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OFFICIAL REPORT
(HANSARD)

Tuesday, October 3, 2017

—

Speaker: The Honourable Geoff Regan

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HOUSE OF COMMONS

Tuesday, October 3, 2017

The House met at 10 a.m.

Prayer

• (1000)

[*Translation*]

VACANCY

BATTLEFORDS—LLOYDMINSTER

The Speaker: It is my duty to inform the House that I have received notice that the following vacancy has occurred in the representation.

[*English*]

The vacancy is the seat of the hon. Gerry Ritz, member for the electoral district of Battlefords—Lloydminster, by resignation, effective Monday, October 2, 2017. Pursuant to paragraph 25(1)(b) of the Parliament of Canada Act, I have addressed my warrant to the Chief Electoral Officer for the issue of a writ for the election of a member to fill the vacancy.

ROUTINE PROCEEDINGS

[*Translation*]

OFFICE OF THE COMMISSIONER OF THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

The Speaker: I have the honour to lay upon the table, pursuant to subsection 23(5) of the Auditor General Act, the fall 2017 reports of the Commissioner of the Environment and Sustainable Development to the House of Commons. These reports are permanently referred to the Standing Committee on Environment and Sustainable Development.

* * *

[*English*]

MISCELLANEOUS STATUTE LAW AMENDMENT ACT

Hon. Maryam Monsef (for the Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-60, An Act to correct certain anomalies, inconsistencies and errors and to deal with other matters of a non-controversial and uncomplicated nature in the Statutes of Canada and to repeal certain

Acts and provisions that have expired, lapsed or otherwise ceased to have effect.

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

Hon. Ralph Goodale (Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, on behalf of the Minister of Justice and Attorney General of Canada, I would like to table, in both official languages, a charter statement on Bill C-60, an act to correct certain anomalies, inconsistencies and errors and to deal with other matters of a non-controversial and uncomplicated nature in the Statutes of Canada and to repeal certain acts and provisions that have expired, lapsed or otherwise ceased to have effect.

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the 39th report of the Standing Committee on Procedure and House Affairs. The committee advises that, pursuant to Standing Order 91.1(2), the Subcommittee on Private Members' Business met to consider the order for the second reading of private members' bills introduced in the Senate and recommended that the item listed herein, which it has determined should not be designated non-votable, be considered by the House.

The Speaker: Pursuant to Standing Order 91.1(2), the report is deemed adopted.

(Motion agreed to)

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CANADA ELECTIONS ACT

Mr. Michel Boudrias (Terrebonne, BQ) moved for leave to introduce Bill C-364, an act to amend the Canada Elections Act and to make a consequential amendment to another Act (political financing).

Mr. Speaker, I am honoured to rise in the House today to introduce a private member's bill to amend the Canada Elections Act to restore public funding for political parties. This issue was previously debated many times here in the House. With the support of all my colleagues across party lines, I hope that we will finally be able to enhance our collective democracy properly. More importantly, however, I hope we can chase away the dark cloud that is hanging over the ethics of political party financing and restore public confidence in our institution.

Business of Supply

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

* * *

•(1005)

[English]

CRIMINAL CODE

Mr. Mel Arnold (North Okanagan—Shuswap, CPC) moved for leave to introduce Bill C-365, An Act to amend the Criminal Code (firefighting equipment).

He said: Mr. Speaker, it is an honour today to table my private member's bill, Bill C-365, an act to amend the Criminal Code regarding firefighting equipment. This bill would amend the Criminal Code to establish specific penalties related to the theft of firefighting equipment. It would also create an aggravating circumstance for sentencing if mischief involves firefighting equipment. Finally, it would establish sentencing objectives in relation to the theft of such equipment.

This summer I was shocked to hear reports of firefighting equipment being stolen and vandalized during the worst wildfire season in British Columbia's written history. After researching the Criminal Code, it was apparent that there was a gap when it comes to the denunciation and deterrence of theft or damage to firefighting equipment.

The bill's proposed amendments would bring theft causing actual danger to life in line with a similar scenario regarding mischief dealing with the same equipment. The amendments would also provide prosecutorial discretion over charges laid and judicial discretion and objectives in sentencing in cases involving theft or mischief in relation to firefighting equipment.

I look forward to debating this bill in the House and hope for the support of my colleagues and the brave women and men firefighters right across the country as I move it forward.

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

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I ask that all questions be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

OFFICIAL REPORT

Ms. Julie Dzerowicz (Davenport, Lib.): Mr. Speaker, I rise on a point of order. On September 20, I introduced my private member's bill on Portuguese heritage month, and there is a correction and clarification I would like to make for the record. I misspoke at one point, and I would like to correct that.

At around 12 minutes and 45 seconds into my 15-minute speech, I said, "There is no Portuguese fundraiser that is not supported by Local 182 and Local 506. I want to thank Jack Preset as division

manager for his extraordinary leadership." I said the name Jack Preset, and it should be Jack Oliveira.

I also said "Local 183", but unfortunately, I paused, and it did not come across clearly. The record currently says "Local 182", but it should say "Local 183".

I would like to make those two corrections.

The Speaker: I thank the hon. member for Davenport for correcting the record.

GOVERNMENT ORDERS

[English]

BUSINESS OF SUPPLY**OPPOSITION MOTION—CONSULTATIONS ON PROPOSED TAX CHANGES**

Hon. Pierre Poilievre (Carleton, CPC) moved:

That, given the proposed changes to the taxation of private corporations as outlined in the Minister of Finance's paper "Tax Planning Using Private Corporations" will have a drastic negative impact on small and medium sized local businesses, the House call on the government to continue, until January 31, 2018, its consultations on these measures.

He said: Mr. Speaker, I will be splitting my time with the hon. Leader of the Opposition.

The government says it wants to avoid unintended consequences from its proposed tax changes. Here is one. What if these proposals simultaneously raise taxes and reduce government revenue?

Let us consider the government's new tax on so-called passive income. Under the present system, when all is said and done, small business earnings are taxed at the same rate as wages. The only difference is timing. Assuming a 50% personal income tax rate, a wage earner pays 50¢ on the dollar in the year it is earned. A business, by contrast, pays 15¢ in the year it is earned and the remaining 35¢ when she takes the money out of the company. The government claims that this is allowing the business owner to invest that 35¢ inside her company, growing a bigger nest egg than she would if she had paid all the tax up front. This, according to the finance minister, is unfair.

To prove it, the finance minister's so-called consultation document has a table showing how much better off this small business woman is from investing the after-tax proceeds of \$100,000 of business earnings versus investing the after-tax proceeds of \$100,000 in wages. In the first instance, the business owner has starting capital of \$85,000, with the small business tax rate being roughly 15%, in most provinces. As an employee, she would have only \$50,000 as starting capital.

Business of Supply

The result is that if both she and her employee had the same money and invested the after-tax proceeds, she, as a small business owner, would have \$62,000 at the end of a 10-year investment, and the employee would have about \$58,000, using the round numbers the government provides in table 7 of its consultation paper. It is \$62,000 at the end of the day at the end of the 10-year period for the small business woman, and \$58,000 for the employee. It is not fair, right? However, there is one key detail the finance department excluded from this table. In fact, the only detail that matters is excluded, and that is who actually paid more tax, the small business woman or the employee, after the 10-year period, assuming a 3% rate of return, as the department's table does. The government omitted that calculation altogether. It did not want people to know who paid more taxes at the end of the day.

I had a respected tax modelling firm, headed by Jay Goodis, the chartered professional accountant and CEO of Tax Templates, do the math the government left out of the consultation paper. Let us break it down. It is true that the employee paid more tax up front: \$50,367, to be exact. He then paid another \$8,023 on the interest earned in the subsequent 10 years, for a total tax bill of \$58,390.

The business woman, on the other hand, paid admittedly less money up front: \$14,400. She then paid another \$5,412 on her interest. So far it is true that the business person paid a little bit less. However, at the end of the 10-year period of investment, when she took the money out, she actually paid a whopping \$45,238, because that tax was not avoided; it was merely deferred. She paid a total of \$65,050, or about \$6,700 more than the employee.

How is it possible that the small business person actually paid more tax and had more money at the end of the 10-year cycle? The answer is that the money on the deferred tax grew to a larger total, so when she pulled it out, there was more money to tax. In other words, both the business owner and the government are actually better off. This, again, is under the scenario the government put in its consultation paper, lest my friends across the way try to accuse me of contriving the right circumstance to get the right result.

● (1010)

To be fair, we need to take account of inflation. The business owner did pay the \$35,000 in tax at the end of the 10 years, as opposed to the beginning, and during that time the value of money declined. The Bank of Canada has a target rate of inflation of 2%, which reduces the value of that \$35,000 by \$6,403, but still, even if we subtract that \$6,403, the small business woman paid \$250 more in tax than the employee did in this scenario.

The scenario of course was perfectly contrived by the government to produce the best possible result to make its case. Now I am using it to make mine, but if that business person and that employee had earned, say, 6%, which is still a very reasonable return, then the business woman would have paid almost \$8,000 more in tax after inflation was factored in than the employee in the exact same circumstance.

Also, the calculation is extremely conservative. I am excluding the benefits of having the entrepreneur invest the money up-front and to pay the taxes later. For example, the companies she is lending to or investing in are paying her 3% for a reason. They are using her capital to hire people and buy profit generating assets, which also

generate tax revenue for the government. I am excluding all of that revenue from my calculation.

The finance minister suggests that these types of passive investments inside a company constitute dead money. He is dead wrong. In fact, this bizarre claim contradicts his own consultation paper, which calculated that these very investments generate \$27 billion in income every year. The only way these investments could possibly generate these returns is if the companies receiving the investments use them to fund their own growth.

How much of that growth would be lost if the government deleted the initial investment by forcing the business owner to pay that extra 35% up front on the principal, or a new double tax of 73% on the resulting income? The \$27 billion in growth is a lot of money and it cannot be the result of dead money because we know that dead things do not grow.

The calculation I put forward also excludes other behavioural responses that would inevitably result from the government's proposed tax increase. With the punitive 73% tax rates the government is threatening to impose on passive income, how many of the investments I just described would simply not happen in the first place? How many young people would look at the diminished reward and simply say, why should I bother taking the risk, or why should I not just invest in another country? Even if none of these behavioural changes happen, if we believe the contrived scenarios the finance minister has developed to make his case, the government will still be getting less lifetime revenue, according to the calculations provided by Jay Goodis at Tax Templates.

When I asked the Finance officials these questions, they said it was true that the government would get less revenue, but that it would be fairer because it would be more neutral. That is the kind of negative, adverse thinking that the government has toward our entrepreneurs. This is not a policy of wealth distribution, it is a policy of wealth destruction. The only reason the government wants a policy that will reduce its revenue is that it will increase the revenue in the very short term as money floods out and into the coffers, because the Prime Minister wants to spend the money now and so he wants to tax it now. Our view is that he should consult more, fix these problems, scrap this tax increase, and focus on growing the wealth of the nation so that the rising tide will lift all ships.

● (1020)

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, the current tax system is unfair and needs to be changed since a professional making \$250,000 a year and who takes advantage of the current rules could end up paying a lower tax rate than the middle-class employee on salary. It is very clear that the Government of Canada understands and appreciates the true value of Canada's middle class and those aspiring to be a part of it.

Business of Supply

Once again, we see a policy coming from the government that reinforces the view that a strong Canada means a strong middle class, yet we see the opposition again trying to attack the government's ability to ensure there is fairer tax for all Canadians.

Why does this opposition oppose having a fairer tax system?

Hon. Pierre Poilievre: Madam Speaker, this July the Prime Minister and the Minister of Finance made a selfless announcement that the rich should pay more tax, meaning of course that the Prime Minister might have to give up the inherited Mercedes he received from his father and that the finance minister's billion-dollar company would pay much higher tax rates, and that both of them would make great sacrifices so that everyone else could pay less. Just kidding.

In fact, they will not pay a penny more. The billion-dollar family business of the finance minister is excluded, and the family fortune of the Prime Minister is excluded. Just the plumbers, the electricians, and the farmers will pay new tax under this particular proposal.

Speaking of fairness, let us deal with the inequalities they are creating in this system. The passive income from investing in someone else's business will be taxed at higher rates than investment in one's own company. Indeed, there will be a 73% tax on so-called passive investments within a small private company, but no tax increase on a larger publicly traded Bay Street company. There will be pension splitting for government and corporate workers, but no retirement income splitting for retired business people. Furthermore, farmers will pay higher tax in selling their family farm to their kids than to a foreign corporation.

If the Liberals are just trying to create neutrality in the tax code, why will there be so many new inequalities and so much more unfairness?

[Translation]

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Madam Speaker, I would like to ask my Conservative colleague a question, but first I would like to remind him of something that the Liberals do not like to hear.

The Liberal platform of 2015 indicated that they wanted to look at all tax measures, billions of dollars' worth, but nothing was said about targeting just small and medium-sized businesses. They talked about looking at the bigger picture when it comes to tax measures in order to create greater tax fairness. They also promised to lower the tax rate for small and medium-sized businesses, which they have not done.

Instead of looking at the bigger picture, the Liberals botched the consultation process by holding it in the middle of the summer and talking about only one thing, namely, small and medium-sized businesses.

Does the member agree with the NDP that not only should there be more consultation, but that the consultation process should look at the entire tax structure, as the Liberals had promised?

Hon. Pierre Poilievre: Madam Speaker, I thank my hon. colleague for the question.

It is true. The proposed changes are targeted with surgical precision to exclude the wealth of Liberals, ministers, and their

friends. For example, tax havens, which the hon. member often talks about, were totally excluded from these changes. We wonder why the government is not looking at areas relating to corporations and billionaires who avoid paying taxes here in Canada.

[English]

If I could just pick up on the earlier premise of my speech, that less revenue might result from these increased tax rates, that is exactly what happened as a result of the Liberals' first tax increase. They said they would collect more money in taxes from the rich. In fact, according to the finance department's annual report, they collected \$1 billion less in tax revenue from the wealthiest Canadians as a result of the changes brought in during their first year.

By the way, how much will it cost to fund compliance with these new changes? Will they actually make more money as a result or will the cost on the taxpayer simply increase, just as they increased the burden on small business?

• (1025)

Hon. Andrew Scheer (Leader of the Opposition, CPC): Madam Speaker, I want to start by thanking my colleague, the shadow minister of finance, for sharing his time with me today.

Today, our Conservative opposition is demanding that the government give Canada's local business owners a little respect.

[Translation]

For the past couple of months, our Conservative opposition has heard from Canadians across the country. They come from all walks of life and live in cities and rural areas. They own small local businesses and have people working for them. They are the mechanics and their employees who maintain our cars. They are the coffee shop owners who provide us with a place to meet our friends. They are the farmers who provide us with fresh, healthy food, who want to hand over the family farm to the next generation. They are unanimous when it comes to the Prime Minister's tax increases. The proposed tax increases are a serious threat to their jobs, their livelihood, and their community.

Small businesses are the backbone of Canada. They are the heart of our economy in communities large and small. That is where we get our first jobs or where people get a fresh start.

[English]

That is why we simply cannot stand by and allow the Liberal government to attack those people. We have been hearing for months of the very real threat these tax hikes pose to local business. The government needs to listen to those voices. That is why we are calling for the consultation period to be extended. There is simply too much on the line for so many hard-working Canadians for the government to get this wrong.

Business of Supply

We are not talking about big multinational corporations, but about our neighbours and people like Bowen Lew, a first generation Canadian I met last week in the market. Bowen owns a company that sells hardwood flooring. He employs five workers. He came to Canada from China because he believed that this was the right place to build his business and raise his family. Bowen wants to expand. He wants to open another location. He wants to hire more workers. That is job creation in action. It is a small business hiring a few more people. However, the Liberal government's new taxes on passive investments and income are putting his expansion plans in jeopardy. It will make it much costlier for him to save within his company.

The government likes to talk about fairness. It says that it is raising taxes on business operators like Bowen in the name of making things fair for the middle class. That makes no sense.

[Translation]

That is not fair. Those business owners are honest, hard-working people. They do not have paid vacation or employment insurance benefits to help them. They do not keep track of their overtime hours. Instead, they put everything they have into their business to get people working and to make their community stronger.

[English]

The government demeans people like Bowen and millions like him by calling them "tax cheats". The Prime Minister has said that "a large percentage of small businesses are actually just ways for wealthy Canadians to save on their taxes". That is astonishing. I have no doubt that the Prime Minister and the finance minister run in the kinds of circles where many people do set up these types of corporations to avoid paying their fair share of taxes. However, the millions of Canadians across this country like Bowen are doing it to create something for their family, an opportunity. The Liberals are targeting local business owners with a political campaign that plays up the politics of envy and resentment, pitting one group of Canadians against another, dividing us instead of uniting us.

[Translation]

The decision to raise taxes is being made by a government with a major spending problem. The Liberals broke their promise to run a deficit of only \$10 billion, and they will not balance the budget by 2019. According to the government's own estimates, Canadians will be paying off its debt for the next 35 years. The government chose local businesses to pay back its out-of-control spending. Rather than taking responsibility for its own mistakes, the government is punishing small businesses.

• (1030)

[English]

Higher taxes help no one, but the Liberal government is determined to impose a massive tax hike with no care for the cost to jobs or the impact on local communities.

[Translation]

The Liberal government is hurting the very people it claims to help. The Liberals campaigned on a promise to help the middle class. However, according to a recent study, 80% of middle-class families are now paying \$800 more a year in taxes as a result of a series of tax hikes, which include an increase in payroll taxes and Canada pension

plan premiums, the cancellation of many tax credits that families needed, and a lower TFSA contribution limit.

That is not all. The Liberals also imposed a national carbon tax. These tax hikes are just another major blow to Canada's small businesses.

[English]

What is so frustrating is listening to the rhetoric that comes from the government. We are asked to believe that this is about fairness. We have already established that what the Liberals are doing is not fair, but let us explore that a bit deeper.

The Liberals are causing a whole bunch of people to lose out with these proposals, such as anyone who has ever used a passive investment account to save during good times to get through the bad times, female entrepreneurs who decide to self-fund their own maternity leave, and successful business owners who want to save money to open a second location. Perhaps for some years that money was not invested directly into the business. Instead, it was put to work elsewhere in the economy. It was invested in any number of productive enterprises that helped others grow and expand. After those funds were out there for some time, helping with that growth, earning interest and compounding, the owner used that money to open a second location. Anyone who did that is going to lose out under these new proposals.

It is not dead money, as the finance minister would have us believe. I do not know how he is going to show his face around serious economists after having said that. Does the minister actually believe the money that is saved in investments does not do any good? Is he going to tell all of his millionaire friends, who got exceedingly rich by taking money from Canadians and investing it for themselves, that they have somehow damaged the economy by doing that? His solution for that dead money is to take these defibrillators full of tax hikes and revive that dead money back to life with a 73% tax rate. That will get the job done.

As so many people will lose under these proposals, we have to ask ourselves who the winners are. Who will be better off? The big answer is nobody.

The government admits that the current rules on passive income do not cost the government in the long run. At the end of the day, the tax is not avoided; it is deferred. In other words, nobody else has to pay higher taxes because of that tool. Nobody will benefit from tearing people down.

The answer must be that the Liberals just cannot wait. They need the money now. There will be a temporary spike in government revenue in the year these changes are made, as the deferral is essentially eliminated. That is why the Prime Minister is doing it. The Liberals are desperate for cash after raiding the savings that the previous Conservative government left them.

Business of Supply

Just as the Liberal government is indifferent to the needs of hard-working Canadians, our Conservative opposition is here to give them a voice. We will not stand by and let the government cripple local businesses and threaten jobs with these tax hikes. That is why we are fighting these increases every step of the way.

Today, the Liberal government has the chance to start repairing the damage it has already done. It has a chance to demonstrate some good faith toward Canada and local business owners. It can extend the consultation period on these tax proposals until January 31, 2018, and why not? What is the downside and what could possibly be wrong with listening to Canadians for a few more months and getting that feedback?

[Translation]

Extending the consultations would allow local businesses and farmers to really make their voices heard. It is about respect for the people who work hard to create jobs and contribute to their communities. It is high time the government started treating local businesses with the respect they deserve. Canadians expect nothing less. We, the Conservative opposition, will always be there to stand up for them. We are the voice of prosperity and opportunity for all Canadians.

• (1035)

[English]

Ms. Kamal Khera (Parliamentary Secretary to the Minister of National Revenue, Lib.): Madam Speaker, let us be absolutely clear. Middle-class Canadians and hard-working small business owners are not the focus of these changes. In fact, 83% of all passive income is earned by individuals who make more than \$250,000 per year. We also know that a professional making \$250,000 a year who takes advantage of the current rules could end up paying a lower tax rate than a middle-class employee on salary.

How is that fair?

Hon. Andrew Scheer: Madam Speaker, I am sure that local business owners who have to lay off an employee after these changes go through will take solace and comfort from knowing they were not the target of these tax changes and that they were hit hard accidentally. They will feel much better about themselves and the government, knowing the government did not mean to kill those jobs or hurt those opportunities. They will feel much better when they go home at night and write that big cheque to the taxman instead of the employee, knowing they were not really the intended target.

I do not think any Canadian will buy that. That will not comfort anybody who loses his or her job because of these tax changes.

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Madam Speaker, what does the member think about all the broken promises of the Liberals. It would be very interesting, because they were supposed to help small businesses by reducing their taxation from 11% to 9%, but they did nothing. They were supposed to study the whole system of tax evasion, but they are targeting only small businesses. They were promising to tackle the loopholes of big CEOs, which is costing almost \$800 million per year.

Why are they targeting families and small businesses but are leaving their friends on Bay Street safe and alone?

Hon. Andrew Scheer: Madam Speaker, my colleague pointed out so much in his question, which I think more and more Canadians are starting to realize. The issue here is that no matter what the Liberals say they are trying to do, it is always the people they claim to help who are hurt the most by their policies. Whether it is protecting their friends on Bay Street, while attacking all those on Main Street, this is just another example.

All the Finance Minister's friends on Bay Street, his colleagues at Morneau Shepell, all those who attend those \$1,500 cash-for-access fundraisers will not pay more. Those who own shares in publicly-traded, multinational companies will not be affected by this. That is what is so hypocritical about these Liberal proposals.

