said, "Slowdown or uncertainty regarding a pipeline is clearly a major factor impacting business investment in the energy space."

Among the most passionate are business owners in B.C. The CEO of the Business Council of B.C. said, "This is no longer about a pipeline but whether you can rely on government and the rule of law if you choose to invest. This can have lasting consequences." The Canadian Federation of Independent Business said, "If uncertainty is allowed to continue, it risks doing serious damage to this country's reputation."

The B.C. NDP-Green coalition has been challenging federal jurisdiction aggressively, asking for more studies about the product that has been in the pipeline for decades, putting up roadblocks through construction, and intending more if the expansion does get built.

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The Prime Minister obviously should have anticipated this attack, since it never supported it and openly campaigned on killing it, but he did not even bring up the pipeline in his first call with the premier. It has taken 10 months and a full-blown economic and constitutional crisis for him to meet about it, with the project on the line. It is a crisis of the Liberals' own making. Now governments are floating the concept of taxpayers financing or backstopping it.

The Prime Minister suggests the only way for Trans Mountain to be built is to nationalize or subsidize it. However, before him, major energy projects and pipelines could be built in Canada with no risk to taxpayers. The challenges will not stop. It is a death knell for private sector interests and investments in the future. It is an indictment of his own record.

Another aspect that makes Trans Mountain so necessary is the economic opportunities and social benefits for indigenous communities now and for future generations. Trans Mountain is partly owned through equity partnerships with 43 communities along the route, worth more than \$400 million. Every indigenous community directly impacted by the expansion and within a 10 kilometre buffer zone all along the route support it. As of August 2015, 120 indigenous entities were consulted. About 85% of the owners or occupants on the pipeline route raised no issues or concerns.

Chief Ernie Crey of the Cheam First Nation said, "If this project doesn't go through, it will hurt our people."

Arthur Bird of the Paul First Nation said, "We have to support the development of the country and its economics, because the economics of the country affects all of us in one way or another."

In 2016, when the project was waiting for approval, Mike Lebourdais, former chief of the Whispering Pines/Clinton Indian Band said, "I want the money from our resources...so that we can pay for our health, so that we can pay for our education, so that we can pay for our elders, so that we can pay to protect our environment, so we can build better pipes, we can build better bridges, we can build better railways."

The Peters First Nations said they are concerned that among all of the well-funded and highly publicized opposition to the project, the voice of indigenous nations that support TMX has been lost. Peters First Nation said it has lived with the original pipeline that was built over 50 years ago seated at the base of their mountain and above their homes with no worries or incidents. They said that the TMX pipeline is the safest way to transport needed natural resources out of the country for the benefit of all Canadians.

Of course, opinions of indigenous people are diverse, and everyone has a right to advocate their views and assemble peacefully. However, it is quite the spectacle to see NDP and Green activists outright oppose economic opportunity and security for 43 Indigenous communities while seven challenge the expansion in court. It is stunning hypocrisy to hear politicians speak of this "most important relationship" and worry publicly about the crippling poverty and particular socio-economic challenges and barriers facing indigenous Canadians, while deliberately using every possible means to block financial opportunities and undermine all their efforts and work to secure agreements to benefit their communities, youth, and future.

It was already an embarrassment that Kinder Morgan had to announce to the world in January that it was still committed to the project. In spite of all the delays, uncertainty, prospect of failure, enemies on all sides, it was still trying to get Trans Mountain built. The Prime Minister should be ashamed of his utter failure to champion it, but that is what energy investment in Canada looks like under the Liberal government and the Prime Minister's failure of leadership.

Energy is Canada's number one private sector in the economy. It is Canada's second biggest exporter. Canada's pipeline monitoring system has the strongest safety standards in the world, and risk mitigation, prevention, protection and response advance continuously. Canada is a global leader in energy innovation. Canadians must have industry to work, innovate, build, invest, and profit. Canadians must also steward and protect the environment, air quality, water, land, and habitat.

Canada is the most responsible developer of oil and gas in the world, and the world will continue to demand and need Canadian oil. The Liberals have to champion Canadian energy, Canadian innovation, and Canadian jobs.

● (1935)

Mr. Sukh Dhaliwal (Surrey—Newton, Lib.): Mr. Speaker, I come from British Columbia and over the last couple of days I have received more calls on one single issue than I have received before. It is a very positive response. The hon. member talked about \$46 billion in revenues and the \$7.4 billion project creating jobs for middle-class families. I would like to correct the member on one thing. I have heard from my constituents that our Prime Minister has shown extraordinary leadership on this issue and he is the one who has clearly said that we are going to build this pipeline.

The policies of the previous prime minister, Mr. Harper, pit one province against the other. Our Prime Minister is bringing provinces together and Canadians together, and putting the economy in place. I have received many calls from constituents on this issue. They are saying our Prime Minister, the member for Papineau, has shown solid leadership, and I am very proud of that.

Some hon. members: Oh, oh!

The Speaker: Order. Members are unlikely to agree on some of these issues, and I expect members to show respect to the House, to listen, and not be interrupting, as members were a moment ago during an answer.

The hon. member for Lakeland.

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Mrs. Shannon Stubbs: Mr. Speaker, what the Prime Minister has done is repeated the same empty platitudes for a year and a half in the face of well-funded, orchestrated, organized, explicit, obvious, ongoing attacks. The challenges will not stop. In fact, the anti-energy activists who are doing everything they can to kill the Trans Mountain expansion have promised they will just keep going on and on.

We warned the Prime Minister of this when the NDP-Green coalition came to power in B.C. We said to contact the premier immediately. He did not. We said to lay out the plan and face specifically the undue and unnecessary delays that the natural resources minister said they would not accept. We said to define them. They did not. We tried to move for an emergency debate in February. We were not able to have it. We then, instead, moved a motion that the Prime Minister should make explicitly clear to Canadians how the Trans Mountain expansion would be built. The Liberals voted against it. Every single one of them defeated Canadians getting to know what exactly the government is going to do a year and a half after the approval, instead of just talking and talking.

Ms. Linda Duncan (Edmonton Strathcona, NDP): Mr. Speaker, my understanding is that in the last Parliament, the Harper government actually commissioned a report by an expert on the gateway pipeline. The expert report said there were serious problems moving forward with it until the outstanding first nations rights and title issues were resolved. We now have the same concerns being raised about Kinder Morgan. Does the member believe that whatever government is in power it should be upholding its obligations under section 35 of the Constitution and the United Nations Declaration on the Rights of Indigenous Peoples, and genuinely consult with first nations, and accommodate and consider indigenous rights and interests in any project?

• (1940)

Mrs. Shannon Stubbs: Mr. Speaker, I am glad the member raised the northern gateway pipeline, because it is part of why the Trans Mountain expansion is so crucial right now. The Conservatives approved the northern gateway pipeline, which was the only new opportunity to tidewater to export to the Asia-Pacific. After the Supreme Court ruling and the election the Liberals could have extended the number of months and scope for consultation, as they actually did with the Trans Mountain expansion. Instead, for the first time in Canadian history, the Prime Minister overruled an expert independent recommendation by the regulator. He stopped it in its tracks. He killed two billion dollars' worth of equity partnerships for 31 first nations and the hope for their communities' futures, the social benefits and opportunities that the pipeline would have provided to them and also to the energy sector overall by diversifying market access.

What is very concerning is what the chief of the Peters First Nation is saying, that pro-natural resources indigenous communities' voices are being lost. The Trans Mountain expansion is supported by the vast majority of indigenous communities, and we should listen to them. They have been consulted. They deserve to be consulted. The crown has a duty to consult. However, the attacks against indigenous people pursuing their own futures with resource development have to stop.

Mr. Chris Warkentin (Grande Prairie—Mackenzie, CPC): Mr. Speaker, I appreciate the opportunity to address what is becoming a crisis of confidence. I spent the last two weeks in my riding and I had the privilege of travelling throughout Alberta visiting communities that I represent. Like many in the House, I heard from my constituents about this crisis.

I heard from a young father named Adam. He told me he had just purchased a home. He works for a pipeline company. He said that he believed there was long-term opportunity in the province when he purchased that house just two months ago. He told me that he has a personal crisis right now, that if the pipeline does not get built, he will not have a job. His kids will not have the opportunities that he had hoped he might be able to afford to provide for them, such as the opportunity to live in a vibrant community, to be involved in sports and all the rest of it, the opportunity for mom and dad to have a job.

There is a crisis of confidence and we are hearing those voices. Many politicians in this room will have heard the voice of Saskatchewan's Premier Scott Moe, the voice of the premier of Alberta, the voice of Jason Kenney, the official opposition leader in Alberta, the voices from western Canada that are desperately calling on the Prime Minister to intervene in what is becoming an unmitigated disaster. It is a crisis.

When I go home, I listen to the voices who are going to live out this crisis, the moms and dads who will not be able to provide the opportunities they had hoped to provide for their children, the young people who are looking for their first jobs in engineering, their first jobs in construction, jobs that would have been provided by either the pipeline construction or the facilities that those pipelines would tie into.

This crisis is not just about this one pipeline. This is such a crisis right now. The premiers of Saskatchewan and Alberta and the people in my constituency are so animated about this because this is the only hope left.

The crisis started when the Prime Minister cancelled a project that had already been duly approved. This all started when the Prime Minister unilaterally decided to overrule the national regulator and said he would cancel the northern gateway project. That happened after the election. He put forward the tanker ban on northern British Columbia. There was no consultation.

Now first nation communities are suing the Prime Minister for not consulting them on limiting their long-term opportunities and prosperity for their communities, their children and their children's children. This is how the Prime Minister's time in office started. Then he stalled all the regulatory processes and then Petronas withdrew its project which was the Pacific NorthWest LNG project that would have seen natural gas going from Dawson Creek all the way through to the coast.

Not only did we see delays and cancellation of approved projects, we also saw the changing of the rules. Midway in the approval process of the energy east project that was being undertaken, in the eleventh hour the Prime Minister announced there was going to be a whole set of new rules. The company that was building pipelines would now be responsible for the upstream and downstream emissions from that project. The company would have to assess and determine what those would be, increasing the cost to that company to the point in this case where it could no longer afford to continue to build that project.

Hon. Jim Carr: Unbelievable.

Mr. Chris Warkentin: The Minister of Natural Resources is heckling, Mr. Speaker.

• (1945)

It is unbelievable that the minister would heckle me during my speech when I am talking about the desperate position in which he has put people living in my constituency, people living throughout the province of Alberta, and people living throughout western Canada. It is a wonder that the minister still wonders where this crisis is coming from. He seems oblivious as to what is happening in the part of the country I represent.

I am hopeful that tonight the Minister of Natural Resources will spend some time in the House listening to my colleague from Lakeland, who is probably one of the most informed members of the House of Commons on the topic of energy. He might learn something. He will learn what leadership looks like. He will learn what it means to defend the hard-working people who built our country and continue to build it and who work week after week away from their families to ensure they have enough money to pay the bills. They do not just support their families; they support our communities. In fact, they support our country. We as Albertans are proud that the province has done well, and it is partly because of the energy sector. We are where we are because of the innovation, drive, and hard work of the men and women who work in the industry.

If the minister wants to heckle anyone today, let it be the Prime Minister for not allowing him to do his job to get these projects moving forward. Where I come from, that is who the people who I represent are heckling.

Canada is a producer of oil and gas. We should be proud of the products we pull out of the ground and ship. We are one of the most environmentally and socially responsible countries in the world when it comes to the development of our natural resource sector, and oil and gas. Opponents of pipelines often say we do not need oil and gas anymore and therefore we should no longer build these pipelines. In fact, one person has famously said, in response to a pipeline, that we do not need an alternate route for this pipeline; we need an alternate economy. Interestingly, the principal secretary to the Prime Minister said that.

I think Gerry Butts, the principal secretary, would say that we no longer need oil and gas, that the world no longer needs it. However, the world is buying oil and gas. We have a choice. We can be the country that will sell the resource to the countries that want it, and therefore we need a pipeline to tidewater. If the minister would do something for Canada, it would be to get that pipeline to tidewater.

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Why is it important for Canada? I know why it is important for the people who I represent. It means jobs and opportunity, and long-term prosperity for the communities I represent. However, why does Canada need pipelines? Because there is a race to get our commodities to the consumer, and the first country that does so will be the country that succeeds. How as a country will we succeed if in fact we get that product to market? It means jobs and opportunity, and long-term prosperity for the people who I represent. It also means more provincial and federal tax revenue. What does that mean? It means better health care, education, and infrastructure for every Canadian.

This is what the current government is sacrificing. The reason we are at this crisis is not because of one single pipeline. It is because of the attitude on the government benches, including from the Prime Minister, who of course famously promised that he would phase out the oil sands. It seems he is doing that by cancelling all of the infrastructure that would get our products to market.

• (1950)

Therefore, we know the Prime Minister has effectively cancelled the northern gateway. He has effectively cancelled energy east. He has effectively cancelled the Petronas LNG project. Now he is in the process of cancelling this. We are in a crisis. The government has to act.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, I share similar passions as my friend when I talk about home, about families that we represent, and the hopes and ambitions we have for ourselves and our children. One of the hopes and ambitions people had when they looked at the Liberal offer in the last election was a very specific one when it came to this project.

The Prime Minister, when asked directly, and it is on tape and everyone can see it, if Kinder Morgan would have to go through a new and enhanced environmental assessment process because the general consideration under his government was that the environmental assessment regime in Canada had been so eroded that so many of the important and necessary tools to judge whether a project was safe or not had been taken out by the Stephen Harper government, the now Prime Minister, then candidate, said yes, that it would go through a new process.

One of the key elements for the people whom I represent was around the notion of cleaning up a potential spill, which we all have to contemplate. The product we are talking about today is diluted bitumen. My question is very simple. Is my friend aware of our capacity today, 2018, to clean up a diluted bitumen spill in a river or in an ocean environment? What percentage would be the expectation of a cleanup under such an event?

Mr. Chris Warkentin: Mr. Speaker, one of the things we all know and can be proud of is that we have one of the most environmentally sensitive industries in the world. When it comes to the production and the transport of oil and gas in Canada, there is no one who does it better. Canada can be very proud of that. What we also know is that the Kinder Morgan pipeline has been transporting bitumen safely for the last 50 years, or half a century. It has gone well. There have not been any major spills. What we do know—

Mrs. Shannon Stubbs: Dilbit.

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Mr. Chris Warkentin: Dilbit, pardon me. It is good to have the member for Lakeland right next to me because she can provide me with assistance when I get it wrong.

We will continue to see innovations in the industry. That is what we have seen over the last 50 years and that is what we have seen in remarkable ways over the last 10 years when we see the improvement in the environmental protections in the industry.

Hon. Kent Hehr (Calgary Centre, Lib.): Mr. Speaker, I appreciate the hon. member's passion for the industry, for Albertans and for the people who need work. There is no doubt our province has had a difficult time since the price reversals in the industry.

I believe our Prime Minister has been fairly clear, and I would like to read this from *The Globe and Mail* today and see what his response would be. This is from Campbell Clark's column, "That's why, contrary to what so many believe, Mr. Trudeau has long been committed to this pipeline—

• (1955)

The Speaker: Order, please. I remind the hon. member for Calgary Centre that we do not mention the names of hon. members in the House, simply their titles.

Hon. Kent Hehr: Mr. Speaker, the column states:

That's why, contrary to what so many believe, [the Prime Minister] has long been committed to this pipeline. Many complained he wasn't doing enough to get it built, but TMX has been at the core of his priorities since 2016. That's when he first risked losing B.C. seats and environmentally conscious voters by approving the TMX expansion - and another pipeline, Line 3, to boot....Now he's going to lay out federal money, in partnership with the Alberta government, to backstop a Houston-based pipeline goliath, Kinder Morgan Inc. If that doesn't wave a flag in the face of pipeline opponents, including those who voted Liberal, what will?

What does the member say about that?

Mr. Chris Warkentin: I have a couple of things to say, Mr. Speaker. The first demonstration that the Prime Minister knows we are in a crisis position is that he is now putting taxpayer money into the project. He knows it is in a crisis position and therefore he is trying to buy time and push a bunch of taxpayer money. The taxpayer was not being asked to contribute before this crisis developed. We know the Prime Minister knows he has gotten us into a remarkably horrible position, a position of crisis.

The second point is that the hon. member for Calgary Centre made a solemn promise. He said that energy east would be built and he pounded his fists in the House of Commons. I know what a Liberal promise looks like and it looks a lot like that, and it looks a lot like what the minister and the Prime Minister are now saying with regard to this pipeline.

Hon. Jim Carr (Minister of Natural Resources, Lib.): Mr. Speaker, I will be splitting my time with the member for North Vancouver.

I welcome this opportunity to discuss an issue that is critical to all Canadians in all parts of the country, an issue that speaks to how we leverage the energy resources we have today to deliver the clean energy solutions for tomorrow.

We are talking about the Trans Mountain pipeline expansion, an issue we have been fully engaged with really since we were elected, and certainly since I have become Minister of Natural Resources, meeting with indigenous groups in their territories, holding regular

discussions with counterparts in British Columbia and Alberta, travelling across the country and beyond in the past 18 months to meet with the proponent and investors, and talking with Canadians across the country hearing their views.

Before outlining the importance of TMX, let me just quickly remind the House about the facts of the project.

Very early in our mandate, we established a set of interim principles to hold major resource projects to a higher standard, increasing consultation, creating certainty for investors, and avoiding the issues created by the Harper Conservatives that led to the dismissal of pipeline approvals by the Federal Court. Let me be clear. We did this to ensure that pipelines were not just approved; we did this to ensure they would be built.

A set of guiding principles included expanding public and indigenous consultations and putting TMX into the broader context of the pan-Canadian framework on clean growth and climate change. The National Energy Board considered all of these criteria and recommended that we approve the project, subject to 157 binding conditions. These are very stringent conditions that will, among countless other things, strengthen spill response and ensure critical habitat protection and restoration.

Then we went further. To enable even more voices to be heard, I appointed a special ministerial panel to hold additional hearings.

Why did we do all of this? Because the Federal Court of Appeal in the northern gateway case quashed the approvals. It was not that Enbridge, the proponent, had not consulted, not that the National Energy Board had not consulted, but that the Harper government had not sufficiently consulted indigenous people. Therefore, the panel held 44 public meetings, hearing more than 600 presentations, receiving some 20,000 submissions by email, and for the first time, we posted a record of those discussions online for all Canadians to see.

We also did something that no other Canadian government had ever done. We co-developed a historic indigenous advisory and monitoring committee to help oversee this project through its entire life cycle. As a result, indigenous voices will be heard, their counsel sought, and their knowledge valued in ways they never have before. As Chief Ernie Crey of the Cheam First Nation said, "Indigenous people won't be on the outside looking in. We'll be at the table and on site to protect our land and water."

Even with the 157 conditions imposed by the NEB, we understood that more could be done to protect our coast. Again we acted, making a generational investment in the health of our oceans and the safety of our coasts.

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I have been listening to the speeches from the members opposite in the Conservative Party, and I cannot recall references to the coasts and protecting marine safety. I hear only vague conversation about the environment. However, our government knows that without environmental stewardship, without economic growth and jobs, and without proper consultation with indigenous peoples, there will be no pipelines built in our country. As members opposite will know, during their 10 years in office not one kilometre of pipeline was built to tidewater, not one. If in subsequent interventions they want to correct the record, I invite them to do it.

The \$1.5 billion in an oceans protection plan is making navigation safer by strengthening the eyes and ears of the Coast Guard to ensure better communication with vessels, adding a new radar site in strategic locations, and putting more enforcement officers on the coast.

• (2000)

The plan strengthens our capacity to respond in the unlikely event of an accident by adding more primary environmental response teams to bolster Coast Guard capacity, by investing in new technologies, and by conducting scientific research to make cleanups more effective. As well, we reopened the Kitsilano Coast Guard station that was shuttered by the Harper Conservatives.

In approving TMX, our government also looked at the economic benefits it would bring to Canadians, and they are significant. This is a \$7.4-billion infrastructure project that will create thousands of good-paying middle-class jobs right across the country.

The Prime Minister and I were in Fort McMurray just a number of days ago. We met with workers onsite. We met with CEOs. We met people, Canadians, from coast to coast to coast who were in Alberta using their energy and using their capacity to help what we believe to be true. It is that the future of the energy sector in Canada is vital for our growth as a nation.

We also need to expand our world markets. Ninety-nine percent of all of our exports in oil and gas go to one country, the United States. The Trans Mountain expansion will enable us to open up new markets in the world at a better price, which will benefit not only the people of Alberta but also all those Canadians who understand that attracting public investment from other places is in the interests of our economy and of our future. The benefits to the GDP will be staggering.

Those are the reasons we approved TMX. Those are the facts that led us to decide that this project was good for Canada.

It will not be news to members of this House that pipelines, any pipelines, are controversial. These are not easy issues, and good people, in good faith, can disagree. The truth is that many Canadians understand that there must be a balance. They understand the economic benefits but want assurances that the environment will be protected. They see both sides.

I understand and appreciate the views put forward by the governments of both British Columbia and Alberta. They are elected to represent the interests of their constituents as best they see them. However, there is only one Government of Canada, and the Government of Canada has determined that this project is good for Canada and is in the national interest.

