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Speaker: The Honourable Geoff Regan

Budget Implementation Act, 2017, No. 1

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

Madam Speaker, I am pleased to rise to speak to Bill C-44, budget implementation act, 2017, No. 1.

We have heard from many members in this House about the numerous issues with the bill. When we have a bill that is over 300 pages long and amends 30 pieces of legislation, we really need to have a substantial amount of debate on these issues.

Unfortunately, the Liberals have been intent on ramming through this legislation without proper consultation and the discussion it deserves. There have been only four days of debate on Bill C-44 at second reading. There have been only six meetings of the finance committee on this legislation and just under two hours of consideration at the Standing Committee on Transport and Infrastructure. Now here we are at report stage, one of the final stages of the bill that amends 30 pieces of legislation, and the Liberals have moved time allocation again. This is simply not enough time to do our due diligence when it comes to making sure that we are passing the best piece of legislation we can.

I want to speak to one part of Bill C-44 in particular that really highlights the need for discussion and debate, and that is division 18, which creates the infrastructure bank of Canada act.

As the official opposition critic for infrastructure and communities, I have been following the Liberal process of creating their infrastructure bank since November 2015. I have raised concerns about the design of the bank, the need for the bank, the functions of the bank, and who

will be benefiting from the bank. While Bill C-44 offers new details about the structure and the financing of the bank, it also introduces a multitude of new questions. I was looking forward to really beginning to drill down into this piece of legislation to make sure that the \$35 billion of taxpayers' money spent to finance this bank would be spent in a way that would ensure that Canadians and communities were getting the critical pieces of infrastructure they need.

Unfortunately, the Liberals allowed only two hours of study of this legislation at the Standing Committee on Transport and Infrastructure. I know that when they were questioned by the media as to why there was so little time given to members to study such an important piece of legislation, the **Minister of Infrastructure and Communities** told the media that the committee could hold more meetings if it chose to and that the minister and the PMO were not involved in telling the committee what to do.

A motion was put forward at the transport committee to add two more meetings on this legislation and to bring in more expert witnesses who could speak to the development of the legislation and its impact on the future of Canadian infrastructure and communities. The Liberal MPs voted that motion down and blocked any further study of this legislation. The committee discussed a \$35-billion bank in under two hours. That is 3.42 minutes per billion dollars. We called for this section of Bill C-44 to be separated from the rest of the bill to allow the House more time to debate it, and of course, the Liberals voted that down as well.

The Senate is now considering separating the legislation from the rest of the bill, because it too recognizes that this bank will have a significant impact on Canadians and has serious issues that really do need to be addressed. As Bill C-44 comes before the Senate, I really hope that the upper chamber will do what this House refuses to do, and that is to separate the legislation for the infrastructure bank so we can give it the proper study and discussion it deserves.

I also want to highlight some of the issues surrounding the bank. The Liberal infrastructure bank will use \$35 billion of taxpayers' money to underwrite loans and provide loan guarantees to private and foreign investors.

These investors are looking for significant returns. J.P. Morgan put out a list, and depending on the project, it ranges anywhere from a 7% to 20% return on the investment. That means that investment will only occur for large, lucrative projects. Few municipalities in Canada will have their projects built through this bank.

Another troubling aspect of this legislation is that executives from BlackRock, the world's largest investment firm, were invited to be directly involved in the development of the legislation and to preview the minister's speech before the bank was pitched to their clients. That is a blatant conflict of interest.

This legislation gives the Liberals the power to provide loan guarantees to investors. We already have PPP Canada, which has been in operation since 2009. This crown corporation was specifically designed to leverage private sector dollars to build infrastructure. From the initial investment of \$1.3 billion, it has leveraged over \$6 billion in infrastructure in an open, transparent, ethical, and effective way.

If the Liberals had actually put the \$35 billion into PPP Canada and expanded its mandate, PPP Canada could have leveraged \$170 billion in infrastructure. In fact, in the KPMG report, which was commissioned by the Liberals, it advised them on setting up the infrastructure bank. It stated that putting the bank under an existing agency, like PPP Canada, would have been cheaper, more efficient, and less bureaucratic than setting up a whole new crown corporation.