What has struck me over the past year since the Liberal government took office is that every time they see a problem, the answer is always to raise taxes. When the Conservatives see an issue, a problem, or an aspect in our tax system, we always look for ways to lower taxes. This is the fundamental difference between the Liberals and the Conservatives.

Ms. Yasmin Ratansi (Don Valley East, Lib.): Madam Speaker, we are all here to solve a problem. We all know that small and medium-sized enterprises create jobs. However, the member has suggested that the proposal will affect contractors, plumbers, and small and medium-sized enterprises. I have the proposed changes in front of me. Could he tell me which section applies to that? I would really like to know.

Hon. Andrew Scheer: Madam Speaker, that question exhibits the need for this motion. She clearly has not been listening to Canadians who are coming to town halls and explaining how this will affect their businesses. Since the member has just demonstrated to her colleagues why we need a longer consultation period, because clearly Liberal members have not been hearing enough from Canadians, how will she vote on this motion today? Will this be a free vote? Will Liberal members who are hearing from constituents be allowed to vote in favour of this motion to extend the consultation period?

• (1040)

The Assistant Deputy Speaker (Mrs. Carol Hughes): Before I go to resuming debate, there was some question as to how I went to the government side for a second question. I want to remind members that the Deputy Speaker also raised this issue in the House on November 3, 2016. He indicated that:

Business of Supply

...we recognize that the time for questions and comments is often the most valuable time for an exchange between members. In accordance with the procedures and practices, we will do our best to ensure that time is generally afforded to the members of the parties who are not associated with the member who has just spoke but not to the exclusion of that party...

This is the way we will do it. We will also be attentive to members who are particularly present during the day.

The leader of the official opposition had spoken. Usually in a 10 minute period, the member of the party who has made a speech will get one question within that 10 minute period. Within the five minute period, normally we will allow at least three questions to go to the parties that have not spoken.

Hon. Michael Chong: Madam Speaker, I rise on a point of order. I appreciate that point, but I also want to point out to the House that the rights and privileges of members in the House to speak, to ask questions, and to provide comments do not accord to the parties of the House but to individual members.

In light of the fact that there are a lot of members in the House on both sides of the aisle that needs to be taken into account rather than giving recognized political parties in the House these kinds of rights.

The Assistant Deputy Speaker (Mrs. Carol Hughes): I appreciate the comments made by the member for Wellington—Halton Hills. I will certainly discuss it with the other Speakers and we will get back to the House on that.

Resuming debate, the hon. Parliamentary Secretary to the Minister of Finance.

[*Translation*]

Mr. Joël Lightbound (Parliamentary Secretary to the Minister of Finance, Lib.): Madam Speaker, I am very pleased to rise today to speak about our government's plan to address the problem of tax planning using private corporations and about what we are doing to help the middle class and reduce inequality.

As many of us in the House already know, yesterday the government concluded consultations on its tax fairness proposals. As part of the consultations, we heard from Canadians from coast to coast to coast. I myself had the chance to meet with a great many Canadians to talk about these proposals. Just last week, I was in Regina, Saskatchewan, where I met with owners of small and medium-sized businesses, farmers, and representatives from the agricultural industry.

On behalf of the Minister of Finance, I would like to thank the many stakeholders who participated in this discussion, because the issues we are to consider today are very important ones. What is the best approach to achieving strong economic growth that benefits the middle class? How do we level the playing field when it comes to tax fairness?

The government wants to get a wide range of views on these issues, and that is why we launched consultations that enabled us to hear from Canadians across the country.

However, it is clear that there is now a lot of false information out there about our government's intentions and the impact of the tax

fairness proposals. That is quite evident from the comments made here as well as the content and tone of the motion tabled today.

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

Our government wants to ensure all Canadians are set up for success in our fast-changing economy. From the beginning, one of our government's main priorities has been to level the playing field so that every Canadian has a chance to succeed.

● (1045)

[*English*]

Allow me to underline and outline key achievements of our government to bring about this increased fairness and to help support middle-class Canadians.

When our government came into office two years ago, it made a commitment to invest in Canada's middle class. We started by lowering personal income taxes for the middle class and raising them for the top 1% of income earners. In so doing, we reduced taxes for nine million Canadians, a measure the opposition voted against.

We introduced the Canada child benefit, which puts more money in the pockets of nine out of 10 families. The CCB is better targeted to the families who need it most, low- and middle-income Canadians. With payments delivered to eligible families every month, the CCB is helping lift approximately 300,000 children out of poverty in Canada. That represents a reduction of approximately in 40% in child poverty in 2017 from what it was just back in 2013. The introduction of the Canada child benefit represents the most significant social policy innovation in a generation.

The Canada child benefit is complemented by other initiatives to support children and families, such as the multilateral early learning and child care framework signed with the provinces and territories on June 12, 2017.

The government has also prioritized the movement of people and goods by investing in infrastructure. The government invested for the long term in our infrastructure because we saw infrastructure investment as critically important to the future of our country and our economy. Recognizing the important role infrastructure plays in building strong communities, creating jobs, and growing the economy, budget 2016 provided \$14.4 billion for public transit, green infrastructure, social infrastructure, infrastructure at post-secondary institutions, and for rural broadband.

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In addition, budget 2017 laid out our long-term plan with an additional \$81.2 billion over 11 years. This money is going to support public transit, green infrastructure, social infrastructure, transportation that supports trade, Canada's rural and northern communities, and smart cities, improving the way Canadians live, move, and work. Transit investments will allow Canadians to benefit from shorter commute times, reduced air pollution, access to more good, well-paying jobs, and stronger economic growth.

[*Translation*]

I would like to spend a few minutes talking about Canada's economic performance, and more specifically our impressive economic performance over the past two years.

Ours is currently the fastest-growing economy by far in the G7. Our economy is growing at an impressive 4.5%, the highest growth rate since the beginning of 2006. In the two years since we came into office, 400,000 jobs have been created, most of them full-time. Thanks in part to strong economic growth and our government's prudent investments, our fiscal position is better than forecast in March. For the fiscal year that ended on March 31, we had a budget deficit of \$17.8 billion, which is \$11.6 billion less than was forecast in 2015.

We are the first to recognize that small businesses are the cornerstone of our economy, and it is thanks to them that our economy is thriving today. Our goal is to encourage businesses to grow and create jobs. That is why we have the lowest combined federal-provincial-territorial average tax rate for small businesses in the G7. Canada has a combined general corporate tax rate that is 12 percentage points lower than that of our largest trading partner, the United States, and those rates are going to remain low.

[*English*]

We also have a lifetime capital gains exemption of more than \$835,000 for capital gains realized by individuals on the disposition of qualified small business shares. The exemption is \$1 million for qualified farm and fishing properties.

All of these things add up to Canada being a great place to do business, which is all good news, yet business investment in Canada is not as strong as we would like. Canada's business sector labour productivity growth has generally lagged that of the U.S., on average, over the last 25 years. Part of the reason is that American businesses invest more than double, on average, on things like information and communications technology. These investments lead to higher productivity and create more growth and jobs.

In Canada, we have a system that encourages wealthy individuals to incorporate just to get tax advantages not accessible to the vast majority of middle-class Canadians. We do not think it is fair and we will take action to level the playing field. We understand that setting up a private corporation offers hard-working middle-class business owners the ability to sell shares, raise capital, and limit liability. As I mentioned earlier, it also gives them access to the lowest small business tax rate in the G7.

However, we know that for some, incorporation offers something different. That is what we want to address. In some cases, it can allow a high-income incorporated professional to be taxed at a lower rate on his or her personal income than a salaried Canadian.

During our consultations on tax planning using private corporations, we wanted to hear from business owners on how we can encourage them to invest in their active businesses to help create more growth and even more jobs. After all, that is what Canada's low and competitive tax rates are meant to do: they are meant to support and encourage active business investment to spur productivity, growth, and job creation.

Creating growth is one thing, but we also want to work to ensure that growth and prosperity in this country is inclusive. We need an economy in which all Canadians, not just the wealthiest, can participate and take advantage of economic opportunities.

There is work to do to ensure fairness for middle-class Canadians. That is what we are talking about when we talk about improving our tax system: ensuring that everyone benefits from economic growth, not just the wealthy few.

From the very beginning, we have been perfectly clear about our goal. We want to create an economy that works for the middle class and all of those working hard to join it. At the heart of that goal is a very simple premise: every Canadian needs to pay his or her fair share.

● (1050)

[*Translation*]

Before I wrap up, I also want to correct some of the false information that is out there. First of all, we did not raise the small business tax rate. SMEs in Canada will continue to benefit from one of the lowest small business income tax rates in the G7.

The government wants to make sure that these proposals do not impact the ability of SMEs to save for business purposes. The tax fairness proposals will not impact the ability of individuals to incorporate. They will also not prevent business owners from hiring family members. The proposed changes do not in any way target middle-class Canadians.

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For example, in order for passive investment income to be more beneficial than the savings plans offered to all Canadians through RRSPs and tax-free savings accounts, or TFSA's, a company must make over \$150,000. According to the Coalition for Small Business Tax Fairness, two-thirds of businesses in Canada earn less than \$73,000 a year. We are also aware that business owners and professionals have saved and planned for their retirement under the existing regulations.

I want to be very clear on this point and reassure everyone that the changes we are proposing with regard to taxing passive income will apply only on a go-forward basis. Our intention is to ensure that neither existing savings nor investment income from those savings will be affected. Lastly, we have heard from many women entrepreneurs and professionals who face unique challenges. We want to thank them for bringing their concerns forward, and we are particularly interested in better understanding how these changes could affect women differently than men.

We can assure the House that the measures we are taking will help, not hinder, women's success. We also commend small business owners for reminding us of the undeniable fact that what they do takes guts, and that the risks they take are very real. The changes that the government proposed to make to the tax regime during the consultations on tax planning using private corporations will in no way detract from businesses' ability to invest, compete, and grow.

Our proposals focus on the tax treatment of passive investment income, not money that is invested in the business. They target money that is taken out of the business to make sure that it is taxed fairly. We heard from thousands of Canadians across the country who took part in this important discussion during our consultation process. They shared their thoughts during open discussions, round tables, live online events, and meetings held from Vancouver to St. John's.

The Minister of Finance also met with parliamentarians, specifically members of the House of Commons Standing Committee on Finance. A fair tax system helps all Canadians. It allows hard-working small business owners to be compensated for their work. It helps small and large businesses develop and create jobs. However, when it benefits certain individuals at the expense of the vast majority, it needs to be changed. The government asked Canadians for their help in order to get this right. We have listened.

[English]

Again, the government will not raise tax rates on businesses or make it more difficult for them to incorporate. Business owners can continue to have family members actively involved in and appropriately compensated by their business. As I have already mentioned, changes to passive income taxation would only apply on a go-forward basis; the changes would not affect existing savings or investment income from those savings. The government will take no actions that would impair a business owner's ability to invest, to compete, and to grow his or her business.

Canadians have made it clear that they want a fairer tax system, and that is what we are going to deliver. As the economy grows, Canadians need to know and deserve to know that their tax system is fair. Right now, such is not always the case, and we can do better.

•(1055)

[Translation]

Mrs. Sylvie Boucher (Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix, CPC): Madam Speaker, I was very interested in what my colleague from Quebec City had to say.

I just cannot for the life of me figure out why the member, who is from the same part of the country as us, is not hearing the same cries for help we are. We have talked to everyone. We have met with tax experts, farmers, and small business owners from all around Quebec City, and I have to say that Quebec is standing up for our businesses.

What we just heard from that member bears no resemblance to what we have been hearing from people, and I hope he can be candid enough to tell us that he has been hearing the same things we have. We get hundreds of letters a day from small business owners who are scared. This crisis is bigger than Quebec; it is national. People are writing to us and coming to see us in droves. I stand before you today not as a Conservative MP, but simply as an MP speaking on behalf of the people in her riding who are scared about this reform.

We have met with a number of tax experts. What I want to hear from my Quebec City colleague is the truth, not party lines. Can he honestly tell me that he has not heard the same concerns we have?

Mr. Joël Lightbound: Madam Speaker, I would like to thank my colleague from the Quebec City region for the passion she puts in her work and for her question.

I can tell her that I heard many concerns expressed by different sectors. That is why we held consultations for 75 days. We listened to people from all over Canada. I can also tell her what I heard. I heard employees, ordinary Canadians, and even doctors say that it was unfair that some people could incorporate and save the equivalent of the average annual salary in Canada by splitting their income, while the vast majority of Canadians cannot.

Someone who makes \$300,000 can incorporate and save \$48,000. I have heard several people tell me that this is where they want to see more tax fairness. The current system has certain inequities at its very core, and that is what we want to address.

I have also heard a lot of misinformation from my colleagues from the Quebec City region regarding the consequences of these proposals. It is almost as if they neither read nor understood them.

*Business of Supply**[English]*

Ms. Tracey Ramsey (Essex, NDP): Madam Speaker, I listened closely to what my colleague was saying, and what I did not hear was anything about reducing the small business tax, which was promised by all three parties in this House. What I did not hear was any talk about real tax fairness, or talk about the NDP motion brought forward this year, which the Liberals supported. That would have eliminated tax havens and closed the stock option CEO loophole.

The question I have is the question I am getting in my riding, and it is being asked by a lot of progressive people as well. Why is the scope of this so limited?

Mr. Joël Lightbound: Madam Speaker, perhaps it is worth reminding members that, in budget 2016 and budget 2017, we invested close to \$1 billion to identify money that is going to tax havens. It has allowed us to identify \$13 billion and to recoup something like \$5 billion.

It was mentioned by the former minister of national revenue, Jean-Pierre Blackburn, recently in the media that under the Harper government this was not a priority. Going after tax evasion was not a priority.

It has been a priority for us since day one. It is all part of this plan to bring equity to our tax system. That was part of our ambition when we raised taxes for the wealthiest one per cent and lowered them for nine million Canadians. That was part of our ambition when we modified the Canada child benefit to make it more fair and more progressive. It is a child benefit that will lift hundreds of thousands of kids out of poverty, because we have made it more fair and more progressive. That speaks to being progressive across Canada.

• (1100)

[Translation]

Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC): Mr. Speaker, at 7:30 this morning, we met with four representatives of the Fédération des chambres de commerce du Québec. They are absolutely astounded at what they are seeing and hearing from this government. It makes no sense.

First, the consultation period lasted 75 days, from the middle of summer until yesterday, but everyone knows that farmers are in the field from mid-July until now. They did not have time to learn about this tax reform that is going to affect them specifically. This reform is going to affect not only every farmer, but every business, directly or indirectly, contrary to what the government is saying.

The Fédération des chambres de commerce du Québec is calling on this government to at least extend the consultation period, make structural changes to the reform, and go after those who truly benefit the most from the current tax system.

I would like my colleague to tell me whether or not the government will extend the consultation process to ensure that everyone can truly learn about the effects of this tax reform.

Mr. Joël Lightbound: Madam Speaker, I would like to thank my colleague for his question.

We will continue to listen, as we have been for the past few months, to ensure the changes do not have any unintended consequences.

I will also be meeting with representatives of the Quebec federation of chambers of commerce this afternoon. We want to hear what they have to say. We have heard from chamber of commerce representatives from across the country. When we were in Saskatchewan last Thursday, the president of the Saskatchewan Chamber of Commerce explained their concerns to us, and that is why we are listening, so that we can get these changes right. As for the objective and principle of improving the fairness of our tax system, the broad consensus among the Canadian public is that it is the right thing to do.

We are also listening to farmers. Family members will be able to keep working on family farms. We support the family farm model, and we will always stand behind our farmers.

I thank the member for his question.

[English]

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, I am wondering if my colleague could provide some of his thoughts or reflections on the statement that I would make: that the Liberal government, in its very first budget, gave a tax to Canada's wealthiest one per cent, and it also gave a tax break to Canada's middle class. I was very proud of that particular budget.

Then we can look at what we are proposing now, which is to ensure that there is a higher sense of tax fairness. Could the member provide his comments on the two points, and how they enable Canada's middle class?

Mr. Joël Lightbound: Madam Speaker, the member's question speaks volumes about the ambitions that we put forward when we campaigned in 2015, saying we would be the government that works for those who have been neglected for 10 years—that is, middle-class Canadians and those who seek to be part of the middle class.

When we see that the former revenue minister under the Conservatives said that tax evasion was by no means a priority under the Harper government, while on the other hand, we have made investments to go after tax evasion and tax havens, it puts into contrast our perspectives and who we work for.

When we look at some of the last things the previous government did, we see it doubled the TFSA limit to \$11,000. How many Canadians contribute and max out their TFSA at the current level of \$5,500? It is 3% of Canadians. It begs the question. Who are they working for? The American who originally designed the TFSA said it was madness.

We know who the Conservatives work for. We work for the middle class and those seeking to join it.

[Translation]

Mr. Pierre Nantel (Longueuil—Saint-Hubert, NDP): Madam Speaker, I want to thank my colleague, whom I hold in great esteem.

Business of Supply

However, as critic for culture and heritage, I have to say that, if you are hearing what people are saying in your consultations, then you are not really understanding them.

• (1105)

The Assistant Deputy Speaker (Mrs. Carol Hughes): I would remind the hon. member that he is to address the Chair. The question must be brief.

Mr. Pierre Nantel: My question is, will you at least extend the consultation period? That is what everyone wants.

The Assistant Deputy Speaker (Mrs. Carol Hughes): Again, I would remind the hon. member once again that he addressed the member, not the Chair.

The hon. parliamentary secretary for a brief response.

Mr. Joël Lightbound: Madam Speaker, the consultations are done. That said, as early as last March, we had already mentioned these three aspects of our tax system in budget 2017; we said we planned to take a close look at how we could make them fairer.

It is so interesting to see the NDP position itself on both sides of the fence on this issue. Is that party for tax fairness or against it?

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

The hon. member for Portneuf—Jacques-Cartier.

Mr. Joël Godin: Madam Speaker, when the Leader of the Opposition had the floor earlier, you called on the government and the second opposition party, saying that it was at your discretion and that you would not exclude the party associated with the member who just spoke, but that is what you did when the Leader of the Opposition had the floor earlier.

I rose, and you gave the floor to a government member. I am a little confused about what happened there. Can you help me understand how you decided that?

The Assistant Deputy Speaker (Mrs. Carol Hughes): In my comment earlier, I clearly explained that in a 10-minute period of questions and answers, which is what the government had, government members would have the opportunity to ask a question if someone rose.

There were two questions from the official opposition, two questions from the second opposition party, and only one question from the government.

When the Leader of the Opposition rose, it was during a five-minute period. There was no opportunity, during that period of time, to have a question from this side.

As mentioned, I will confer with the other chair officers and we will make our decision known to the House.

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Madame Speaker, I would first inform you that I will be sharing my time with my illustrious colleague from Essex, whom I commend on her excellent work. She has been an excellent addition to our team since her election.

I would like to begin by taking a moment to go over the Liberal platform and all of the Liberal promises that have been broken in the

first two years of this government's term. They said they wanted to help the middle class and support middle-class families, but one of the first things they did was to adjust the tax rates in such a way as to completely leave out those earning less than \$45,000 a year. That is the Liberal Party of Canada's definition of middle class. They are completely out of touch; they rub shoulders with the rich and powerful, with Canada's most elite families, and with folks from Bay Street, who do not consider people earning \$30,000, \$35,000 or \$40,000 per year to be part of the middle class. These people will get absolutely nothing. It is not rocket science. Those earning over \$180,000 per year, however, benefitted the most from the Liberal Party's tax changes. That is the difference between what the Liberal Party says and what it does. I would love it if the Liberals actually went out there and told people earning \$20 or \$21 per hour that they are not part of the middle class and that they do not need any help. I think those people would tell them, to their faces, that their position makes no sense.

They also told us that small and medium-sized businesses are very important and that they would drop their tax rate from 11% to 9% to help them out. Surprise! Nothing was done. This government has been in office for two years, and it has yet to take any action to help small entrepreneurs, families who set up small companies to earn living and support their families.

I know the situation small and medium-sized businesses are in. In a riding of 11 square kilometres, there is no room for big businesses. There are only small businesses, all crowded together.

I will try to stick to tax issues, because that is what we are talking about today, but in terms of broken promises, we could also mention electoral reform, the fight against climate change with the same plan and same targets as the previous government, and the sale of arms to Saudi Arabia.

Back to business, and no, that was not a bad pun. Back to the fact that the Liberal Party had also promised to launch a broad review of all tax measures that make tax avoidance or tax evasion possible. It was part of their program. That is what the Liberals told us in the last election. Surprise! They are doing something else entirely. Their review only addresses one aspect of the situation and the problem, the one that involves small and medium-sized businesses and health care professionals.

New Democrats are not saying that we should not look closely at those aspects of the problem, but we do believe there are others we need to look at.

Curiously, a whole bunch of people, companies, multinationals and banks will remain unaffected, even though they represent considerably more lost revenue than the people targeted in the Department of Finance's discussion paper following this summer's consultations.

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New Democrats recognize the contribution of small and medium-sized businesses. We find it unfortunate that, in its statements claiming to attack major tax cheats, the government paints all SMEs as cheats who abuse the system, even though the vast majority of them are not, as I will explain later. Most SMEs make little money, their profit margins are slim, they do not make enough to use the tax measures the Liberal government is currently targeting.

• (1110)

It is like using a bazooka to kill a fly. There may be collateral damage. SMEs create jobs in our communities. They are therefore important and must be nurtured. Currently, several aspects of the proposed reform, or “pre-reform”, raise concerns. I will come back to that.

In the NDP, we support the principle of tax fairness, which is at the heart of our entire political agenda and our social-democratic vision. It is a matter of not allowing the rich and large companies to avoid paying their fair share, which would normally enable us to take care of each other.

