



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

House of Commons Debates

VOLUME 148 1 NUMBER 175 1 1st SESSION 1 42nd PARLIAMENT

OFFICIAL REPORT (HANSARD)

Thursday, May 11, 2017

Speaker: The Honourable Geoff Regan

Business of Supply

Opposition Motion—Canada Infrastructure Bank

Ms. Dianne L. Watts (South Surrey—White Rock, CPC):

Mr. Speaker, I was delighted to hear the minister defend this bank.

First, I will be splitting my time with the member for Richmond—Arthabaska.

I want to thank the member for Beloeil—Chambly for bringing this motion forward. This is a very important issue. Many of us would agree that Canada is open for business. However, it is about what kind of business and what that process looks like. As we have seen with the development of this bank, there are some serious concerns on this side of the House. I want to give a bit of an overview of this bank.

Of a total of \$35 billion of taxpayer dollars, \$15 billion are being taken away from communities, but the government has announced these projects. Therefore, there is an anticipation from communities that these projects will be built in their communities. However, that is not so, because \$15 billion are being taken away from communities, \$5 billion are being taken away from public transit projects, \$5 billion are being taken away from trade and transportation, and \$5 billion are being taken away from green infrastructure. Therefore, the minister should really let communities know which ones will be affected and which projects that have already been announced will not go forward. That is the prudent thing to do. The government talks about being transparent. That is a measure of transparency.

Also, the CPP Investment Board has stated that investors will only look at projects worth over \$500 million because it needs a return on its investment. However, \$20 billion will be provided to the bank through equity and debt, which means it will not be on the books unless the project defaults. This is another very problematic issue.

The bank will seek out private investors and public pension funds to invest in Canadian infrastructure projects. However, if we come back to what the expectation is from investors, they want a return on their investment as high as 12%. For those who have RRSPs invested or any investments whatsoever, 12% is a really good return rate. What is missing in this is that the minister has not identified where that money is coming from. How is that being paid back to the investors? If it is through taxes, tolls, road pricing, whatever fees and mechanisms that looks like, it should be implicit in the legislation. It is not there. There is no mention of what the return on investment will look like. Again, that is very problematic.

I go back to 2009, when the Conservative government set up PPP Canada. At the time, I was the mayor of a large city of 520,000 people. We were a beneficiary through PPP Canada. We worked together and commenced the building of a biofuel facility, which is being completed now. We leveraged private sector dollars. However, the taxpayers are not paying fees to investors on that front. Therefore, the structure is already there in PPP Canada. The initial investment into PPP Canada was \$1.3 billion, which leveraged \$6 billion in infrastructure. The mechanisms and the tools are there.

One of the other functions of the bank is data collection. The FCM has been doing data collection for quite some time. In fact, \$50 million were given to the FCM by the current government specifically for data collection. Therefore, again, it is a repetition of things that are already being done.

The infrastructure bank portion of Bill C-44 will be studied for just one hour. For something as significant as this, with \$35 billion of taxpayers' dollars, to be studied at committee for one hour is absolutely not enough time. Within the motion that has been put forward today, the NDP has requested that this be brought back to the House separately so we can have a wholesome debate on it. Unfortunately, the government has invoked time allocation. It is shutting down debate and giving one hour in committee. This is absolutely unacceptable.

In a *Globe and Mail* article on Wednesday, May 10, the Minister of Infrastructure stated: "We are not hearing concerns from [those on] whose behalf we are doing this". Of course there are no concerns from the people for whom they are doing this. That comment from the minister is really telling.

I want to talk about the significant conflict of interest. The Liberals gave direct control over the development of the bank to the very same private investors that will be profiting from the bank. This is a clear and blatant conflict of interest. BlackRock officials were invited by the Liberals to work directly with senior public servants, as well as ministerial staff, ahead of a closed-door meeting with the Prime Minister and ministers on November 14. This was to ensure that BlackRock clients would hear from the minister about the infrastructure bank. In fact, they even looked over the speaking notes of the minister. Documents also reveal that a member of the finance minister's advisory council, who is the president and CEO of Quebec's largest pension fund, was the lead in the policy decisions of the infrastructure bank. That is interesting, because now the pension fund is seeking a \$1.3 billion contribution from the Liberal government for a \$6 billion light rail transit project. Again, this is a blatant conflict of interest.

The postings for the positions on the board are closing before the end of this month, and the legislation has not even been passed.