The stakes are high, and we are determined. We will not give up the wealth that TMX will create for Canadian families and communities. We will not leave Canadian resources without access to world markets. We will not continue to accept less than fair value for Canada's energy. We know that most Canadians will agree.

As well, we will not sow uncertainty among global investors contemplating resource projects in British Columbia or elsewhere in Canada. We must be steadfast in our commitment not only to protect the environment but to grow the economy, and we are clearly signalling that Canada is open for business.

Just as importantly, we will not forgo the vital role TMX can play in making Canada a leader in the clean growth century. Instead, we will use this time to Canada's advantage, building the infrastructure to get our resources to global markets and using the revenues they generate to invest in our energy future. The project is too important a part of that plan.

So too is ratifying the Paris Accord, putting a price on carbon, investing in clean technology and infrastructure, accelerating the phase-out of coal, creating a low carbon fuel standard, regulating methane emissions, and, together with our provincial and territorial colleagues, developing a national plan for combatting climate change.

We believe that this project is vital for the future of the Canadian economy to give confidence to investors that Canada is a place that understands the balance between environmental stewardship and economic growth, a country that understands that energy and the capacity to harness energy in all of its diversity that we are blessed as Canadians to have inherited will put us in a place to lead the world.

• (2005)

Mr. Arnold Viersen (Peace River—Westlock, CPC): Mr. Speaker, I would like to thank the minister for his great speech. There is nothing in that speech that I can disagree with. It was basically a history of how we got here.

What we are looking for, though, are the concrete actions that the minister is going to take today to make sure that this project does not end. I know the minister likes to run away from questions like this, but we are six weeks away from the project being at an end. We are looking for some concrete actions. We want to hear a plan on how we are going to get at least one foot of this pipeline built.

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Hon. Jim Carr: Mr. Speaker, I am sure the hon. member has watched, or read reports with respect to, the Prime Minister's meeting yesterday with the premiers of Alberta and British Columbia. He might have even seen the press conference where the Prime Minister was unswerving in his commitment to have the pipeline built in terms that will reassure those who are concerned about the uncertainty that has been generated into this discussion by others. He also would have learned that the Prime Minister has tasked the Minister of Finance to enter into financial discussions with Kinder Morgan. We understand that time is of the essence, we understand that certainty is required, and we will take full advantage of the time that is available to us to ensure that this project is built.

Mr. Fin Donnelly (Port Moody—Coquitlam, NDP): Mr. Speaker, I am from Port Moody—Coquitlam, which is a riding right on the Fraser River, one of the greatest salmon rivers on the planet.

The planned Kinder Morgan pipeline will go right through my riding and right under this river, so I have a simple question for the minister: How is bailing out a Texas-based multinational oil company in the national interest, but protecting our environment for future generations is not?

Hon. Jim Carr: Mr. Speaker, I am confident in saying that this government and this party are the only ones in this House who understand exactly that we can develop good jobs in the energy sector while protecting the environment.

We hear from the New Democrats about the importance of the environment, yet we do not hear very often about the importance of creating good jobs. By the way, I am sure my hon. friend knows there are thousands of union members who stand to benefit from building the Trans Mountain expansion. I am sure he realizes that it was the energy of working men and women and their families that built pipelines before, and who maybe even built this very pipeline that has been carrying diluted bitumen for 30 years and has been operational since 1953.

We do understand the balance between environmental stewardship and economic growth—

• (2010)

The Speaker: Questions and comments, the hon. member for Bow River.

Mr. Martin Shields (Bow River, CPC): Mr. Speaker, during my colleague's speech, I had someone sitting beside me who said that he sounded like an Albertan. That could be all right. At least he is from the Prairies. We sort of consider Manitoba part of the Prairies.

When we talk about the pipeline, the governor of Washington State was very rich when he came out supporting the opposition to it at the same time that the United States and Washington State realized that the Alaskan fields are depleted and are now building pipelines and rails from the Bakken fields to Washington State to build more refinery capacity in Washington State.

The minister is talking about plans, but in six weeks, will we see one inch of pipe built?

Hon. Jim Carr: Mr. Speaker, the government has been clear that it will work with the proponent, and perhaps with others, to ensure that the uncertainty that has been created by the Government of

British Columbia is given enough certainty in order to justify a significant new investment into this pipeline.

The policy goals of the government could not be clearer, for reasons that I am sure we would agree on: we need the better price, we need the jobs, we need the expansion of export markets, we need the protection of the coast, and we need more co-developed programs with indigenous people.

All of the necessary work that should have been done to prepare this pipeline and to bring Canadians with us has been done. We are certain the pipeline will be built.

Mr. Jonathan Wilkinson (Parliamentary Secretary to the Minister of Environment and Climate Change, Lib.): Mr. Speaker, I welcome the opportunity to participate in this emergency debate.

The Prime Minister has said repeatedly, and reaffirmed on Sunday, that the Trans Mountain pipeline will be constructed.

Interprovincial pipelines are the responsibility of the federal government, and when making decisions on interprovincial pipeline projects, it is the Government of Canada's duty to act in the national interest. That is exactly what happened when we approved the \$7.4 billion Trans Mountain expansion pipeline.

It is worth reviewing the process that was undertaken in order to remind Canadians that the decision to approve the project was taken only after careful review, extensive consultations, and thoughtful deliberation based on sound science and Canada's best interests. I would like to highlight some of that tonight.

When our government took office, we committed to reviewing and reforming the way the federal government makes decisions with respect to major projects. In February of this year, we introduced Bill C-69, the impact assessment act, which would accomplish exactly that through better rules to protect our environment, fish, and waterways; rebuild public trust and respect indigenous rights; strengthen our economy; and encourage investment.

We also committed not to send projects already under review back to the starting line.

That is why we implemented an interim approach to address projects that were then in the queue, such as Trans Mountain. That interim approach was based on five guiding principles, principles such as expanding public consultations, enhancing indigenous engagement, and assessing upstream greenhouse gas emissions associated with projects.

As part of this, our government appointed a special ministerial panel of distinguished Canadians, who travelled the length of the proposed pipeline route, ensuring indigenous peoples and local communities were thoroughly canvassed and heard.

On the TMX expansion, we also completed the most in-depth consultations with rights holders ever undertaken on a major project in Canada. To date, 43 first nations have negotiated impact benefit agreements with the project, 33 of those in British Columbia. In the end, the project was approved with 157 conditions that reflected these consultations, robust scientific evidence, and the national interest.

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The economic benefits of this project are clear. It would create thousands of construction jobs and countless more spinoff jobs in every part of the country. It would generate billions of dollars in new government revenues over 20 years of operation, new tax dollars to help pay for our hospitals and our schools, build new roads and safer bridges, and help fund Canada's transition to a low carbon future. The project would also open up new economic opportunities for the 43 indigenous communities that have signed more than \$300 million in impact benefit agreements along the pipeline's route.

However, we should not look at the Trans Mountain pipeline expansion in isolation. We also need to consider how the pipeline will fit in with our government's overall vision for Canada in this clean growth century and how this government has responded to legitimate concerns of Canadians, in particular those who live in the British Columbia Lower Mainland, those being issues relating to spill prevention and climate change.

We have signed the Paris Accord on climate change. We have worked hard with the provinces and territories to develop the pan-Canadian framework on clean growth and climate change, a plan that lays out Canada's clear path to achieving our targets under the Paris Accord.

At the same time, our government is putting a price on carbon, accelerating the phase-out of coal, promoting energy efficiency, regulating methane emissions, creating a low carbon fuel standard, and making generational investments in clean technology, renewable energy, and green infrastructure.

The pan-Canadian framework incorporates all of the upstream and direct emissions associated with the Trans Mountain pipeline. Its greenhouse gases are also well within the 100-megatonne cap on oil sands that was brought in by Alberta's NDP government. It is complemented by the most ambitious oceans protection plan in our country's history, a \$1.5 billion investment to protect our waters, coastline, and marine life.

The oceans protection plan builds on and maximizes every possible safeguard against an oil spill happening in the first place. Measures include air surveillance, double-hulled tankers, and double pilotage.

Kinder Morgan must provide enhanced tanker escorts using tethered and un-tethered tugboats beyond the Lions Gate Bridge into the Strait of Juan de Fuca to Canada's 12-mile nautical limit. New, larger vessels are being purchased for this purpose, as tugs of this size are not currently available on the west coast.

We have made the largest investment in the Canadian Coast Guard in years, strengthening its eyes and ears to ensure better communication with vessels and making navigation safer by putting more enforcement officers on the coast and adding new radar sites in strategic locations.

An important example of this was our decision to reopen the Kitsilano Coast Guard base with new rescue boats and specialized pollution response capabilities, and we are funding more scientific research and new technologies to make cleanups even more effective.

● (2015)

The House should note that it was the previous Harper Conservative government that announced the immediate closure of the only Coast Guard station located in Canada's busiest harbour in Vancouver. That is their record when it comes to protecting B.C.'s coasts.

Our approach is world class, an approach that meets or exceeds the gold star standards set by places such as Norway. Our government has been very clear about the path forward regarding this project. We can and must protect our environment and communities while growing our economy. Our approval of the Trans Mountain expansion project, along with measures that will enable our oceans and coastal communities to remain healthy and safe, achieves these goals.

As we have said before, federal jurisdiction with respect to the Trans Mountain pipeline expansion project is very clear, and we are actively pursuing options to provide the certainty required for this project to move ahead. As the Prime Minister said yesterday, we will have more to say in the coming weeks.

Some will take issue with our government's approach, and we respect that. We are lucky to live in an open society where people with different views can debate them respectfully and choose to protest peacefully and lawfully.

Our government will continue to listen and work hard on behalf of all Canadians to ensure that the Trans Mountain pipeline expansion is completed and that it moves forward safely and responsibly.

Mr. Bob Zimmer (Prince George—Peace River—Northern Rockies, CPC): Mr. Speaker, I listened to the speeches of the minister and the parliamentary secretary and heard the rhetoric around the Liberals saying they are supportive of the Kinder Morgan pipeline. They talked about successful pipelines that they have approved, but I want to list the ones that have not gone through under their watch. The northern gateway is one of them. Pacific NorthWest was a huge project along our B.C. coastline, which would have provided clean energy to Asia. That is another failed project. Energy east is another project where we would have supplied Canadian oil to Canadian consumers in Ontario and eastern Canada. That is another failure. Now Kinder Morgan is on the bubble.

We had a trade show this weekend in Fort St. John where I talked to two former teacher colleagues of mine. One son is a welder in the industry and he has a young child. That person is relying on jobs like this to make sure his children are fed and have a good future. He is 25 years old, and his name is Neacail. He is a real person.

We have heard a lot of rhetoric about this being done, but I lack the confidence, as do many other Canadians. We have seen three leaders who were previously opposed to oil and natural resource development in our country meet and supposedly solve the problem. We do not have a lot of confidence in the three anti-resource development people who have met and had a conversation. I want to see proof.

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For the minister and for the other side, what are you prepared to do to see that this project goes ahead?

● (2020)

The Speaker: I would remind the hon. member for Prince George—Peace River—Northern Rockies to address his comments to the Chair and not use “you” unless he is referring to the Speaker.

The hon. parliamentary secretary.

Mr. Jonathan Wilkinson: Mr. Speaker, as I said, we have been very clear that in the modern world the economy and the environment need to go together. We have worked very hard to ensure we have understood the concerns that have been expressed from an environmental perspective, and we have addressed those in thoughtful and substantive ways.

This project will create thousands of jobs. It will create billions of dollars in tax revenues and other associated economic spinoffs. It is in the national interest. The government has addressed those concerns. We have said that we are moving ahead. The Prime Minister has indicated that a range of options are presently under consideration to provide the certainty that is required, and we will ensure that this project is constructed.

Mr. Richard Cannings (South Okanagan—West Kootenay, NDP): Mr. Speaker, I want to thank the parliamentary secretary for his speech. We have a good collegial relationship in the House, and he has helped me on various other matters.

However, he would agree that we are here tonight because there is a profound lack of confidence by Canadians in the energy regulation process, especially the process that deals with pipelines and other projects. Nanos Research has figures that show that only 2% of Canadians have strong confidence in that process. The minister said that the government has restored confidence, when in fact that confidence has been declining through the past two governments.

We have hundreds of thousands of British Columbians who are opposed to this project. There are tens of thousands of people who have indicated they are not only opposed to the project, but they are willing to commit civil disobedience, to go to jail to stop this project.

I am wondering if the member can tell us what his government will be doing to assure those people, to restore their confidence, so that this project goes ahead despite everything else they do. We have to get at that lack of confidence.

Mr. Jonathan Wilkinson: Mr. Speaker, the issue of confidence in the environmental assessment processes was something we talked a lot about during the last campaign. It was eroded under the previous government when it made a range of changes in 2012 that undermined the public confidence in the system.

We had committed to introduce new environmental assessment processes, which we did about a month ago in the House of Commons. They are the subject of conversation at the committees. We also said that we are not going to be in a position to simply park the economy for four years. That is not a responsible thing for any government to do. I would suggest that the NDP should consider the implications of that.

What we said was that we needed to ensure that, in the interim, projects were not being sent back to the beginning but that there was

additional work that needed to be done. We appointed a process to go through additional consultation with communities, with rights holders. We ensured that greenhouse gas emissions were calculated in the context of every project. We did that.

We have addressed the concerns, and we intend to ensure that this project goes ahead.

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, let me pick up on what the parliamentary secretary said. This is not the way that he said it during the campaign. This is not what he said on his campaign website during the electoral campaign. What he said on his website was, “A new, independent, evidence-based process must be established. The Kinder Morgan expansion project must satisfy this new rigorous review...”

There has been no new rigorous review. This is at the core of the problem we are facing now. We are currently undergoing an emergency debate, and the Liberals only have themselves to blame. They spent the whole electoral campaign in 2015 talking about the need to redo the environmental assessment process and that we needed to ensure there would be a more rigorous process in place which Kinder Morgan, the Trans Mountain project, would have to undergo.

The Liberals have failed to fulfill this promise. They have failed to meet the hope that people, especially in British Columbia, have in the government. This is the crux of the problem right now. We have hundreds of people who are protesting against the construction of this pipeline. We have a government that is musing sometimes about the possibility of sending the army to face them. This makes no sense.

Not only did the Liberals promise during the campaign that the Trans Mountain project would undergo a new environmental assessment process, it was said extensively. The Prime Minister has said since 2013, since he was the leader of the Liberal Party, that governments grant permits and communities grant permission.

This is what the party that is now in government has said for five years. Now what we have in this House is a competition between both the government and the official opposition to see who will be the biggest booster of this project, without taking into account what the people in British Columbia are thinking about and saying. They do not trust the government. They do not trust the process.

● (2025)

[*Translation*]

I understand the situation because we dealt with the same problem when we talked about the energy east pipeline for Quebec. I seriously doubt that this government would have had the guts to do to Quebec what it is currently doing to British Columbia. It is not a matter of war between the two provinces. Alberta Premier Rachel Notley is doing what she thinks she needs to do to protect her economy and the interests of her people. That is why she was elected. The premier of British Columbia is doing the same thing.

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[*English*]

Let me be clear. John Horgan was elected on the basis of the opposition he has of the process that is currently pushing this project down the throats of the provinces.

[*Translation*]

We have been talking a lot about how the economy and the environment go hand in hand. We, on this side of the House, have been saying that for years and possibly even decades. The government decided to adopt that approach. That is fine.

[*English*]

What has dawned on me in this debate is that the government says we cannot talk about the economy without talking about the environment. We agree in principle, but it is a very convenient excuse for the Liberals. Every time that we ask them a question about the environment and the environmental consequences, they reply that we do not know about the economy. Then, when other questions are about the economy and the jobs being created, they talk about the importance of the environment. Let us be consistent here.

We have a crisis of the government's own making because during 2015, the Liberals were basically hunting for votes. They promised that we would have a new electoral system in place and that 2015 would be the last time for a first-past-the-post election. That was false. They promised everything they could to be in the position they are in. They cannot blame the official opposition and the NDP for the mess they have themselves created by raising those expectations.

I see a lot of British Columbia MPs here. They will have a significant challenge, an uphill battle, in 2019. Their constituents, especially those around Burnaby and Vancouver, will ensure that the government will be reminded of the promises from 2015 that they broke.

I talked about the promises we heard from the parliamentary secretary during the 2015 election. Let us hear about the Liberal MP for Burnaby North—Seymour. He is now the parliamentary secretary for fisheries and oceans. He said during the election that they were going to redo the National Energy Board process and that Kinder Morgan would have to go through a new revised process. Consistently in British Columbia, Liberals were elected on this commitment. Why do they think people are at the gate now? Why are they surprised?

[*Translation*]

That does not make any sense. We are in this situation partly because of the changes that the Conservative government of the time made to the environmental assessment process in 2012. The process was not perfect, but at least the provinces were a lot more involved than they are now. I know that Quebec and British Columbia were far more involved than they are now in the process that the Conservatives put in place.

• (2030)

[*English*]

Mr. Speaker, I am also reminded that I will be splitting my time with the member for Skeena—Bulkley Valley, which is something I

should not have forgotten. I am sure he will have interesting things to say as well after I am finished.

[*Translation*]

The process we had in 2012 was not ideal, but it got the job done. I was in Parliament back then. Then the Conservatives made changes that cut down the time available to conduct studies and hold consultations as well as the number of stakeholders allowed to express their views on projects. After all that, it was no wonder people objected to this project. I know because I represent a riding right next to Cacouna, where there was a proposal to build an oil terminal that would have endangered marine animals, especially belugas. The proposal was flawed, but there was an attempt to force it through, and the people reacted. The first thing people realized was that there were precious few opportunities for them to air their views on this issue. That is what the Liberals were supposed to change. It is also what we promised to change if we took office, but they refused to actually do it.

[*English*]

What we have right now is a crisis, because the Liberals failed to fulfill the election promises they made, and people have noticed.

This is not a simple matter. As the Prime Minister said, it may eventually become a constitutional matter, because in his mind it is clear that the federal government has the sole responsibility for this, and it can impose a decision on any province that does not agree. This reminds me a lot of what his father was saying at the time. However, if we pursue that logic to the extent of it, then what does it mean for first nations and indigenous people? If the government feels that it has the sole responsibility, the sole power in implementing and pushing a project like this, that means it will have the sole power in pushing it down the throat of indigenous people as well. This is a very dangerous path that the government is pushing forward.

We have proposed a sensible solution that will be more collaborative than what the government is promising right now. I encourage the government to go in that direction and seek an agreement with British Columbia, which is already on board, with first nations and indigenous people, and with Alberta, to seek clarity at the Supreme Court of Canada and ensure whether this is really the sole responsibility of the government, and whether the environmental laws of the provinces matter or do not matter. The previous decisions of the Supreme Court were not linked to a project so controversial and so misaligned with provincial desires. I think it would be wise for the government to listen to this advice.

Mr. Randeep Sarai (Surrey Centre, Lib.): Mr. Speaker, my colleague across the way said that there has to be community consent and community buy-in, and I completely agree.

What about the 42 indigenous communities that have signed on? What about the company that has actually engaged with them? There are 30 indigenous communities in British Columbia that have signed beneficial agreements and are now counting on them. Does that not count as community consent?

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The companies that work with these communities are given instructions to work with them to get their involvement and buy-in. After doing all these steps, after getting through the NEB process, not once but twice, what is the answer to those 42 communities that have committed and signed beneficial agreements, including 30 in British Columbia?

Mr. Guy Caron: Mr. Speaker, what about the City of Burnaby? What about the cities that are in the path of this pipeline as well? If we are talking about consent, let us go to the fullest extent of what it means.

What we are seeing right now, with the message that the government is sending, is that for this project the government is reacting. The Liberals are very nervous that it might not pass, and they have been fighting with the Conservatives to see who the biggest booster of this project is and who can actually implement it as fast as possible.

Let us make no mistake. When the Prime Minister is telling us in the House, and all Canadians, that the government will have the power to enforce the implementation of this project and that it is the sole level of government that can do so, this means nothing for the consent that is being sought. It means nothing for the guarantees of reconciliation for first nations in the future, and it means nothing for the communities that have legitimate questions about the potential dangers and risks of those projects.

• (2035)

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Mr. Speaker, the member has been given a lot responsibility by his leader, Jagmeet Singh, who has expressed various views on this.

As a British Columbian, I have concerns, especially when I hear from my constituents who are also concerned, that members of this place are participating in contravening court orders. One of the member's caucus who has participated is facing sanctions in front of a court.

I would like to know if the member's leader, Jagmeet Singh, has instructed this gentleman to work with his caucus to make sure that, as members of Parliament, we can have debates about the laws of this country but we will not violate them. We cannot be in both streams. This is not a question of democracy. It is not a question of constitutionality. It is respect for the rule of law. Has Mr. Singh put an edict out for his caucus to support the rule of law and not participate in future protests that violate it?

Mr. Guy Caron: Mr. Speaker, we are all grown adults here. We all make our own decisions, and we all assume responsibility for those decisions. That is the case in this House, and that is the case outside of this House. What I can say about the protests that are taking place right now is that the people who are protesting what is going on are acting out of genuine concern. This concern has not been adequately responded to by the government, and I would submit that, at the time, this was the case for the previous government as well.