Let me explain. A certain Mr. Holmes, not Sherlock, said something important that I very much like. He said that taxes are what we pay for a civilized society. What he meant is that we give ourselves the means, all of us together, through our social programs, to build a better society where no one is left out. In other words, when everyone pays their share, the middle class, salaried workers, SMEs, health care professionals, banks, and millionaires, we can have useful things, like a free and accessible universal health care system. It is an integral part of our identity as Canadians and Quebecers to ensure that we have access to a doctor so we can be cared for within a reasonable time. Such things can be achieved through tax fairness and wealth redistribution. Taking the money from where the money is enables us to pay for programs that are absolutely essential. We can talk about, for example, health or post-secondary education. Why is tuition so much cheaper here in Quebec and Canada compared to the United States? Because everyone pays their share.

Therefore, as a political party on the left, as New Democrats, we support this principle of tax fairness and we will always want to pursue that goal, because we know that it is part of the solution to have sufficient revenues, the programs we need, affordable social housing and health care for indigenous children in the communities and reserves that need it. We also need those funds to invest in a green shift, to be less and less dependent on carbon as a source of energy, particularly coal and oil. Therefore, there can be good reasons to address inequities.

According to a recent study, tax avoidance through the use of private corporations, the government’s current target, is practised by people among the richest 0.01% in the country, or individuals earning more than \$2.3 million per year. If that is the problem, why are the Liberals not targeting just those people rather than scaring everyone? Not everyone will be affected.

According to Statistics Canada, two thirds of SMEs earn less than \$73,000 annually. The majority of SMEs would therefore not be affected by the proposed changes. However, the government is unable to assure them that this will not be the case and there is a pile of conflicting information and a lot of confusion on the ground,

which is why we are in this mess. We get the impression that the government and the Minister of Finance were incapable of being crystal clear and addressing the real problem, namely tax avoidance by the wealthiest 0.01% of individuals who use private corporations to lower their tax rate.

However, perhaps there is a reason that the government is unable to explain its position properly and that it seems to believe that all SMEs are potential cheats. Let us not forget that the Prime Minister himself has used no less than four numbered companies to lower his tax rate over the years. That is part of the problem.

• (1115)

What we are saying is that there needs to be more consultation and we must address the real cheats who engage in tax avoidance and tax evasion. I am talking about the banks, millionaires, CEOs, and friends of the Liberal Party.

[English]

Mr. Mark Gerretsen (Kingston and the Islands, Lib.): Madam Speaker, one thing is very clear. The fact of the matter is that the average tax rate of unincorporated professionals making \$230,000 a year would be 36% after it is all factored out. The effective tax rate of police officers—good, hard-working, unionized members of the police force—making \$98,000 a year would be 22%. Incorporated individuals whose spouses do not work and have two adult children can effectively sprinkle their income to their family members, and their average tax rate would be 20.5%, less than police officers.

Does the member think that is fair, and if not, will he vote with the government on this?

[Translation]

Mr. Alexandre Boulerice: Madam Speaker, I thank my colleague for his very legitimate question, one that we have recognized from the beginning.

A salaried worker who, I would hope, is unionized, as my colleague pointed out, does not have the same opportunities as someone who is incorporated or owns a private company. Indeed, we need to come up with a solution, because the options available to these two individuals are not the same.

However, what this government is proposing goes much further than that. It is creating a great deal of fear and confusion at this time among many health care professionals and farmers. We feel that the current proposal is not the way to go.

What I would ask the hon. member is to be consistent in his position on tax havens. The Liberals voted in favour of the NDP motion to crack down on tax havens. Then they signed a new agreement with the Cook Islands, which has a 0% tax rate for companies that send their money there.

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• (1120)

[English]

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, the fact is that the NDP and Conservatives voted against the tax increase to Canada's wealthiest one per cent, and the fact is that the NDP and Conservatives voted against the tax break to Canada's middle class, and it appears today that the NDP will be joining the Conservatives in voting against tax reform that would make the system fairer, which would benefit all Canadians—in particular, Canada's middle class and those aspiring to be a part of it.

What do the NDP or Conservatives have against Canada's middle class, the class that is generating the jobs that Canada needs? The healthier the middle class, the healthier Canada is.

[Translation]

Mr. Alexandre Boulerice: Madam Speaker, I thank my colleague for his question, which gives me an opportunity to reiterate one of the first things I said in my speech.

The Liberals' tax plan for the middle class does absolutely nothing for anyone who earns less than \$45,000 a year. According to the Liberal Party, people who earn less than \$45,000 a year do not need help. The people who need help are those who earn between \$150,000 and \$180,000 a year. They are the ones who benefit the most from the Liberals' plan to change the personal income tax rate.

If the Liberals really wanted to stand up for workers and people in the lower middle class, they would have given a helping hand to those who earn \$30,000, \$35,000, or \$40,000 a year. The Liberals decided not to do that, just like they refused to close the tax loophole currently enjoyed by CEOs that costs us \$800 million a year. That is another one of the Liberals' broken promises.

[English]

Ms. Tracey Ramsey (Essex, NDP): Madam Speaker, my question is about the Liberals breaking their promise, on which they voted with the NDP in March, to end CEO stock option tax loopholes, the elimination of offshoring, and the inequalities that are about \$800 million a year. I wonder if the member shares the frustration with me about this narrow scope that is being brought forward by the government today. I would ask him to speak on that.

[Translation]

Mr. Alexandre Boulerice: That is an excellent question and an excellent comment, Madam Speaker.

The consultations were held in the middle of the summer. They were too short and too hastily put together, and they wrapped up yesterday.

We are asking the government to hold more consultations, but also on the broader issue of tax evasion.

[English]

Ms. Tracey Ramsey (Essex, NDP): Madam Speaker, I rise today to talk about tax fairness for the farmers and small business owners in my riding.

My riding of Essex is a rural riding with five municipalities, where towns are filled with small businesses, and the space between them is

filled with gorgeous farm fields. We have some of the richest soil in Canada and the largest amount of acreage under glass in our greenhouse sector.

The hard-working people in Essex are very angry and confused by this consultation by the Liberal government, which is now officially closed. These are hard-working people who have now been told that they did something wrong, that they are tax cheats, or that they were intentionally not paying their fair share.

Paying our fair share is something that is deeply important to New Democrats. Fighting for fairness is the foundation of all of our work. Fair share is a phrase that we use with pride about our contribution to our communities. We pay taxes to our government so that we can collectively take care of each other.

Canadians place trust in the government to fairly distribute the wealth of our society so that we all benefit from services that keep our communities healthy and thriving. This is a basic tenet here in Canada. It is one of the things that I love about Canada. I ran to become an MP to protect and fight for our social services and for their equal delivery.

This is why so many people in my riding are also very proud to pay their taxes, to pay their fair share. They work hard for their families, their communities, their family traditions, and their family businesses and farms. They pay their fair share and they work to pay for the health of their community as well.

This summer when the consultations started, there was a lot of rhetoric being thrown around by the Liberal government about tax fairness. People in my riding were being told that they were cheating the system, that they were taking away from the community they love and helped to build, where they were raised and where they raised their children, instead of adding to it. Not only did they feel targeted by this language, but they were using a system that was in fact perfectly legal and one that they had been encouraged to use to grow.

They understand and support tax fairness, but the main question I get is why the Liberals brought in only these proposals in which they are only looking at small businesses. Where was the consultation on CEO stock option loopholes, or the consultations on how we end offshoring and snow washing? The Panama papers came up quite a bit.

I understand why farmers and small business owners are angry. What I cannot understand is the Liberal government limiting the scope and the time of this debate in Canada. The government has many opportunities to bring forward real and tangible tax fairness.

I believe in tax fairness, but real tax fairness, not this limited version being proposed by the government.

Business of Supply

Real tax fairness could have come when New Democrats stood in the House in March and introduced a motion to eliminate tax havens and the CEO stock option loophole. Why should CEOs be able to hide their salaries and stock options to keep from paying their fair share? The NDP proposed the elimination of the tax break on stock options used by rich CEOs, a loophole that costs the government and communities \$800 million per year.

The government voted in favour of our motion but has done nothing to address the issue. I heard Liberals talking about the provisions in the budget that they brought forward, but they do not eliminate the loophole, and these are very different things.

Real tax fairness could have been accomplished by the Liberals if they had passed my colleague's private member's bill, Bill C-274. This legislation would have helped small business owners, like farm and fishing businesses, transfer between family members. We have a system in Canada where farmers pay less tax if they sell their family farm to a stranger than if they sell it to a family member. How on earth is that fair? Again, the government, which says on a constant basis how much it cares about farmers, voted against the bill, which would have made it fairer to succession plan, something that Canadian farm families are struggling with across the country.

I recently spoke with a farmer in my riding who told me that he and his wife had taken on payments to be able to buy the farm from his parents. They have a 16-year commitment to do this, and now they are very worried that they have made the wrong decision and will pay the price for the government's complete lack of understanding about farm management. This is not a multi-million dollar farmer. This is a family that is teaching its children how to farm and keeping our community in fresh local food.

● (1125)

Now, instead of using viable options to make our tax system fairer to tackle the real and serious problem of inequality, the government has put forward consultations, which are now over.

Income inequality in Canada is a real and serious issue for all. Recently, the census revealed that Canada's level of income inequality has worsened over the past 12 years. Due to past government inaction, the richest one per cent of our population has seen a 14% rise in median income. According to the census data, the richest one per cent now earns 6.8 times more than a worker earning Canada's median wage of \$34,204 in 2015. The changes that the government is consulting on would do nothing to alleviate this gap. In the Windsor Essex area, the United Way says that about one-quarter of our youth live in poverty, which means that in 2013, 19,900 children under the age of 17 lived in families where the income was less than \$17,000 per year.

We need to address this gap and work hard to close it with a serious effort. That is why this consultation must include all avenues to do that, not just the narrow scope of the measures the government is proposing. In fact, the Liberals promised to address these inequalities in their platform, but these measures are so limited in scope that people are learning once again that the Liberals say one thing during an election and never follow through.

If the Liberals are serious about helping small businesses, then where is the small business tax reduction, something that all parties

in this House committed to during the campaign? We are two years into the government's mandate and have still not seen that proposal come forward, despite the fact it would be so incredibly important to the 98% of businesses in this country that are small- and medium-sized businesses. If the Liberals are serious about helping small business, then when is this helpful proposal coming forward? Where is the legislation to ensure that business owners can see the tax reduction they were promised and, quite honestly, they were moving forward on and basing their future on? Therefore, it is another broken promise to our most important job creators. No one in Canada thinks that the Liberals are standing up for small businesses.

I want to talk about the consultations for a minute. These consultations released a tidal wave of misinformation that has only scared and worried people across the country. The government caught Canadians off-guard, leaving many small business owners in Essex wondering about the vague language and implications of the proposals, and many others are confused by the complexities of the reforms. I heard some Liberals today in the House talking about whether the NDP would vote on this. To my knowledge, there is nothing to vote on at this point. We do not know what will be proposed. We have a vague understanding, but again small business owners and farmers are confused by these proposals.

The Liberals launched the consultations in mid-July and, as of yesterday, the consultations are over. How could the Liberals not have realized that this time of year would be problematic for farmers? This is harvest season, and many farmers will not be able to get to their accountants or tax planners in time to get detailed advice on how the potential changes to the tax system could affect them. When I travel in my riding, I see all the tractors running at full speed. It has been very tough for those farmers to connect because they simply have had to be on their farms during this critical time.

I also do not understand why the government has decided to rush the consultation process. Surely, it makes sense for the Liberals to post their proposals and wait for honest, well-thought-out feedback. Why do they not give everyone the time to study the changes? If the Liberals are serious about tax fairness, then they will expand the scope, extend the deadline, and have a true comprehensive review.

That is why I move, seconded by the member for Rosemont—La Petite-Patrie, that the motion be amended, (a) by deleting the words, “will have a drastic negative impact on small and medium sized local businesses,” and replacing them with the following, unfairly target small businesses while ignoring the largest abuses of Canada's tax system; and (b) by adding after the word “measures” the following, and to expand the consultations to include measures targeting large corporations, loopholes for CEOs, and tax havens.

Business of Supply

•(1130)

[*Translation*]

The Assistant Deputy Speaker (Mrs. Carol Hughes): 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. If the sponsor is not present, the House leader, the deputy House leader, the whip, or the deputy whip of the sponsor's party may give or refuse consent on the sponsor's behalf.

[*English*]

The hon. member for Battle River—Crowfoot.

Hon. Kevin Sorenson (Battle River—Crowfoot, CPC): Madam Speaker, we cannot accept the amendment the member has brought forward.

The Assistant Deputy Speaker (Mrs. Carol Hughes): The acting whip has indicated that there is no consent. Therefore, pursuant to Standing Order 85, the amendment cannot be moved at this time.

Questions and comments. The hon. member for Foothills.

Mr. John Barlow (Foothills, CPC): Madam Speaker, I thank the member for her genuine proposed amendment to the motion today. However, as my colleague said, this motion is something that is very important because of the feedback we have heard from across Canada, which my colleague spoke to as well.

When trying to make some of these profound tax changes that will be detrimental to farmers, ranchers, small business owners, and professionals across Canada, I think it is disingenuous for the government to say there was legitimate consultation over 72 days. When we made similar tax changes more than 40 years ago, those consultations took more than two years.

Does my colleague agree that the Liberals are clearly trying to ram something through without legitimate consultation and will she support our motion to extend the consultation to January 2018?

•(1135)

Ms. Tracey Ramsey: Madam Speaker, I do think it is incredibly important that we talk about this consultation process that has happened, because we see the Liberals opening consultation processes in a lot of different ways. The problem is that they are all over the map. None of them actually creates a space in which people can have that complete conversation. We see multiple hearings, a whole summer spent on electoral reform, and then we have these changes coming in the dead of summer, with folks trying to scramble to be able to deal with them. The government is really inconsistent when it uses the term “consultation”.

In this particular case, an extension to the time period is more than warranted. In fact, it is necessary for people to be able to bring their issues forward so they can be responsibly heard by the government. In these consultations, the government must not just say that it is listening, but actually listen and actually allow people to participate, including the farmers in the fields right now who are not able to participate in this process right now.

Something that small businesses do across our country quite well is that they affiliate with larger groups and join together in their efforts. However, again, this very short time period did not allow

them to be able to go to their membership in a way that would benefit all small businesses and bring that forward. Therefore, the extension is important.

Mr. Mark Gerretsen (Kingston and the Islands, Lib.): Madam Speaker, I have a great amount of respect for my colleague for Essex, but I am very troubled by what she said in her speech.

The fact of the matter is that this government lowered taxes on the middle class and increased them on the top one per cent, which is something that the NDP voted against. However, more directly to a comment that the member made, we also lowered the small business tax rate from 11% to 10.5%, which is another thing the NDP voted against. Therefore, I think it is extremely unjust to stand there and accuse the government of doing something, and insist that it do something else that it in fact has been doing all along.

Will the member now vote to make the system more equitable, in particular when it comes to income sprinkling, so that people will pay their fair share of tax like those who do not have the luxury of being incorporated?

Ms. Tracey Ramsey: Madam Speaker, I find it galling, to be honest, that the member talks about how amazing it is that they lowered the small business tax by 0.5% when they promised 2% to Canadians. This very narrow scope and very short time period are not serving small businesses. I support tax fairness, the NDP supports tax fairness, and we need to ensure that taxes are being fairly distributed across our country. It is important.

My question is about the CEO stock option loopholes that the Liberals have still not eliminated. If they are serious about repatriating some of that money, why do the 1% get a pass from the Liberals and they put this narrow scope on their proposed measures so that only our communities, farmers, and small businesses are impacted? If the Liberals are serious about tax fairness, they cannot put a microscope on a tiny piece, and cannot ignore very real solutions that have come before the House. That is exactly what has happened in this Parliament.

We have Liberals who are talking out of both sides of their mouths on tax fairness. Tax fairness requires a comprehensive approach. It cannot be this limited scope. An extension of the time and scope of the consultations so that we are talking about true tax fairness is incredibly important to all Canadians.

Mr. Mark Warawa (Langley—Aldergrove, CPC): Madam Speaker, I will be sharing my time with the hard-working member for Foothills.

Business of Supply

Today we are debating the motion by the official opposition calling on the government to continue the consultations, which is quite reasonable. The consultation process to this point was launched by the government July 18 and went to October 2. If we were to look at a calendar, we would see that it was during the summer. It was announced during the summer after people had made plans and when Canadians were busy doing what they do in the summer. Surprise, there are these consultations and the position paper by the government. If we look at when these consultations were held, particularly in the fall, it was often when the people who were not on holidays were at work. That is when the consultations were held. A neighbouring riding had the consultations in the middle of the week at three o'clock in the afternoon. That is when hard-working Canadians are at work. We are not talking about people living on trust funds, but hard-working Canadians.

Throughout the whole process, there were questions about whether this was a genuine consultation. I fear not. Also, through this process, hard-working Canadians have been called tax cheats. The Liberals have said that they want a healthy middle class, and yet they are attacking them. They want tax fairness, yet the wealthiest Canadians, some of them sitting in this House, are exempt from what is being proposed. It is not hurting wealthy Canadians, but hard-working middle-class Canadians.

During this process, if we go through the bafflegab and look at how the Liberal policies are affecting Canadians, we see from a report that came out at the same time that the vast majority of Canadians are actually paying more tax and have less money in their pockets than under the previous government. The policies and consultation are disingenuous.

As October 2 end-date of the so-called consultation period approached, the number one thing I heard from my constituents was that they did not believe the government was listening. They believe this will go ahead anyway and that the consultations were just lip service or smoke and mirrors.

In our local newspaper, there was an article by a neighbouring Liberal member of Parliament that reads, "So far, I have heard from constituents including small business owners and incorporated professionals"—

• (1140)

[*Translation*]

Mr. Joël Godin: Madam Speaker, I would like to call for quorum.

I think this is a very important subject for Canadians. Members of the NDP and the Conservative Party are present, and I think that my colleague's speech is very important. I would like a count to be taken please.

The Assistant Deputy Speaker (Mrs. Carol Hughes): We have quorum now.

Resuming debate. The hon. member for Langley—Aldergrove.

[*English*]

Mr. Mark Warawa: Madam Speaker, it is always nice to have enough Liberal members in the House so that we have true consultation and consideration.

To go back to the letter written to the local newspaper by a neighbouring Liberal MP, the letter said:

So far, I have heard from constituents including small business owners and incorporated professionals, hearing their concerns and proposals for moving forward. We had two townhalls with participation by 60 persons,

—so approximately 30 at each of these town hall meetings—

and have received emails, letters, phone calls, and held individual meetings.

Key themes have emerged through these consultations. The first thing that residents...indicated to me is that they believe this consultation period is too short for such broad reforms.

He went on:

Continuing these consultations for a longer period could exacerbate the current air of uncertainty for small business owners. The current due date allows our Government to deliver a framework for the new system to allow business owners time to plan for any changes ahead.

In other words, it is going ahead. There is confusion, and they do not want to exacerbate that. Well, where did the confusion come from? It came from the ill-advised, poorly created policy of taxing unfairly against one part of our economy, the hard-working Canadians in small businesses. That is where the uncertainty comes from.

I am going to tell a little story of some of the constituents I have heard from.

One of them is Tamara Jansen. She is a small business owner, together with her husband. They have had the business for over 30 years. When they started off, it was very small. It is today one of the biggest greenhouse companies in my riding of Langley—Aldergrove. Tamara Jansen and her family expected they would be able to roll over the company to the next generation, to their children.

For the first five years, she got no salary. The salary for her husband, Byron, was just enough to live on. They kept reinvesting everything back into the company. They now have a very successful company that hires a lot of people and provides a very good agricultural products to the community.

At some time in the future they would like to be able to retire and pass the business on to their children. It is always nice, a dream, to be able to pass a business on. With what is being proposed by the government, they would not be able to do that. The tax structure for them to pass it on to one of their children means that they are talking about a tax rate of up to 93%. It sounds impossible. It is impossible to grasp how the government would do that. However, taxation would be far lower if a foreign entity bought them out. This kind of taxation discourages families from passing on a company they have built up over decades to the next generation. It stops that.

Tamara Jansen and I did an interview. It is available on markwarawa.com and on YouTube. I encourage people to watch it.

Another interview I did was with Scott Johnston, who is the past president of the chamber of commerce. He is a corporate lawyer and represents a lot of small businesses. We are hearing from across Canada and in my constituency that people want more consultation.

Business of Supply

I think back to 2004, when I was first elected here. It was not my party leader, Stephen Harper, who voted for me. He was running in his own riding. It was the constituents who voted for me and got me here. In 2006, 2008, 2011, and 2015, it has always been the people of Langley—Aldergrove who have elected me and sent me here to represent them and be their voice in Parliament. I believe that is fundamentally our responsibility. I know how the constituents of Langley—Aldergrove want me to vote and the voice and message they want me to bring, and it is to say here, today, now, to extend the consultation period.

• (1145)

How long should it be extended? The proposal of the official opposition is to extend it to January 31 and to start true, genuine consultation. To every member in this House, I can pretty much guarantee that it is the same message that they are hearing: extend the consultation.

I have a question for my Liberal friends. I respect them, and they are in a very tough position. Their leader, the Prime Minister, is telling them how to vote and providing the script and talking points on what they are to say to the media and to their constituents, which is “We are looking out for you. We are looking out for your best interests. We want to build the middle class.”

In reality, the Liberals are hurting the middle class. I encourage my Liberal friends to ignore what the Prime Minister is saying, represent their constituents, and vote to extend the consultation.

• (1150)

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, I am somewhat disappointed in the official opposition, because when I canvass my constituents, a vast majority, 95% of them, believe that where we can improve our Canadian taxation policy and system, we should do just that.

The Minister of Finance and the Prime Minister, and in fact the cabinet and the caucus of at least this one party, recognize that what is important to Canadians is not only to give the middle class a tax break, not only to have additional tax on Canada's wealthiest 1%, but also to deliver tax fairness. That is what the government is doing.

Why does the Conservative Party vote against tax breaks for Canada's middle class? When it comes to tax fairness, they vote against that too. Why?

Mr. Mark Warawa: Madam Speaker, the member, speaking for the government as the parliamentary secretary, is regurgitating the jargon, the Liberal nonsense. The real question he should be asking is this: will his Liberal colleagues listen to their constituents?