However, the Liberals ignored that expert advice and decided to set up a new institution that has significant conflict of interest issues surrounding it.

Furthermore, pension plan investors, the very same ones the Liberals claim are supportive of this bank and will benefit from this bank, are also raising concerns. The Ontario Teachers' Pension Plan board told the Senate banking committee last month, on May 18, that their biggest concern with this bank is that they do not know who they should be negotiating with. Are they negotiating with the bank or are they negotiating with cabinet?

The minister and cabinet underwrite the loans, appoint the board of directors, and approve the CEO. They can fire these people without cause, and according to the Minister of Finance, will have the final say over which projects get built and which do not.

We simply need to have more time to debate these issues. Canadians have questions for this Liberal government about this bank and its relevance, about how the legislation was written and by whom, and about who will truly benefit. It is obvious that the Liberals do not want these questions to be answered, because they have rammed this legislation through the House and committee with minimal debate, and today they have just moved time allocation to shut down third reading debate as well.

This legislation has not been passed yet, and the Liberals are already advertising job postings for the CEO and board members. I truly urge my colleagues to stop and think, because we need to be putting Canadians first and making sure that our communities are getting the infrastructure they need, not focusing on making sure that private investors are getting their 20% returns at the expense of Canadian taxpayers.

Ms. Linda Duncan (Edmonton Strathcona, NDP):

Madam Speaker, it was a pleasure formerly sitting on the transportation and infrastructure committee with the member. There was a massive agenda in that committee.

I can remember in a previous incarnation, I think it was when I was on the OGGO committee, that we looked at and analyzed P3. One of the big issues with P3 was the lack of transparency. There were a lot of concerns about P3. However, the government decided to go with that. One of the big issues was to make sure we were getting a proper benefit and so forth.

I am wondering if the member could elaborate a little more on P3 versus this infrastructure bank. I was no fan of P3. I know, frankly, that there are some members of this House from my city who were opposed to P3s when they were city councillors, but it was foisted on them by the previous Conservative government to get money for LRT.

Is the member of the view, within her party, that they are beginning to rethink these mechanisms and that perhaps we need greater accountability for the spending of taxpayers' dollars?

Ms. Dianne L. Watts:

Madam Speaker, I appreciate that question, because there is a significant difference between P3 Canada and the infrastructure bank. P3 Canada never did any underwriting of loans. In this case, \$20 billion is going to reduce the risk on the private sector and give them a return on their investment and underwrite the loan. That is a significant difference.

With P3 Canada, it was a partnership between the private sector and different levels of government that came together. They were not underwriting the loans and they were not giving a return on the investment. It was a partnership, and therein lies the difference. What it did was

leverage private sector dollars, which the Liberal government purports is a new-found mechanism for the bank, but it has been there since 2009. We were just not putting taxpayers at risk in terms of underwriting loans.

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC):

Madam Speaker, with the wildly successful Building Canada program that the former Conservative government had in place, we had a very low rate of interest as government to provide collateral for infrastructure building. Roads were built, bridges were built, community centres were built, all on the basis of interest rates that were just above zero.

I would like to know whether the member could compare and contrast how it was with Building Canada versus what will be expected, especially of new municipalities, in having to deal through an infrastructure bank instead of through the provincial-federal secretariat as we used to have to do.

Ms. Dianne L. Watts:

Madam Speaker, that question is relevant, because small communities will not be able to access money from the infrastructure bank. It is plain and simple. The rates of return are based on projects over \$100 million. When the Building Canada fund was there and when we indexed the gas tax, it went directly to communities. There were many different mechanisms that went to small and rural communities and also went to larger communities, and 94% of all of the projects announced from the Conservatives were built. That is 94% as opposed to \$1 billion from the 2016 budget that the current government has allowed to lapse, and it will not be reintroduced until 2022. That is \$1 billion taken right off the top.

When we look at the number of announcements, we see that the minister is so proud that he has made more announcements than any other government in history. Yes, he has. He has announced them all, but they are not getting built. Some 94% are not under construction. Those that are under construction are the projects that we implemented through the Building Canada program.