Instead of once again using the force of law and order to try to force a decision, why do we not try to get the input of those who are going to be at the receiving end of that decision? This is really at the core of the problem right now. These people do not feel that they

have been listened to, and honestly, with the process that we have, they have not. They have not been listened to. The new process that was put in place, and that is still in place right now for the Trans Mountain project, was a process that was hurried, and it rejected a large number of people who wanted to speak about it, to present, and to intervene. People do not feel that they have been listened to because the intent was to try to speed up this project as much as possible, and this is what we have right now. We have hundreds or thousands of people opposing it actively and this will not be going away, so we might as well try to find a way to get along with it. This is why I am suggesting that the government go to the Supreme Court of Canada with Alberta, B.C., and first nations.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, I enter this debate, which is an emergency debate, as many have called this situation with the Kinder Morgan proposal a crisis. For many Canadians, it does represent a crisis. Actually, from both sides, if we want to take at least two sides of the issue, it is a crisis.

For those who are in Alberta and in the energy sector seeking to move product to market, particularly Asian markets, this represents a crisis of uncertainty and frustration with a process that was promised to be different. This actually unites them with the people on the other side of this issue, who were promised a better process and more clarity about rights and title for indigenous Canadians, about protection for our environment, and about some understanding of how the environment and the economy go together, which the Liberals constantly talk about.

I represent northwestern British Columbia, and for many of the people I represent this is a movie they have seen before. When northern gateway was first proposed, it met with stiff and consistent resistance, as the voices of those who had legitimate questions about the project and about the safety of our rivers and our ocean environment were rejected and refused. They were not allowed to testify. In fact, they were called, by their own government, enemies of the state and foreign-funded radicals. Do we hear some similar rhetoric brewing up again, that those who dare to ask questions or pose significant concerns over something that potentially threatens their lives and communities are somehow un-Canadian?

Now, the Liberals came in on a promise to do better than Stephen Harper. When it comes to the environment in particular, that does not seem like it would be all that hard to do. When Stephen Harper was in office, he gutted some of our most fundamental environmental protections, which had existed for decades. The bar was set very low. He put in place climate change targets that the Liberals called ridiculous and unsatisfactory, the same climate targets that the Liberals cannot even meet now, and the environmental process that these pipelines were going through rejected the claims of first nations and ignored significant and basic concerns.

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I say to my colleague and friend, the natural resources minister, that he and his government cannot answer a question such as whether bitumen sinks when it hits salt water or fresh water, and how, for God's sake, one cleans it up if it does. They cannot answer that question. They could not answer it when northern gateway was proposed in northern British Columbia. They still cannot answer it, years later, when they are pushing their Kinder Morgan project forward in the south of British Columbia.

How dare the premier of my province pose such questions? In the event of an oil spill like the Kalamazoo spill, or an accident on the sea like that of *Nathan E. Stewart*, or the one that happened in Vancouver harbour, where it took 14 hours to find booms, when my premier asks how exactly we clean up an oil spill when it hits our coastline, that is his jurisdictional responsibility as a premier. Does everyone believe in the rule of law? Yes, we do. Is it the premier's responsibility to protect that on behalf of British Columbians? Yes, it is. Would the Liberals like to go to the Supreme Court and clarify that? No, they would not. "Let us not clarify those questions," say the Liberals, because they believe in the Constitution and the rule of law, except for the parts they do not want to observe and acknowledge.

We find this frustrating, because this new bitumen proposal would move almost 900,000 barrels to our coast, with 12 new pump stations, 19 storage units, and a 700% increase in oil tanker traffic through a place we all recognize as a precious and important part of the world. It is as if, when British Columbians stand for place and pride of place and home, they are somehow less Canadian. To my Alberta friends and colleagues, to my family from Alberta, we understand pride of home, defence of family, and hope for the future. That is exactly the same conversation we are having in British Columbia.

The Prime Minister, who came in on the hope and aspiration to unite and not divide, says that of course the Liberals would rather do it with the provincial government, but they will do it whether the provincial government likes it or not. His minister says that they will not tolerate opposition in the House of Commons. They would rather work with the provinces, but if not, they are going to do it anyway.

● (2040)

The Liberals say that they believe in the rights and title of first nations individuals. However, when the Minister of Natural Resources himself gets a briefing in January from his own department that tells him that consultations with first nations in British Columbia have been "paternalistic", "inadequate", and "unrealistic", the Liberals are suddenly surprised that they are in court with first nations over this little tack-on consultation process. Some of the first nation communities were not notified until after the consultation had moved through their communities. This was the consultation process, and this is what is being challenged in court.

I have news for the Liberals. They are going to lose that challenge. The Delgamuukw, Haida, Sparrow, and Tsilqhot'in have tested this question time and time again. Governments in Canada insist on relearning the lesson over and over again and somehow blame first nations for standing up for their constitutional rights. It is the government and the Liberal Prime Minister who said that there is no more important relationship to Canada than that with Canada's first

nations people. I challenge that. I do not believe him anymore. I did believe him at one point.

When asked specifically on tape what he would do with the Kinder Morgan project, the Prime Minister said the review would be redone. Two and half years later, we have omnibus environmental legislation that has somehow unified environmentalists, oil activists, and first nations in their dislike of this bill. Congratulations, there is some unity bone within the Conservatives. I mean the Liberals. Excuse me. I am confused tonight as I watch them violently agree with one another as to who is the best promoter of a project that has significant and real consequences, significant and real risks that the people of British Columbia face on behalf of all Canadians. All Canadians like coming out to B.C. The Prime Minister loves to surf. My Alberta family loves to fish. We love welcoming Canada to British Columbia and our beautiful coast. We love talking about how much British Columbia has to offer.

This question of reconciliation, a word that falls so easily from the lips of the Prime Minister but is so rarely enacted with any kind of meaning or effectiveness, is frustrating to people in British Columbia, because we believed him when he said he would redo the process. We believed him when he said the government would set more ambitious climate targets. We believed him when he said he was going to work to unite the provinces, not seek to divide. He is actually making the claim that by posing significant questions about an oil pipeline, the Premier of British Columbia is somehow ruining the climate change program of the country. Only in Canada could an oil pipeline for almost 900,000 barrels a day be vital to a climate change program. Only in Canada could the Prime Minister stand up to a premier who was duly elected on the promise to raise these questions and to raise the voices of British Columbians. We have a country and a situation in which we are somehow less than.

This question goes to the heart of who we are as a nation. If we want to do better and achieve what we set out to do to bring the country together and finally and fully reconcile with first nations people, then we have to listen. They should not list off the number of meetings and then ignore what people said. They should not list off the word "consultation" over and over again, yet not abide by the serious concerns or address and answer legitimate and important questions put to the government.

It is our coast, and we will defend it. If the government has any doubt in its mind about the seriousness, diligence, and determination of the people of British Columbia, it is beginning to find out. I ask it to not find out any more and to listen and refer the question to the Supreme Court. Work with the Premier of British Columbia, stop bullying him, and understand that when we stand up for our coast and for future generations, we are standing up for all Canadians.

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• (2045)

Mr. Sukh Dhaliwal (Surrey—Newton, Lib.): Mr. Speaker, the hon. member from Skeena—Bulkley Valley mentioned indigenous communities and first nations. Ernie Crey, Chief of the Cheam First Nation, said, “If this project doesn't go through it will hurt our people. It appears that Premier Horgan is prepared to actively undermine the prosperity of First Nations in B.C.”

It is not only going to undermine the prosperity of B.C. first nations. In fact, when I look at my constituency of Surrey—Newton, 1,000 people are moving into Surrey every month. Surrey needs a hospital. Surrey needs bridges. Premier Horgan has promised a hospital for Surrey.

Would not the billions of dollars British Columbians would get in revenue help the people in Surrey with their prosperity and in building hospitals and bridges?

• (2050)

Mr. Nathan Cullen: Mr. Speaker, the federal Liberals stand up and say that we are standing in the way of first nations' prosperity, while they are ignoring the rights and title of first nations people to be self-determinists and to make decisions for themselves, with their inherent rights and title intact, as promised in section 35 of our own Constitution. It is a section the NDP fought for, against the wishes of Trudeau senior, who did not believe that there was any need to recognize individual, and particularly first nation, rights and title. When they say to first nation people, in what has been described by their own officials as a “paternalistic” way, that this is the way forward, that we do not have to acknowledge or take into full account the rights and title of first nation people, does he not understand that it continues the colonial spirit that has so often undermined the full value and potential of this country?

Of course, there are first nation people interested in this project, as there are first nation people opposed. However, one does not get to selectively quote and then say that the problem must be a wash. That is not how rights work. Rights work in our courts and in our fundamental belief in the inherent strength of our Constitution. We either believe in it or we do not. We do not get to selectively choose which part and who speaks for it. That is why the B.C. government has backed up that first nation claim. That is why the Prime Minister, who claims to believe in UNDRIP, should be doing the same thing, as opposed to what he is doing right now.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, through you, I address my question to the member for Skeena—Bulkley Valley.

This is my first chance to take the floor in the debate tonight. With the indulgence of my friend from Skeena—Bulkley Valley, let me first say that the Minister of Natural Resources misspoke when he said that the Kinder Morgan pipeline has been delivering dilbit for 30 years. It has not. It used to be the Trans Mountain pipeline, which delivered a completely different product, one destined for four refineries in the Lower Mainland. There is only one refinery left. It cannot process dilbit. Dilbit has only been transferred since Kinder Morgan, a creation of Enron, Enron Liquid Pipelines Company renamed, bought Trans Mountain. Shipping dilbit is a relatively new phenomenon. It is true that they ship dilbit out right now. That

product is not landlocked. It can get to Asia, though Asia does not want to buy it very much.

Let me put to the member for Skeena—Bulkley Valley this question. We know that there are 157 conditions right now from the National Energy Board, and Kinder Morgan has not completed more than about 100 of them. We know that there is a consolidated court case that challenges the legality of the permits. We know that there are approximately 1,100 provincial permits the B.C. government is processing, but 600 have not been requested yet. Can the member for Skeena—Bulkley Valley imagine any way in which this project could go ahead by May 31, given the work Kinder Morgan is supposed to do?

Mr. Nathan Cullen: Mr. Speaker, I have heard the Minister of Natural Resources, and the Prime Minister before, laud the conditions that are attached to the approval of this project. Many of these conditions, like how they clean up a spill, are not actually followed through by the National Energy Board, as was reported in an audit by our environment commissioner. He studied many of these pipelines, asking how many of the conditions the government attaches and tells Canadians not to worry about are actually followed through on. A little less than half the conditions are actually ever followed. Anyone who is placing bets on the Liberals' assurance on these conditions should know that, given recent history, about half of them will never be implemented or used by the company.

Hon. Amarjeet Sohi (Minister of Infrastructure and Communities, Lib.): Mr. Speaker, I will be splitting my time with the member for Edmonton Centre.

Let me start by sharing an experience I had meeting with the oil workers in Fort McMurray. The Prime Minister, the Minister of Natural Resources, and I visited that community a couple of weeks ago. We ran into a number of workers who take pride in the work they do. They come from all over Canada. They are from the Atlantic provinces, from Ontario. I sat down with some of the workers who come from British Columbia who work in the energy sector. They take pride in the work they do. They take pride, because the work they do helps them feed their families and put their children through school to get a better education. They take pride that the work they do helps them save enough for retirement.

The workers also take pride because the work they do generates revenues for the government so that it can provide the services Canadians rely on, such as better hospitals, better schools, a public transportation system, clean water for communities to drink, affordable housing people need to succeed in their lives, and shelters for women who face domestic violence so they have a safe place to live. They help us build better infrastructure and welcoming and inclusive places for all of us to call home. I experienced that pride. I experience that pride each and every day when I interact with workers throughout this country on my visits from coast to coast to coast.

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I am a proud Albertan, and I am proud that after extensive consultations, our government approved the Trans Mountain expansion pipeline. I want to reaffirm and assure everyone watching today that we will get this pipeline built. We will get it built, because this pipeline is in the national interest and because this pipeline will create thousands and thousands of well-paying jobs for Albertans, for British Columbians, and for Canadians. This is a pipeline that will allow us to take our resources to non-U.S., international markets so we can get a proper price for our natural resources to help pay for the services and programs that those working for the companies, the workers I interacted with, are so proud to have.

I would like to remind the members opposite, the members of the previous Stephen Harper government, how they failed to advance the interests of Alberta's resource sector. For 10 years, the Harper Conservatives talked a good talk but failed to build a single pipeline to take our oil resources to non-U.S. markets. I would also like to remind them that the struggles Alberta families and workers have faced over the last number of years started when Harper was in power. More than 25,000 resource sector jobs were lost in the last year of the Harper government. What did the Conservatives do to help those workers? Absolutely nothing. They even held back the infrastructure investment of nearly \$1 billion that would have made a difference in people's lives at a time of need.

When we took office, we started changing that. Our government immediately started looking for solutions to support Alberta's workers and families and to help the provincial economy rebound.

● (2055)

In March of 2016, we provided \$252 million in fiscal stabilization funding to the Government of Alberta. At the same time, we significantly extended EI benefits for Alberta workers who needed them the most.

In February 2016, Export Development Canada provided \$750 million in financing, guarantees, bonding instruments, and insurance to oil and gas companies.

In July 2016, Business Development Bank of Canada and ATB Financial partnered to provide \$1 billion aimed at making more capital available for small and medium-sized businesses in Alberta.

In March 2017, our government announced \$30 million, which unlocked \$235 million to accelerate the cleanup of orphaned wells over the next three years.

My department, Infrastructure Canada, has provided support to more than 150 provincial, municipal, and indigenous infrastructure projects, which are leading to over \$4 billion in joint investments in infrastructure in the coming years for Alberta communities.

These measures have helped the Alberta economy rebound. In the last 12 months, Alberta has gained 50,000 full-time jobs and the unemployment rate is at the lowest point in almost three years.

We know that more work needs to be done and we know that the oil and gas sector has an important role to play in keeping this momentum going. That is why our government approved two oil and two gas pipelines, including the Trans Mountain expansion, which will help get more of our resources to the markets we already have

and open up new markets so we are not so reliant on our neighbours to the south to buy our oil.

Our government supports the Trans Mountain expansion, as well as the Keystone XL pipeline because we know they mean a better price for oil and more well-paying jobs for Canadians. However, we also know that TMX is not just important to Alberta. We approved this pipeline because it was in the national interest of Canada. It is in the national interest of Canada to create thousands of well-paying jobs, not only for Albertans but across the country.

It is in the best interest of Canada to find more efficient and safer ways to transport natural resources to the markets. It is in the interest of Canada to receive a fairer price for those resources than is possible when we essentially have only one customer. It is in the interest of Canada to partner with indigenous communities with respect and recognition of their rights, and ensure traditional knowledge is integrated into our decisions. It is in the interest of Canada to develop our natural resources in a way that does not compromise the environment.

In fact, in the 21st century, the only way to have a dynamic economy is to ensure a sustainable environment. That is why our government introduced the \$1.5 billion oceans protection plan. This plan to safeguard the health and safety of our coastal communities and sensitive marine areas is the most significant investment Canada has ever made in protecting our oceans. It is also why Canadians feel confident that the Trans Mountain pipeline expansion would not jeopardize B.C.'s beautiful coastlines.

There are first nations that are going to benefit from this, but most important, this project is necessary because it is in Canada's national interest.

Let me remind Canadians that the leader of the official opposition today mentioned to the media that he did not believe that taxpayer money should be used to fund infrastructure projects. We cannot agree with that statement. As the Minister of Infrastructure, I can assure people that there are a number of projects in the official opposition leader's riding that are being funded by public sector investments, that public dollars are being used to build transportation systems in our cities, and public dollars are being used to build waste water and clean water systems and other infrastructure that our communities need.

● (2100)

Mr. Martin Shields (Bow River, CPC): Mr. Speaker, my colleague and I share some common background and past experiences.

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The minister talks a lot about investment in infrastructure by the federal government to the province. I know that he directed funding to the province, and municipalities were promised hundreds of millions of dollars. Then, all of a sudden, hundreds and hundreds of millions directed to municipalities went into general revenue for the provincial government, and it was done by his friend.

When you talk about infrastructure going to the provinces to build things, and the provinces take money, directed to them by you, and turn it into general revenue, how do we get things built in the municipalities?

The Assistant Deputy Speaker (Mr. Anthony Rota): I am sure the hon. member for Bow River did not mean I was giving the money, but he meant the government and the minister.

The hon. minister.

• (2105)

Hon. Amarjeet Sohi: Mr. Speaker, I have a tremendous amount of respect for my colleague. We worked together on the Alberta Urban Municipalities Association.

I can assure the hon. member and every person in Alberta that the federal dollars allocated for infrastructure projects only go to infrastructure projects and nothing else.

I am proud to say that we were able to sign a bilateral agreement with the Province of Alberta a couple of weeks ago, investing \$3.2 billion of federal funding to help grow our economy, create jobs for the middle class, and also provide opportunities for those Canadians who work hard each and every day to be part of the middle class, provide more affordable housing for families that are struggling to pay high rents, or to build more early learning and child care facilities so our young people have opportunities to learn and succeed.

Those are the investments we are making in Alberta, British Columbia, and throughout the country to ensure that people are able to succeed.

Mr. Gord Johns (Courtenay—Alberni, NDP): Mr. Speaker, the minister talked a lot about the oceans protection plan.

When it comes to ocean plastics and marine debris, a regulatory void, it is not even mentioned in the oceans protection plan. When it comes to oil response, we can see what happened with the bunker fuel spill in English Bay. It took 14 hours for the government to get there. The Heiltsuk can tell the story about what it looked like for a diesel spill in the Heiltsuk territory and how long it took for an oil response to come. In fact, right now they are stopping the building of more oil response facilities because they are saying it is tied to Kinder Morgan.

It is like the coastal communities have a gun to their heads. The government is saying that it will not protect our coast unless we have a pipeline. That is completely ludicrous and irresponsible. What British Columbians and coastal people want is an oceans protection plan that is there no matter what.

The government keeps talking about evidence-based decision-making. Where is the evidence-based decision-making when it comes to cleaning up raw bitumen? The government has not figured that out.

Maybe the minister could speak to it. He says that he has un-muted his scientists and that they can speak freely. Could they show us the science? Could the government bring forward the scientists who can prove that diluted bitumen can be cleaned up in our oceans?

Hon. Amarjeet Sohi: Mr. Speaker, I can understand the anxiety and concerns of British Columbians around oceans protection and marine safety. For the last decade, the government run by Mr. Harper did nothing to protect the environment or provide protection to coastal communities.

We are working with the municipalities. I can share one example, which is somewhat related to cleaning up the oceans. We are working with the city of Victoria, where raw sewage was being dumped into the oceans, to provide the necessary support to clean up the water so it is not dumped into the ocean. There are \$1.5 billion in the oceans protection plan. It is an historic investment. The previous government neglected that for almost a decade.

We are there for British Columbia. We will ensure that we provide the necessary support. We will not punish British Columbians for the actions of their government. We need to make that distinction. If Mr. Horgan is creating this uncertainty, he is eroding confidence in our economy and investor confidence.

We are here to serve Canadians, including British Columbians.

Mr. Randy Boissonnault (Edmonton Centre, Lib.): Mr. Speaker, it is such an honour to stand in the House to speak to this pressing and vital issue and to share time with my hon. colleague the Minister of Infrastructure and Communities, who cares as much about this issue as I and our colleagues from coast to coast to coast do.

In Canada, in 2018 energy, the environment, and the economy are all essential tools for the success of Canadians. As such, tonight's debate touches on an issue that affects every Canadian in every part of the country.

At its heart lies two very clear facts. First, the Trans Mountain expansion pipeline is a crucial project in the national interest and will create thousands of good paying jobs for Canadians. Second, if we want to sell our resources to the world and get better prices for our products, we have to provide access to those markets.

Our government has never wavered in standing behind its decision to approve this project. We tell the same story in Victoria, Edmonton, Calgary, Regina, Winnipeg, Montreal, Toronto, and St. John's.

The Prime Minister has made the case for the TMX in every part of the country on many occasions, and he made it again on Sunday. The Minister of Natural Resources has taken that same message across Canada and around the world. There is simply no doubt that this pipeline is a priority for our government. Our position is clear. The TMX pipeline has been important to Canada since it was originally constructed in 1953 and it will be important to our future. It will be built.

This government has now announced that we will be entering into discussions and exploring legislative options to provide certainty for Trans Mountain. In short, the Canadian people are calling for action to get this essential project built and our government is delivering. The TMX pipeline is a priority for this government and it will be built.

• (2110)

[Translation]

This pipeline expansion will help diversify our markets and create thousands of good middle-class jobs, including jobs in indigenous communities. The project also includes improved environmental safety standards.

As the Minister of Natural Resources pointed out, using this transition period to our advantage, Canada will build the infrastructure needed to get our resources to global markets and use the revenues they generate to invest in clean energy.

[English]

As the Minister of Natural Resources has said, we must leverage the fossil fuel resources we have today to deliver clean energy solutions for tomorrow.

That is why my colleagues, the Parliamentary Secretary for the Minister of Natural Resources and the Parliamentary Secretary for the Environment and Climate Change, and I created the energy and environment caucus early in 2016 to explore these critical issues and to call for an end to the \$40 million a day that our economy was losing and \$13 billion a year because we only had one customer. We need to diversify markets and we need to put Canadians back to work.