I will repeat what his Liberal colleague said about themes that have emerged during the consultation:

The first thing that residents...indicated to me is that they believe this consultation period is too short for such broad tax reforms.

My question for the member is, will he listen to his constituents? Will he encourage his Liberal colleagues to listen to their constituents? The message to each of us is clear: extend the consultation period.

Mr. Richard Cannings (South Okanagan—West Kootenay, NDP): Madam Speaker, we in the NDP totally agree with the member's call for extended consultation. That is what I am hearing too from my constituents, whether they are doctors, farmers, or businessmen. They all want that consultation period extended.

However, they are also asking why the government is picking on them. Why has the government not kept its promises to cut down on the tax loopholes for CEOs, the offshore tax havens? Why is the government picking on the little fish instead of the big fish?

Mr. Mark Warawa: Madam Speaker, the government says it is tax fairness, but as the member points out, it is not tax fairness. The government has not kept its promises. The Liberals have not lowered small business taxes, as they said they would during the 2015 election campaign.

It is important that a government keep its promises, represent all Canadians, and create an economy where jobs are being created and taxes are being lowered so that we have a prosperous future. That is exactly the opposite of what the government is doing. It is hurting the very people it says it is there to help.

Mr. Dean Allison (Niagara West, CPC): Madam Speaker, back in the 1960s the Carter commission lasted for over four years. This Royal Commission on Taxation went on for four years. The royal commission made dramatic tax recommendations and changes, and it has been over 40 years since there has been such an overhaul. How on earth could the government suggest that four months would be adequate for what was difficult for the Carter commission to do in four years back in the 1960s?

Mr. Mark Warawa: Madam Speaker, my colleague is absolutely right. To do it right takes time, true consultation, and true expertise, and the experts—the accountants and legal experts in our country—are saying that the government is wrong in doing what it is doing. To ram it through and say it has heard enough, that October 2 has come and gone, that it is done and is going to move ahead really is disingenuous and disrespectful to Canadians, and to call them tax cheats is shameful.

Mr. John Barlow (Foothills, CPC): Madam Speaker, I thank my colleague from Langley—Aldergrove for his intervention on this issue as well, and for all the hard work that he has done to raise awareness about these unfair tax changes.

One of the things that concerns me most with this entire debate and what has transpired over the last four months is whether the Liberal government meant to try to depict small business owners, farmers, ranchers, and professionals across Canada as tax cheats, people who live in gated communities who are somehow circumnavigating the system and have secret bank accounts in the Cayman Islands and are not paying their fair share.

Business of Supply

It is obviously clear that the Liberal members have not met my constituents: the rural doctor who takes that midnight call, the small business owners who work endlessly hour after hour to ensure their businesses are successful, the farmer who works the 16-hour workday during the harvest to try to get his harvest in the bin, the cattle rancher who braves the bitter cold at night during calving season. These are the small and medium-sized enterprises that these tax changes will hurt.

It just goes to show how out of touch the Liberal government is with actual hard-working Canadians, our small business owners, our entrepreneurs, our risk-takers, and our job creators, who it is always proposing to help. However, they are the ones that these tax changes will absolutely hurt.

Today I rise to speak on behalf of my thousands of constituents who have voiced their concerns about these unfair tax changes. Their first questions have to do with why the government is trying to do this so quickly, why it is trying to devastate small businesses, and why it is trying to take away the family farm.

Our motion today is quite genuine. Will the government extend the consultation period to January 31, 2018? To try to make these substantial changes in just four months is simply impossible. How can it say that it is listening to Canadians when a vast majority of our farmers and ranchers are in the fields during harvest? Many of our professionals and small business owners simply are not paying attention to these things during their busy summer season.

I know we are not asking for too much with the motion we have put forward to the Liberal government. If the government is confident that these changes are not going to hurt small business, if it is confident that the changes being put forward are not going to end the family farm, if it is confident that these changes are not going to hurt our professionals and impact access to health care in rural communities, then it will not oppose extending this consultation period to truly hear from Canadians.

That is not what the Liberals have done so far, nor is it what I think they will do. I think that later on this afternoon they are going to vote against our motion, despite massive opposition from Canadians across the country. The Prime Minister and the finance minister have been quite vocal and quite open. They fully intend to move ahead with these tax changes, regardless of what comes out of the consultations over the last 72 days.

The government gave us two days at committee and four months to consult with respect to these massive tax changes. The last time it happened, 40 years ago, it took four years to make similar changes to our tax code. Why the rush? Why is the government in such a hurry to get these things done?

My constituents have asked me that every single day. Why the panic? Why the extreme rapidity to try and get these things done? The only answer I can come up with is it needs the money now. It is that simple. It sees an opportunity to try to make its balance sheet look a little better. It is certainly not balanced, but it may be a little better. To do that, it is going to rob our small businesses, our farmers, our ranchers, and our professionals. That is just not right, and it is disappointing that this is the answer that I have to give to my constituents.

●(1155)

We have heard over and over again from the finance minister that he is out there listening. Well, I have had phone calls and emails from small business owners and professionals across the country. I will give members a great example. Two business owners in Nova Scotia, one who has a sporting goods store and the other who is a rural doctor, went to see their Liberal member of Parliament to discuss these tax changes. Do members know what the response was when they went to his office? It was a closed door. They were told that the member of Parliament was not taking meetings on this issue.

A chamber of commerce in Nova Scotia invited two Liberal members of Parliament to a town hall to talk about these tax changes. It was a great opportunity for those Liberal members of Parliament to stand up in front of their constituents, their small business owners, the ones they profess these tax changes will not hurt, and explain how this would not impact them, but they did not show up.

The Liberals talk about how much they have been listening to Canadians for the last four months. I am not sure what their definition of listening is when their constituents cannot even get in the front door or have a meeting with their member to talk about their concerns, or at least have an opportunity for that Liberal member of Parliament to explain these tax changes to them and maybe address some of their concerns. Therefore, for the Liberals to say that they are listening is false.

Who is listening is the Conservative Party, the official opposition. We have held town halls, community meetings, and round tables in every single province in this country. I have held several in my riding. It is unanimous. People are concerned. They are worried that they will lose their small businesses and their ability to sell those businesses to the next generation. Our farmers and ranchers are worried about how they will be able to maintain the legacy of their family farms. Those are the things we are hearing.

Our Liberal friends across the way have said over and over today that the people they are hearing from have no concerns about these changes. I do not know who they are hearing that from. The Canadian Chamber of Commerce, the Western Canadian Wheat Growers Association, the Canadian Cattlemen's Association, the National Cattle Feeders' Association, and the Canadian Medical Association have all spoken out in opposition to these tax changes. That is a fraction of the ones we have heard from. I am sure if members asked all of us on the Conservative side, we could give them lists of groups and professional associations, agriculture associations, small business groups, and chambers of commerce across the country that have spoken openly in opposition to these changes. The first thing they are asking for is more time to understand these changes.

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I have heard from several accountants and tax lawyers that 70 days is simply not enough time for them to possibly understand every scenario, every situation, and every ramification that could come from these tax changes. These are the people who will have to talk to their clients and explain the implications for their livelihoods. If the professionals who deal with these changes to our tax code every single day do not understand them, how can we possibly expect the average Canadian to try to live with these changes?

More than 80% of the small business owners we have heard from are in opposition to these tax changes. However, I would also like to talk about my farmers and my agricultural community. They are looking at this as another blow in losing their family farms. They talk about the carbon tax, eliminating the deferral on cash grain tickets, and now these tax changes. It will be almost impossible for them. We on the Conservative side do not think the government should be punishing those who are working hard to be successful, to grow a business, and to create jobs. We should be celebrating them, thanking them, and ensuring that they have every tool possible to be successful.

As Conservatives, we will not support these tax changes. We are asking our colleagues to extend the consultation period to at least January 31, 2018.

• (1200)

Mr. Mark Gerretsen (Kingston and the Islands, Lib.): Madam Speaker, the previous speaker just said that the Conservatives will not support these tax measures but then said that they would like to consult for another four months. What is the point of consulting if they already know that they will not support them?

My question relates specifically to the fact that the consultations that are going on right now are with respect to the passive investments. After the consultations are complete, we will have an opportunity to see draft legislation and comment on that.

We have already had a lot of consultation. The parliamentary secretary said earlier that one of the biggest concerns, which has been identified by some of my constituents, is that people have been planning for years using mechanisms that were legitimate. They are worried about them being pulled out from under their feet. However, the parliamentary secretary said earlier that this would not be the case, that it would only be from this point moving forward. What is so bad about seeing the legislation so that we can start to really debate it instead of continuing to try to confuse Canadians?

• (1205)

Mr. John Barlow: Madam Speaker, does the member know what can happen during a consultation? Things can change. As of right now, we will not support this, but if you extend the consultation, maybe you can actually listen to Canadians—

The Assistant Deputy Speaker (Mrs. Carol Hughes): I would remind the member that he is to address the questions and comments to the Chair.

Mr. John Barlow: Madam Speaker, I would ask if my colleague could listen to Canadians and make some changes that Canadians are asking for. That is what happens with genuine consultation.

To answer his question, it is great if he is saying that it is not going to impact the passive income that is already there. Well, if people are

worried about having the rug pulled out from under them, why do they think it is okay to pull the rug out from under them later down the road? That stifles their ability to save for retirement, save for maternity leave, and save for a down year. That is what that passive income is there for. They use it, so why would the member think it is a good idea to take it away?

Mr. Richard Cannings (South Okanagan—West Kootenay, NDP): Madam Speaker, I wonder if my colleague could comment on the last questioner who criticized the Conservatives who said they were not going to support this legislation but wanted to increase the consultation period. That is exactly what the finance minister said when he opened the consultation. He said they were going to have this consultation period, but he warned, they were not going to back down on this. It is the same kind of attitude.

What does the member think about the Liberals' plan for getting at tax fairness, when they are going after the small fish? They are going after small businesses, and they are going back on their promises to get at the CEO tax loopholes and the offshore tax havens that would really make our taxes much more fair, yet they are ignoring them.

Mr. John Barlow: Madam Speaker, it is true. It is just another broken Liberal promise. The Liberals started this consultation, but three-quarters of the way through, it became very clear, from the comments of the finance minister and the Prime Minister, that they were going to be moving ahead with these tax changes, regardless of what happened during the consultation period.

All of us in the House would more than welcome taking a look at tax reform. We would look at trying to simplify it and make it easier, not at things like reasonability tests that are going to make it much more bureaucratic, with much more red tape, and much more convoluted and confusing.

The crux of this question is that we do not believe, and I would say that a majority of Canadians do not believe, that this consultation has been genuine. That is why we are asking to extend that consultation to have a real opportunity to talk to Canadians.

Mr. David Anderson (Cypress Hills—Grasslands, CPC): Madam Speaker, government members are saying that this will not apply in the past. It will be applied from this point moving forward. It is more evidence of how little they know about small businesses and the planning they need to do for the future.

Does my colleague think the Liberals are now running scared? When they first introduced this, the finance minister and the Prime Minister were bound and determined that they were not going to change a thing. Over the last couple of weeks, media reports have been saying that this will not be that bad and that there is not going to be that big a change. I am wondering if there is any hope for Canadians that these Liberals will actually listen to them and turn around and get rid of these changes.

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Mr. John Barlow: Madam Speaker, that is a great question, and today we will find out. It is clear that almost a dozen Liberal MPs have come out publicly in opposition to these potential tax changes. Today they will have an opportunity to vote in favour of extending the consultation period. If they do not do so, it is quite clear that they have not been listening to their constituents and instead are listening to the finance minister.

[Translation]

Mr. Jean-Claude Poissant (Parliamentary Secretary to the Minister of Agriculture and Agri-Food, Lib.): Madam Speaker, I am giving some of my time to my colleague from Fundy Royal.

I will preface my remarks with some personal history. I grew up on a small family farm in Saint-Philippe, where I worked the land and ran a dairy operation with my mother and father. I never finished high school because the farm income could no longer support our family. There were four of us kids, and I had to drop out at 15 to help my mother with the cows and the crops while my father worked off the farm.

In 1976, my mother got sick. She had brain cancer. She died two years later. I knew then that I would one day take over the farm.

I went back to school to learn what I needed to know to gradually take over the farm during the 1980s.

I can assure you that I know a thing or two about being a farmer. Running the farm on my own, I had to deal with all kinds of challenges familiar to many Canadian farms: crops destroyed by fickle weather events; accidents; contagious diseases that swept through the herd; and all the financial stress farm families deal with.

That is why I am pleased to rise to speak to tax fairness for all Canadians.

This gives me the opportunity to say how important it is to our government to maintain the vitality of Canada's agriculture and agrifood industry. I have spoken with the Minister of Finance personally, and he has said many times, as we all have, that the tax benefits designed to help family businesses grow, create jobs, and innovate will not be affected. I would also like to clarify a few things.

First, our proposed tax changes will not increase the tax rate for farms.

Second, they will have no impact on the ability of farmers to incorporate, invest, and pay family members salaries to work on their farm.

Third, farm owners will continue to benefit from a lifetime capital gains exemption of up to \$1 million for their farm properties. When they sell their farm assets, they pay capital gains on the proceeds of the sale up to a maximum of \$1 million.

Fourth, the proposed changes will have no impact on the ability of farmers to pay family members a salary for working on the farm.

Let us be clear. The Minister of Finance and the Minister of Agriculture know that farmers play an essential role in the country's economy, and that is why we want to be sure that the measures we take are the right ones. We are listening to farmers' perspectives, and we have repeatedly met with industry representatives. We listened to

farmers' views to determine if and how it will be possible to transfer farm businesses to the next generation. I can guarantee that we will be considering the agricultural sector's perspectives as we move forward.

The changes we are proposing would eliminate the tax advantages that only the richest Canadians can benefit from. To make things clear, these changes are not aimed at middle-class Canadians and small business owners. They will only affect a small number of particularly well off corporations.

We support small businesses, we support family farms, and we support the contributions that they are making to our communities and our economy.

● (1210)

We are going to make sure we do not create more red tape for hard-working, middle-class small businesses. Our priority is to ensure tax fairness, while avoiding any unforeseen consequences for our tireless farmers.

I would like to assure my colleagues that the government will not be changing the tax measures meant to help family farms grow, create jobs, and innovate. We are well aware that farmers face unique risks and issues as businesspeople. That is why we are working together with them to make sure our programs provide the tools they need to explore new opportunities.

Beginning on April 1, 2018, the Canadian Agricultural Partnership will target federal, provincial, and territorial investments of more than \$3 billion over five years to help the sector innovate, grow, and prosper. The partnership will focus on priorities that are critical to unleashing the sector's growth potential, including research, innovation, domestic competitiveness, and international trade. Under the partnership, producers will continue to have access to business risk management programs that are comprehensive, responsive, and accessible.

The Canadian agriculture and agrifood industry is one of Canada's most important economic drivers. We are talking about a sector that, from farm to table, accounts for over \$100 billion of our GDP and over \$62 billion of our exports. Trade is an important priority. It is estimated that almost half of the value of Canada's agricultural production is exported. We are the world's largest exporter of canola, flax, pulse crops, and wild blueberries, and the third largest exporter of wheat and pork. Canadian agrifood exports are increasing by about 10% every year, and our goal is to expand exports to \$75 billion by 2025. We are working tirelessly to reach that goal.

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We are proud to have signed the Comprehensive Economic and Trade Agreement with Europe. The industry estimates that this agreement will help increase Canadian agrifood exports by \$1.5 billion a year, which is good for farming enterprises, job creation, and economic growth in Canada.

Asia is another important market for our industry. Its middle class is expected to increase by three billion people over the next two decades. Exploratory discussions to examine the potential of a free trade agreement with China have set a goal of doubling trade between our two countries by 2025.

We are also looking at entering into an agreement with the Association of Southeast Asian Nations, one of the world's fastest-growing economies. In addition, we are working with the United States and Mexico on an ongoing basis to strengthen the North American Free Trade Agreement, which quadrupled North American agricultural trade over the past two decades.

To get our products to our international buyers reliably and efficiently, we have brought in provisions to support rail transportation. Research and development are key to Canada's agricultural success on a global level. Continued public and private investment in research is critical if Canada is to help feed the world.

Canada has the best farmers and food processors in the world. We will keep working with all farmers, with family farm businesses, and with all of our food processors on tax and all other issues to ensure that our agricultural sector remains a global leader and the Canadian economy's top job creator.

• (1215)

Mrs. Sylvie Boucher (Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix, CPC): Madam Speaker, I thank my colleague, who comes from a farming community, for that fine speech.

I want to ask him exactly what I asked his colleague earlier. I will not talk about Liberals and Conservatives. I am speaking as a member from a rural region who listens to everyone and who receives letters from everyone.

I would like the hon. member to step back from the party line and answer me honestly. Has the hon. member, like me, received hundreds of letters from very concerned people? That has nothing to do with the party, the political stripe. When we represent a given region, we represent everyone in it, no matter the banner under which we ran.

We have met with many people, including representatives of the Fédération des chambres de commerce du Québec. Everyone is scared.

I will ask my question one more time. Does the hon. member have any sense of how much these new tax measures have put the farming community on high alert? Is he aware that people are scared of losing their family farm?

• (1220)

Mr. Jean-Claude Poissant: Madam Speaker, I thank my colleague for her question.

I met with many farmers at my riding office in La Prairie, and they shared their concerns with me. The message that I would like people

to remember from my speech is that farms will see no change in their tax treatment. Farmers will be able to continue to transfer their farms to future generations.

People have told me both in person and in writing that misinformation is being spread to scare people. They are asking me whether it is true that they will no longer be able to employ family members and that they will no longer be able to transfer their business. No, it is not true. That is what I assured the farmers that I spoke to. I met with some just recently.

I believe that we need to be positive, not negative. Farmers work hard on their farms. They do not always have time to find out about the changes that are being made that will affect their businesses.

I can assure the House that these changes will not affect our farms.

[*English*]

Ms. Tracey Ramsey (Essex, NDP): Madam Speaker, my colleague talked about farmers. I have been contacted by many farmers in my riding. This is the middle of harvest, which is an incredibly busy time for them. One farmer in my constituency, John Mailloux, said that he was talking to his accountant yesterday. He had a direct example of his farm that could cost him thousands of dollars a year in tax implications, which he would have no choice but to pay. He had signed a succession deal with his parents and he had 16 years left to finish it. He said that he would love to get together. He wants to talk about why the government is pushing this through during this critical time and why it is not allowing for a broad expanse of scope.

Does the member not agree with me that extending the consultation would allow farmers to be heard and to properly engage in the process, considering they are so busy right now during harvest? Does the member not agree that we should extend it?

[*Translation*]

Mr. Jean-Claude Poissant: Madam Speaker, I thank my colleague for her question.

I did not not just consult farmers from my riding and those who came to see me here on the Hill. I also asked an agricultural tax expert to make recommendations, which I tabled to reassure the farming community. Incidentally, we must not forget that we are still in the consultation phase. The committee will also have a say in the proposed changes.

[*English*]

The Assistant Deputy Speaker (Mrs. Carol Hughes): Before we continue debate, I want to remind members that when someone is speaking in the House and has the floor, that person deserves the respect of being heard. Members may not be in agreement with what the member is saying, but we need to listen respectfully. He or she does have the floor.

• (1225)

[*Translation*]

The hon. member for Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix on a point of order.

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Mrs. Sylvie Boucher: Madam Speaker, the hon. member just told us that he met with a tax expert, and I would like him to tell us the name of that expert because—

The Assistant Deputy Speaker (Mrs. Carol Hughes): We are in debate. That is not a point of order.

Resuming debate, the hon. Parliamentary Secretary for Small Business and Tourism.

[*English*]

Mrs. Alaina Lockhart (Parliamentary Secretary for Small Business and Tourism, Lib.): Madam Speaker, I am pleased to rise today to speak to the issue of tax fairness and our government's efforts to bring greater fairness to Canada's tax system.

At its core, this is about a key commitment our government made during the election campaign, and has worked every day to deliver; that is to build a stronger middle class and help those working hard to join it.

[*Translation*]

Simply put, our government has always said that when we have an economy that works for the middle class, we have a country that works for everyone. That is why one of our government's first actions was to raise taxes on the wealthiest 1% of Canadians while cutting taxes for the middle class.

[*English*]

Our current proposals have the same objective, which is to make our system fairer for all Canadians and ensure everyone pays their fair share.

In our platform, we had a specific commitment to address the use of corporations to reduce personal income tax obligations for high income earners. Currently, an incorporated professional earning \$300,000 can use the private corporation to get tax savings that amount roughly to the average Canadian's earnings for a year.

We understand these tax-planning strategies are legal. However, when we consider that these strategies are not available to all Canadians, it is clear they are not fair.

[*Translation*]

At present, a single woman with two children aged 12 and 14 and an incorporated business pays a tax rate that is higher than a married woman with two children aged 19 and 20 and an incorporated business bringing in the same revenue. That is not fair.

The changes we are proposing are aimed at eliminating the legal but unfair advantages that allow the wealthy to incorporate to avoid paying taxes on some of their income and to have a lower tax rate than individual taxpayers.

[*English*]

We do not believe that is fair, and most Canadians agree with this.

There is a lot of misinformation out there about these proposals and I would like to take a few minutes to address some of the more notable misstatements I have heard.

To begin, some have said that these proposals are an attack on middle-class small business. That could not be further from the truth.

As the Prime Minister has said, as the Minister of Finance has said, and as so many others in this place have said before today, this is absolutely not true.

We know very well just how important small businesses are to our economy. Small businesses employ approximately 8.2 million Canadians, and this represents 70% of the private sector workforce and approximately 30% of GDP.

We are deeply committed to supporting middle-class small businesses so they do thrive and create good, well-paying jobs. We know just how hard these business owners work to provide for their families.

It is worth remembering that two-thirds of businesses in Canada earn less than \$73,000 a year. These hard-working, middle-class small businesses are not our focus. We are supporting these businesses in many ways, as they invest, create jobs, and drive growth throughout our economy. For example, Canada's average tax rate for small businesses is the lowest in the G7 and the fourth lowest among the OECD. This allows small businesses to retain more of their earnings to reinvest, supporting growth and job creation.