Let us talk about the Liberal infrastructure plan. Ninety per cent of the announced infrastructure projects have failed to start construction. That means there are no jobs being created and the economy is not being stimulated. The majority of the funds in the Liberal infrastructure plan are back-ended after 2022. There are no bilateral agreements for phase two that have been signed, and no projects have been submitted by the provinces.

The PBO, the Fraser Institute, the Senate, and the C.D. Howe Institute all have serious concerns. They cannot follow the money, there is no transparency, the projects are not getting built, and there is no way they can measure progress. No wonder the government wants to muzzle the PBO.

The Liberals continue to say “historic” amounts of spending, and they are spending. They are spending \$253 million on the Asian infrastructure bank, but we are going to be on the hook for \$1.3 billion in loan guarantees. The Chinese government is taking the lead on that.

I would like to make an amendment to the motion. I move:

That the motion be amended by adding to part (c) after the word “investors” the following:
using taxpayer dollars while also imposing user fees on Canadians

The Deputy Speaker:

It is my duty to inform hon. members that an amendment to an opposition motion may be moved only with the consent of the sponsor of the motion.

I therefore ask the hon. member for Beloeil—Chambly whether he consents to this amendment being moved.

Mr. Matthew Dubé (Beloeil—Chambly, NDP):

Yes, Mr. Speaker, I do consent, and I would add, tongue in cheek, that if the NDP and the Conservatives are working together against this measure, then it must mean the government is really headed in the wrong direction.

The Deputy Speaker:

The amendment is in order.

Mr. Matthew Dubé (Beloeil—Chambly, NDP):

I thank my colleague for her speech, her amendment, and I dare say, her support. She can correct me if I am wrong, but I believe she supports the motion.

She skilfully illustrated the problem with studying such an important plan, which requires a \$35-billion investment by taxpayers, in just one hour in committee. The speaking time of parliamentarians and their ability to provide input are being limited.

Earlier, in response to my question, the minister said that the government held consultations before introducing the legislation. That is too bad because legislation is a way of consulting parliamentarians and it leaves a lot to be desired right now.

I would like my colleague to say a few words about the fact that the government is looking for candidates for the board of directors and has chosen a location for the bank with no regard for

our opinion on the matter. The fact remains that making such decisions before they are reviewed or voted on by Parliament is extremely problematic.

Does the hon. member not agree?

Ms. Dianne L. Watts:

Mr. Speaker, we do support the NDP motion put forward. It is very problematic; there are serious conflict of interest issues. We need to have this legislation reviewed. We need to have the recommendations coming out of the advisory board reviewed. We need to have the request for \$1.3 billion, which was made by an individual on the board, reviewed. To not have the time to have a wholesome discussion is absolutely unacceptable, when we are talking about \$35 billion of taxpayer monies that are being shuffled behind closed doors, and debate is being shut down. I do not know how any Canadian across this country would accept this kind of behaviour from a government.

Mr. Randy Boissonnault (Edmonton Centre, Lib.):

Mr. Speaker, as a historical note, it was the then finance minister, now public safety minister, who introduced the gas tax transfer to assist with municipal infrastructure. Budget 2017 is now taking extra steps on top of the \$180 billion commitment to restore infrastructure and rebuild infrastructure in this country with the announcement of the Canada infrastructure bank.

It is also important to note that this will be debated in two committees in this place and two committees in the other place. How can this possibly not benefit our Canadian communities from coast to coast to coast, when the Canada infrastructure bank is going to add more of the infrastructure Canadians need and address the \$500 billion deficit we have in this country?

Ms. Dianne L. Watts:

Mr. Speaker, actually it was the Conservatives who made the gas tax permanent and indexed it.

We look at the mechanism of PPP Canada that has already been set up, already has a track record. If there is a mandate the Liberals want to expand, then they should look at expanding it on exactly the structure that has been there and proven for many years. We should not set up a new bank that is supposed to be at arm's length using \$35 billion of taxpayers' money, taking out of the communities the money that has already been announced in the communities. I find that absolutely outrageous.

For the member to think that one hour of debate on this significant bill is appropriate, then he needs to think again, because this is not appropriate. The House needs to debate the bill, we need to have proper transparency, and we have to have the parliamentary budget officer look at this conflict of interest. That is where we need to go as Canadians. Obviously, the government does not want to have this shown to Canadians.