That is the same message we heard from Canadians through Generation Energy, an historic national discussion to imagine Canada's energy future for our children's children and their children. I was honoured to represent Edmonton and the citizens of Edmonton Centre at that very conference held in Winnipeg.

Canadians by the hundreds of thousands told us that they wanted a thriving economy. They wanted us to be a leader in clean technology. They wanted an energy system that would provide equal opportunities to Canadians. They also understand that we are in a transition, which means continuing to support our oil and gas industry even as we develop alternative sources of energy.

This is the same approach we are taking as we work with the provinces and territories to develop a Canadian energy strategy, one that seeks common ground and shared purpose, leveraging our traditional resources while promoting renewable new sources of energy, enhancing energy efficiency, and investing in clean technology.

We were under no illusions that everyone would agree with our approval of this project. I have said this before in the House. If a 1,500 square foot apartment complex in my downtown riding cannot get complete agreement, why would we expect that for a 1,500 kilometre pipeline?

While we are determined to get this pipeline built, we are also determined to answer reasonable questions about safety.

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Our government understands and shares British Columbia's sense of responsibility for Canada's spectacular west coast, which is why we took the time to get this decision right, based on the best science and the widest possible consultation.

The Government of British Columbia speaks about wanting to consult. I would point out the broad consultation that has already taken place. The review of the Trans Mountain expansion project was the most exhaustive in the history of energy projects in Canada.

[Translation]

The National Energy Board carefully reviewed the Trans Mountain project and recommended that we approve it on the condition that 157 tough restrictions be met. Moreover, in order to hear from as many voices as possible, the Minister of Natural Resources set up a ministerial panel tasked with organizing additional consultation sessions. The panel held 44 public meetings, heard 600 presentations, and received about 20,000 submissions by email.

[English]

At the same time, we made the single largest investment ever to protect Canada's oceans and coastlines: a \$1.5 billion oceans protection plan that was needed whether the TMX was expanded or not. It is an oceans protection plan that will improve regional plans with key partners, particularly coastal and indigenous communities that have irreplaceable on-the-ground traditional knowledge.

This generational investment in ocean safety addresses concerns about spill prevention and response and provides significant additional protections for Burrard Inlet and the Salish Sea.

In approving TMX, we have also done something unprecedented in Canada: we have co-developed a historic indigenous advisory monitoring committee to help oversee the safety of a major energy project through its entire life cycle.

It is worth making the point that Canada will continue to produce oil and ship it across the country whether new pipelines are built or not; what is indisputable is that pipelines are by far the safest means.

This matters to me. I have rail that runs just to the north of my riding, and one million barrels are shipped a day on that rail. I would prefer to see that in a safe pipe. The Pipeline Safety Act strengthens this by enshrining the principle of polluter pays. It makes companies liable regardless of fault—one billion dollars in the case of major pipelines—and requires them to have the financial resources to respond to potential incidents.

S. O. 52

Once the TMX expansion is up and running, it will give our energy a route to world markets. As the Minister of Natural Resources has said, "...when 99% of your oil goes to one customer, you don't effectively set the price. They do. You're completely reliant on them continuing to buy your product."

However, there is another element at play here—the shale revolution in the U.S. It has fundamentally changed the North American supply-demand equation. The result is that new markets are not just important; they are imperative. Muddling along and hoping the Americans will keep buying our oil is not a strategy but a failure of leadership and a willful blindness to market realities.

Those who believe that stopping TMX is a win overlook what would be lost: jobs, income, investment in renewable energy, and opportunity. It would mean \$40 million a day and \$13 billion a year lost to the Canadian economy.

As the world continues to make the transition to a lower carbon future, we need a sensible, sustainable approach, one that understands that while the path to that future may be long, its trajectory is clear.

Our responsibility is to use this time wisely by improving the environmental performance of traditional energy sources while developing new ones, by investing in both pipelines and clean technologies and by engaging indigenous peoples as never before. That is exactly what we have been doing, and it is exactly what we will continue to do.

Let me share a personal note that my family works in the oil patch. My family is relying on our government, this Parliament, to make sure that the conditions exist not just for TMX but also for other projects. They also would like to know that we send a clear signal to international markets that when the Government of Canada commits to building an interprovincial project of this significance to energy infrastructure, we have the wherewithal and the gumption to get it done.

We are demonstrating that we can grow the economy while protecting the environment. We know how to do things together. I invite all members to get behind the TMX expansion, to work with us and build a brighter future for Albertans, British Columbians, and all Canadians.

• (2115)

[*Translation*]

This is the right thing to do. We will build this pipeline.

[*English*]

This pipeline will get built.

Mr. Ziad Aboultaif (Edmonton Manning, CPC): Mr. Speaker, with all this poetic talking about the importance of pipelines and oil and so on, since the member is on the government side, will he be able to advise us on the timelines of building the project, since time is of the essence in this case?

Mr. Randy Boissonnault: Mr. Speaker, I respect the hon. member's interest in this file and his comments on my oratorical skills. I can tell him that poetry and great language is also backed up by action and results on this side of the House.

I am not going to take any timeline requirements from a government that spent 10 years and got no projects to pipeline. The other side knew exactly what it was doing, and it made sure it pitted people against each other. Our government knows how to create consensus. We will get this project built in the right time.

Some hon. members: Oh, oh!

The Assistant Deputy Speaker (Mr. Anthony Rota): Order. Before the member for Port Moody—Coquitlam asks his question, I just want to remind hon. members this is an emergency debate. It does not mean that parliamentary rules go out the window.

The hon. member for Port Moody—Coquitlam.

• (2120)

Mr. Fin Donnelly (Port Moody—Coquitlam, NDP): Mr. Speaker, the member for Edmonton Centre spoke about the importance of the Salish Sea, among many other things. The Kinder Morgan project would cause a sevenfold increase in oil tanker traffic through the southern resident killer whale's critical habitat in the Salish Sea. Regardless of oil spill risks, noise alone from the rise in tanker traffic almost guarantees the extinction of this already endangered population.

Would the member agree that although the federal Liberals claim to be committed to protecting the environment, slowing climate change, and making evidence-based decisions, approving the pipeline and tanker project is a direct contradiction of those promises?

Mr. Randy Boissonnault: Mr. Speaker, I thank the hon. member for his passion on this issue. It is important to note that we are not claiming to make sure that endangered species are protected and we are not claiming to propose in the future some hypothetical oceans protection plan. We put \$1.5 billion on the table. We have put the best scientific research at hand. We have done more consultations than any other government in the history of Canada on this energy issue. Precisely the reason we want to engage with the British Columbia government as it is extending and expanding its own tankers for LNG is to make sure all species are protected and to make sure jobs are created for Canadians from coast to coast to coast.

Hon. Kent Hehr (Calgary Centre, Lib.): Mr. Speaker, before my question I would just like to say that I stand with the people of Humboldt, the players and the coaches and the trainers.

Some of the comments I've heard tonight appear to be similar to many speeches I heard from my New Democrat friends when I was in Alberta. Those speeches are different now that they are in government. Some of the realities were posed by my good friend from Edmonton Centre, who made the speech about being reasonable. I believe he referred in his speech to running a country that sees energy and the environment as two sides of the same coin.

As well, on the opposite side, my Conservative friends did not seem to understand the Prime Minister when he said, “The Trans Mountain expansion is of vital strategic interest to Canada—it will be built” and put the full faith and credit of our government behind it.

Could he comment on seeing those two sides and how this appears to be a reasonable way forward, as he said in his speech?

Mr. Randy Boissonnault: Mr. Speaker, I thank my hon. colleague from Calgary Centre. We did not quite hear the remarks on the microphone, but I thank him for his comments and heartfelt thoughts to the families and friends of the fallen in Humboldt. I want to say to my colleague that we will be holding a memorial tomorrow in Edmonton Centre for the families and friends of the lost Broncos.

On the issue at hand, we know that in a modern economy, the environment and energy have to go together. We are leading the way and we are demonstrating that. When we listen to people, bring indigenous communities together, make sure proponents are actually providing contribution agreements that are going to have long-paying, long-time jobs where communities all along the line have a stake, when we invest \$1.5 billion in leading science not only to boost the Coast Guard but to make sure we have rapid response for anything that should take place, and when we are dealing with one of the safest modes of transportation for a key fuel not only for our economy but for economies around the world, that is good science, that is good governance, and that is exactly what Canadians expect of us.

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Mr. Speaker, I would like to note that I will be sharing my time with the member for Cariboo—Prince George.

I am glad to have the opportunity to stand up on this emergency debate. I am not glad that we have to have it, but I am glad to have the opportunity to speak on such an important issue, an issue that is critically important to people in my riding.

It was shortly after I was elected in 2008 that I first remember being briefed on the plans of Kinder Morgan in terms of its expansion. I have been elected now for almost 10 years. Over those 10 years, and not just since the Liberal government came into place but eight years previously, I have watched the extraordinary efforts of the National Energy Board, the federal government, and the company itself as it went up and down the pipeline to every single community in its consultation process. It has been tireless in working with these communities.

Tonight we are hearing a lot in terms of indigenous rights and titles, and I would like to focus a lot of my comments in that particular area.

It was about two years ago that I went on one of our national TV shows. The person ahead of me, who was a band member, said that this pipeline would never be built and that his band was against it absolutely. He left, and there was a little bit of time before I was to talk. I asked the person hosting the show why they were only bringing on the few communities that were dead set against the project and telling the national audience what a difficult project it was going to be and that it would not be supported. Why were they not talking to the people in my riding?

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I never did get a good answer. I was willing to put forward names of communities that were working towards resolution, but never, certainly two years ago, did I see any effort put into educating Canadians about the communities that were very interested. However, we certainly had significant coverage of the communities that were opposed.

I can understand why many Canadians would think that there has not been consultation and that rights and titles are not being respected, because that is what they see in the media and in the paper, so what I am hoping to do tonight is give voice to those communities who are the title and rights holders.

This is not the Union of B.C. Indian Chiefs. These are not people far afield who have decided that they do not want this project to go through. These are the people who are the title and rights holders of the territory that this pipeline is going to pass through.

I have a relationship with many of these people and I reached out to them tonight through social media, which is a great resource in terms of private messaging. I asked if they would mind if I shared some of their thoughts and some of the public and private posts. Each one said, “Please do.”

I will start with a first nation councillor, Don Matthew, who retweeted an article the other day saying that communities deserve consultation. He agreed absolutely, and that they have been given that.

One-third of the pipeline will go through his community's traditional territory. They have had meeting after meeting, and this community took it to a vote. He said that there was not 100% consensus, but 85% of the community that will have one-third of the pipeline go through it voted to accept and endorse the pipeline as well as the agreement that came with it. He said that his community was a member of the Union of B.C. Indian Chiefs, but that it is not the decision-maker on this particular issue. This is their community, and they are the title and rights holders.

The next community I will talk about is Whispering Pines. Again, it is a significant area that the pipeline goes through, and this is what Chief LeBourdais had to say. Again, I do not presume to say things; what I am going to say in the House is on behalf of the people, in their quotes.

This is from an interview he had today with the media. He said, “We put a lot time and energy into negotiating this agreement. You know, we wanted Kinder Morgan to respect our jurisdiction. We wanted the federal government to respect our jurisdiction, and they did.”

• (2125)

He went on to say, “When the feds came and said ‘we are here to help’, we said ‘no, thank you.’ We asked them to leave, and invited Kinder Morgan in. It wasn't just us; there were 11 communities along the pipe. For the first five years, we met with Kinder Morgan trying to figure out the rights entitled to the pipeline. When our lawyers couldn't agree on who owns the right of way, we decided to negotiate some mutually beneficial agreements.”

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He talked about the environment. He said that these were difficult conversations. He said, "At one meeting, Ian said, 'What do you want?' We were frustrated. We kicked our lawyers out of the room, and he said, 'What do you want?' I said, 'I want you to respect my jurisdiction. I want you to invest in my community, but most above all, I want you to keep the oil in the damn pipe.' The answer from Kinder Morgan was, 'That is what I want: to respect your jurisdiction, help invest in the community, and keep the oil in the pipe.'"

From that place, they went on to negotiate an agreement. They met a number of times. Again the communities said yes, they supported this particular agreement.

He said, "It's fascinating for us to watch these people who weren't there in the beginning talk about our agreement and our jurisdiction. It kind of annoys us." For people who sit here and presume to talk to the title and rights holders about what has been negotiated and the fact that they have not been consulted, he said that is incredibly disrespectful and annoying.

If they did not have the pipeline go through, he said, "It will be the same old, same old: same pipe, same jurisdiction; no jurisdiction, no benefits, no economic benefits, no fiscal benefits, and no increase in tax benefits. What we looked for personally on my side and what I wanted in the agreement was the economic benefits, jobs. I wanted to put my youth and my middle class, my working class guys on the pipe, and get them out of Alberta and North Dakota where they are working."

He went on to have some significant conversation around the additional environmental protections that they thought were very important and that Kinder Morgan agreed to, again working directly with the title and rights holders. He said, "When people ask how we can support the pipeline, I ask, 'Did you get gas today?' When they say yes, I say, 'Then you have to support it also.'"

That particular interview went on for about 10 minutes, but it was significant. For anyone who is wondering what has been happening on the ground for the last number of years, it was not the government not doing its job, not the company not doing its job, not the communities not doing their job. There was hard work put into coming up with agreements that were going to benefit everyone.

The Peters First Nation said that it has lived with the pipeline for over 40 years seated at the base of their mountain above their homes, and went on to talk about the pipeline and its being the safest way to transport. We all know right now there is only so much capacity on our rail lines. The more we transport oil by rail, the less we have in terms of capacity for getting our lumber and wheat products to market. Not only is a pipeline safer, but it is freeing up capacity to keep our supply chain going that is going to keep our country solid and moving forward.

People have talked about Chief Ernie Crey, and he is saying that the cancellation costs hundreds of millions of dollars in benefits, training, employment, and business opportunities. We have here the communities along the pipeline most impacted saying that these are good things. They worked hard to get to a place where they believe this can be done in a way that will benefit their people, in a way that is going to be environmentally productive.

The final thing I would say is that one chief was asked about the meeting that happened, and he said, "Well, we looked upon it a little bit disappointed because we expected some kind of resolution. That is what leaders are supposed to do, right?" On that note, we should all look at ourselves as leaders and create some sort of resolution because that is what we are here for and it is what we are supposed to do.

• (2130)

Mr. Fin Donnelly (Port Moody—Coquitlam, NDP): Mr. Speaker, my hon. colleague from Kamloops—Thompson—Cariboo is the Conservative indigenous affairs critic, and she—

• (2135)

Mr. Garnett Genuis: Shadow minister.

Mr. Fin Donnelly: Mr. Speaker, she is the shadow minister, not the critic. There we go.

The member used many quotes from indigenous people in her speech. I wanted to bring in another quote, one by Chief Bob Chamberlin, vice-president of the Union of BC Indian Chiefs, who said in a tweet that the government's oceans protection plan cannot make bitumen float, that a bitumen spill on coastal waters will sink. He said that the oceans protection plan cannot retrieve what is on the ocean bottom. He said that out of sight out of mind is not good enough for fish habitat protection.

What does the member say to Chief Bob Chamberlin?

Mrs. Cathy McLeod: Mr. Speaker, the NDP members are absolutely incredible. When it is energy east, they say that a pipeline cannot be built because it is going to be terrible for our environment, but they ignore those ships going down the St. Lawrence from Saudi Arabia and Venezuela. Now they are not complaining about the pipeline, but all of a sudden there is an issue with the oceans protection plan. They simply do not want oil extracted, period. That is their problem. They say no to everything. They are giving up opportunities for these communities to be self-sufficient. There have been negotiations that they have approved and they want to move forward.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, I am reminded of something I was asked to say by one of my constituents, the Honourable Pat Carney. She used to be the federal minister of energy. She asked me to please mention that there is no oceans protection plan, that there seems to be an oceans protection wish list. She would like to see a plan.

I hope my hon. colleague from Kamloops—Thompson—Cariboo will not mind if I correct something that came up in an earlier part of the debate, which is the idea that bitumen moving by train represents a threat. Solid bitumen moving by rail can neither spill nor catch fire. It does not represent a threat.

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I respect the work of my friend from Kamloops—Thompson—Cariboo. However, I wanted to put on the record as well that there is a very strongly worded letter that was sent to the Prime Minister and Premier Horgan from Tsartlip First Nation, which is within the boundaries of my riding. I respect Tsartlip First Nation enormously on a nation-to-nation basis. They have a specific set of treaties members may have heard of from southern Vancouver Island called the Douglas treaties. They have not been consulted at all, and the shipping lanes for the tankers loaded with dilbit go right through their treaty-protected territory.

I wonder if my hon. colleague has any comments.

Mrs. Cathy McLeod: Mr. Speaker, I would like to note that if there is transport by train, if they are concerned about bitumen in the ocean they need to also be concerned about bitumen in the rivers, which is much more likely when there is transport by train than transport by pipeline. We actually want to prevent these. However, here we are fighting the NDP and the Green, both in the province of British Columbia and throughout Canada. They fight against the pipeline when it is going to go to refineries, but they do not worry about all those tankers going down the St. Lawrence. We have not heard a peep about those. Now there is not a peep about the pipeline; it is all about the ocean.

I do not think it really matters what it is, they are simply going to argue against it because they do not want oil extracted from the oil sands for the benefit of all Canadians.

Mr. Todd Doherty (Cariboo—Prince George, CPC): Mr. Speaker, we are here today for one reason and one reason only, and that is we are in a crisis, a crisis of confidence. We have investors who, whether they are foreign or domestic, lack the confidence in Canada as a place to invest, as their confidence in the government to create an environment for them to invest in and protect their investment has gone sideways.

It has gone that way because if the Prime Minister's contradictory messages or comments, policies, and inaction on core projects. This has absolutely rocked the investor community. As a matter of fact, at the COFI conference which I was at just last week, as was the Minister of Transport, we heard very soundly from economists who stood on the stage and said that investor confidence in Canada is at an all-time low.

Investment is flowing out of Canada at record levels, levels that have not been seen in over 70 years. Why is that? As mentioned, it is due to legislation such as Bill C-69, Bill C-49, a tanker moratorium, and the Prime Minister killing energy east at the eleventh hour by introducing new rules. Let us not forget northern gateway, a project that was approved. It was a project that underwent rigorous environmental standards and testing, a project that had indigenous equity partners. As the Prime Minister and the government came to power, the rug was pulled out from underneath the project.

I remind this House that it was just over a year ago when the Prime Minister said that he was phasing out the oil sands. I will also remind my colleagues that one of the very first statements the Prime Minister made on the world stage after gaining power was that Canada will become known more for its resourcefulness than its resources. That is shocking.

On Trans Mountain, the reason we are here tonight, the Prime Minister has failed to deliver a clear action plan from the very beginning. Truthfully, I do not believe for a moment he ever wanted this project to go forward. He will stall while saying those words with his hand on his heart, that he and his cabinet are seized with this project and that it is their intention to have it go through. We have seen a few ministers today and over the last couple of weeks state that this project will go through, yet it has taken over a year for them to even come to the province of British Columbia, my beautiful province, to actually say those same strong words. Where have the 18 MPs from B.C. been? They have been silent on this issue.

I will go as far as saying that I put the blame squarely on the shoulders of the Prime Minister and his 18 Liberal MPs from the province of British Columbia for the situation we are currently in provincially. They failed to stand up for the Trans Mountain pipeline. That was a major issue in the provincial election last summer when the NDP and the Green Party campaigned that this project will never go through under their watch. The B.C. Liberals were fighting it out and doing their very best to try to win back our province. What we saw was essentially a deadlock. Then there was a coalition with the NDP and the Green Party. Premier Horgan might be in a little trouble because if he supports the pipeline, what will happen to his majority? He is going to have a bit of an issue in terms of how he can hang on to power.

Domestic and foreign investors looking at Canada and British Columbia as places to invest are comparing the ease of doing business and returns on capital that can be achieved here with those in other jurisdictions around the world.

● (2140)

We have to remember that investors have choices. What we do as a government or as a parliament, or what the Liberals do as government, can have a significant impact on investor confidence. That is what we are seeing currently. Under the current government, investors in Canada have been besieged by significant federal and provincial tax increases, which taken with the recent substantial tax reductions in the United States and the ever-increasing protectionist government, as well as the opportunities they are seeing south of the border, underscores that Canada's small, open trade-exposed economy is no longer competitive.

Economists are speaking out. Dave McKay, president and CEO of RBC, raised a concern about investment capital leaving Canada in real time, noting that a significant exodus of capital from Canada to the United States is well under way and that we should be worried.

These comments have been echoed by John Manley, president and CEO of the Business Council of Canada, who stated recently that real issues of competitiveness are absent from the federal government's thinking, noting that Canada is, "always in this difficult competition to attract investment and to retain investment — and it's not be taken lightly because investment can move quickly."

We even have the Suncor president and CEO Steve Williams saying that his company, Canada's largest integrated oil firm, will not embark on new major projects in our country because of the burdensome regulations and uncompetitive tax rates.

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Finally, late last year, the TransCanada Corporation, after spending over a billion dollars, cancelled its proposed \$17-billion energy east pipeline project out of frustration with the government and the project approval process.