Other commentators have expressed concern that our proposals are an attack on the family business. This is also not accurate.

[*Translation*]

Family is often crucial to the success of small businesses. I understand that, and so does the government. If a family member is paid for their work in a small business, the changes we are proposing will not affect them. Family members can continue working for the business without any repercussions.

However, we believe that high-income earners should not be allowed to pay dividends to adult family members through the corporation if those family members do not make significant contributions to the business, simply in order to avoid paying their fair share of personal income tax.

● (1230)

This type of tax planning is unfair because it is not available to all Canadians.

[*English*]

Our government understands that many small business owners save money in their businesses for the future, whether for a rainy day, future investments, or eventual retirement. When it comes to the actions that have already been taken, we have no intention of going back in time. Our proposals would only be applied on a go-forward basis. Our intent is that neither existing savings nor investment income from those savings would be affected. We are not going after the nest eggs. What is more, we encourage small business owners to continue using all available tax-sheltered savings plans, such as pension plans, RRSPs, and TFSAs.

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[Translation]

Less than 3% of Canadians max out their RRSP, TFSA, or pension plan contributions. We are proposing to eliminate the legal but unfair advantages that allow some individuals to use unlimited tax-sheltered accounts that are beyond the means of most Canadians.

However, someone who saves money in their business with the intention of reinvesting it in the business or in a rainy day fund will be free to keep doing so. The proposed changes will not affect them.

[English]

Finally, I want to address the concerns of some doctors, who have raised concerns about their ability to take parental leave. Our proposals are about making the tax system fairer for everyone. All Canadians, employees, and small businesses can continue to benefit from pensions, employment income, and maternity leave, if they choose. However, our government has been clear since our election that we strongly support women entrepreneurs. The Minister of Small Business and Tourism has made it one of her priorities as minister.

We know that of small businesses in Canada, just under 17% are majority owned by women, and that is simply not good enough. That is why we have taken steps to create specific programs that support women entrepreneurs, and when it comes to these proposals, we are committed to ensuring that these changes do not affect women differently from men. Our government is committed to gender equality, and we will work to ensure that these changes support women's ongoing success.

It is worth reminding the House that our proposed changes will continue to protect businesses' ability to incorporate, make investments, save for downturns, and pay family members who work in the business.

[Translation]

They will protect and maintain small businesses' ability to succeed and create jobs, while ensuring that the wealthiest Canadians pay their fair share.

Our government is committed to building a fair tax system in Canada, and we want to get it right. Over the coming weeks, we will continue to listen to Canadians, including small business owners, professionals, and experts, on how to build such a system while avoiding any unintended consequences.

[English]

Although consultations have concluded, the work of the government continues, and we will continue to work with small business owners and professionals, like everyone else, to address their concerns.

Over the summer, a lot of misinformation has been spread, and I want to assure members of the House that our Prime Minister and the government are committed to listening to Canadians and getting this right. As the Prime Minister has said, better is always possible, and nowhere is that more needed than in creating a fairer tax system for Canadians.

When we have an economy that works for the middle class, we have a country that works for everyone.

● (1235)

Hon. Kevin Sorenson (Battle River—Crowfoot, CPC): Mr. Speaker, I am wondering, after listening to the member's speech, if she has heard from people within her constituency who are very concerned about having access to a family physician. I have met with a number of physicians, who simply said that attracting doctors to rural areas is going to be very difficult. She mentioned that there is a rural component to her riding. It is a challenge. I served on a small community's economic development board before I was elected, and the most horrifying thing is finding out a community is losing a doctor. How do we attract them?

Some of the doctors I met with had come from Africa, South Africa, Great Britain, and I believe one was from Ireland. They said that if these measures had been in place when they were looking to locate their practices, they probably would not have chosen Canada. In my rural riding, access to a doctor is of great concern to a lot of seniors, the aging community, and families. I would ask the member to tell me her experience in listening to her constituents.

Mrs. Alaina Lockhart: Mr. Speaker, as the member mentioned, I live in a rural riding, and I have taken the opportunity to talk to many of my constituents, some of whom are doctors. There are a few things I would like to point out. First of all, only 40% of doctors are incorporated. This is not targeted at doctors at all, but it is looking at the tax fairness system.

Second, I had the opportunity to sit down with the recruiting team for my own community, the one looking at recruiting doctors to that area. Of course remuneration is one of the key factors they look at when choosing a place to practise, but they are also looking at quality of life. They are looking at all the things that make these rural communities viable and wonderful to live in. We talked at length about all of the other factors that cause a doctor to make the choice to practise in small communities.

I want to reiterate that we want to continue to support doctors in all areas of Canada and that their concerns have been heard as well, and we will be communicating those.

[Translation]

Ms. Brigitte Sansoucy (Saint-Hyacinthe—Bagot, NDP): Mr. Speaker, clearly, we all agree that taxation must be fair and equitable. What I do not understand is why the Liberal government chooses to target small and medium-sized enterprises and farmers first.

During the campaign, the Liberals promised to introduce more global tax reform. They spoke of the \$100 billion being declared under all sorts of complex measures, including the loophole around CEO stock options, for lost revenues totalling \$750 million.

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What is more, they could have went after tax havens. Rather, after voting in favour of our motion in that regard, they signed an agreement with the Cook Islands. There are many aspects of the tax system they could address, but they chose to go after SMEs and farmers. The Liberals are attempting to reassure, but people are concerned. They manufactured this concern by announcing this move in the middle of the summer so there would be no time to discuss it.

Will the Liberals agree to take a broader look at the tax system and extend the consultation period to listen to the people they say they want to listen to?

[*English*]

Mrs. Alaina Lockhart: Mr. Speaker, it is important that we take a step back and realize that we are absolutely not targeting small businesses or farmers. This is about creating a tax system that is fair for all, including many small business owners and farmers.

The member asked why we would choose to do this first. Taking a look at corporate taxes was not our first act as a government. We actually began our mandate by focusing on increasing the taxes for the top one per cent and decreasing them for the middle class. We have also been very focused on maintaining a low business tax rate that encourages businesses to maintain their ability to invest in their businesses.

What we are looking at now is creating a system that really looks at the fact that 80% of passive income is held by 1.6% of corporations in this country. That is not fair, and we need to look at a way of making sure we have a fair tax system.

• (1240)

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, I will be sharing my time with the member for Louis-Saint-Laurent.

As the member of Parliament for the riding of Renfrew—Nipissing—Pembroke, I appreciate the opportunity to voice the objections of my constituents, who are opposed to paying for the bad spending of the Liberal Party.

As a 17-year veteran of Parliament, I can confirm for the newly elected MPs that substantive changes in tax policy are typically the subject of a federal budget. They are well publicized in advance, released while the House is in session, and delivered by the Minister of Finance in a speech to all parliamentarians and Canadians. Our Conservative government gave opposition parties the opportunity to comment on proposals and offer their assessment to their constituents. In short, a better-informed public and an opportunity for dialogue and debate results from this time-honoured approach.

I can confidently say that the proposals of July 18 are some of the most sweeping and dramatic I have ever seen. The manner in which the Department of Finance released these proposals was not fair, and the comment period was not adequate. Media outlets and the public should have been advised well in advance of the Minister of Finance's speech, to provide an opportunity to assemble experts to review and comment on the proposals. Changes of this magnitude should have been announced when the House was in session. The delivery of sweeping tax changes, which contain very controversial provisions, while Parliament was in recess thwarts rebuttal and

effectively reduces exposure of the measures, and it is not right or reasonable. It is an affront to democracy, which leads to the substance of the Conservative motion before the House today.

A 75-day consultation period is unreasonably short, given the timing and manner of the announcement. Legislation continues to be built providing the Canada Revenue Agency with an increasing level of interpretative powers. The predominance of phrases such as “reasonably being considered” and “reasonable to conclude” throughout the draft legislation increases uncertainty for taxpayers. It opens the door to abuse by government authorities. The Finance Minister should ask this. If he were still at his Toronto Bay Street corporation, would he or his employees conclude, as tax shelter advisers, that the method of announcement could be considered reasonable or reasonably fair? The answer is definitely not, and in a democratic society as we have in Canada, future announcements of this magnitude must only be made when the House of Commons is in session where the full scrutiny of all Canadians can be brought to bear on whatever is being proposed.

I know how my constituents feel about the Liberal Party's tax proposals, because I spent the summer talking with them. I am pleased to thank the many constituents who attended a packed meeting at the agricultural hall in Cobden last week to voice their opposition to the plan by the federal government to raise taxes on farmers, small business, and a variety of professionals such as engineers, doctors, building contractors, plumbers, and electricians, to name a few trades. In addition to Mayor Hal Johnson and Reeve Terry Millar of Whitewater Region Township, which hosted our tax town hall, and councillor Stan Pecoskie and John Jeffrey of Killaloe, Hagarty and Richards Township, we welcomed a mayor from a neighbouring municipality in Quebec, Jim Gibson. He was looking for information that he obviously was not receiving from his Liberal MP, and there was no charge to constituents to attend the information session that I hosted.

Since the Minister of Finance and members of his party claim that Canadians should not have had the opportunity to be consulted about their sweeping tax-change proposals unless they paid \$1,500 for the privilege to do so, I am pleased to share excerpts of a letter from a constituent who just happens to disagree with the government. For the record, I did not ask for \$1,500 to read excerpts from this constituent's letter:

“Good morning. I've sponsored events to raise funds toward the local hospital for years. I've personally donated and raised well over \$100,000 for the hospital and well over \$1 million for our community, from junior hockey programs, minor hockey, figure skating, girls hockey, soccer, to minor softball, to name a few of the causes.

• (1245)

“Under these new tax laws, I would have to re think the programs I sponsor. I am now more than a little embarrassed to admit that I voted Liberal in the last election. I truly believed they supported small businesses and understood that we were the back bone of our economy.

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“If I thought small business and the economy would continue to purchase our product at the higher rate I would not say anything. However, I do not believe that. My savings and my retirement funds, at one time, which was considered good and responsible business practice, was just attacked by the liberal Government.

“Accounting firms from either side of our country agree that the Liberals are deceiving business people. They are trying to sneak in a major tax sweep and hoping no one would notice. They point out the fairness of these new proposed tax laws, not only how they will effectively attack business, but also the underhanded way in were introduced. One cannot even begin to argue that.

“When you own your own business you starve as you pay your suppliers and tradesmen in the beginning and that's after you work your normal hundred hour week, and find there's no money left for yourself, all in the hopes that in the (end) eventually it will pay off.

“Income sprinkling. Did the Liberals miss the part about hundred hour work weeks with NO pay cause there was no money left? Whose house was used to finance the start-up, just mine or was I putting my wife and children's lively hood in grave danger also? Who shared the responsibility of working in the store or business office because we couldn't afford to hire anymore help? How many husbands and wives to go out and work to help support their struggling spouse?

“Attacking doctors, something every small community is screaming for, small communities organizing fund raisers in order to try and entice any new young doctors to come to our communities.

“Does (the Prime Minister) really believe there is this doctor shortage because the business is so lucrative, or perhaps fewer people want to go into that kind of school debt for such a long term return?

“I believe he is attacking our doctors as a smoke screen to hide his direct attack on small business.

“I've dealt with Canada Revenue Agency on a number of occasions. I filed an HST rebate for about \$155,000.00. They declined my request for rebate, said I put it on the wrong form. We informed them that in 2011 we had this same issue and CRA ruled I had deposited on the wrong form then and insisted I resubmit on the same form submitted, contradicting themselves.

“They then started charging me 5% compounded daily until I paid the \$155,000.00 and my file was sent to appeals. It was two years later when they agreed we had submitted correctly and my money was finally returned. I think it bore 1/2% interest.

“Do you really think as a small business owner I want, as these new laws indicate, to give CRA any more Interpretive Powers? They can't make their minds up when it is in black and white.

“If I had no passive investments where would the \$155,000.00 come from? Attacking passive income, as a business owner I have to have passive income, I need funds to pay for future purchases, future development costs and letters of security in order to develop.

“This summer I had to come up with 6.3 Million dollars. The banks do not simply lend you 6 million on past performance in the hope you can or will pay them back.

“Does the (liberal) government really believe they can tax the passive investments, which finance the small business owner's future growth, or pay their employees when business is slow? The banks want security for every dollar they lend you, and if you are offering real-estate as security they may give you 50% of the appraised value.

“How can we make it even harder for small business to survive?

“I've been in business 30 years, in the last 12 years of that time we have been able to start accumulating wealth. 30 years in the business, with all my past track records of making sure everyone was paid, yet I still had to put my house up as collateral to get the funds I needed to proceed with the 2 new jobs this year, and now the liberal government wants to start attacking my passive investments.

“The funniest part of all of this is, the Prime Minister wants to start attacking dividends. I guess now that he has a pension he can take the silver spoon out of his mouth and stop depending on all the dividends, or perhaps income sprinkling that his father set up for those boys and that he took advantage of for years.

“Please do not forget, the majority of small business owners do not know or understand the magnitude of these changes They were all hard at work all summer trying to make money through this soggy year as the government employees were on their paid holidays.

“Please, understand that it is hard to camouflage my bitterness, and I do not only mean government employees. I missed your meeting in Cobden last night (federal member of Parliament), but I can only imagine the eye opening that small business owners got from that meeting.

“I know you are going to fight this, and I hope, for my company and retirement and my employees' future you are successful in defeating it.”

● (1250)

It is time for the finance minister to go back to the drawing board. Canadians are tired of being asked to pay for this government's bad spending.

Mr. Mark Gerretsen (Kingston and the Islands, Lib.): Mr. Speaker, I think I know why the member's constituents are outraged. It is because they are being misled about what the government is actually trying to do.

In the member's example, she talked about income splitting. We are not talking about individuals who genuinely work within a corporation, but individuals to whom the income is sprinkled, the adult children who are being paid dividends by a company they do not participate in at all. The member might find that to be fair. I personally do not.

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The member also talked about passive investments and how people need to be able to keep money in their company to grow the company. Of course the government is going to continue to do that. The government has not spoken about taxing income kept in a corporation for the purpose of growing that corporation, but specifically about income extracted from the corporation for personal use.

Mrs. Cheryl Gallant: Mr. Speaker, it is sprinkling and income splitting. We have already seen what the Liberals have done.

As soon as they were elected, they took income splitting away from families with young children. Now they are trying to take away income sharing from family farms. Farmers do not pay their spouse or their adult sons and daughters who are going to school until they know whether or not they will be able to sell their crops or livestock and make a profit. In bad years, they do not get paid. In good years, they do. That is why they have the income splitting, so that overall they are not paying extra tax in good years versus paying no tax in bad years.

The other thing we did as a Conservative government was to allow income splitting for seniors. What is next? Are the Liberals going to take that away, too?

Hon. Kevin Sorenson (Battle River—Crowfoot, CPC): Mr. Speaker, my colleague gave another great speech.

My constituents are concerned. They have seen the Liberal record. They heard the promises during the last election of just an itsy-bitsy, teeny-weeny, little deficit. Then shortly afterward they heard that Canada would not come to budget balance until mid-2050. My constituents are worried.

When they see a Liberal government come in and immediately slash the ability of individuals to save in tax-free accounts, with the contribution limit going from \$10,000 to \$5,500; when they hear that CPP premiums will go up, which will hit the employer and the employees of every small and medium-sized business; when they see a new carbon tax being added; when they hear about all of this Liberal spending and the hunger for more revenue, Canadians are concerned and skeptical, and rightfully so.

Could my colleague share with me some of the concerns she has about the Liberal government's affording Canadians the ability to save for a safe, secure retirement?

Mrs. Cheryl Gallant: Mr. Speaker, we heard from a number of people.

Actually, there was another concern expressed by a farmer in my riding. He says that this short-sighted approach fails to understand the impact businesses have on family members who might not be directly involved in the business but share in the financial risks.

This will not only affect business owners and doctors, but also have an impact on everyone. It will have an impact on people who are already retired, and people who do not yet have a job, because it will be harder for them to find a job, and also people who are ill, if they can even find a doctor, let alone deal with how long the wait times will be.

We heard that in Thunder Bay the entire emergency department signed a letter saying that if this proceeded, they would walk out.

That is an entire city that would be without an emergency department. What about the people who work, supporting those doctors?

It is not just jobs that are at stake, but people's lives because of this ill-conceived, high tax grab.

• (1255)

[*Translation*]

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Mr. Speaker, I thank my colleague for sharing her speaking time with me.

I am always happy to rise in the House, but quite frankly, I have to say that I would rather be talking about something else today, but the government decided to specifically target Canadian entrepreneurs, the people who create jobs and wealth and who are the backbone of the Canadian economy. As evidenced by the Minister of Finance's infamous reform proposal, they have fallen out of favour with the Liberal government.

Two aspects of the Liberal government's approach are a complete disgrace. The first is obviously the direct attack on our entrepreneurs, but there is also the fact that Canadians had so little time to debate these major issues. That is why, today, we have moved a motion stating that this Liberal reform is no good, as it is an attack on our entrepreneurs, and asking the government to extend until January 31 the consultations it claims to have held.

In 1962, the Diefenbaker government created the Carter Commission to evaluate proactive tax measures that could be presented by the federal government to stimulate entrepreneurship, investment and job creation. How long did it take for that government and the ones that followed to develop a positive policy? It took 10 years because, in the 1960s, governments listened to citizens, business people and those who make the economy work.

It took 10 years, until 1972, to achieve the tax measures that we know today. Since then, various adjustments, changes and proposals are made every year, which is perfectly normal. Our job here is to look carefully at each proposal. The scandalous part is that the Minister of Finance launched a supposed 75-day consultation of Canadians in the middle of the summer, on July 18. I was a journalist for 20 years and I have been in politics for nine, so I know the game well enough to know that a government that provides a 75-day consultation period starting in the middle of the summer has already made up its mind; it does not care what people have to say. That is the reality under the Liberal government.

I would like to share just a little story about how I was on vacation when I saw the Minister of Finance's announcement. I checked in with my colleagues, released a statement, and headed to the Radio-Canada studio in Quebec City. I was on vacation. My hair was long, I had a beard, I was wearing bermuda shorts and sandals, but we did the interview anyway because it was important to us. I hope nobody digs out the pictures because that could be embarrassing. I can see that my colleague from Montreal's south shore is having quite a chuckle picturing that. Taxpayers paid for those pictures because we did it at Radio-Canada.

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Jokes aside, the fact is that when a government launches consultations in the middle of the summer, that is a sure sign it does not really want to hear what people have to say, and for good reason. How do the Liberals really feel about entrepreneurs? Why did the Liberal government launch this so-called consultation about taxing them more heavily? Because it does not like them. It despises them. People across the aisle are getting all up in arms. They say I am exaggerating, but I am not.

Almost exactly two years ago, on September 8, the CBC's Peter Mansbridge interviewed the Liberal party leader, who said, "a large percentage of small businesses are actually just ways for wealthier Canadians to save on their taxes". Not only is that not true, it is also derogatory, arrogant, and so very Liberal. On the basis of that fallacy, the Liberal government started thinking about ways to help itself to even more of our entrepreneurs' money.

The government settled on a three-pronged approach to making life difficult for our entrepreneurs and getting its hands on even more of their money: business transfers, passive income, and income sprinkling.

Is there anything better than walking into a second-, third-, or fourth-generation business, where the pictures of the grandfather and great grandfather are hanging? How wonderful to see people managing to transfer their knowledge from generation to generation, people motivated by family pride to make their business thrive.

● (1300)

What does the Minister of Finance's reform propose?

It proposes further taxing those who would like to sell their business to their children. Too bad for them, but the reality is that, if an entrepreneur wants to sell the family farm or business to their children, they will pay more taxes than if they sold it to a stranger.

How unfortunate. As the member for Carleton notes every time he asks a question on the topic, the risk, particularly in the case of family farms, is that farmers will very likely end up selling to a large company, like McCain, rather than to a family member if it means paying less tax. That is outrageous.

As Canadians, we must respect and promote family entrepreneurship. That is what the provincial government is currently doing, with the support and co-operation of the opposition parties in a spirit that allows family businesses to be sold within the family without any tax penalty.

The first pillar of the Liberal government's attack is the transfer of businesses, which is taxed more when it happens within a family. What a bad idea.

The second is passive income. The Liberal government wants to further tax people who put money aside in businesses. That is outrageous; absolute heresy. Anyone in business will tell you the facts, which are that, in business, there are good years, and there are bad years. You have to save money when you want to buy something, invest in your company, modernize equipment, give bonuses to employees, hire people or raise salaries.

That is the fair, responsible and realistic way Canadian entrepreneurs operate. That is not the Liberal way, who prefer to

live on credit, run deficits and rack up debt without a care in the world.

No! A true entrepreneur is a visionary man or woman who is responsible and puts money aside. Unfortunately, the Liberal government wants to further tax entrepreneurs. That is a sign of the contempt in which it holds them, in typical Liberal fashion.

The third is income distribution. We have been hearing a lot about how it is not right for people to split their income and to hire family members, and what not.

No! In real life, when you know how family businesses work, how often do you hear entrepreneurs say that they had to mortgage their house to stay afloat? Others say they have not paid themselves a salary, and that their children and spouse are pitching in, that everyone is making an effort, everyone is rolling up their sleeves, all trying to make the business grow.

Anyone who visits a local business owner, whether it be the owner of a modest pizzeria on the corner or your local electrician or plumber, knows that the family is engaged and involved in the business's success. Sometimes family members are paid salaries or dividends, but this is not some mortal sin; on the contrary, that is how you run a business.

That is what you are supposed to do. Of those three factors, this is an attack on entrepreneurs because entrepreneurs are not salaried employees. That is what is so vicious about the Liberals' attitude. They are pitting salaried employees and entrepreneurs against one another, when everyone should be working together.

The Liberal government says it is going to tax the wealthiest 1% more. It seems to have forgotten that the Department of Finance found in a report released last week that the infamous 1% paid less in taxes this year than it did two years ago. Will you look at that!

That is the Liberal Party's policy, but I digress. I cannot conclude my remarks without mentioning the fact that, last Friday, we, the five Conservative members for Quebec, spoke out on behalf of Quebec business owners. We held a meeting, and it was very moving to hear from real Canadians, real business owners, and real job creators who are completely disgusted by the Liberal government's attitude.