These and other examples across the country demonstrate that policy-makers have a definite impact on our economy. That is what we are seeing with Justin Trudeau's failure to get this job done and creating burdensome regulations on investors. We must always remember that investors have choices.

I want to touch on the indigenous partners aspect, because this has been brought up time and time again. I will relate it to a story in my own riding, the Mount Polley disaster, which I have brought up before. There are no two ways about it, it was a disaster. However, the proponent, the company, and our indigenous first nations partners within our riding, as well as our communities, banded together and got the job done with respect to mitigating the disaster.

We had protesters out there day in and day out. When a card check was done on those people, it was shocking to find that most of the protesters were not from our region, and some of them were not even from Canada. However, they were there making sure that Canadian businesses had every roadblock put in front of them. There is a lot to be said in the media about how our indigenous partners and indigenous communities are tired of being pawns for environmental groups, of being trucked out in the media and being used as pawns in this. Our indigenous communities only want an opportunity to be self-sufficient and to be partners in these programs. In the Trans Mountain pipeline, over 43 indigenous communities are equity partners in this project.

In the seconds that I have left, I want to read this. It states, "A Conference Board of Canada report has determined the combined government revenue impact for construction in the first 20 years of expanded operations is \$46.7 billion, including federal and provincial taxes...for public services such as health care and education."

It also notes that B.C. alone would receive \$5.7 billion, Alberta would receive \$19.4 billion, and the rest of Canada would share \$21.6 billion because of this project.

If there is a project that has national interest, this is the one. Unfortunately, through delay tactics and confusing comments, the Prime Minister has shaken investor confidence, and that is unacceptable.

• (2145)

The Assistant Deputy Speaker (Mr. Anthony Rota): Before I go to questions and comments, I realize it is late and we are all tired, but I want to remind the hon. members to refer to each other by their riding or their title and not their names.

Mr. Randy Boissonnault (Edmonton Centre, Lib.): Mr. Speaker, I thank the hon. member for his comments, and I am thrilled that he is here in such robust health, even if his comments may not make me very happy. On the full emphasis of his words, I have to disagree in terms of the Prime Minister's and our government's leadership on this file.

Beyond the bluff and bluster, I have one question for the hon. member. How many pipelines to tidewater did his government get

built, not approved? How many pipelines to tidewater did the last Conservative government get built?

An hon. member: The same number as the Liberals.

The Assistant Deputy Speaker (Mr. Anthony Rota): I want to remind the hon. members that they do not have to coach each other from across the floor. They can go over and talk quietly, whisper.

Mr. Todd Doherty: Mr. Speaker, he is a typical Liberal—just deflect, point fingers, and blame others.

The truth is that we approved four pipelines, and as soon as this group came in, they vetoed one that would have gotten the pipeline to tidewater. It was probably one of the most vital projects that Canada has seen to this date. Now we have Trans Mountain.

I guess the same could be asked of the Liberals. How many pipelines have they gotten to tidewater? Right now, it is zero.

Mr. Richard Cannings (South Okanagan—West Kootenay, NDP): Mr. Speaker, I respect the member's work, especially the work in his riding. I know he had a great private member's bill on people with PTSD that I was proud to support.

I have a big riding like his in the interior of British Columbia. Yesterday I was driving back from the other side, and it is about a six-hour drive. Of course, I had to stop for gas. I do not have to stop for gas very often, because I drive a hybrid. I am waiting for the day when the government puts in enough charging stations so I can buy an electric car.

I stopped for gas, and I went in to pay. The woman there said she recognized me as the MP. She said that she wanted to ask the government, the House of Commons, why the government is saying it is going to bail out Kinder Morgan when it should be investing that money in Canada building refineries, so that we could have jobs in Canada on an ongoing basis. It would free up the space in a lot of the pipelines.

Would the member comment on that? If we had the same amount of investment in refineries and other projects, it would create more jobs and have much more benefit for Canadians than this pipeline.

• (2150)

Mr. Todd Doherty: Mr. Speaker, I appreciate my hon. colleague's question. It was very respectful.

I take a little exception to our NDP colleagues. It always seems that it is the Conservatives who are standing up for jobs. We know that the NDP enjoy a very strong labour support, but sadly that labour support has been very quiet on this project and this issue.

To answer my hon. colleague's question, I believe, and our Conservative colleagues believe, that the Prime Minister bailing out Kinder Morgan on this sets a dangerous precedent. There could be other projects that will come along, and we have a Prime Minister who is very clearly used to paying his way out of trouble. We have seen it time and again, and we are seeing it right now. It sets a dangerous precedent.

We need to get that project done. I think that if the Prime Minister had shown some leadership right from the start on this issue, some strong words backed up by strong action, the bank of Canadians would not have to be bailing out this project.

Mr. Randeep Sarai (Surrey Centre, Lib.): Mr. Speaker, I will be sharing my time with the member of Parliament for South Surrey—White Rock.

Anyone who has ever spent time at a busy port like the Port of Vancouver knows how vital marine shipping is to our country's economy. The marine sector is critical to the national economy. The marine shipping industry contributes about \$3 billion annually to Canada's gross domestic product.

The economic impact of commercial shipping, however, is much higher. It is estimated at around \$30 billion, according to a recent study by the Council of Canadian Academies. This is because marine shipping plays a key role in facilitating international trade. Canada's domestic fleet and foreign vessels transport roughly \$200 billion in international trade in goods each year, and marine trade provides some 250,000 direct and indirect jobs to Canadians all across the country.

There is no question that many of the goods and services that underpin the high quality of life of Canadians have either arrived or departed on ship. They may be consumer goods manufactured overseas that are off-loaded at container terminals, or domestic agricultural products harvested from the Prairies that are exported through Canada's extensive network of ports.

This government clearly understands and appreciates the importance of marine shipping.

As British Columbians will also tell us, what they truly love about living on Canada's Pacific coast is its extraordinary beauty and breathtaking landscapes. The abundance of nature's bounty is a cornerstone of their quality of life. Preserving and protecting this natural heritage is important, not only to local residents but to all Canadians.

Our oceans and coasts are vital to the Canadian experience and our well-being. In addition to enabling the export and import of goods to and from foreign markets, our coasts support traditional indigenous and coastal communities' livelihoods. They are the habitat for abundant Canadian fisheries and a wide variety of sea life. They are a magnet that attracts tourists from every corner of the globe, which is another important part of our economy.

That is why the Government of Canada recognizes that we need a safe and secure transportation system for a healthy and competitive economy. As a trading nation, marine transportation is fundamental to Canada's economic well-being. This is why the government has taken a fact and evidence-based approach in the decision to approve the Trans Mountain expansion, and to work with indigenous peoples and coastal communities to implement the \$1.5 billion oceans protection plan.

We have put in place a world-leading marine safety and shipping regime for the transportation of petroleum and other products in order to protect our oceans. These include federal regimes with robust compensation and liability systems that continue to be advanced and improved to minimize impacts on Canadians, ensure

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they are protected from costs and damages, and that the environment is protected. National Energy Board requirements for TMX are adding even more protections beyond those already in place.

Developing and exporting our resources to benefit all Canadians can be done, will be done, and must be done, using the toughest laws and most stringent safety requirements.

We are further enhancing safety through the oceans protection plan, and doing so in consultation with indigenous communities. The federal government has made unprecedented investments in response capability, the Coast Guard, and protection of whales and other marine life. The OPP is a robust national plan designed to implement a world-leading marine safety system and protect our oceans and coastlines from the potential impacts of marine shipping to ensure the health of our oceans for generations to come.

The Government of Canada believes that Canadians want and deserve a strong economy and a clean environment. It is taking direct and results-driven action to make this vision a reality. Through the oceans protection plan, we are focusing on action, collaboration, and science.

OPP projects are on track to deliver real results to Canadians. In addition to improving marine safety and protecting marine ecosystems through the oceans protection plan, the government is building meaningful partnerships with indigenous people and working with coastal communities, municipalities, provinces, territories, and stakeholders to better co-manage Canada's three oceans.

We are providing additional funding in science and research to improve knowledge and technologies that will prevent and mitigate marine incidents such as oil spills.

● (2155)

We are deploying two large, heavy-tow tugs in British Columbia, improving incident management toward seamless response by implementing the incident command system and driving inclusive and innovative regional and area spill response planning in the Salish Sea and in northern British Columbia.

We are implementing the incident command system and enhancing emergency coordination centres across the government in order to bolster our response capabilities.

These measures will improve the coordination of response actions of departments and agencies when dealing with an incident by using a common response system.

We have identified coastal restoration as a key priority to addressing marine biodiversity loss and threats to aquatic ecosystems and are supporting projects that address restoration priorities and contribute to restoration plans.

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We are providing funding that will help reduce barriers to marine training for under-represented groups such as women, northerners, Inuit, and indigenous peoples. Greater access to training will support them in joining the marine labour force.

Once again, I would like to remind members that the oceans protection plan will help create economic opportunities for Canadians today, including jobs for middle-class Canadians, while protecting our waters and our ecosystems for generations to come.

We know that British Columbia is consulting with its citizens on enhancements to the spill management system, and while our government has already consulted extensively, we look forward to working with the province to close gaps in the provincial prevention and response systems and explore how, within its own jurisdiction, the province can enhance efforts to protect our waters and coastal communities.

As we continue to implement the great work that is being done under the oceans protection plan, we look forward to working with every province and territory, including British Columbia and Alberta, to build a stronger future for Canadians. We are protecting Canadians and our coasts. Our requirements on Kinder Morgan tankers are more stringent than for tankers entering Washington State because we have a made in Canada regime in place.

• (2200)

Mr. Arnold Viersen (Peace River—Westlock, CPC): Mr. Speaker, the Prime Minister definitely has a credibility issue when he talks about pipelines. He said in the past that he wanted to phase out the oil sands. Then he says this pipeline will definitely get built. When put together, the Prime Minister has no credibility. We know he has no credibility on a number of other issues as well.

When it came to the recent Jaspal Atwal case, four different stories were going around. Would the member please clear this up. Did he invite Jaspal Atwal to the party?

Mr. Randeep Sarai: Mr. Speaker, the member's question has no relevance, so I will answer on the credibility of the Prime Minister. The Prime Minister committed to making a science-based assessment to every decision the government made. We have reinstated that. We have a National Energy Board that has twice approved this project. Our Prime Minister stands by that decision. Our Prime Minister has invested heavily in our coastal waters, protected marine coastal environments in the north, put a moratorium on oil and crude tanker traffic there, and decided which pipeline, based on science and evidence, was the safest to do. He has stood by that to the very end and to this day.

There are no constitutional roadblocks along this way. This is a war between two NDP governments that are fighting between two provinces. As far as the approval process is concerned, our government has stood fast in support of Kinder Morgan, along with managing the environment and ensuring that it is safe and secure.

Mr. Gord Johns (Courtenay—Alberni, NDP): Mr. Speaker, the member and I both come from British Columbia. We both remember what happened in 1993 when over 1,000 people were arrested in Clayoquot Sound for civil disobedience, standing up for the environment, standing up when companies wanted to do industrial development and they did not have social licence from the

communities. He knows very well what that looks like. British Columbians will stand up for what is important to them.

In October 2017, with respect to energy east, the Prime Minister said, “We don’t get far – we never have gotten far – by pitting one region against another, or one group against another. We succeed when we work together, as Canadians.”

However, today we hear the ministers' attacks on the B.C. premier, acting like he is alone against this pipeline. We know that is not true. My colleague knows that is not true, that hundreds of thousands of British Columbians are standing strong with the Premier of British Columbia. He is doing his job in defending British Columbia.

Will the member stand by and watch British Columbians get arrested for standing up for the coast of British Columbia? Does the member support that?

Mr. Randeep Sarai: Mr. Speaker, when it comes to social licence, this government has sought and received the approval from the province. That was the previous government. Now there is a new government. However, the province even imposed its own restrictions and conditions on it, which were accepted by Kinder Morgan. We have also accepted them.

Thirty-plus indigenous communities along the route have signed beneficial agreements with Kinder Morgan, and 40-plus, including with Alberta. Labour groups across the province have endorsed this project. The B.C. Supreme Court has stated that the actions of many of those protesters are illegal and that they must stop.

Formal and safe protesting is always welcome. People have every right to express their opinion. However, when companies or individuals go through all the legal challenges, we must abide by those decisions as we are a law-abiding nation.

The Premier of British Columbia should reconsider his actions and comments so he does not escalate this situation. He should take these actions and suggestions to a normal process, which means dealing with either the government or a court of law. Neither of those actions is by enticing protesters. The mayor of Burnaby has said that he would not support police costs for enforcing the order. Those are not the actions of a government at any level.

• (2205)

Mr. Gordie Hogg (South Surrey—White Rock, Lib.): Mr. Speaker, I am pleased to speak to this emergency debate this evening. I welcome the Speaker's decision to allow it to occur as this is a very important moment for our country, indeed a pivotal moment.

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I was pleased to hear my colleague from Cariboo—Prince George speak. He reminded me that it was perhaps about a year ago that I was sitting in the legislature in Victoria. We were having similar discussions with respect to moving forward with this pipeline. I am pleased we made the decision to support it, and I am pleased to continue to support it today.

As someone who has lived on the ocean all of my life, I will focus my brief remarks on the role the Canadian Coast Guard plays in protecting our environment, while highlighting the number of important investments our government has made, and will continue to make, to protect our oceans.

These investments to our coastal communities are important, not just in British Columbia but on our other two coasts as well, regardless of whether the construction of a pipeline was in motion. This is still ever important.

I cannot, however, avoid the context of tonight's debate. We have an important decision to make as to whether we will do something in the national interest or avoid this decision because there are at least two competing views on what we should do.

We can construct the pipelines safely while protecting our environment, including our marine environment.

Again, flashing back to my time in Victoria, I remember when I was the minister of children and families. As well, I was the minister for health promotion. My wife and I were foster parents. I chaired a committee working with seniors. I was always fighting for more dollars for the provision of those social programs that were so crucial to the operation and sense of community and livelihood within our communities.

Moreover, constructing this pipeline and the revenue generated from that will help in so many ways in our province and indeed right across Canada. We can do so knowing that protecting our environment, creating jobs, and diversifying our energy sources are not incompatible.

Those who oppose the pipelines, as is their right, should not deny the fact that the government has invested significantly in meaningful action to protect oceans and respond to any improbable oil spills.

Let me give just one example, and there are many.

The President of the Treasury Board, on behalf of the Minister of Fisheries, Oceans and the Canadian Coast Guard, the member for Beauséjour, invested \$80 million in new science funding. These investments will support new partnerships with universities and industry to improve our knowledge and to develop new technologies that will help mitigate and prevent marine incidents, such as oil spills.

Specifically, \$46 million were announced for research programs to leverage collaboration among the world's very best researchers, \$10 million to go toward research that will bring together the brightest minds from around the globe to collaborate with world-class Canadian researchers. Together, they will enhance our collective understanding of how oil spills behave, how best to clean and contain them, and how best to minimize their environmental impacts.

Further, the government is investing \$16.8 million to support oil spill research to specifically focus on how oil breaks down, how oil behaves in various ocean conditions, including cold water.

The government will also invest \$17.7 million toward enhancing ocean models of winds, waves, and currents, so emergency responders can accurately track spills and predict their path. The goal in enhancing ocean modelling is to support safe marine navigation and help prevent spills from happening in the first place.

These investments total \$80 million and are part of a much larger, comprehensive strategy under the umbrella of Canada's oceans protection plan. The oceans protection plan is a \$1.5 billion plan that will ensure our coasts are protected in a way that ensures environmental sustainability, safe and responsible commercial use, and includes significant collaboration with indigenous communities.

Under the oceans protection plan, the government has opened new Coast Guard search and rescue stations to increase our capacity to respond to on-water emergencies. We are committed to working in partnership with indigenous communities to further expand our search and rescue capacity.

Further, we are protecting and restoring important marine ecosystems now, through the \$75 million coastal restoration fund, and we are strengthening partnerships and launching co-management practices with indigenous communities.

● (2210)

This leads me to highlight facts related to the Trans Mountain project.

The protection of our environment and the preservation of fish and fish habitat are top priorities, led by Fisheries and Oceans Canada. These principles guide our decision-making process when authorizing major projects.

Members will recall that within weeks of taking office, the government approved the Trans Mountain project, subject to legally binding conditions. For its part, as part of the legally binding conditions for the pipeline approval, Fisheries and Oceans was one of many departments engaged in the approval process. Fisheries and Oceans was duty-bound to assess potential risks and harm associated with this project, and to do so before issuing a Fisheries Act authorization.

On September 8, 2017, the minister issued a Fisheries Act authorization for expansion of the Westridge Marine Terminal, which is a component of the larger TMX project. This followed a very rigorous and thorough review of the proponent's application and consultation with 33 potentially affected indigenous groups.

As part of the authorization, the proponent will be required, on an ongoing basis during construction, to adhere to conditions to reduce and mitigate harm to fish and fish habitat. The conditions of the authorization include measures to avoid or reduce serious harm to fish, to offset potential losses in fisheries productivity, and to monitor the effectiveness of mitigation actions.

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Others will speak on other measures our government has taken to ensure that the TMX project is done right. To do nothing seems to me not to be an option. The government has made it clear that the development of the pipeline is very important to this country and to our provinces. We believe we have the duty to ensure that it is completed. We also have a constitutional duty to ensure that the national interest is met. Most of all, we have a duty to ensure that this project is done in a way that protects our environments, including our marine environments. I believe that we have met those obligations.

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Mr. Speaker, first I want to pay my respects to the new member for South Surrey—White Rock. He was elected a few months ago, even though we worked so hard not to see him here in the House of Commons.

[*Translation*]

On a more serious note, we have known for 10 months that there is a major problem with this project. A new government came into power in British Columbia and it vehemently opposes the project. For 10 months, his Prime Minister, our Prime Minister, did nothing. We have known for 10 months that there is a major problem with this project. How is it, then, that we find ourselves facing this national crisis, which is completely unacceptable for Canada?

[*English*]

Mr. Gordie Hogg: Mr. Speaker, first, I will point out the obvious. There was a change of government in British Columbia that occurred last May. With that change in government, there was a change in the direction that was taken. I think this adequately explains what has occurred with respect to British Columbia.

I was in Victoria about three weeks ago, where I met with a number of members and had discussions with them. Certainly, on both sides of the House there are some who are frustrated with the lack of movement, and some on the other side of the House are frustrated with the actions that are being taken and the potential they have, and are therefore requesting a review from the court system.

In terms of the actions that have occurred in the House, I know that there has been an attempt to come to some type of consensus. I respect the fact that it has taken a period of time to work toward that, and we are now at a time when we have to take decisive action and move forward. I do not have all the answers as to why it has taken so long, but I do know that this is a pivotal time in the operation of this country, a pivotal time for British Columbia and Alberta, and we have a responsibility to take action to support them.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, my friend from Victoria's former provincial government, under the northern gateway pipeline project, that tried to abdicate the province's responsibility to do an environmental assessment. The reason I know this is because the Christy Clark government got sued all the way to Supreme Court and lost. The court said that it had obligations and responsibilities to the people of British Columbia to fulfill its constitutional obligations.

My friend has now moved his way up to the federal scene. It used to be that B.C. Liberals were considered to be Conservatives, but now B.C. Liberals are maybe federal Liberals. We can understand why people in British Columbia are sometimes confused as to what a Liberal is actually is. Maybe the two have merged. There is a

pipeline going back and forth between the two in British Columbia at least.

My friend was in the cabinet of the government that tried to move away from its responsibility to consult with first nations, to do an environmental assessment, and were sued all the way to our highest court in the land and forced into action, at which time the Christy Clark government said that it approved it too. That was her environmental assessment of northern gateway. It did not pass muster then and that project failed.

We have such a similar circumstance here now. The only difference is we have a B.C. government that is interested in performing its constitutional responsibility and is asking the federal government to work with it to clarify each of our roles and responsibilities when it comes to energy transportation.

From his experience, would he encourage his new Liberal leader to learn from the mistakes of the past and refer to the court properly so we can have the clarity that so many people from both side of the House talk about, yet so many are unwilling to do what it takes to make that clarity come to reality?

● (2215)

Mr. Gordie Hogg: Mr. Speaker, I thank the member for reminding me of my history, going through good and bad parts of that history.

Certainly, the actions being taken by the government and the Prime Minister now are the type of actions you are referencing. The actions taken with respect to bringing together the Premiers of Alberta and British Columbia yesterday are an effort to bring together a type of coalition with an understanding and action to allow them to maximize their positions with respect to those.

We do not want somebody to be a giant loser in this, but we want everybody to have actions that give them a responsible way of dealing with something and getting this pipeline passed. I am hopeful that was exactly what took place yesterday. Hopefully we will see it operationalized over the next few days.

The Assistant Deputy Speaker (Mr. Anthony Rota): I want to remind hon. members to put their questions and comments through the Speaker and not directly. I am sure when the hon. member mentioned “you” he was not referencing the Speaker. He was referencing the hon. member for Skeena—Bulkley Valley.

Resuming debate, the hon. member for Durham.

Hon. Erin O'Toole (Durham, CPC): Mr. Speaker, it is my pleasure to divide my time tonight with my good friend and colleague, the hon. member for Louis-Saint-Laurent. Tonight we appear to be the central Canadian connection here in a debate that many Canadians believe is exclusive to Alberta and British Columbia, but I am here tonight, as a proud Ontario MP who has had the honour of serving and working across the country, to say that debates like this are critical to the future of our country. Pipelines are as much in the national interest of my constituents in Ontario as they are in Lakeland and Peace River, or in British Columbia, or in Louis-Saint-Laurent.

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I would remind people in my riding all the time, when we are looking at regulatory reviews like the line 9 reversal and other things accomplished under the government of Stephen Harper, that the present government has to bend over backwards to hide the fact that many pipeline projects were approved under the previous government. All were reviewed appropriately, but the last government recognized and was proud to stand in the House and proud to stand on any street corner in the country and say that resource development is in Canada's national interest. The Liberal government will not do that.

Here we have a Conservative caucus from across the country. I, with my time representing Durham, and my friend from Louis-Saint-Laurent will remind people that the jobs in Ontario are due to the success and wealth of Canada as a resource country, and getting our products to market through pipelines allows us the best world price, the best royalties, and the best economic activity possible. We need to remind Ontarians of that.

I am proud that my dad worked for General Motors when I was a kid. Ontario is still known for vehicle manufacturing and auto parts. In the last decade, there have been more jobs created in Ontario as a result of the resource economy in Alberta than through automobile assembly. When I tell that to auto workers in my area or retired GM workers, they are astounded, because they do not hear that enough. As parliamentarians, it is our duty to remind Canadians that when we say something is in the national interest, it is in their interest, at their kitchen table in southern Ontario, just as much as it is around a very concerned kitchen table in Edmonton or Calgary.

These debates are important. What troubles me to no end about the Liberal government is a Minister of Natural Resources heckling my colleague from Peace Country when he was talking about personal stories. The minister from Edmonton is laughing now. We are here to tell those stories, to talk about the concerns. I have spoken to the Edmonton chamber, and it is worried.

Canada is not open for business under the present Prime Minister. We are closed for business. Capital is fleeing Canada, not because we are the safest, most prosperous, and most well-educated and well-trained country in the world, but because of the uncertainty caused by the Prime Minister from day one.

On his first trip abroad to sell Canada at Davos, the Prime Minister said that we are not just resources now; we are resourceful. He mocked the entire resource industry by suggesting that. Maybe the Prime Minister should learn a bit about steam-assisted gravity drainage, or slant drilling, or shale deposit exploration and extraction, or minimizing water usage in the resource industry in Alberta. The innovation in our resource economy has been astounding, yet on his first trip to Davos, the Prime Minister just wiped it away: "We are resourceful now. We do not need resources." Certainly, the government's plan for pipelines means we are not going to sell our resources.

Let me tell the House how much the Liberal Party has changed. My friend from Skeena—Bulkley Valley raised the issue that the Prime Minister got elected by pretending to be a New Democrat when he was in British Columbia, and then pretending to be a Liberal when he was in Ontario or Quebec. Now it is coming home to roost. He has to pick a side. He has to defend Trans Mountain as

being in our national interest, which it is. The B.C. premier has no mandate. He lost the last election in popular vote and seat count.

• (2220)

He is being held hostage by a couple of radical Green MLAs to cause a constitutional crisis. That is what he is allowing to happen. It is terrible, and we have heard virtual silence from the Prime Minister of Canada.

Let us see how much the Liberal Party has changed. One of the most raucous debates in this chamber took place in May 1956, when the Right Hon. C.D. Howe stood up and said this about pipelines, "The building of the trans-Canada pipe line is a great national project, comparable in importance and magnitude to the building of the St. Lawrence seaway." He went on to say, "The action proposed today is another declaration of independence by Canada..." That was when they were rushing through a pipeline debate.

This Prime Minister has been avoiding selling pipelines and resources to Canadians and around the world. This Prime Minister waited for a constitutional crisis before he had meetings and started speaking about it being in the national interest. Why is it a crisis? Because he has already dropped the ball.

A few years ago, former Liberal premier Frank McKenna said this about energy east: "The Energy East project represents one of those rare opportunities to bring all provinces and regions of this country together to support a project that will benefit us all, and that is truly in the national interest."

Well, certainly that aspirational national interest language by a prominent former Liberal politician was quashed when the actions of the current government led TransCanada to cancel the energy east pipeline. Previous to that, this Prime Minister had already cancelled the northern gateway pipeline that had been reviewed. What did some Canadians say about that? Chief Elmer Derrick, Dale Swampy, and Elmer Ghostkeeper, three first nation leaders, said that they were very disappointed from the unilateral cancellation of northern gateway. That was a \$2-billion opportunity for first nations in British Columbia that was cancelled because of a unilateral anti-resource decision by this Prime Minister.

We now have Bill C-69. We have a track record in two and a half years of saying not just to the global capital markets that Canada is closed, but we have had the Prime Minister and members of his own caucus say that we need to prepare for closing down our resources. We need to move beyond it. Tonight, they heckled when they heard about the concern that causes at a lot of kitchen tables around our country.

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Why I am so passionate as an Ontario MP is that my first job before going to college was inspecting TransCanada pipelines, the pipeline inspection crew between Belleville and Ottawa. I have seen the economic activity first-hand. I have also seen the manufacturing industry during the global recession when oil prices were still high. Contracts for the oil sands and exploration in Saskatchewan and Manitoba was the lifeline for manufacturing. It kept us afloat. That is the national interest.

The fact that we have to bring an emergency debate and the Prime Minister had to have a stopover meeting between his global jet-setting to bring a few premiers together means he has let this crisis happen. He has cancelled northern gateway, and through his actions he has cancelled energy east. The one pipeline he thought he could let go is sliding off the table, with Kinder Morgan now suggesting all this uncertainty is leading them to question their investment. They are in Hail Mary pass mode when they suggest that they will buy the line or pay for part of it. That desperation is not needed.

For a change, I would like the Prime Minister to go to Davos and talk about the importance of our resource industry. I would like him to showcase the innovation brought by these men and women who work in our oil patch, the pipeline industry, and the jobs that supply it. It is sad that we have to bring an emergency debate to remind the Liberals that jobs in the resource industry from coast to coast are in all Canadians' national interest.

● (2225)

Mr. Sukh Dhaliwal (Surrey—Newton, Lib.): Madam Speaker, I was carefully listening to the speech by the hon. member from Durham as he was questioning the Prime Minister's leadership. From listening to my constituents, the Prime Minister stands tall in defence of Canada's national interests from coast to coast, and also by creating jobs and investing \$1.5 billion in an oceans protection plan.

As far as I understand, during the 10 years of the hon. member's government, the Conservatives did not build a single centimetre of pipeline to coastal waters to take our resources to Asia. They also did nothing to protect our coastal communities and the oceans. I would like to hear his comments, and I am certain that he will agree on that.

Hon. Erin O'Toole: Madam Speaker, I am certain I will not agree. I have yet to hear the Prime Minister of Canada defend or stand up for the jobs in our resource sector. In fact, we have all heard quotes from the Prime Minister over the course of his time in that leadership position, or as an MP, mocking it or suggesting we need to move past it. My friend from Skeena—Bulkley Valley and some of the NDP members have reminded members of the House that during the election the Prime Minister said different things on Vancouver Island than what he might say in Calgary. It is not in the national interest when the Prime Minister changes his promises and tone.

Let us go even further. I have talked about the failure of the Liberal government with respect to energy east and northern gateway, and the risk to Trans Mountain. Let us not forget Keystone. Remember that when President Obama was in office, we heard a lot about the bromance between our Prime Minister and Mr. Obama, the "dudeplomacy", which is the Prime Minister's term, I am sad to say. President Obama cancelled Keystone, which was not based on any science, and the Prime Minister basically nodded along with it. Then

the Prime Minister of Canada introduced a carbon tax, making our entire economy uncompetitive, versus Michigan, which is a few hours away from the plants in Ontario that compete against Michigan's plants. Obama praised Trudeau's carbon tax, but certainly did not follow him.

The Prime Minister of Canada has been played by the Americans. Thank goodness a change in office led to the resurgence of Keystone, because this Prime Minister was certainly allowing that to die too. That is three pipelines down and one on the edge. It is time for that member to start standing up.

● (2230)

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Madam Speaker, this debate takes place in a kind of history-free zone. Hearing from the Conservatives, one would swear that getting bitumen to tidewater had been the campaign of generations. One member may have forgotten the timing. Kinder Morgan was not proposed until 2013.

I want to ask my hon. colleague from Durham about when he campaigned in 2011 as a Conservative, on the promise of Stephen Harper that there would be no pipeline to the B.C. coast, because the Conservatives opposed sending bitumen to any country where the refineries operate at environmental standards that are lower than Canada's. We have a lot of revisionist history going on. That was the promise of the Conservatives in 2011. When did it become a massive imperative that we send a product of low value, which is very expensive to produce, to refineries in other countries instead of refining it here?

Hon. Erin O'Toole: Madam Speaker, the only revisionist history is coming from my friend from the Green Party, who is usually much more up to date on things. I was not elected in 2011. I know she knows that. I was elected in a by-election in 2012. Nevertheless, I quoted Keystone XL, which I am sure the member opposed because it is in some way tangentially connected with the resource economy.

We have supported all lines that will allow for Canadian resources. This is just as much a resource of someone in Saanich—Gulf Islands as it is of someone who lives where it is extracted. It is the largest single contributor to our public health system. All I am asking is for the government to stand up for it a bit. I quoted in my speech the debates from 1956. I would refer the member to those comments. This is an important debate in the national interest. The Conservatives have brought it here, and we will continue to fight for these jobs.

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[Translation]

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Madam Speaker, it is with great pleasure that I rise as a Quebecker and a Canadian to take part in this emergency debate, which the member for Lakeland got off to a good start.

We are debating an urgent matter of national interest. We are facing an economic, financial, energy, and constitutional crisis because of the current government's poor decisions. Yes, I have previously risen in the House to endorse Canadian oil, and I will continue to do so because I am proud of Canadian oil. Unfortunately, the same cannot be said for everyone in the House, and especially not for our Prime Minister. I said "our Prime Minister" because in the event of a national crisis such as the one facing our country, the Prime Minister must act on behalf of all Canadians. It is his duty to tackle this issue head-on and to firmly defend the pipeline. Unfortunately, he does not believe in Canadian oil and does not like it, any more than he likes this industry's workers.

Not so long ago, on January 12, 2017, at a town hall meeting in Calgary, the Prime Minister had this to say about Alberta oil:

[English]

"We need to phase them out."

• (2235)

[Translation]

The person who thinks we should be phasing out Canadian oil is the one who is supposed to be promoting the project. That is our current Prime Minister. When he goes to British Columbia, Alberta, and all around the world to talk about Canadian oil, does he have any credibility? No. That is what got us into this mess. The running back is carrying a basketball down the field instead of a football. He is not a fan of Canadian oil. Well, that is too bad, because he is the Prime Minister.

The Trans Mountain project is a good project. It balances the environment and the economy and ensures Canada's prosperity. Let us not forget that it is the safest, cheapest, and greenest way to transport oil from one place to another. We are talking about Albertan oil from the oil sands, one of our country's greatest resources. However, if this great resource is trapped in our country, then it cannot be used for the benefit of all Canadians. That is why we have to sell it overseas.

We are very pleased that Keystone XL can move forward. We would have liked energy east to move forward. The Trans Mountain project could give us access to the Pacific coast. This project has been in the works for a while; it would bring \$7.4 billion in economic spinoffs and put 15,000 Canadians to work for many years. It is profitable for us, but, most importantly, it has the support and backing of the first nations. The pipeline passes through 43 indigenous nations, and they are all in agreement. Not only do they agree, but they are also partners in the project. They are partners in prosperity. We must commend this initiative. We must support the first nations. However, what is the government doing? It says that Alberta oil must be phased out. This is why the project is not moving forward.

It started off well. On January 11, 2017, the premier of British Columbia at the time, Christy Clark, expressed her support for this project. Unfortunately, another government was elected, and this minority government joined forces with radical Green Party members. They are currently holding a project hostage that represents billions of dollars for Canadians and could be very profitable for 43 indigenous nations in Alberta and British Columbia.

We have known for 10 months that there was sand in the gears—no pun intended. We knew that there was water in the gas, an expression that suits this debate quite well. The new government, which was taken hostage by Green Party extremists, is sidelining the project. What did the Prime Minister, who does not believe in Canadian oil, do in the meantime? He said that the project had to move forward, that everything would be fine, and that the Liberals believed in it. We asked for emergency debates, among other things. We were told that everything would be fine and that the project would get done. However, here we are today, in the face of a major constitutional and economic crisis that is the direct result of the Prime Minister's inaction over the past 10 months. This is unacceptable.

Unfortunately, this is consistent with the Prime Minister's sorry track record. What did the Prime Minister do? First, he said no to the northern gateway project. He adopted policies that killed energy east and now he is jeopardizing the Trans Mountain pipeline. There is no guarantee it will go forward. As they say in baseball, "three strikes and you're out". The problem is that he will not be out but will remain in office for another 18 months. Until then Canada will suffer as a result of his bad economic and business decisions.

This problem speaks to other realities, such as the constitutional battle that is being waged. Of course, we recognize that the provinces have a say. In fact, British Columbia said yes in January 2017 and things got under way. However, now another government has decided to do things differently. We also realize that, ultimately, it is up to the federal government to decide whether the project will go forward. We respect the provincial authorities, but the provincial authorities must also respect the fact that the federal government is the one that decides whether this type of project will be carried out.

Must I remind my fellow Quebeckers and all Canadians that harnessing the full potential of our natural resources allows our country to use an equalization regime? That means that the provinces that develop the full potential of their natural resources help the other provinces that are not doing so, that do not have the means to do so, that do not want to do so, or that do not have the natural resources to do so. As a result, provinces like mine receive a lot of equalization payments, too many equalization payments. Perhaps one day, we will be proud enough to do away with that, but for now, we are receiving such payments. If we want to continue to receive equalization payments, we must continue to develop our natural resources to their full potential. The Trans Mountain project will allow Alberta to develop its full potential and bring billions of dollars in foreign money to Canada, money that can be redistributed to other provinces.

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In Quebec, there are people who believe in oil, who believe in pipelines, who know that pipelines are the best way to transport oil. They are the cleanest, most cost-effective, most environmentally responsible, and above all safest way to transport oil. As proof, there are 2,000 kilometres of pipelines criss-crossing Quebec. There are nine pipelines running under the St. Lawrence. Just over seven years ago, Quebec built a pipeline from Lévis to Montreal, a distance of exactly 243 kilometres. Exactly 689 property owners gave their consent, support, and collaboration for the project to proceed. The pipeline was built and has been working fine since 2012. It has been operating for nearly six years now, and things are going smoothly. We have never had reports of a catastrophe of any kind. Have we had complaints from the nearly 700 owners of the properties on which the pipeline runs? Have we heard any whining from them? Have we seen them mount illegal protests? No, because everything is going swimmingly. This goes to show that Canada has what it takes to do big things. Quebec has what it takes to do big things. Sadly, due to the overly strict new regulations adopted by this government, the energy east project was called off, because the proponent was fed up with this government piling rule upon rule. That project would have created a lot of wealth in Quebec, a lot of wealth in Canada, and a lot of wealth in New Brunswick.

Now more than ever, the government needs to start acting in the national interest of all Canadians. The problem is that the guy carrying the ball is not a believer. A Prime Minister who says “we need to phase it out” about Alberta oil may not be the best person to sell Canadians on it, never mind convince British Columbians and their government that it is in all Canadians’ best interest. The Trans Mountain project must go ahead.

• (2240)

[*English*]

Hon. Amarjeet Sohi (Minister of Infrastructure and Communities, Lib.): Madam Speaker, our government cares deeply for Alberta, Alberta families, and Alberta workers. We are working hard to build the Trans Mountain extension. Could the member tell the House how many pipelines the Harper government built to take our resources to international markets?

I hope the hon. member from Alberta will show some respect and listen to the question. When she is not listening, she is showing disrespect to Alberta workers and Alberta's industry.

Mrs. Shannon Stubbs: It's happening. He's mansplaining.

Hon. Amarjeet Sohi: I hope she will stop heckling, Madam Speaker. I would respect that.

My question for the hon. member is this. How many pipelines did the Harper government build to tidewaters?

The Assistant Deputy Speaker (Mrs. Carol Hughes): I would remind members that when somebody has the floor, they are to be respectful to that person and allow the person to speak. Then, if those people have questions and comments, when there is time for questions and comments, they can feel free to stand and attempt to be recognized.

The hon. member for Louis-Saint-Laurent.

• (2245)

Mr. Gérard Deltell: Madam Speaker, I am pleased to answer the question from my colleague, the hon. minister.

First, we approved four projects. Having said that, we have to emphasize the fact that we did respect the rules and the law. This is why we took every step necessary to accept those projects. If we had said yes and started the construction, you, all Canadians, and the world would have said that we did not respect the rules, we did not respect the law, and we did not listen to the people. We did it correctly.

The current government was the lucky one to put in all those projects. What are the results today? Nothing. Nothing has been built. When Keystone was rejected by Obama, with a big smile, the Prime Minister said that the Liberals were sad but they understood. We heard the Prime Minister say no to northern gateway. We saw the Liberal Prime Minister impose new rules and energy east was killed. Now we have a tragic situation with Trans Mountain. What is the government doing? Nothing.

[*Translation*]

The Assistant Deputy Speaker (Mrs. Carol Hughes): I would remind the member for Louis-Saint-Laurent to address the Chair, not the other members.

[*English*]

Mr. Gord Johns (Courtenay—Alberni, NDP): Madam Speaker, I always enjoy hearing from my colleague and friend from Louis—Saint—Laurent, whether we agree or not.

He talked about getting the full potential of jobs. Like him, I care a lot about jobs, not just in my riding but in Alberta and across the country.

I went to the oil sands with a CEO from one of the large oil companies. We talked about building more refineries in Alberta and processing more of our oil in Alberta. I asked him how much of that oil could make us more energy sufficient and create more energy security in Canada. We live in a global economy, in a global situation where there is a lot of insecurity. He said 50%, if there was a refinery of the oil that it produced the raw bitumen that could be processed and turned into gasoline and other products and sold within Canada and domestic markets.

Now the government is now talking about investing in the Trans Mountain pipeline, a pipeline that is shipping jobs to China, with low environmental standards and low labour costs to process that material. Does the member support investing in keeping processing jobs in Canada instead of shipping jobs out of the country?

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[Translation]

Mr. Gérard Deltell: Madam Speaker, my province, Quebec, has two refineries. If energy east had worked, those two refineries could have taken Canadian oil and helped keep our economy moving, instead of us having to buy foreign oil for \$10 billion. Better still, there is a business in my riding called CO2 Solutions that has been working with Natural Resources Canada for the past 15 years or so to improve the energy costs, the environmental costs, of producing oil in the oil sands. I remember because, when I was a journalist, I covered the story with Stéphane Dion, who was the environment minister at the time, so, yes, I believe in the Canadian jobs that could have been created at the two refineries and with CO2 Solutions, which is in my riding.

[English]

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Madam Speaker, I welcome the opportunity to participate in this emergency debate. I will be splitting my time this evening with my friend and colleague, the member for Surrey—Newton.

The Trans Mountain expansion pipeline represents a crucial test of this country's ability to get infrastructure built that is in Canada's national interest. Watching the Prime Minister's leadership on this file over the past number of months has no doubt reassured Canadians from coast to coast to coast that their country is in good hands. The Prime Minister has said repeatedly, with quiet but firm determination, that the TMX pipeline will be built, and it will. Why? It is because our government has appropriately determined that this \$7.4 billion project is in Canada's national interest. It will create thousands of construction jobs and countless more spinoff jobs in every part of the country. It will ensure Canadian access to global oil markets and world prices. It will open new economic opportunities for the 43 indigenous communities that have signed on to more than \$300 million in benefit agreements along the pipeline's route. It will generate as much as \$3.3 billion in new government revenue over 20 years of operation. That would be new tax dollars to help pay for our hospitals and schools, to build new roads and safer bridges, and to help fund Canada's transition to a low-carbon economy. Those are just some of the reasons the Prime Minister has promised that this pipeline is going to be built, and in a responsible way.

Interprovincial pipelines are the responsibility of the federal government, and when making decisions on interprovincial pipeline projects, it is the Government of Canada's duty to act in the national interest. That is exactly what happened with the Trans Mountain expansion pipeline.

As a member from the province of Ontario, tonight's debate is not some esoteric disconnect that I am involved with or wanted to discuss. It is something that is very near and dear to me. I grew up in the riding of Skeena—Bulkley Valley, in Prince Rupert, British Columbia, a riding situated on the northwest coast underneath the Alaska panhandle, a riding that is beautiful, with mountain scenery, which sometimes I miss.

I am very proud that our government has put in place a \$1.5 billion oceans protection plan so that up and down the B.C. coast, whether it is on the Sunshine Coast, in the Lower Mainland, or up in Prince Rupert, our oceans will be protected.

My parents and my family have resettled in the riding, in North Burnaby, where the current TMX pipeline runs and where the Chevron refinery sits, approximately two kilometres away from where my parents enjoy their retirement, just down from Burnaby Mountain. It is something that is very important to me. It is very important that we get this right, and we are getting this right.