Thirty-six-year-old Steeve Marin started his company 15 years ago with the support and backing of some of his colleagues. Today, he says that, after all of the sacrifices he has made, what the Liberal government is doing is like using a bazooka to kill a fly. Not only is this approach inadequate, it is disrespectful.

Ms. Lapierre and her husband started a company three years ago. They went without a salary for 10 months so that they could pay their employees. That is what life is really like for business owners, the very people the Liberals intend to go after. It is unacceptable.

Gaétan Boudreau owns a construction company. He said, and I quote, "if this keeps up, I'm walking away."

Business of Supply

•(1305)

That is the reality. It is not the Conservatives who are saying this. We were pleased to hear from tax expert Louis Julien from Choquette Corriveau, who said that, if these measures are passed as they now stand, business owners will have to pay more taxes. They will have less money for future projects and a lower standard of living. These measures will curb entrepreneurship, cause an economic downturn, negatively affect job creation, and cause hundreds of entrepreneurs to leave Canada. That is what the Liberals' bad policy would do.

The least the government can do is to continue to listen to what Canadians have to say about this, at least until January 31, 2018.

Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I listened carefully to my colleague's speech, but I heard no proposal. I imagine the Conservatives see life in black and white; there is no grey area for them.

Does the member think it is fair that a two-day old child currently has a lifetime capital gains exemption? Thus, if that child wants to start a business at 18 years of age and retire when he is old, he is not entitled to his capital gains exemption. Is that fair?

Mr. Gérard Deltell: Mr. Speaker, what is unfair in this proposal is that the numbered companies belonging to the Prime Minister's family are conveniently exempt from these measures. The Minister of Finance's billion-dollar family business, Morneau Shepell, is also conveniently exempt. That is unfair.

It is our duty and our responsibility to carefully review each of the government's measures. That is just fine, and we are open to discussions. In fact, we are open to true discussions, not 75 days of consultation during the summer.

Will the member agree to extend that to January 31? I am sure he will.

Ms. Anne Minh-Thu Quach (Salaberry—Suroît, NDP): Mr. Speaker, I think that everyone here will agree to creating a fairer and more equitable tax system for everyone, and to not target only SMEs and the entrepreneurs that drive our local economies across Canada.

The NDP has proposed extending the scope of this study to include CEOs, multinationals and a study of tax havens. We know that at least \$8 billion is lost every year. Sadly, the Conservatives rejected our amendment in that regard.

If the Conservatives do not want SMEs targeted and refuse to include a study of CEOs and the legislation that enables the use of tax havens, what kind of equity does the hon. member have in mind, exactly? Why did the Conservatives vote down this NDP amendment?

Mr. Gérard Deltell: Mr. Speaker, everyone knows that the use of what is referred to as tax havens is an international issue, one that Canada alone cannot resolve or change. We must address it with the support and co-operation of 180 other countries around the world.

As for the NDP proposal, as I said, the Conservatives are not opposed to consultation or analysis, but it has to be done correctly. The government held consultations over 75 days, which might be described as rushed. If even more elements are added, we may end up having even less time. That is why the Conservatives are

proposing to correctly analyze the government's poor proposals until January 31. Nothing prevents further debates later on if needed. For now, and until January 31, we must focus on the frontal attack that the Liberal government is waging on our entrepreneurs.

I sincerely hope that the Liberals, who always say they want to continue listening, will vote in favour of our proposal.

[*English*]

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

Mr. Speaker, it is interesting that the Conservatives are asking for additional consultations. When Stephen Harper was the prime minister, he did not believe in consultations. Not only have the Conservatives crossed the floor, but they have also changed their attitude toward consultations.

When it comes to consultations, this government has demonstrated very clearly that it believes in having input from Canadians, whether it is the Prime Minister doing town halls or the Minister of Finance reaching out and consulting with Canadians who are holding town halls themselves. There has been a phenomenal amount of effort and input. This government is taking those into consideration. It is very genuine.

The Conservatives seem to have something against Canada's middle class. This is all about tax fairness. I ask them to think about passive income. Eighty-three per cent of that passive income goes to a very small number of people, those making over a quarter of a million dollars a year. Why do the Conservatives consistently go against Canada's middle class?

•(1310)

Mr. Gérard Deltell: Mr. Speaker, based on the Fraser Institute, the middle class pay \$865 more today than they paid two years ago. That is a direct tax to the middle class. The Right Hon. Stephen Harper never made war with small business owners, as the Liberal government is doing right now. We want to listen. Sixty-nine groups from coast to coast oppose that kind of measure.

I am very proud to sit here in the House of Commons with my colleagues from Charlesbourg—Haute-Saint-Charles, Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix, Beauport—Limoilou, and Portneuf—Jacques-Cartier. All six of us are listening to what Canadians are saying about this. That is our job. I hope the government will at least let people express themselves until January 21.

[*Translation*]

Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I will be sharing my time with the hon. member for Don Valley East.

Business of Supply

I want to begin by saying that I fully support the business owners and farmers of Glengarry—Prescott—Russell. I grew up with a father who sacrificed hours and hours working on his business when I was young. He had two restaurants and was involved in municipal politics. Spending time with him meant going to the restaurant early in the morning or going to the office. I personally experienced the family sacrifices a father or mother must make for their business. That is why I wanted to speak to the motion we are debating today.

[*English*]

Today, I will explain what we are trying to accomplish and why I will not support the motion.

[*Translation*]

We know farmers are key to our economy, which is why we want to make sure we get this right, particularly when it comes to the new generation of farmers and agricultural entrepreneurs.

The government will not change benefits in the tax system that are intended to help family businesses grow, create jobs, and innovate. Farmers do so much for Canada. They deliver high-quality food to Canadians and our international customers, provide jobs in rural communities, and boost Canada's economy, while working to safeguard our natural resources.

As I am sure my honourable colleagues know, farming is a 24-hour, 7-day a week business. It is a physically demanding, time-consuming job. It is commendable.

Supporting farmers is a priority for the government and for me, personally. We know that one of the greatest returns on investments we can make is helping the next generation enter agriculture as their career of choice.

As the industry grows, so does the need for additional talented, energetic and well-educated young people. The government is committed to helping this new generation obtain the skills and support it needs to help young people move into good-paying jobs, including many opportunities in Canada's agriculture sector.

A recent informal survey by Farm Credit Canada of 33 post-secondary institutions offering agriculture and ag-related programs confirms agriculture has become a popular career option, especially over the past five years as the industry has grown.

According to Statistics Canada, in 2014, over 12,000 students across Canada were studying in agriculture or an ag-related program. This is great news. A University of Guelph study found that there are 4 job openings for every graduate of the Ontario Agricultural College. The gap has risen from 3 jobs for every graduate in 2012, despite a 30% increase in enrolment over the same period.

Sixty-seven per cent of agriculture companies and 51% of food processors or retailers said they had trouble finding qualified employees, according to the study. The University of Manitoba's School of Agriculture just graduated its largest class in more than 30 years. Similarly, the University of Guelph's Alfred campus offers a wide range of courses aimed at training the next generation of farmers.

According to Statistics Canada's Census of agriculture, for the first time since 1991, the number of farmers under the age of 35

increased. Agriculture has shaped our nation and contributes to the health of both Canadians and Canada's economy.

We are talking about a powerful engine of jobs, growth and trade in this country. Today, it is a \$100-billion industry, employing more Canadians than any other industry in Canada.

Thanks to our innovative farmers and their commitment to delivering the highest standards of safety and quality, Canadian foods and beverages can be found on store shelves around the globe. Customers in the world's fastest-growing market, China, can now order Canadian food products with the click of a mouse.

As we celebrate the 150th anniversary of Confederation, it is exciting to reflect on how far our agricultural industry has come. Farmers can now link their tractors to satellites in the sky, and we now have robots to milk cows. This would have seemed like science fiction in 1867.

The future is bright for this dynamic industry, with a growing global middle class looking for products our world-class farmers and food processors can deliver. To continue to succeed, however, the sector depends on continuing to attract young farmers. There are financial hurdles to overcome for many young people to take over the family farm or start their own farm business from scratch.

• (1315)

That is why the government, through Farm Credit Canada, has increased its support for young farmers by doubling the amount of credit available to \$1 million from \$500,000. As well, FCC has lowered the possible minimum down payment to 20% of the value of the loan which supports the purchase or improvement of farmland and buildings. These are key measures which will help beginning farmers overcome the considerable capital outlay required to start out in the business.

Young farmers also play a key role in the Canadian Agricultural Partnership, a federal-provincial-territorial agreement to invest \$3 billion to advance our great industry over the next five years. The partnership will focus on priorities that are critical to unleashing the sector's growth potential, including research, innovation, domestic competitiveness and trade.

The partnership will be a solid foundation for the future of our great agricultural sector. To grow our agrifood trade even further, the budget targets \$75 billion a year in agricultural exports by 2025.

As the House can see, the government fully understands that it is in Canada's best interest to encourage young people to choose a future in agriculture. The tax changes we are proposing will not raise tax rates on farm businesses. They will not affect farmers' ability to incorporate, make investments or pay family members who work in the farm business.

Business of Supply

Our priority is to ensure tax fairness, while avoiding unintended consequences for our hard-working farmers. This is the purpose of the consultation. I realize that there may need to amend the bill once it is introduced, but that is what consultations are for. We provide information, knowing that comments and suggestions will follow. It is not a done deal, as some people claim.

The Minister of Finance indicated that the our government's goal was not to make it more difficult to transfer family farms. On the contrary, we want to make it easier.

[English]

I had the opportunity to speak to many accountants and tax lawyers since the beginning of the consultations. I want to thank each and every one of them who reached out to me. They agree with the government that while legal, converting dividends into capital gains is an aggressive tax strategy. Most of them do not advise their clients to do so. They also agreed that a child who was two days old should not be able to use the lifetime capital gain exemption. Again, the vast majority of entrepreneurs do not do this.

I believe the last point is important for a young generation. Under the current rules, children could use the lifetime capital exemption, which is up to \$850,000, without their consent. Let us say they start a business and grow it into a success. By the time they want to retire and sell the business, if the amount of the lifetime capital exemption was all used when they were two days old, they will have to pay the full taxes on capital gains when they retire. That is wrong, and it is not fair for a young generation.

● (1320)

[Translation]

Some accountants and tax specialists have also raised concerns, and I recognize that the proposal contains certain unwelcome measures. I also know that the Minister of Finance has been listening to and will continue to listen to people's concerns.

[English]

What farmers and entrepreneurs need is certainty in the marketplace. Extending the consultation period would cause more delays and more uncertainty in the market. Realistically, if the Conservatives are going to blast us for launching these consultations during the summer, I do not see how extending them during the Christmas period is going to help.

[Translation]

Lastly, the government's goal is to make sure the next generation of farmers has the tools, resources and support it needs to succeed.

[English]

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Mr. Speaker, with all due respect to my friend across the way, he is going to have to do a little better. He just told us that we cannot extend the consultation to January because that would interfere with Christmas. I do not know if that needs a response, but I will clarify.

We have the fall in between now and Christmas. This is precisely the issue, that if the only consultation is over the holidays, that limits people's ability to respond. The Conservatives do not have a problem with the consultation period including holidays, just as long as it is not exclusively during the holidays.

The member has a perspective on these changes and it is one, of course, that I am sure will be hotly debated within his riding. We are hearing from business owners and entrepreneurs that the reality of the system in place gives people the appropriate incentive to be creative and take that risk. We want to make that risk possible without having punitive measures that punish people more.

Could the member at least take this institution seriously enough to tell us why he is opposed to having the entire fall period available to people who want to contribute and put forward their serious concerns?

Mr. Francis Drouin: Mr. Speaker, if my hon. colleague had listened to the first part of the comment, I said that extending the consultation period to January 31 would only prolong uncertainty in the market. The last thing entrepreneurs need is uncertainty in the market. There are people right now—

Mr. Kelly McCauley: And higher taxes.

Mr. Ron Liepert: The last thing they need are higher taxes.

Mr. Francis Drouin: Mr. Speaker, if those on the other side would only listen, some people right now are waiting on our government to come out with our proposed tax changes. Waiting will not help them. They need assurance and they need certainty. That is why I do not support the motion of the Conservative Party.

[Translation]

Ms. Brigitte Sansoucy (Saint-Hyacinthe—Bagot, NDP): Mr. Speaker, my colleague knows that he does not have to convince me of the importance of agriculture, since I am proud to represent a world-renowned agrifood technopole.

What fascinates me today is that my colleague and his Liberal colleagues have to spend all day explaining to agricultural producers that they have nothing to worry about. This morning, I met with a young agricultural producer who is also president of the Haut-Richelieu Chamber of Commerce and Industry. She told me she was worried about the reform.

If people are still worried, they need time to understand. If the Liberals want to explain just how perfect the reform is for them, they should take the time they need. Between July 18 and October 1, agricultural producers do not have time to study the issue. If an agricultural producer who is also president of her chamber of commerce is still worried this morning, it is because we need more time.

If the Liberals want to represent and listen to them, why do they not give them the time to express themselves?

Mr. Francis Drouin: Mr. Speaker, I thank my colleague for the question. I personally made a number of calls, I spoke with several farmers, and I shared their concerns with the Minister of Finance.

Business of Supply

Endlessly extending the consultation period would create uncertainty in the market. The Minister of Finance was clear when he said that it was a consultation period and that this was not a final bill. Once the final bill is introduced in the House, that will give our farmers more certainty.

Although the consultation period ended on October 2, I had plenty of time to share with the Minister of Finance all the concerns and proposals I heard from the farmers I talked to.

● (1325)

[English]

Ms. Filomena Tassi (Hamilton West—Ancaster—Dundas, Lib.): Mr. Speaker, the member for Glengarry—Prescott—Russell always advocates on behalf of farmers and those in the agriculture sector, and I appreciate that. He is very passionate about this area.

Could he expand on the consultation process and how he has taken this opportunity to consult with his constituents to ensure their concerns have been represented during the process, which has gone on for over 70 days?

Mr. Francis Drouin: Mr. Speaker, I have extended the consultation period. I have reached out to local chapters of the Ontario Federation of Agriculture. I have reached out to dairy farmers. I have held sessions with chambers of commerce. I have called back everyone who has called me at the office. I have listened to their concerns and I have voiced them to the Minister of Finance. It is a simple process. Anyone can do it in 75 days.

Ms. Yasmin Ratansi (Don Valley East, Lib.): Mr. Speaker, I am pleased to rise in this chamber to speak to the recently concluded consultations of our government on the proposal on tax planning used by private corporations.

The Liberals' plan is to make our tax system fair. It has been part of our commitment. We are also trying to do that by growing the economy and putting more money into the pockets of ordinary Canadians.

Since we formed government, we have been focused on the priorities of strengthening and growing the middle class. How have we done that? We have done it by reducing taxes for middle-income earners, which has benefited nine million Canadians. The Canada child benefit is helping lift hundreds of thousands of children out of poverty. We have also expanded the Canada pension plan to ensure that Canadians will be better off financially in their later years. We continue to invest in our communities and people, which has resulted in a positive change to the economy.

The Canadian economy is in a resurgence. Economic indicators tell us that since the fall of 2015, the Canadian economy has created over 400,000 jobs. The results of the second quarter indicate that there is growth of 4.5% in the GDP. Our economy is now growing faster than any of the other G7 countries. It is through strategic planning and a forward-looking agenda that we have been able to achieve these results.

As our economy grows, we are committed to ensuring that the benefits of economic growth are shared by every Canadian. How do we do that? Investing in people and the economy should result in a benefit for all Canadians, but all Canadians are not sharing in this wealth. This is where tax fairness comes in.

Individuals who take advantage of the tax system are able to pay less tax than those who earn the same amount and do not, for example, create a private Canadian corporation. Hence, we need to review the system and see how we can make it fairer.

Consultations have taken place, and we have heard from many individuals by mail and email. From the correspondence I have received, I have realized that there is much misunderstanding as to who would be impacted by the proposal. As such, I held a town hall in my riding to listen to concerns and clarify misperceptions and took that input back to the minister.

What is the proposal really trying to do? Contrary to the Conservatives' spin, this proposal would not impact the carpenter, the plumber, the local shopkeeper, or the restaurant. The premise of the Conservatives' argument is disingenuous, because they are misrepresenting who the tax system is really going to go after.

For example, someone earning \$500,000 could take advantage of the maximum RRSP and TFSA and be left with an income of \$250,000. If that individual wished to reduce his or her tax, he or she could create a PCC, float the money to his or her spouse, and sprinkle the income. Through this strategy, which is legal, the individual would be able to reduce the amount of tax paid. On the other hand, an individual who did not incorporate and who earned the same amount of money would pay a higher tax rate.

Canadians have told us that they want a fair system in which everyone pays their fair share of taxes. The tax system has not been overhauled since the 1960s. It is time to review the system and ensure that it is fair.

As an accountant, when I posed the question for the Leader of the Opposition asking him which specific section he was talking about that would impact the carpenter or the plumber, I realized that he had not really read the legislation. The proposed legislation would only target the 1% who take advantage to reduce their personal taxes, and the contractor, the plumber, and others would not be impacted by these changes.

● (1330)

I can say from experience, having done many corporate tax returns, that the majority of small and medium-sized enterprises, before they even submit their tax returns, have taken advantage of things that are legally available to them. They have taken advantage of expense deductions, like mortgages, hydro, and car. They have taken advantage of capital gains, which is capped at \$800,000.

We understand that small and medium-sized enterprises take risks and work hard. We continue to work with them. That is why our government has invested, and continues to invest, in innovation and technology. Small and medium-sized enterprises have taken advantage of these investment programs.

Business of Supply

In my riding, I have many SMEs that have taken advantage of innovation funds. We have recognized creative businesses through our career focus by giving them funds to hire university graduates. This is a win-win for both the employees and the employers. We have increased funding for the Canada summer jobs program so that SMEs can hire students at no, or minimum, cost. These are the benefits that small and medium-sized enterprises can take advantage of.

We have the lowest corporate tax rate for small and medium-sized enterprises in the G7. These are advantages that all of them can take. Small and medium-sized enterprises can also take advantage of deferred taxes. We are not going after those.

If anyone reads the legislation, they will know that only the 1% that probably make \$250,000-plus will be impacted once they start sprinkling income. That is what the government is trying to do: make the system fairer. This is about individuals who take out the money.

It is important that we have a robust and respectful discussion and that our conversations are not based on misinformation, speculation, or hyperbole, because it does not benefit anyone. The proposal is not going to affect legitimate corporations or restrict an individual's ability to incorporate.

The Government of Canada continues to work to create a healthy and growing economy in which businesses can generate well-paying jobs and where people can have confidence that they can succeed. We are committed to supporting hard-working entrepreneurs as they invest in their businesses, create good, well-paying jobs, buy new equipment, and re-invest in the economy.

We want to ensure that Canada's tax system continues to help businesses, small and large, expand and create jobs. Our actions are to improve the tax rules to ensure that they benefit individuals as well as a competitive corporate tax system.

We do not want any unintended consequences. That is why all this debate and all these conversations are taking place.

• (1335)

Mr. Tom Kmiec (Calgary Shepard, CPC): Mr. Speaker, this is more of a comment. I do not have a question.

The member talked about having read the proposal, so let us start there. On the issue of retroactive taxation, proposed section 246.1 of the proposal is an extra tax on CDAs, capital dividend accounts. That has been confirmed by tax specialists and tax accountants.

In section 84.1, there is a problem. Tax specialist John Wonfor presented before the committee and said that it is not true that, as the government says, it is not retroactive. Different ministers and the Prime Minister have said different things, saying it is retroactive or it is not. Mr. Wonfor said, "That's not true, because you have to look back at all the transactions and determine whether you have a section 84.1 problem." The proposal the government has put forward is retroactive, despite all the talk on that side that it is not.

Furthermore, when we go to the taxation of estates, double and triple taxation was confirmed by Allan Lanthier. Allan Lanthier is a fellow of more accounting associations than I can even describe. He is an FCA and a CPA right now. He is also the president of the Canada Tax Foundation. He said, "I was going to say they're

murdered by these proposals, which was a bad turn of phrase in the context of post-mortem planning, but yes, they can face tax rates up to 92%. Those are the proposals with respect to section 84.1 that the government's put out for consultation."

When we read the proposal, they are retroactive, and they punish small businesses, estates, and the family farm.

Ms. Yasmin Ratansi: Mr. Speaker, the hon. member's question shows that there is a lot of confusion. I have had lots of conversations with managing partners. I am an FCPA, and I belong to some accounting firms, the partners of which came to me.

This is a proposal. This will go through the legislative process. It will change. Let us not create hyperbole or speculate. We have to trust that we as MPs will vote to ensure that there are no unintended consequences.

Mr. Mark Gerretsen (Kingston and the Islands, Lib.): Mr. Speaker, on the issue of fairness, it is very appropriate for different parties within this House to have discussions about which social elevators are preferred and which would be more effective in contributing to equality throughout our country, but this really comes down to an issue of fairness. Is it fair that someone who is unincorporated does not have the same advantages as someone who is incorporated? I wonder if my colleague could speak to the fairness aspect of this and how she sees that this goes to create a fair and level playing field for everyone, especially given the inequalities that have continued to emerge between the haves and the have-nots over the last 20 years.

Ms. Yasmin Ratansi: Mr. Speaker, the tax system has not changed in 45 years. It is high time we changed it. It is high time we recognized the different ways people utilize private Canadian corporations. At the moment, there are 1.8 million of them, and the number is rising. Why is it rising? Is it for people to park their income? If that is the case, then we should look at it, because it really benefits those corporations and those individuals in reducing their tax rate. We have to be mindful that we do not have the haves and the have-nots and we do not have such a large diversification that people are not benefiting from economic growth.

Mr. John Brassard (Barrie—Innisfil, CPC): Mr. Speaker, my question is a simple one. The last time there was a fundamental change to this degree of the tax system and tax policy in this country it took seven years. The Carter commission took seven years to investigate and make recommendations to Parliament. This has taken 75 days. Does the hon. member not see that these are fundamental changes to tax policy that would impact millions of Canadians? Does she not agree that we should extend it much beyond the 75 days and perhaps look at this a little bit longer?