I sat on Scotiabank's bond desk for 10 years, and I covered the oil and gas sector, the midstream sector. For 10 years, I saw the large differential in prices for our Canadian product, our Alberta oil. It was at a much larger discount than what one could get for what was called WTI or Brent. This discount is costing our economy billions of dollars. There are schools that could be built and hospitals that could be funded. We are working to close this gap, and one way we are doing it is by building a pipeline to tidewater to diversify our markets. We need to. It is the right thing to do for our economy. It is the right thing to do for the literally hundreds of thousands of middle-class families and middle-class workers that will benefit from this project.

During the Conservatives' time in government, for 10 years, they did not build a pipeline to tidewater. That is a fact. I am sorry to have to tell them that, but it is a truth about their government. They failed. Let us put it straight. That differential has cost the economy billions of dollars, whether it was provincial revenues, municipal revenues, or federal revenues.

I was proud of the Prime Minister, on April 15, when he commented on why this pipeline is in our national interest. He mentioned the aluminum workers in Alma, Quebec. He mentioned the aerospace workers in Montreal. He mentioned the auto factory workers down in Windsor. He mentioned the forestry workers up in my old hometown of Prince Rupert, British Columbia.

We will stand as a government, today and tomorrow and for years to come, for middle-class Canadians who want to work hard, save, and build a better future for their families. That is what this debate is about this evening. We stand and say that we will build this pipeline. We will get it done.

● (2250)

Let us not forget the people who will actually be building the pipe: the pipefitters, the tinsmiths, the millwrights. Those are the folks we work hard for here every day, day in and day out. Those are folks whom we have come to Ottawa to represent.

I worked on Bay Street and Wall Street, but my roots are on Main Street. They are on those streets in Prince Rupert, British Columbia, where half the population was indigenous and the rest of us were new Canadians. Whether we were born there or not, we all came from somewhere else, except for our indigenous brothers and sisters. We have many indigenous groups that have joined us to build this pipeline. We will work with them and we will continue to consult, unlike the other side, who failed to consult. It was proven in the courts.

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I think it is worth reviewing that process in order to remind Canadians that the decision to approve this project was taken very seriously. It was only green-lighted after careful review, extensive consultations, and thoughtful deliberation based on sound science and Canada's best interests. I would like to highlight some of that this evening.

First, Canadians know that as our government was developing a permanent fix to the way major resource projects are reviewed, we implemented an interim approach to address projects that were then in the queue, such as TMX. That interim approach was based on five guiding principles, such as expanding public consultations, enhancing indigenous engagement, and assessing upstream greenhouse gas emissions associated with the projects.

As part of this, our government appointed a special ministerial panel of distinguished Canadians who travelled the length of the proposed pipeline route, ensuring indigenous peoples and local communities were thoroughly canvassed and heard. Our government made those discussions public on the Internet for all Canadians to see.

In the end, we accepted the National Energy Board's recommendations, including 157 conditions as part of our wider approval of the project and our larger plan for clean growth. We are also investing approximately \$65 million over five years to co-develop an indigenous advisory and environmental monitoring committee for the life cycle of this pipeline, as well as the Line 3 pipeline. This is a Canadian first for any energy infrastructure project in our country. We are doing it right and we are going to get it right.

We have also developed a targeted action plan to promote recovery of the southern resident killer whale population. These are the kinds of specific measures we should expect for a project of this magnitude, but we should not look at TMX in isolation. We also need to consider how the pipeline fits within our government's overall vision for Canada in this clean-growth century.

For example, we have signed the Paris Agreement on climate change. We have worked with the provinces and territories and consulted with indigenous peoples to develop the pan-Canadian framework on clean growth and climate change, a plan that lays out Canada's clear path to a clean low-carbon economy.

At the same time, our government is putting a price on carbon; accelerating the phase-out of coal, which will benefit our environment, lower asthma incidents, and save lives; promoting energy efficiency; regulating methane emissions; creating a low-carbon fuel standard; and making generational investments in clean technology, renewable energy, and green infrastructure.

The TMX pipeline fits within all of this and will support our government's efforts to make Canada a leader in the transition to a low-carbon economy. For example, the TMX pipeline is consistent with Canada's climate plan to 2030. Its GHG emissions are well within Alberta's 100 megatonne cap on the oil sands. It is complemented by the most ambitious oceans protection plan in our country's history, a \$1.5-billion investment to protect our waters, coastline, and marine life for literally generations and generations to come.

The oceans protection plan builds on and maximizes every possible safeguard against an oil spill happening in the first place with measures that include air surveillance, double-hulled tankers, and double pilotage. Transport Canada has been leading the way on this with its creation of an expert panel a few years ago to guide government actions on spill responses.

The new oceans protection plan reflects this and includes the largest investment in the Canadian Coast Guard in years, strengthening its eyes and ears to ensure better communication with vessels and making navigation safer by putting more enforcement officers on the coast and adding new radar sites in strategic locations.

Should something happen, there will be more primary environmental response teams to bolster the Coast Guard's capacity, including several Coast Guard vessels equipped with specialized tow kits that will improve its ability to respond quickly.

● (2255)

Amid all of this, we are enforcing the polluter pays principle. This is a world-class approach that meets or exceeds the gold standard set by places such as Alaska and Norway.

The Assistant Deputy Speaker (Mrs. Carol Hughes): I am sure the member will have a chance to finish up anything he wanted to add during questions and comments.

Questions and comments, the member for Edmonton—Wetaskiwin.

Hon. Mike Lake (Edmonton—Wetaskiwin, CPC): Madam Speaker, I listened with interest to my hon. colleague's speech. As with almost all of the Liberal speakers today, he seemed to mix up consultation with action. They seem to use those phrases interchangeably. The reality is that there is no action whatsoever.

Perhaps he misspoke, but based on the government's record, I do not think so. He said they will stand by as a government. That is exactly what the Liberals are doing. They are standing by as a government.

The Liberals inherited a situation in which northern gateway had been approved before they came to power and energy east was well on its way. What did they do? They cancelled northern gateway and they changed the rules to make it impossible for energy east to move forward.

My question for the hon. member is this: Why should anyone believe they will actually take action this time?

● (2300)

Mr. Francesco Sorbara: Madam Speaker, I thank my hon. colleague from Alberta. He and I have worked considerably on the cause of autism in raising awareness of it in my riding.

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To directly answer his comments, the first thing we had to do was rebuild confidence in the institutions, something the Conservatives eroded under 10 years of their rule. They eroded the confidence in approvals for getting pipelines done, so we had to balance the economy and the environment to work hand in hand. That was one of the first things we did. We put in an interim set of guiding principles.

Yes, we approved TMX, and yes, it will be built, and yes, we will bring bitumen to tidewater. We will export it. We will reduce that differential, ensuring we get the world price, not the discount, which is costing us literally a billion or a billion and a half dollars a month in forgone revenues and taxes, depending on who we look at in terms of research.

We will get that done as a government because we have listened, we have consulted, and we have put in place a set of measures that bring confidence to the process, something the other side failed to do in 10 years.

Mr. Alistair MacGregor (Cowichan—Malahat—Langford, NDP): Madam Speaker, I appreciate the Orwellian logic from the Liberals when they say we have to fight climate change by building pipelines and expanding oil production. However, I want to drill down on the economics, because that was what the member was really talking about.

Last month it was reported in the *National Observer* that the Louisiana offshore oil port was completed and the very first very large crude carrier, carrying two million tonnes of crude oil, was bound for China. The only vessel that can make it into Vancouver Harbour is an Aframax, which can only carry a maximum of 550,000 barrels of oil. Given the new dynamics that are happening and the fact that 99% of Kinder Morgan's crude exports go to the United States, I was wondering if the member could comment on where these markets are in Asia if the Americans have already beaten us to it.

Furthermore, why are we investing money in a diluted bitumen exporting pipeline when all of the economics make sense for us be to investing in value added? We are shipping jobs. We see it in British Columbia with the export of raw logs. We export the raw product and we inherit all of the finished goods.

The same is happening with this same kind of mentality, and shame on the Liberals for following this same disastrous economic course. I would like to hear the member's comments on that.

Mr. Francesco Sorbara: Madam Speaker, what we need to do is first remove the bottlenecks in the system, which is impacting the price. That is causing the discount.

Second, any person concerned for the environment would know we want to take oil from rail to pipe because pipe is safer than rail for the environment, for everything. It is a proven fact. The NDP should be supporting that, and it should be supporting the literally tens and hundreds of thousands of workers who will be building this and saving this.

With regard to prices for products, when we remove the bottleneck, we will see the price go up. That is what we are doing. In terms of who is using oil, there are four sectors in North America called PADD 1, 2, 3, and 4. We need to displace foreign imports of

oil into Canada with our own refined product, and we are on the way to doing that as well.

In Alberta, there is the North West Sturgeon Refinery, which the Alberta government has invested in, along with private partnerships. I was there in January, at the Alberta's Industrial Heartland conference. It is an amazing thing to do, an amazing thing to see, and an amazing thing to tour. Members should see it, because that value added is actually happening.

Along with that, the capacity to do that is constrained. It takes many years to bring on a refinery. It is not just a couple of years, but a long time. In the interim we must develop the resources we are blessed with, whether forestry jobs—and I do not see anyone against forestry—

The Assistant Deputy Speaker (Mrs. Carol Hughes): Unfortunately, the time is up, and I need to go to another speaker.

Resuming debate, the hon. member for Surrey—Newton.

Mr. Sukh Dhaliwal (Surrey—Newton, Lib.): Madam Speaker, Surrey is the fastest growing municipality in Canada. Almost 1,000 people move to Surrey every month. We have to create jobs for them. We have to provide infrastructure, hospitals, schools, bridges, and roads, and we need resources and money to build them.

Many good things happen in Surrey—Newton. This weekend, Sikhs are celebrating Khalsa Day. Last year we had over 400,000 Canadians come to Surrey—Newton to celebrate the birth of Khalsa. We will be having a Sikh nagar kirtan and a Sikh parade this weekend, on Saturday. I invite all members to join us in the celebration. I wish everyone celebrating a very happy Khalsa Day and a very happy Vaisakhi.

Tonight's debate is not just about whether we support this pipeline. This government has clearly said that, yes, this pipeline will be built. Tonight's debate is about much more than that. It is about whether we support Canadian workers, whether we support getting our resources to market, and whether we support the rule of law in this country.

On this side of the House, we know how important it is to get our natural resources to market and to diversify beyond the United States so that we get the best value for our products and for Canadian workers.

Canada has benefited from diverse export markets. Thousands of jobs, families, and communities benefit from the trade we do every day. The Port of Metro Vancouver currently supports more than \$200 billion in trade with over 120 countries around the world. We need to open more doors, not close them. They will also benefit when we build this pipeline and get our resources to market.

We also understand that as we grow our economy, we need to take action to protect our environment. Our track record and the decisions we have made are proof of that. When our government approved the Trans Mountain pipeline, we did it as part of our larger plan for Canada's economy, environment, and future. Our decision was based on the best science, wide consultations, and Canada's national interest.

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The review was comprehensive and detailed in the history of building pipelines in Canada. It was based on our five guiding principles, which focused on greater indigenous consultations, wide public participation, putting a priority on science and traditional knowledge, consideration of climate impacts, and assurance that no resource project would go back to the beginning so that the investment community would have the fullest confidence.

Scientists from across the country covered every aspect of this pipeline, from pipeline safety to the effect on wildlife, air quality, and environmental emergencies. While we conducted a scientific review to the highest possible standard, we also made the single largest investment to protect Canada's oceans with the \$1.5-billion oceans protection plan.

This plan strengthens our response to a possible spill with a better equipped Canadian Coast Guard, improved navigational safety, and continuing scientific research. It adopts new technologies to make sure that, in the unlikely scenario that there is a spill, we will have the best technologies available to us to respond.

● (2305)

We understand that to get a pipeline built in the 21st century, we need balance. We need to understand that the environment and the economy go hand in hand. The members on the opposite side do not understand this because they have never had a major pipeline built. The fact is that Canada is rich in resources, and we have a long history of getting those goods to market to create jobs, sustain families, and grow this economy. Just as our history is linked to natural resources, so too is our future. Oil and gas is a key part of that. This is the success that we enjoy when we open markets for our resources. When we close them, we do not just put the economy at risk, we put the livelihood of Canadian workers, their families, and their communities at risk too.

Without this pipeline, 99% of our oil will continue to be exported to the United States, and we will have no choice but to continue to receive less money for our oil. This directly takes billions of dollars out of our economy, money that could go to support the construction of schools, hospitals, and roads across this country. It has been estimated that only having the U.S. as a market for our oil has cost our economy \$117 billion over the last seven years. There are so many challenges we could tackle and opportunities we could seize if we had this money.

The recently elected provincial government in British Columbia ran a campaign last year where it talked about much-needed investment in building schools and a hospital in Surrey, but the question is on where the money for that comes from. The money comes from our natural resources, whether forestry, mining, or oil. This is the foundation of our economy and we must support it, not only for economic reasons, but because if the choice is not to support these industries then we risk the future growth of our communities. In British Columbia, over 33 first nations have signed benefit agreements with Kinder Morgan because it will bring new opportunities, more jobs, and better supports for their neighbouring communities. We cannot choose here to deny them of those benefits.

In closing, I want to proudly say that we approve this pipeline and we will get this pipeline built. We have approved this pipeline with the best possible science, which has accounted for every scenario,

from construction to transport. We brought together and informed Canadians through wide consultations, and we made historic investments so that we have the best tools. We did this because this pipeline is in the national interest, because of Canadians who depend on these jobs and our economy that must grow.

Over the past couple of days, when our Prime Minister took the leadership to bring the premiers from Alberta and British Columbia into one room, I have received many calls appreciating the role and the strong leadership that this Prime Minister and member for Papineau has played compared to the previous Conservative government.

Some hon. members: Oh, oh!

● (2310)

Mr. Sukh Dhaliwal: Madam Speaker, members on the other side are laughing. They should be laughing, because they are in support of building this pipeline. In fact, their leader was not able to build a single millimetre of pipeline to the coastal waters, and that is a laughingstock in my riding. They themselves are a laughingstock in this House of Commons of the people.

I appreciate being given an opportunity to share these words on behalf of my constituents.

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Madam Speaker, I welcome the speech from my colleague from Surrey, even if I almost totally disagree with it.

How can we pay any respect and take the Prime Minister seriously? Would the member explain to us how we can take the Prime Minister seriously when 14 months ago when talking about the Canadian oil sands, the Prime Minister said, "We need to phase them out"? How can we take him seriously when today he fights for the Trans Mountain pipeline?

Mr. Sukh Dhaliwal: Madam Speaker, the hon. member's question gives me the opportunity to make it clear how we can take the Prime Minister seriously. I take him seriously. I ran on his platform. I had the opportunity to sit with him and share a seat in the House of Commons in my previous term in Parliament. I have seen him up close. I have seen how he brings communities together. I have seen how he wants to bring Canada together to form a stronger Canada.

Building this pipeline proves that the Prime Minister stands tall and strong with respect Canadian unity and in bringing communities together, bringing provinces together, and working for Canadian workers and for the Canadian environment.

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● (2315)

Ms. Sheila Malcolmson (Nanaimo—Ladysmith, NDP): Madam Speaker, I personally think the member opposite's trust is misplaced. The commitments that were made by the Prime Minister in the election campaign were extremely clear: no mega projects without a social licence; first nations consent; and a new review for the Kinder Morgan pipeline, which was not done. Those are all broken promises.

I want to talk specifically about the Salish Sea located in my riding between Vancouver and Vancouver Island. It was identified by the tanker safety expert panel in 2003, which was a Transport Canada study. It said that the waters around the southern tip of Vancouver Island were one of four areas in Canada with the highest probability of a large oil spill. The south coast of BC, including Vancouver Island, was one of two areas in Canada with the highest potential impact from a spill.

A report done by the Royal Society of Canada identified that there was insufficient research on how to respond to bitumen if spilled into the marine environment. The report said the “potential long-term damage to the environment, waterfowl and furbearing animals is greater. Cleanup of heavy oils and bitumens is extremely difficult for both marine and inland spills because of their specific gravity, viscosity, flash point properties and high asphaltene content.”

In 2013, the Harper government said that it was going to conduct scientific research on bitumen in the marine environment. Then there was the much lauded oceans protection plan in November 2016. The Liberal government announced it would conduct research to better understand how different petroleum products behaved in Canada's marine environment. None of this work has been done. The response times remain unchanged. The research is still not done.

How can that British Columbia member continue to support this pipeline knowing the threat that it poses to our shared waters?

Mr. Sukh Dhaliwal: Madam Speaker, as I mentioned earlier, our Prime Minister put \$1.5 billion into the oceans protection plan, which is a landmark in Canadian history. I agree with the hon. member that the previous government did not spend a single cent on an oceans protection plan. The oceans protection plan is all about protecting our coastal waters.

When I was in the previous Parliament, experts explained to us that the new double-hull tankers were safe and able to transport our resources.

I am certain the NDP members would be able to support this pipeline but they are stuck in-between. In one province, they want their associate NDP government to proceed but on the other hand, the other government is trying to stall. Those members are stuck in a very difficult situation, but the oceans protection plan is the best plan ever.

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Madam Speaker, it is a pleasure to be able to participate in this important debate about pipelines. I will be sharing my time with the excellent member for Calgary Midnapore, who I know will have a lot to say with respect to her riding as well.

This is a subject on which Conservatives have been relentless in this Parliament. I want to salute the work of my colleague and

neighbour from Lakeland, our shadow minister for natural resources, who is leading the charge tonight and always, as well as the members for Chilliwack—Hope and for Portage—Lisgar who served in the role of shadow minister for natural resources earlier in this Parliament.

In addition to this emergency debate, we have moved and forced votes on two opposition motions which specifically dealt with the subject of pipelines. The first one dealt with energy east and said the following:

That, given this time of economic uncertainty, the House: (a) recognize the importance of the energy sector to the Canadian economy and support its development in an environmentally sustainable way; (b) agree that pipelines are the safest way to transport oil; (c) acknowledge the desire for the Energy East pipeline expressed by the provincial governments of Alberta, Saskatchewan, Ontario, and New Brunswick; and (d) express its support for the Energy East pipeline currently under consideration.

That was an opposition motion put forward by the Conservatives, and I was pleased to join every single one of my Conservative colleagues in supporting that motion. However, 100% of members of other parties, including every single member of the government, opposed that motion, including Liberal members from Alberta who had just claimed that they would fight for pipelines, but when it counted, they stood up and voted against energy east.

More recently, we put forward another motion. We thought we would give them another chance. Here is what we said:

That, given the Trans Mountain expansion project is in the national interest, will create jobs and provide provinces with access to global markets, the House call on the Prime Minister to prioritize the construction of the federally-approved Trans Mountain Expansion Project by taking immediate action, using all tools available; to establish certainty for the project, and to mitigate damage from the current interprovincial trade dispute, tabling his plan in the House no later than noon on Thursday, February 15, 2018.

What a statement of confidence in the pipeline process that would have been from this House of Commons. Again, every single Conservative voted in favour of this motion, but every Liberal and every New Democrat opposed that proposal. They had a chance to vote for action on Trans Mountain. Every single one of them voted against.

We have not only had pro-pipeline proposals debated in this House, but Bill C-48 was the government bill to make the export of our energy resources from northern B.C. impossible. That is further blocking the northern gateway pipeline. Every single Conservative voted against Bill C-48, but every single Liberal and New Democrat voted in favour. As much as a few members tonight want to wrap themselves in bitumen, something as simple and fundamental as their voting record paints a different picture.

All of the Liberals voted against energy east, in favour of blocking the northern gateway, and against a motion to force action on Trans Mountain. All the MPs across the way should not tell us what they believe. They should cast their votes and then we will know what they believe.

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The member for Edmonton Centre recently said in this place, “Never let the truth get in the way of a good story.” Clearly, he never does.

If the government is sincere about pipelines, then it should start voting for them. Our commitment to pipelines did not just start in this Parliament. The Stephen Harper government oversaw the building of Trans Mountain's Keystone pipeline, of Enbridge's Alberta Clipper, of Kinder Morgan's Anchor Loop pipeline, and of Enbridge's Line 9 reversal. We also approved the construction of the northern gateway pipeline.

Now let us be clear. Up until now at least, it has not been the government building pipelines. It has been up to the government, partially through the NEB, to review applications approving or rejecting them, and to establish the conditions that allow them and other commercial activity to succeed. When they were in government, the Conservatives approved every single pipeline that came forward. We established the conditions in which the private sector put forward proposals and we approved those proposals after appropriate review, but we also made sure that this review was appropriate and it was not just a review process that simply bogged these things down in sort of eternal consultations.

Some critics wish that more pipelines had been built, but they have a hard time demonstrating how we could have built pipelines that were never proposed. If the infrastructure minister and others who are making this point are available to pose the question, I ask them to say how they propose we would build pipelines that had not been proposed.

● (2320)

Again, Conservatives approved every single pipeline proposal that came forward. We built four. We approved a fifth. We ensured that every project that was proposed succeeded. I am very proud of that record.

Conservatives have voted for pipelines. We have approved pipelines. We established the conditions under which pipelines were built. We got it done.

What about the Liberal government? It killed one pipeline, the northern gateway pipeline, directly. It killed the energy east pipeline indirectly by piling conditions on it that were designed to make it fail. Let us be very clear. These were conditions that were built to fail. They were put in place and left in place and were clearly designed to make future pipeline construction impossible.

At the same time, for political reasons, the government wants to try to have its cake and eat it, too. It wants to oppose pipelines but to be seen as supporting them at the same time, at least in some political markets.

The government approved the expansion of the existing Trans Mountain pipeline on the basis of interim principles. However, it is clear that the government has a dangerous agenda when it comes to pipelines, and that is to stop as many as possible. If this pipeline is built, it wants to make sure that it is the last one. If the government refuses to take the steps necessary to allow the pipeline to proceed on its own and resorts to either letting it die or nationalizing it, the government will have created conditions in which it will be very

hard to imagine this type of critical, nation-building infrastructure being built in the future. That is the Liberal government policy.

Whoever would invest in an industry where projects were blocked by lawless protestors, in some cases lawless protestors who are members of Parliament, and some national governments block them outside of their jurisdiction and then projects are ultimately nationalized? Do these sound like the kinds of conditions that you, Madam Speaker, as a private sector investor, would find attractive?

We need to establish attractive conditions for those investments, which the government is not doing. The government must establish conditions in which vital projects, and not just this one, can be built with private dollars. It should defend all pipelines. It should vote for them. It should make the clear and obvious case for them, which is that pipelines transport vital energy resources efficiently and with a lower energy impact than the alternatives.

The government should stop talking out of both sides of its mouth. It should stop voting against pipelines, and it should start proceeding.

I would like to make a separate point, as well, about energy policy. That is that the crisis we face at this point is the result of a failed strategy by the government and by some other governments. Again, perhaps it is a strategy that is failing by design. The strategy invites us to look at energy policy as if it were some sort of hostage situation. If energy-producing jurisdictions make concessions, the argument goes, they will be able to move forward with energy development. Just pay the carbon tax, and that will buy the necessary goodwill to get progress on pipelines. Just a little more carbon tax, a little more sacrifice, and then John Horgan and Denis Coderre will release the hostages and support pipeline construction.

One does not need a Nobel Prize, even a fake one, to know that this strategy has failed. We do not want to negotiate with hostage takers anymore. The carbon tax is unaffordable to many Albertans and to people across this country. The federal government is trying to impose it even beyond its jurisdiction. Subnational governments are showing a lack of respect for the constitutional division of powers by trying to stop pipelines, and our national government is showing a lack of respect for the constitutional division of powers by trying to impose the carbon tax.

Objectively, it has not worked. It has not delivered social licence, that nebulous and immeasurable thing. The carbon tax has delivered poverty and misery. It has not delivered social licence, and it has not delivered a pipeline.

The bizarre thing about the government is that its rhetoric actually plays the hostage scenario both ways. It tells those on the right and in the centre that they have to accept the carbon tax to get a pipeline, then it tells those on the left that they have to accept the pipeline to get a carbon tax. If it is going to play this out, then it at least has to decide which is the hostage and which is the ransom.

This is all obviously ridiculous. We should build pipelines because they are in the national interest. We should oppose the carbon tax because it is not. The two are not linked in anyone's mind but the government's, as the current crisis demonstrates.

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Our history shows us, right back to John A. Macdonald, that nation-building infrastructure is vital for our success, that every country needs the ability to access and engage in commerce with others. The government does not understand the importance of vital nation-building infrastructure. It is building walls instead of pipelines between provinces. That has to stop.

Under Sir John A. Macdonald, it took a Conservative to build nation-building infrastructure. It may well take a Conservative government again before we can finally build the nation-building infrastructure that will allow our energy sector to succeed.

• (2325)

Mr. Sukh Dhaliwal (Surrey—Newton, Lib.): Madam Speaker, I noticed that the member was talking about Liberals not voting for this or that. I brought up the recent memory of the 22 hours of voting that the Conservatives forced on us. What they did was to oppose every single one of them, whether it was investing money in infrastructure in Alberta or British Columbia, supporting seniors across this nation, supporting veterans, health care, education, or economic prosperity. They voted against every part of the legislation. Today, they are trying to teach us a lesson.

On the other hand, being a land surveyor and professional engineer, I understand that building pipelines will create opportunities. I am thankful that the member is going to support building this pipeline, but his government should not mislead anyone. That government did not build a single millimetre of pipeline.

• (2330)

Mr. Garnett Genuis: Madam Speaker, the hon. member said that we did not build any pipelines. We built four pipelines and approved a fifth. More to the point, we approved every pipeline application that came forward. I would like to ask the member if he can name a project that we rejected or a pipeline we did not build, because the reality is that we built every one that came forward.

The member says that he recognizes that pipelines create opportunities. He should have voted for them. He asked about the budget vote. We opposed the budget. We opposed a budget that imposed new taxes on Canadians and has no plan to balance the budget. This is the only finance minister in the country who does not have a date in mind for when he could balance the balance.

If the member wants to know why we were up late voting, maybe he should ask his House leader or the Prime Minister. They refused to agree to our legitimate expectation that the national security adviser come to Parliament and give members of Parliament the same briefing he gave to the media. What happened after putting the House through this extended process of the vote was that during the break week, they backed down and we were given the briefing. Conservatives were able to succeed nonetheless. If the member wants to know why they voted for so long to block this from happening when it happened anyways, well, he can discuss that with his House leader.

Mr. Gord Johns (Courtenay—Alberni, NDP): Madam Speaker, I want to thank my hon. colleague for talking about jobs in Alberta and jobs in general. We hear a lot about the need to ship resources to market. What it looks like where I live is that raw log exports have gone up tenfold in 10 years. In British Columbia, we have the highest crime and poverty rates now. That is what it looks like.

The Liberal government removed the tariff so we could build infrastructure to build ferries in Canada that brought in \$118 million a year. They removed that, and now we are building ferries in Poland.

When we look at oil and gas, Norway has a trillion dollars in their prosperity fund. Alberta has \$11 billion. We have been irresponsible. We have been buying into this idea that we need to cream our resources and ship them out of our country in the name of jobs. It is not working. It is time for it to change.

This proposal, this pipeline, is built on the premise that we are going to create jobs. Instead, it is shipping jobs out of here. There is nothing tied to putting money aside for future generations. There is nothing tied to creating value added and refineries here in Canada. There is nothing tied to protecting the environment. This whole pipeline idea is a failure, and it is not in the name of jobs.

Mr. Garnett Genuis: Madam Speaker, I have two quick points in response. First of all, I support the member's idea that we should put resource revenue aside for the future. That was Peter Lougheed's vision. Very clearly, it is not one shared by Rachel Notley, if we look at the deficit figures at present in Alberta.

Now, the member spoke about raw materials, and this is a very important though maybe technical point. However, the reality is that pipelines can transport a range of different kinds of materials. That is why I say build the pipeline. I think there is a case to be made for letting the market decide what products are shipped.

The fact is that with a pipeline that is constructed, there is as much opportunity to transport raw materials as there is to transport refined and upgraded materials. However, we need to be able to transport them one way or the other. Alberta is not itself able to consume all the energy it produces, either as raw or final product, which is why we need the capacity to transport it. That is a fairly fundamental point.

Again, we can debate whether we should be exporting raw material, but that is secondary to the question of whether we should be constructing pipelines. We have to move—

• (2335)

The Assistant Deputy Speaker (Mrs. Carol Hughes): I'm sorry but the time is up.

Resuming debate, the hon. member for Calgary Midnapore.

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Mrs. Stephanie Kusie (Calgary Midnapore, CPC): Madam Speaker, there is a former president of the United States of America whose very telling quote is appropriate for this evening and for this debate. That president was Franklin D. Roosevelt, who said that in politics, nothing happens by accident, and if it happens, one can bet it was planned that way. I think we can see that there were no accidents here, that this terrible incident was the result of the Prime Minister playing politics and refusing to show leadership which resulted in devastating effects.

I am going to talk about these different devastating effects. Those would include missed opportunities, fleeing investments, as well as personal tragedy which I have seen close and up front in my riding of Calgary Midnapore with the people there.

We certainly heard a lot about missed opportunities today. They are too numerous to count, but we will review some of them again.

Petronas LNG, the Malaysian corporation, a \$36-billion project evaporated into thin air as a result of not going forward with this project.

Keystone XL is especially dear to my heart. As the former deputy consul general for Dallas, Texas, I spent a lot of my time on the Keystone XL pipeline file. This was in 2010-13, when Obama was in office. It was a pipe dream at that time where it was complete futility that this would possibly happen. However, a new administration has brought forward the possibility of Keystone XL again. It has recently been resurrected and it has the possibility to carry 830,000 barrels of oil a day. It is an \$8-billion project, on which again we have seen no action as a result of playing political games and poor leadership by the Prime Minister and the Liberal government.

We have heard about energy east ad nauseam, a \$15.7-billion project that many say rests squarely on the National Energy Board's decision to consider direct and indirect greenhouse gas emissions. Again, this is another situation of the Liberal government playing political games and the Prime Minister showing a complete lack of leadership.

Finally, the northern gateway was a project that would have provided close to 4,000 jobs and will never come to pass. It is absolutely tragic. I am certainly not exaggerating when I talk about missed opportunities in terms of the delay, the indecision, and the lack of leadership with the Prime Minister and the Liberal government.

I will talk now about fleeing investment because we certainly have seen investments from Canada absolutely exit in droves. For example, we have seen in Calgary a complete decline in investor confidence in a way we have not seen before. I cannot remember the last time we saw this lack of investor confidence in Canada and specifically in Alberta in the natural resources sector.

Companies come to mind such as Royal Dutch Shell. Shell was one of the backbones of the natural resources sector in Calgary. I remember very fondly in 1988, people sporting Shell's Olympic jackets at that time. There was Norway Statoil as well and the list goes on: Marathon Oil, ConocoPhillips, Apache, Harvest. The list is endless. These are all investors that have left Canada and their return

will not happen overnight. This is something that will take years to build for their return. This is an absolute tragedy.

I would like to share a story about an event I was at on Wednesday night in Calgary. It was put on by the U.S. consulate. We were very fortunate that Ambassador Craft from our good friend to the south, our closest friend and ally, was there. It was a very lovely event.

• (2340)

The subject of the event was very disturbing to me as an elected official for Alberta and Canada. This event was specifically in regard to Canadian investors looking for the opportunity to invest in the United States of America. This is just another example of the opportunity that exists externally for corporations should they not wish to invest their dollars here, which is a result of this poor environment, the political game playing, and lack of leadership from the Prime Minister and the Liberal government.

The fleeing investment is very tragic indeed. However, the most tragic thing of all is the personal tragedy, the personal situations that have arisen as a result of the political game playing and the lack of leadership from the Prime Minister and the government. We have seen incredible unemployment levels in Alberta and Calgary. There are 40,000 fewer jobs now than at pre-recession levels, with 29,800 of those jobs being directly attributed to the oil and gas sector. That is an absolutely astounding number. I met many of these people face to face when I went door knocking last year in the by-election in Calgary Midnapore. There are so many tragic stories out there.

In fact, I would like to share one that was in the *National Post* on April 12 of this past week about Erik Nyman, who could very possibly be one of my constituents. It says:

Erik Nyman, an out-of-work journeyman electrician, was a general foreman in his mid-20s at a thermal oilsands project when he was laid off in December 2015.

Since then, he's gone back to school at Mount Royal University in Calgary to upgrade his skills—obtaining a project management certification and doing courses toward a Blue Seal apprenticeship certification—worked with career coaches and placement agencies, and lost count of how many custom-tailored résumés he's sent out.

"I've been hitting everything that I think I'm qualified for," he said, but fears that he's up against candidates with far more experience for the same entry-level positions.

Nyman said he is willing to work for free in exchange for experience, but it's a difficult subject to broach with an employer, especially when he's still hoping—above all else—to get a full-time job and a paycheck.

"Depression has hit really hard," he said, adding he's now taking anti-depressants. He said he is trying to stay positive for himself and for his 13-month-old son, and his friends have been a source of support.

Erik really could be one of my many constituents in Calgary Midnapore facing this very sad situation.

In addition, we are seeing a decline in the younger workforce as well. U of C engineering school, one of the top engineering schools in the country with a proud history of post-graduation employment, has seen its post-graduation employment rate decrease to 43% in 2016 from 87% in 2014. That is a rate drop of more than 50%. It very sad at a time when we need to be giving our youth hope for the future.

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Calgary's vacancy rates have also been affected dramatically like this. There are secondary and tertiary effects in regard to this. It is the worst of any major Canadian city, having hit 27.4%, which is the highest level in over 30 years, as a result of the lack of leadership from the Liberal government and the Prime Minister. That means 1.1 million square metres of empty downtown space, which is almost 700 hockey rinks, accounting for 40% of the empty downtown office spaces across Canada's 10 largest cities.

I could go on about business owners trying to find efficiencies and hang onto employees as they struggle with these new realities as a result of this lack of leadership.

Make no mistake, none of this happened by accident. It was the political game playing and lack of leadership by the Liberal government and the Prime Minister.

• (2345)

Ms. Sheila Malcolmson (Nanaimo—Ladysmith, NDP): Madam Speaker, I thank my colleague and friend from the status of women committee.

In budget 2012, in an omnibus budget bill, the Conservatives deeply undermined and weakened the role of the National Energy Board, which was done with the hope that it might facilitate pipeline approvals. In fact, I was able to participate from my home on Gabriola Island, where we were concerned about pipeline impacts.

In the northern gateway review, people came to a hearing. They could give their testimony. They could hear each other. However, when it came to the Kinder Morgan review process, which was after the National Energy Board review had been significantly altered by the Harper amendments, there was no cross-examination of evidence. Anybody who had advice for the National Energy Board could only file it in written form. It was called a public hearing, but there was actually no hearing. The U.S. Environmental Protection Agency tried to intervene but was barred as an intervenor. The National Energy Board ruled that the late-breaking evidence that bitumen sinks in a marine environment be barred from the hearing, from the process, based on its being prejudicial to Kinder Morgan. Of course, now we have all these court cases charging that the process was inadequate.

I would like to know my colleague's view, looking back on it, about whether the Conservative amendments to the National Energy Board process, effectively gutting it, might have contributed to these delays.

Mrs. Stephanie Kusie: Madam Speaker, I would argue that it is the current Liberal government that has taken away the power of the National Energy Board and rendered it almost impotent, by changing the board's composition but, more important, by creating barriers for project approval with everything from gender considerations to unreasonable considerations that cannot be met. It is the Liberal government that has done the damage to the National Energy Board, and not our previous Conservative government. In fact, in addition to the ministerial veto, the Liberals have rendered it to the point that perhaps no project may ever be built again, and that is significant.

It was not our actions as the former Conservative government. It is the actions of the Liberal government that have weakened and decreased the power of the National Energy Board.

Mrs. Shannon Stubbs (Lakeland, CPC): Madam Speaker, the Liberals imposed a carbon tax on every Canadian in every community across the country. They said it would buy a social licence to get pipelines built. I wonder what the member hears from her constituents in Calgary and from Albertans across the province about that concept and what they think about the carbon tax.

Mrs. Stephanie Kusie: Madam Speaker, certainly the constituents of Calgary Midnapore have been clear. They do not want a carbon tax.

As well, I was very proud to sit on the environment committee last week, when we had testimony from both CAPP and CEPA. During that testimony, I asked specifically whether the implementation of a carbon tax would reduce emissions. I wanted a straight answer, yes or no. The witnesses were not able to indicate that implementing a carbon tax would provide any reduction in emissions.

Constituents of Calgary Midnapore do not want this carbon tax, and the testimony, as I learned in the environment committee last week, shows that the very objective of the carbon tax does not serve the purpose for which it was intended.

• (2350)

Mr. Vance Badawey (Niagara Centre, Lib.): Madam Speaker, it is a pleasure to be in the House today to speak to this very important issue.

I have to say I have been here all night, and the parliamentary theatrics that have been going on are quite impressive from the opposite side of the floor.

However, I do want to be very clear. This is an issue that is about our country, about our nation, that is looking at taking the next step, enhancing and elevating doing business to the next level and sending a strong message internationally that Canada is in fact open for business.

The TMX project is of vital strategic interest to Canada, and it will be built. Our government has initiated formal financial discussions with Kinder Morgan, the result of which will be to remove uncertainty overhanging this particular project. We are also actively pursuing legislation, the actions that will assert and reinforce the federal jurisdiction in this matter, which we know we clearly have. Hundreds of thousands of hard-working Canadians depend on this project being built. Protecting our environment and growing our economy are not opposing values. On the contrary, each makes the other possible.

I want to give those members on the opposite side of the floor a bit of a history lesson in comparison to what I have heard today. The member for Durham mentioned that the government was in comparison to a Hail Mary pass. Let me just say this: I think on the opposite side of the floor it is the opposition that is throwing the Hail Mary.

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Some will recall that the Harper government refused to officially endorse the northern gateway pipeline project until the National Energy Board's joint review panel had a chance to finish its review. The Hail Mary came when the party, attempting to shore up its western vote, asked this government to endorse the project before the experts had a chance to review it. This government was very clear in the process, being both accountable as well as responsible and, most importantly, respectful.

We consulted, for example, with the indigenous community. Our government was and continues to be committed to renewing the relationship with indigenous peoples based on the recognition of rights, respect, co-operation, and, equally as important, partnership. We are committed to reconciliation and will work in partnership to address the issues of importance to indigenous communities.

On the TMX expansion, Canada has in fact completed the deepest consultations with rights holders ever on a major project in this country. To date, 43 first nations have negotiated benefit agreements with this project, and 33 of those are in British Columbia. We have listened, and we will continue to listen.

Once again, in contrast, the Conservative Party had 10 years to build a pipeline to ship Canada's resources to new global markets. It built zero. The Conservatives had 10 years to consult indigenous and local communities. They ignored them. The Conservatives had 10 years to rally the country around the need for new pipeline capacity to end the discount on landlocked Canadian crude. They did not. The Conservatives had 10 years to address environmental concerns. They failed. We will take no lessons from the Conservatives.

The economic benefits to this nation will be compounded on the strengths that we have already established throughout many years: thousands of new jobs during construction, hundreds of permanent jobs per year during operation, \$4.5 billion in government revenues to reinvest in priorities such as hospitals and roads, clean-energy initiatives, and innovation technology, which I will get back to in a second.

● (2355)

Strategic access to new global markets unlocks the value of Canada's natural resources. This \$7.4-billion project has significant economic benefits, including providing an expected \$4.5 billion in government revenues. It will create thousands of new jobs in Alberta and B.C. during construction, not to mention the supply chain that exists from coast to coast to coast. Indigenous peoples will also benefit from jobs and business opportunities as a result of over \$300 million in mutual benefit agreements signed with the proponent.

The project will expand access to Canada's export market access for oil markets in Washington State, northeast Asia, Japan, China, South Korea, and Taiwan, and secondary markets in the United

States, such as California, Hawaii, and Alaska. It will also help address an emergency bottleneck in Canada's pipeline network, which might otherwise drive producers to greater reliance on transportation by rail.

As I mentioned earlier, community consultations consisted of 44 public meetings in 11 communities on pipeline routing, more than 35,000 questionnaire submissions, more than 20,000 email submissions, and 1,600 participants in the review process.

In May 2016, the Minister of Natural Resources named a three-member ministerial panel for the proposed project. The ministerial panel heard the views of Canadians, local communities, and indigenous groups along the proposed pipeline and shipping route, who may not have been considered as part of the review in the past.

Some people would ask, as the member for Niagara Centre, what interest I would have in this. The interest is from coast to coast to coast, with respect to Niagara being an international trade corridor; the Great Lakes; the ability to contribute as a region and as a riding to the integration of distributional logistics; ensuring we become an enabler for the nation to perform a greater and higher degree of transportation, thus placing our great nation on a higher level globally when it comes to the economy. There is our supply chain, Oskam Steel, Thurston Machine, Barber Hymac, JTL Machine, ITT, all contributing to the sector, from Ontario, from Niagara.

This government has been deliberate in putting forward an overall strategy for jobs and the economy. The oceans protection plan, the trade corridor strategy, the ports modernization plan, the infrastructure plan, science and innovation, international relations, all of which this government has been participating in over the course of the past two years. They are all in step with Canada's new economy and ensuring that this project aligns with the other efforts this government has been working on for the past two years to create jobs, to create the economy, to create health, to create wealth, and to ensure that our product, our GDP, as well as the relationships we are accruing over time throughout our global economy are healthy. This project, supported by this government moving forward sooner rather than later, is one that we as a nation will be truly proud of well down the road for the future generations, to once again ensure that the economy of Canada extends to the economy of the global markets that we are inevitably going to partner with.

[*Translation*]

The Assistant Deputy Speaker (Mrs. Carol Hughes): It being midnight, I declare the motion carried. Accordingly, the House stands adjourned until later this day at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 12 a.m.)

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IN THE MATTER OF A REFERENCE to the Court of Appeal pursuant to section 8 of the *Courts of Justice Act*, RSO 1990, c. C.34, by Order-in-Council 1014/2018 respecting the constitutionality of the *Greenhouse Gas Pollution Pricing Act*, Part 5 of the *Budget Implementation Act, 2018, No. 1*, SC 2018, c. 12

COURT OF APPEAL FOR ONTARIO

Proceedings commenced at Toronto

**RECORD OF THE ATTORNEY
GENERAL OF ONTARIO**

VOLUME IV OF IV

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