Business of Supply

●(1340)

Ms. Yasmin Ratansi: Mr. Speaker, the hon. member has a legitimate question. Yes, the Carter commission took seven years. The issue at the moment, as I see it, is that the more we extend the consultation, the more confusion will come up, because everyone is giving his or her spin on it. Let us not give the spin. Let parliamentarians look at the bill in-depth, debate it, and say, "Here is the right thing." A small and medium-sized enterprise makes \$73,000, not what the opposition members are saying would be impacted.

Mrs. Karen Vecchio (Elgin—Middlesex—London, CPC): Mr. Speaker, today I love hearing the word "fair" from the Liberals.

I am going to be sharing my time with the member for Kamloops—Thompson—Cariboo, and I am honoured to speak today on behalf of my constituents of Elgin—Middlesex—London regarding the proposed tax changes put forward and the request to extend the consultations on these proposed changes.

I would like to thank the Liberal government for creating chaos in my community. It was created by the Liberal government and not by anyone else but the Liberal government.

Members of the community, including renovators and home builders, farmers, physicians, family-run businesses, restaurants, and accountants made sure they took time away to come to speak to me about these changes and how they will be negatively impacted.

Today I want to start with some of the highlights from my constituents. I have only brought in about eight of the letters from the hundreds and hundreds of letters have come in. I have had lots of meetings. We have been doing these consultations, and I continue to have consultations.

I would like to begin with a letter from Mike from London, who wrote:

Three years ago I established a new business in London investing significant resources in addition to working the 60+ hour weeks required to make it successful. In March we doubled our warehouse space and employee count double to 4, with us considering adding a 5th person this fall. I question why I am doing this based on the new tax path the federal Government is planning to implement. The returns available to small businesses are just not balanced with the risks faced every day.

Jim, from St. Thomas, is also a well-respected accountant who immediately started reviewing these changes. It wasn't us, but someone who has worked in this field for 35 years who then wrote to me the following:

We continue to feel that the income sprinkling issue in particular is way out of line and potentially just plain wrong in every sense of the word if you can't share your family business income and future gains with a child rearing/non participating or only partially participating spouse. For example is the doctors spouse who runs the office and may or may not be a nurse eligible for equal compensation to the doctor in the future? I'd like to be there when the CRA field auditor says they're not just to see what happens. Or the farmers spouse?

We are also hearing that the new "reasonableness rules" in the Act will override the old administrative policy of the CRA that "any" owner-manager salary/bonus is reasonable. So if dividends paid have to represent a reasonable return, then we are unclear of how to distribute income from a company whether it be by way of a wage or a dividend.

It is funny that we are talking about how the Conservatives have spun on this, but I did not write anything to these people. They are actually writing us, and we have tax specialists writing to us. I have not asked for their insight. As we continue with this, I want to be

sure that members of the government know we are listening to the people.

I would like to share three paragraphs.

Hetty is another small business owner. She works in the community. She is widowed and happily just remarried, and we are very proud of her. She works seven days a week at her landscaping business. She wrote me a very lengthy letter, but I just want to read a little excerpt:

Please find attached a couple of letters from me regarding Taxation of Private Corporations. From what I have been hearing, it is really starting to worry me. I've worked my whole life as an entrepreneur and if I can't use capital gains exemptions or realize a profit from the sale of my business then my retirement is looking very dim. I do not have CPP or a pension to fall back on. Small business owners need support in order to realize a decent retirement. I hope that the government is able to stop what they are doing and have some conversations with the business community so they don't unfairly target private small business.

As I continue with this, the letters and emails have been pouring in from Canadian families, but I specifically looked at only the people from Elgin—Middlesex—London, which includes the city of London, the city of St. Thomas, and eight other municipalities, mostly farming communities.

I have Jason and Shelby from Thorndale, who wrote to me:

According to the Coalition for Small Business Tax Fairness, these proposals will restrict small-business owners, like family farm owners, from sharing income with family members. Changes to capital gains rules will make it more difficult for owners to transfer their farms within the family to the next generation.

This in particular is a concern for multi-generational farm businesses that have incorporated for the purposes of farm succession....

That is something we on this side have heard many times from our advocates. We are here to listen to the farmers. We want to know what is going on.

I can continue, and that is exactly what I am going to do. Members are going to have to listen to me for five more minutes. Farmers in my area are very vocal. If members ever want to hear vocal, come to Elgin—Middlesex—London. They will let the members know what is really happening.

Peter and Sarah from West Elgin shared with me a very familiar story. I too was raised on a farm and I understand the challenges and risks. I was a farmer's daughter. We raised 18,000 turkeys and 2,000 pigs. My dad worked seven days a week, 365 days a year, and that is what he did until he sold his farm in 1996.

●(1345)

However, this is what they have written. He gave me an entire page before it, but it states:

Business of Supply

Fast forward 30 years and we have survived almost complete bankruptcy, droughts, crop loss, pig deaths and many other trials and tribulations to create successful cash crop and livestock operations. However, all of this was at a cost. We received no funding to pay for our university educations, no help to open our new businesses. We risked it all. On paper we might look like a successful business but there is no retirement for our parents other than the family farm. As an employer I have no access to EI, I have to pay for my own benefit plan and I have no access to OSAP for my children to attend University. I have no help other than my own blood, sweat and tears poured in 365 days a year and multiple hours a day because that what it takes to raise livestock. I risked marrying a city girl only to have her discover that pigs get shipped out on Christmas Day, that chores need to be done on the weekends and going away for more than 4 or 5 days at a time is hardly possible.

To continue with this, now I have Linda's letter. Linda is a great lady from the city of London. She wrote:

I thought it might be helpful to provide a more personal response to the proposed tax amendments. The amendments are premised on the idea that small business owners are wealthy. To the contrary, many business owners are middle class – the same group of people that this government seems to want to prioritize.

I think that speaks for itself. It is the middle class saying, “Hey, you're not helping us, government.”

I would like to move on to Dan. Dan is a very well-respected financial planner within our own community. He also does insurance. He has studied this. He has not been told about it by me or any other member of the Conservative Party. We are talking about an academic studying this information and breaking it down, so before members say that this is a Conservative spin, this is what Dan, a well-respected person in my community, has written. These are the first top six issues he has:

Federal proposals represent significant tax reform for family businesses in Canada.

Family business owners are the middle class. Family-owned enterprise is the engine of our economy.

I hope everyone realizes that.

It is misleading to equate business owners with salaried employees. I am not sure how many members have been small business owners in this room. However, I have been. I have worked many times for zero dollars. I can tell members that at the end of the day I made sure the employees went home with a paycheque, while I sat there trying to figure out what to do. That is just the life of a small business owner.

Imposing new rule introduces more complexity and uncertainty.

We have heard that time and time again.

Integrating generational businesses makes succession even more difficult.

Those are some of Dan's tactics and issues.

I want to finish with Jonathan. When I looked at Jonathan's letter, I thought, “This guy gets it. This guy really gets it and does care.” He wrote:

I am deeply concerned with the tax proposals released by the Department of Finance on July 18th. These proposed changes, as currently worded, will be extremely damaging for my farm and the farm businesses across Ontario and Canada. These proposed changes, will add uncertainty and complexity to farmers and small business owners across the country. I am particularly concerned with the impact these changes would have on succession planning. It is unacceptable that the government of Canada would make it easier and more beneficial from a tax perspective for a farmer to sell their farm business to a stranger, rather than their own child or grandchild. This type of policy threatens the tradition of the Canadian family farm.

The conduct of this consultation is completely unacceptable. Providing a 75-day consultation period on such complex, and ill-conceived legislation makes a mockery of the democratic process and good governance.

As currently worded, these proposed changes cannot be allowed to move forward. If tax reform is a priority, it must be done in a meaningful consultation with Canadian farm businesses and other small businesses.

I ask that you do not support this process or these proposed tax changes.

As a young farmer, and someone that is now completely self-employed, these changes will de-incentivise entrepreneurial ventures and business owner ship in general.

He carries on about how in Ontario we do not have just the Liberal government to deal with but also the Ontario Liberal government to deal with, so these farmers will now be paying minimum wage increases and paying more for hydro. I really do not know how they are doing it.

All we are asking for today is more time for consultations. The government can say the process is over, but if it is over, why do I continue to get loads of calls from many people still wanting to meet with us? It is because people just found out on July 18 that the government is proposing this change. In the dead of summer, people are busy doing things. Maybe they were doing Canada 150 celebrations, as I was, but we have not given Canadians the proper opportunities to speak.

What the government has done here is totally demobilize the faith of good Canadians. I urge members to vote yes to allow the consultations to proceed for the next couple of months so that all Canadians can have their voices heard.

● (1350)

Mr. Lloyd Longfield (Guelph, Lib.): Mr. Speaker, as a former small business owner and president of the Guelph Chamber of Commerce, one thing I know from a business standpoint is that we do not like uncertainty, and the periods when we have been consulting with Canadians, just by their nature, introduce uncertainty.

The collaboration we are working on with businesses will help us to move past the uncertainty and look beyond the hypotheticals the member is bringing forward today, toward having some firm policy to discuss in the House. Does she not see that having firm policies versus hypotheticals would be more beneficial for our business community?

Mrs. Karen Vecchio: Mr. Speaker, as I know the member worked for the chamber of commerce, I find it surprising that he is not listening to the people who are members of it. We have seen 99% of Canadians who are members of the chamber vote against this proposal. It is interesting that he is not one of them.

Mr. Richard Cannings (South Okanagan—West Kootenay, NDP): Mr. Speaker, I am glad my colleague from Elgin—Middlesex—London talked about fairness, because fairness is a fundamental that the NDP is built on. That is why both the NDP and the Conservative Party are calling for the government to extend the period of consultation to make it fair for farmers and other people who have not had time to explore this complex proposal.

Business of Supply

I wonder if she would comment on the NDP proposal to also expand this consultation to include real tax fairness, CEO tax loopholes, and offshore tax havens where the government could really get at tax fairness.

Mrs. Karen Vecchio: Mr. Speaker, we have seen many times during question period that we are finding those loopholes every day. We have been asking about Morneau Shepell. The member for Carleton has done an excellent job.

There will continue to be loopholes that will not affect the people we are talking about on Bay Street, so I would like to see what the member has to offer. I personally have not looked at it. However, the bottom line here is that we are not seeing tax fairness. We need the consultation period extended, and perhaps those consultations could be part of that as well.

Mr. Garnett Genus (Sherwood Park—Fort Saskatchewan, CPC): Mr. Speaker, what I have found unfortunate in the conversations I have had with business owners in my riding is this. When I have asked them, through this process, whether they would advise a young person who is considering going into business to follow the path that he or she has followed or not to bother, many business owners have told me that in light of the piling on from the Liberal government, from other levels of government in Alberta, and the same in Ontario, the advice they would give is not to go down that path at all.

That is unfortunate. I wonder if the member could comment on whether she is hearing the same thing and how we should be responding to it.

Mrs. Karen Vecchio: Mr. Speaker, we are not only hearing it from small business owners but also from family physicians. We already have a shortage of physicians in Ontario.

I have been speaking with a lot of people. We are talking about patient care. We are talking about people exploring what they love to do, whether it is having a small business or a coffee shop like I owned or becoming a doctor. Basically, everyone I have spoken to has indicated that they are questioning whether that is the path they should take.

I spoke to a group in Winnipeg that said it will be moving its head office to the United States so that it does not have to pay taxes when running its business out of the United States rather than Winnipeg. We know this is going to happen because the government is not listening. The consultations have been abruptly stopped because it does not want to hear the truth.

As a small business owner myself, I can say that it is really difficult. One has to work one's butt off. I welcome everybody to continue the conversation.

•(1355)

The Deputy Speaker: Before we resume debate, I will let the hon. member for Kamloops—Thompson—Cariboo know that I will have to interrupt her at about the three-and-a-half-minute mark for statements by members. Of course, she will have the remaining time when the House comes back to the question.

Resuming debate, the hon. member for Kamloops—Thompson—Cariboo.

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Mr. Speaker, I too am very glad to have the opportunity to have this motion put forward today and to have this very important conversation. The Liberals have indicated that we would have a lot of time to discuss this through legislation, but that is totally inaccurate. This might be the only opportunity in the House to talk about something that would impact so many small businesses across my riding.

There has been nothing since I was elected in 2008 that has created more of a reaction in my community than these particular proposed changes. There have been emails, people coming to the offices, and people phoning. They are angry, upset, and very concerned, and so this has really mobilized them. I do not think anyone should underestimate how important these changes are.

I will talk first about the process, and then I will talk about the implications. I think at the very end, members will understand that having an extension is a very reasonable request, and we are only asking to extend this until the end of January 2018.

On the implications of the process, this paper was released on July 18 during the period of summer that is called the dog days for a reason. It tends to be when people are focused on their opportunities for vacation and to enjoy time with family. They do not tend to be engaged in the political process during the dog days of summer. However, of particular importance for the riding I represent, on July 7 in B.C. one of the first wildfires broke out and the province of British Columbia was in a state of emergency. We had thousands of people evacuated over the coming months, and there were many issues. Therefore, I can assure the Liberals that there was no sort of review of this particular proposal during that time.

Indeed, one of my ranchers had been evacuated, her fences were burnt, and her cattle were missing. She stopped by the post office to get a letter from her accountant, which told her what the implication of these changes would be. Can members imagine being devastated, with their fences burnt and cows missing, and then getting something from their accountant saying that the Liberals were going to make significant changes?

However, members do not have to take my word for this, because we are not the tax experts. There are tax experts out there, and they are not the Liberal talking points on this issue. I have three tax experts, and one is a representative from the business community, the chamber of commerce. It prides itself on being a non-partisan organization, and this is what it had to say:

...it is very unfortunate that the federal government has chosen to position this in terms of "fairness" and "loopholes." The tax strategies being followed date back to the 1960s and have been refined and tested over many decades. The federal government has engaged in rhetoric that divides the country, directly stating that small business owners do not "contribute" to the wellbeing of the country...

My time is up, but I will get back to this important quote from this very important organization.

The Deputy Speaker: The hon. member for Kamloops—Thompson—Cariboo will have six and a half minutes remaining in the time for her remarks when the House next gets back to the question. We are now going to Statements by Members.

The hon. member for Repentigny.

*Statements by Members***STATEMENTS BY MEMBERS***[Translation]***CLIMATE CHANGE**

Ms. Monique Pauzé (Repentigny, BQ): Mr. Speaker, the commissioner of the environment's report was scathing. The government's response to climate change has been long on rhetoric and short on action. There has been only inaction.

Any announcements on climate change have been smoke and mirrors. Nothing is being implemented. There are no tangible measures. Greenhouse gas emissions keep going up and nothing is being done to adapt to climate change. The federal government has been standing idly by for 25 years. Since 1992, Ottawa has never met its targets, which keep changing.

Canada is the second largest country in terms of land mass, 38th in terms of population, and the ninth largest greenhouse gas emitter. Enough with the charade when it comes to the environment.

It is time for the government to take care of the future of the planet and the future of our grandchildren.

* * *

● (1400)

*[English]***WOMEN'S HISTORY MONTH**

Mr. Sean Fraser (Central Nova, Lib.): Mr. Speaker, October marks Women's History Month in Canada, a time when we look to our past and celebrate the incredible achievements of women and girls who shaped the country that we know as Canada today.

This month, I am going to be reflecting upon powerful women who have made their mark in Canadian history in the riding I represent, Central Nova: women like Viola Desmond, who courageously challenged racial segregation at the Roseland Theatre in New Glasgow; women like Lucille Harper, a Persons Case award winner, who runs a women's resource centre in Antigonish; and women like Emma Kiley, a young entrepreneur who owns the Uprooted Market & Café in the rural community of Musquodoboit Harbour.

The theme for this year's Women's History Month is #ClaimYourPlace. At a time in our nation's history when gender equality continues to elude us, it is important that everyone, men and boys included, be part of this movement. I encourage all Canadians to join the conversation on social media and share photos, videos, and words of inspiration.

Young women, in particular, belong in leadership positions, so they should do us all a favour and claim their place.

* * *

MENTAL ILLNESS AWARENESS WEEK

Ms. Marilyn Gladu (Sarnia—Lambton, CPC): Mr. Speaker, I rise today to acknowledge the beginning of Mental Illness Awareness Week, a national campaign coordinated by the Canadian Alliance on Mental Illness and Mental Health.

Mental Illness Awareness Week encourages us all to learn more about the realities of the one in five Canadians who will experience a mental illness this year. Everyone is affected by this. Today, as the alliance hosts Mental Health on the Hill and meets with parliamentarians to discuss the barriers to access and affordability of mental health care, I call on the Minister of Health to take urgent action to address the suicide crisis and the lack of services to support those living with mental illness in Canada.

I invite my colleagues to attend the function this evening, speak with some of the alliance members, and meet the 2017 faces of mental illness who are bravely sharing their journeys of recovery.

* * *

YOM KIPPUR

Mr. Joe Peschisolido (Steveston—Richmond East, Lib.): Mr. Speaker, at sunset on Friday, Jewish communities around the world gathered to observe the beginning of Yom Kippur, the Day of Atonement. Yom Kippur is the holiest day in the Jewish calendar. It is a day of introspection, prayer, and forgiveness as friends and family gather to reflect on the year gone by and the promise of the year to come.

This year, I was invited by the Chabad of Richmond to observe Yom Kippur. I would like to thank Rabbi Baitelman and the whole congregation for allowing me to share in such a beautiful ceremony. It was truly an opportunity for personal reflection and self-awareness.

* * *

THEATRE AQUARIUS

Mr. David Christopherson (Hamilton Centre, NDP): Mr. Speaker, last month Theatre Aquarius in my riding of Hamilton Centre opened for its 45th season. From its humble beginnings in a school auditorium, Theatre Aquarius has grown into one of Canada's premier theatre companies and welcomes more than 100,000 visitors each year to the Dofasco Centre for the Arts.

Along with its world-class productions, Theatre Aquarius works to support Canada's next generation of performers through its theatre school. The theatre school strives to help develop the skills of local theatre artists and provide expert training and mentoring to aspiring performers in the areas of acting, musical theatre, dance and movement, voice and music, physical theatre, mask, and play creation. Theatre Aquarius is also leading the way to promote programs aimed to make theatre more accessible to a wider audience and to get more people engaged in the performing arts.

As a former board member, I would like to congratulate Theatre Aquarius on this historic anniversary and send best wishes for a wonderful 45th season. Break a leg.

*Statements by Members***MID-AUTUMN FESTIVAL**

Mr. Shaun Chen (Scarborough North, Lib.): Mr. Speaker, tomorrow Canadians of Chinese, Korean, Japanese, and Vietnamese descent will give thanks in celebration of the Mid-Autumn Festival. Also known as the Moon Festival, this is a time for family and friends to celebrate the harvest and be thankful for the past year of successes. Tomorrow night, loved ones will gather to enjoy traditional mooncakes, light lanterns, and admire the beauty of the full moon, its brightness and roundness a symbol of families coming together.

Last Saturday, I joined constituents in my riding of Scarborough North at the Chinese Cultural Centre of Greater Toronto to mark this year's festivities with good wishes for the upcoming year.

As communities across this great country come together to celebrate, let us all look ahead to a future filled with prosperity and good fortune.

From my family to everyone, happy Mid-Autumn Festival.

[Member spoke in Mandarin]

* * *

• (1405)

MUNICIPAL ELECTIONS IN ALBERTA

Mr. Martin Shields (Bow River, CPC): Mr. Speaker, voters across Alberta will take to the polls on October 16 and choose their municipal representatives. I want to offer my sincere thanks to all those who have served their municipalities so well over the last four years. Their tireless efforts have benefited their communities and helped make Alberta such a great place to live.

I also want to extend my warmest congratulations to those who have chosen to stand for office. Running for office is not easy. They are making an incredible contribution to the local, grassroots democratic process by putting their names forward as candidates. I know that those elected will do a great job serving their municipalities. I look forward to working with them on issues important to the constituents of Bow River.

* * *

CANADA-ITALY RELATIONS

Hon. Judy A. Sgro (Humber River—Black Creek, Lib.): Mr. Speaker, Italian Canadians have been a key part of Canadian society for generations and helped to build this great country of ours, often while keeping ties with Italy and contributing to the social safety nets of both countries.

Former prime minister Pierre Elliott Trudeau recognized the special relationship between Canada and Italy by signing Canada's first international social security agreement in 1979. I am proud that our government has updated this agreement to make sure that the Italian Canadians who have contributed in both countries can continue to receive old age, disability, and survivor benefits that they have worked a lifetime to earn. The renewed Canada-Italy social security agreement, which came into force on October 1, will ensure a secure retirement for many Italian Canadians.

[Translation]

INVICTUS GAMES

Mrs. Sherry Romanado (Longueuil—Charles-LeMoyne, Lib.): Mr. Speaker, it is an honour for me to rise today to congratulate the athletes from 17 countries who participated in the Invictus Games.

On Friday, I witnessed how the games help wounded veterans and members of the Canadian Armed Forces overcome adversity and let their invincible spirits shine.

[English]

The games provide the camaraderie, competition, and community that many of our ill and injured armed forces members need to start rebuilding their lives. In fact, one team Canada member told me that these games have saved her life.

[Translation]

I am proud of the women, such as Natacha Dupuis and H  l  ne Le Scelleur, who participated in the track, rowing, and rugby events. Ultimately, what counts is the spirit of the games. These men and women and their families are the real Canadian heroes.

[English]

I am the master of my fate:
I am the captain of my soul.

* * *

PREGNANCY AND INFANT LOSS AWARENESS DAY

Mr. Blake Richards (Banff—Airdrie, CPC): Mr. Speaker, on October 15, Canada observes Pregnancy and Infant Loss Awareness Day. This day helps us remember the lives of all infants who were taken from their families too soon. It also encourages support and compassion for parents who have suffered this tragedy.

Sarah and Lee Cormier of Airdrie told me about losing their daughter, Quinn, at four months of age from SIDS. Shortly after, Service Canada told the Cormiers that they had to pay back their parental benefits for the time period after Quinn's passing. Families may not have even had time to lay their child to rest before being forced to return to work, due to financial hardships. I have since met many families who face the same problems, highlighting a serious flaw in our system.

Therefore, I put forward Motion No. 110 to have the government look for better ways to support and show compassion for bereaved parents. Parents are already grieving, and they should not have to suffer any further due to government regulations. We all need to ensure that no more Canadians have to go through what the Cormiers did.

I encourage all MPs to support Motion No. 110 and show their support for Pregnancy and Infant Loss Awareness Day.

*Statements by Members***AUTISM**

Ms. Leona Alleslev (Aurora—Oak Ridges—Richmond Hill, Lib.): Mr. Speaker, autism is the fastest growing and most commonly diagnosed disorder affecting children and adults in Canada. I want to thank those who work tirelessly to enrich the lives of people touched by autism. Specifically in my riding, there is Autism Ontario, York Region Chapter, and Kerry's Place. Organizations like these are invaluable.

However, just as invaluable are those researching to improve the lives of Canadians on the autism spectrum. Kayley Ting, a 17-year-old from my riding, presented her autism research project at the Prime Minister's Science Fair. Kayley recognized that a challenge for those with autism is coping with sensory overload, so she researched a solution, a wearable device that identifies the causes of sensory overload, to help prevent future occurrences.

Kayley's project will strengthen the independence of those living with autism. Well done, Kayley and all of our young innovators, who have the courage to dream of the possibilities and the creativity and hard work to get it done.

* * *

• (1410)

MENTAL ILLNESS AWARENESS WEEK

Mr. Majid Jowhari (Richmond Hill, Lib.): Mr. Speaker, I rise today to acknowledge the beginning of Mental Illness Awareness Week, a national campaign coordinated by the Canadian Alliance on Mental Illness and Mental Health.

As founder of the Liberal mental health caucus, this is a very important issue to me, but even more important to the one in five Canadians who will experience a mental illness this year.

Visiting the Hill today are five individuals brave enough to share their own experiences with illness and recovery.

Over the summer, I had the honour of recognizing another face of mental health. In my riding of Richmond Hill, Constables Ivanov and Latour from York Regional Police were the recipients of the special Canada 150 pin for going above and beyond the call of duty in saving the life of a young woman suffering from mental illness. At YRP, "Deed...indeed...speaks".

On this day and every day, let us reflect on what we can do in our offices and everyday lives to achieve a Canada where mental health issues receive timely, respectful care and support in parity with physical health conditions.

* * *

JESSICA KLYMCHUK

Mr. Arnold Viersen (Peace River—Westlock, CPC): Mr. Speaker, I am heartbroken that Jessica Klymchuk, a member of our community, was one of the victims of the horrific events in Las Vegas. Jessica was a 34-year-old single mother of four beautiful children. She worked with her family in Valleyview, where she worked with children at St. Stephen's School as an educational assistant, librarian, and school bus driver.

Yesterday I spoke with Jessica's family to personally offer my heartfelt condolences. To her fiancé, family, friends, and colleagues, we offer our thoughts, prayers, and support. As a mother, a friend, and a member of our community, she will be greatly missed.

To her four children who have lost their mother, I am deeply sorry for your loss. I cannot imagine what you must be going through right now. While no words could ease the loss of your mother, you know that you are in our thoughts and prayers as we grieve with you. May the God of all comfort be with you during this difficult time.

I invite my colleagues and all Canadians to keep Jessica's family and all who grieve lost ones in their thoughts and prayers. We grieve with them.

* * *

28TH GOVERNOR GENERAL

Mr. Terry Sheehan (Sault Ste. Marie, Lib.): Mr. Speaker, today I rise in the House to pay tribute to a great Saultite, His Excellency, the former Governor General, the Right Honourable David Johnston.

David was raised and educated in Sault Ste. Marie, attending Sault Collegiate. He was an exceptional student and a super athlete, playing with and at a similar level as future hockey hall of famers Phil and Tony Esposito. David married his high school sweetheart, Her Excellency Sharon Johnston, with whom they have five daughters.

David has been a Canadian academic, author, statesman, and the 28th Governor General of Canada.

David's motto, "To envisage a better world", remained strong throughout his mandate. David believed in the abilities of all Canadians to imagine and create a smarter, more caring nation, and to contribute to a fairer, more just world.

I ask the house to please join me in congratulating David and Sharon on a happy retirement from public life. On behalf of all Canadians and their fellow Saultites, we give our thanks. Merci beaucoup.

* * *

[Translation]

LA PETITE-PATRIE COMMUNITY RESOURCE CENTRE

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Mr. Speaker, even as tonnes of good food end up in the trash because of food waste, many families cannot afford fruits and vegetables because of rising food costs.

What can people do about this? They can do like the Centre de ressources et d'action communautaire de La Petite-Patrie, which recovers food from the Jean-Talon market. This new program, in partnership with Marchés publics de Montréal and the Rosemont—La Petite-Patrie borough, recovered 21 tonnes of food in just five months.

According to the centre's Maggie Lebeau, this makes fruits and vegetables available to about 100 families and individuals every week.

*Oral Questions***ORAL QUESTIONS**

I would like to congratulate the people of La Petite-Patrie on this wonderful initiative that succeeds on three fronts: solidarity, respect for the environment, and food security. Well done.

* * *

•(1415)

[*English*]

MAGGIE JENKINS

Mrs. Karen Vecchio (Elgin—Middlesex—London, CPC): Mr. Speaker, on March 14, 2014, Dave and Maureen Jenkins lost their incredible daughter from complications from an aggressive rogue cell cancer that had previously gone undiagnosed. Together with their son, Evan, they have started the Maggie Project.

Currently in Canada, over 10,000 children are undergoing treatment and approximately another 1,700 families will be given this devastating diagnosis annually.

Last month was Childhood Cancer Awareness Month, but these families must face the challenges of cancer every day.

I would like to share an excerpt from a poem that Maggie wrote in grade 6, prior to her passing, titled "I am":

I am a strong, helpful farm girl.
I wonder if there will be farmers in the future.
I hear dairy cows "moo" in the distance.
I see heifers grazing in the distance.
I want to show my 4-H calf and get first in show.
I am a strong, helpful farm girl.

I thank Dave, Maureen, and Evan for asking me to make this statement. It is an honour to know all of them and to have known Maggie. May her positive, powerful, protected, and peacemaker memory live on forever.

* * *

ATTACK IN LAS VEGAS

Mr. Dan Ruimy (Pitt Meadows—Maple Ridge, Lib.): Mr. Speaker, it is with a heavy heart that I rise today to acknowledge the tragic events that took place on Sunday evening in Las Vegas. As details are becoming available, we are learning that some of our own communities in Canada have been affected. In my riding of Pitt Meadows—Maple Ridge, we have lost one of our own.

Unfortunately, senseless acts of violence are becoming commonplace in our world. While we do not know the motivation behind the violence, we do know that the lives of thousands of innocent people who came together to celebrate their love of music have been forever changed.

To all those who lost a loved one, I offer my offer my sincerest condolences for their tragic loss. I know that our whole community and country stands behind them and mourns with them. While we try to make sense of this tragedy in our community, I ask everyone in the House to rise in honour of all those who were lost or injured in Las Vegas this past weekend.

[*Translation*]

TAXATION

Hon. Andrew Scheer (Leader of the Opposition, CPC): Mr. Speaker, local businesses are the engine of economic growth in Canada. They create jobs, contribute to our communities, and create opportunities, but the Liberal tax hikes are going to hurt local businesses. We are talking about family businesses, farmers, local entrepreneurs, and the people they employ.

Will the Prime Minister admit that these tax hikes are going to hurt the very people he claims he wants to help, and scrap the idea?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, we held consultations on our tax measures. It is very important to listen. We listened and we garnered a number of important insights from Canadians. We will now consider what we heard to make sure that we can continue to invest while creating a tax system that is fair.

[*English*]

Hon. Andrew Scheer (Leader of the Opposition, CPC): Mr. Speaker, the Prime Minister just does not get it. Everyone is against his unfair tax increases. Entrepreneurs, business owners and, today, premiers, and even members of his own caucus are opposed to these changes, but the Liberals are not listening. The Prime Minister has not heard the people who are telling him how devastating this would be. He may be listening, but the Liberals are not hearing and they are certainly not changing their mind.

Will the Prime Minister commit today to doing the right thing, vote in favour of our motion to extend the consultation period so they can finally listen to what Canadians are saying, and do something about it?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, we have gone through a consultation period that was important. We have listened to Canadians. We have heard five things that are very important. It is important to continue to allow people to invest in small businesses and communities; we are going to take that as an important issue. We have heard that it is important to make sure that family farms continue and are successful; we are going to make sure that is done. We have heard that women entrepreneurs and professionals need to be protected if they want to take time off; we are going to make sure that is possible. We need to keep tax rates low and we need to have a system that is administratively efficient. All those things will be taken into consideration as we move forward with these reforms.

Oral Questions

● (1420)

Hon. Andrew Scheer (Leader of the Opposition, CPC): Mr. Speaker, the Liberals launched this consultation period of only 75 days over the summer, and they keep doubling down. They keep using inflammatory and insulting language. Local businesses create jobs, and when the Liberals hurt them, it will hurt the workers they employ. So many people are against these changes. So many people are asking for more time so they can share their stories with Liberal ministers, who continue to ignore them.

Will the Prime Minister commit to allowing his Liberal MPs the freedom to listen to their constituents, stand up and represent them in the House, and vote in favour of our motion? Will it be a free vote?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, we made an important commitment to make sure that our tax system works for all Canadians. We made an important commitment to listen to Canadians as we put forward measures that we know will ensure a fairer system. Therefore, we have been listening. We are going to move forward taking into account the things that we have heard so that we get to a system that encourages investment, but is also fairer for all Canadians as we move forward so that all Canadians in this generation and the next generation can be sure that they have opportunities that our tax system should provide.

[*Translation*]

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Mr. Speaker, we will see how the Liberal MPs vote at the end of the day. We still have a chance.

The Liberals' proposed reform, which will increase the tax burden on our businesses, is a complete disgrace, and above all, hypocritical. On the one hand, entrepreneurs will pay dearly, while on the other, the businesses owned by the Prime Minister and the Minister of Finance will not be affected. The Liberal government's policy is "Do as I say, not as I do."

My question for the Minister of Finance is simple. We know that these new measures are meant to take an extra \$250 million from the pockets of entrepreneurs. Did the minister check, analyze, and study the real impact of these measures on—

The Speaker: The hon. Minister of Finance.

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, we know that our current tax system is not really fair. The wealthiest Canadians are encouraged to incorporate to access a lower tax rate. That is not a good system. We want a system that is fair and also encourages investment in active business. Our measures and everything we heard during our consultations will help us achieve that goal. It is important to listen to what people have to say. We have listened, and now we are going to consider what we have heard.

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Mr. Speaker, it makes no sense at all for the minister to propose very powerful measures that will make life difficult for all business owners, when his department has yet to carry out a single impact study to determine the direct effects those measures will have on them. This is totally unacceptable.

The minister may not be listening, or not listening well, but we Conservatives are. Last Friday, we five members from Quebec City listened to businesspeople like Gaétan Boudreau, a construction

entrepreneur who told us that if these changes go forward, he will close up shop.

Is the minister aware that his measures are going to kill Canadian businesses, this country's job creators, and cost Canadians their jobs?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, during our consultations, we heard some very important things.

We heard that it is crucial for SMEs to continue to have the lowest tax rate in the G7. We are going to make sure they keep it. We know it is vital to ensure that farmers, fishers, and women entrepreneurs are protected. That is very important to us.

However, we can build a fairer system at the same time, which is a key goal of ours. We are going to move forward with our measures while taking into account what we heard in our consultations.

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Mr. Speaker, the tax measures proposed by the Minister of Finance have sparked a lot of heated debate, and that is putting it mildly. They have also raised a lot of concerns.

People are being bombarded with information from all sides, and it is often contradictory. The only thing we know for sure is that Netflix will not have to pay its fair share. I think it would be a good idea to take the time to talk about this and other very real problems, such as tax havens and tax loopholes for CEOs and multinationals.

Why do the Liberals not agree?

Hon. Diane Lebouthillier (Minister of National Revenue, Lib.): Mr. Speaker, our government is fully committed to combatting tax evasion and aggressive tax avoidance

In our first two budgets, we invested over \$1 billion, which has put us on the right track for recovering nearly \$25 billion. Over the past two years, 727 cases have been transferred to criminal investigation, and there have been 268 warrants and 78 convictions.

Let me be very clear. We will continue to work and bring tax cheats to justice.

● (1425)

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Mr. Speaker, why not a gazillion dollars while they are at it?

[*English*]

It is becoming clear that both the Liberals and Conservatives are not serious about tax fairness. Neither are willing to discuss tax avoidance carried out by big corporations, CEOs, and the use of tax havens.

The Liberals' consultations on tax changes are too short and too narrow. Let us agree to do the right thing and extend and expand consultations to include big corporations, CEO tax loopholes, and tax havens.

Why are Liberals still going after the small fish and letting the big fish off the hook?

Oral Questions

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, we have been thinking about how we can ensure our tax system works since our first day in office. We have been focused on how we can deal with tax evasion and tax avoidance, giving over a billion dollars to Canada Revenue Agency to make sure we are having Canadians pay their fair share.

What we are doing in our consultation process is really the continuation of a discussion that has been going on since we have been in office. We want to make sure that our system does not encourage wealthy Canadians to incorporate to pay a lower rate of tax. At the same time, we want to encourage people to invest in their businesses. These two goals can be met simultaneously. They will help our economy and help Canadians to feel their system is fair.

* * *

THE ENVIRONMENT

Ms. Linda Duncan (Edmonton Strathcona, NDP): Mr. Speaker, the Commissioner of Environment and Sustainable Development today reported that the Liberal government had abjectly failed to take the necessary action to reduce greenhouse gas emissions or address the risks posed by climate change. She reported that Canada remained megatonnes away from meeting either the 2020 or 2030 targets.

Stunningly, even Environment and Climate Change Canada is failing to deliver a climate risk and adaptation plan, or an action plan to measure, monitor, and publicly report on emissions.

When will Canadians finally see action on climate change?

Hon. Catherine McKenna (Minister of Environment and Climate Change, Lib.): Mr. Speaker, I am extraordinarily proud of our government's record on action and climate change.

After a decade of inaction by the previous government, we not only have a target but a plan to make it. We are reducing emissions from coal-fired plants. We are putting a price on carbon pollution. We are making historic investments in public transit. For example, in Ottawa, the second phase of LRT will be the largest reduction of greenhouse gas emissions in the city's history.

We are taking serious action on climate change because climate change is real and we owe it to our kids.

[*Translation*]

Mr. Robert Aubin (Trois-Rivières, NDP): Mr. Speaker, we are dealing with a government that is extremely focused on managing its image, but here is something striking that needs managing: 219 megatonnes of greenhouse gas emissions. Let us remember that number.

The Liberal government, which adopted the previous government's weak greenhouse gas reduction targets, will fall 219 megatonnes short of its objective. The environment commissioner's report on this and other subjects is clear.

Does the government intend to quickly put practical measures in place or will it be content to just focus on its image?

Hon. Catherine McKenna (Minister of Environment and Climate Change, Lib.): Mr. Speaker, I am so proud of what our government has done. The former Conservative government did

nothing. It had targets, but no plan. We have worked very hard with the provinces, territories, and indigenous peoples to come up with a real plan to reduce our emissions, eliminate carbon, and put a price on pollution for historic investments in public transit. Climate change is real, and we are taking it seriously. We are doing this for our children.

* * *

[*English*]

TAXATION

Hon. Lisa Raitt (Milton, CPC): Mr. Speaker, on Friday, I met with Hatch Engineering, a great Canadian success story, with over 9,000 employees.

On Thursday, the president attended the disastrous Oakville town hall where he was given 90 seconds, one second for every 100 employees, to talk about his concerns with the Liberal tax plan. Why did he go there? Because he was refused meetings by the members for Oakville, Oakville North—Burlington, and Burlington. Even the Minister of Science refused his meeting.

Will the Minister of Finance admit that his consultation has been wholly inadequate, and vote with us to extend the consultation?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, the consultations were very important for us. We had the opportunity to understand what the issues were with the measures we were putting forward.

We know it is important to get to a tax system that works for all Canadians. We know that as we do that, it is important to listen. We did listen. We heard from people, like the gentleman who was mentioned by the member opposite, to hear their concerns. I heard from many other Canadians.

Knowing that, it allows us to make sure that we move forward with a system that encourages businesses to invest. The low tax rate protects farms and women entrepreneurs in their ability to continue to invest in their businesses, while—

● (1430)

The Speaker: The hon. member for Milton.

Hon. Lisa Raitt (Milton, CPC): Mr. Speaker, he claims that he will listen to the concerns of Canadians, but what is really interesting is that just days after introducing this paper, he told on CBC's *The House* "We're not going to change our mind."

The Minister of Finance seems to be very concerned and consumed with protecting the interests of Morneau Shepell that every request to extend the consultation has fallen on deaf ears.

The consultation is over. Tonight is the vote. Will the Liberal members on the other side agree and vote with their constituents, or are they going to vote with Morneau Shepell?

Oral Questions

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, we believe it is important that we move forward with measures that are going to make sure our system is fair for the long term. We also know that doing it means we need to get it right.

Listening to Canadians has given us insights. We have heard things that are important to consider so we move forward in a way that actually gets at the challenge that wealthy Canadians have advantages not available to other Canadians, but we do that in a way that does not have unintended consequences.

That is our commitment. We will follow through.

* * *

[Translation]

ETHICS

Hon. Maxime Bernier (Beauce, CPC): Mr. Speaker, the Liberals are done consulting people about their tax changes, but many questions remain unanswered. What is clear, though, is that companies such as Morneau Shepell will benefit from these changes and will not be paying more tax after the reforms come into effect. The minister is being hypocritical by making small businesses pay more while protecting his own personal fortune.

When will the minister realize that he is in conflict of interest and should recuse himself from this discussion?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, we know that it is very important to stay on track with our approach to a fairer tax system. We have heard many things, and with our knowledge, information, and perspectives, we can continue to have a system that encourages investment in business across the country and that is also fair. Those are our two goals, and we can achieve both of them.

Hon. Maxime Bernier (Beauce, CPC): Mr. Speaker, the Minister of Finance did not answer my question. I will help him by quoting the commitment he made in writing: “to abstain from any participation in any matters or decisions...other than those of general application, relating to Morneau Shepell”.

According to experts who appeared before the Standing Committee on Finance, a firm like Morneau Shepell will benefit from these changes, because it offers Canadians private pension plans.

Once and for all, will the minister abstain from any participation in this discussion?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, we know that all Canadians will benefit from a tax system that is fair. All businesses across the country want a system that works well and encourages investment in their business. That is very important. We are going to move forward with our measures with the knowledge we have gained through our consultations. That is how we will make important changes for our country.

[English]

Hon. Pierre Poilievre (Carleton, CPC): Mr. Speaker, in an act of great self-sacrifice, the millionaire Prime Minister and millionaire finance minister announced this summer higher taxes for the wealthy, which of course would mean more costs for the Prime Minister's personal trust fund. He might even have to give up his

Laurentian countryside estate and his dad's old Mercedes. Even the finance minister will be paying more taxes on Morneau Shepell's profits: kidding. By wealthy people, they meant farmers, plumbers, and hard-working small business people.

How do they manage to raise taxes on everyone except themselves?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, moving forward with tax changes, it is important to make sure we get it right. We have had a period of consultation, which is important. We have come up with five principles from which we should move forward.

First, we are going to make sure that small businesses can continue to invest in their businesses in their communities.

● (1435)

Mr. David Anderson: No, you're not.

Hon. Bill Morneau: Second, Mr. Speaker, we are going to make sure that farmers can continue to pass their farms on to the next generation. We are going to make sure that women can continue to save in their businesses as professionals so they can be in a positive situation. We are going to keep the tax rates low on small businesses. We are going to work to make sure it is administratively efficient.

Mr. David Anderson: No, you're not.

Hon. Bill Morneau: Mr. Speaker, these are important things to do. We have listened. We are going to get it right.

The Speaker: Order, please. I want to remind my hon. friend from Cypress Hills—Grasslands that, although he is further away, I can still hear him. He has a great voice, but let us hear each other only when we have the floor.

The hon. member for Carleton has the floor.

Hon. Pierre Poilievre (Carleton, CPC): Mr. Speaker, the minister has gone from doubling down to climbing down. He was caught with his plan that would raise taxes on everybody but him. Now, as a result of all the backlash from patriotic, hard-working, local farmers and businesses, the Liberals are being forced to back down.

I know the government has closed its consultation period already, but as part of its climb down, will it accept one piece of advice? Why does the government not keep its promise and lower the small business tax rate down to 9%, just like the Liberals said they would during the last election?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, we had a period of consultation so we could get from Canadians their advice on how we could move forward on measures that would make a real difference.

We will take no advice from the opposite side of the House. The members from the opposite side of the House have continued to vote against measures that are helping middle-class Canadians. They continue to vote against things that we know will help our economy.

Oral Questions

What we have done is listened to Canadians. We are going to make sure that we get at the things we need to get at, such as the encouragement for wealthy Canadians to incorporate, while at the same time making sure we do not have unintended consequences around farms, small businesses, or women entrepreneurs. That is important.

* * *

[Translation]

CANADIAN HERITAGE

Mr. Pierre Nantel (Longueuil—Saint-Hubert, NDP): Mr. Speaker, this morning, the Minister of Canadian Heritage met with the cultural community to peddle her business model and her much-touted deal with Netflix. The 50 or so organizations that make up the coalition for culture and media were disappointed with the government's inconsistent vision and shocked by its agreement with Netflix. They all want this secret agreement to be made public so that taxpayers can read it and judge for themselves.

Quebeckers feel that the minister is more anxious to sell Netflix than to defend Canadian culture. However, the mission of the heritage minister is to defend our culture, not the interests of multinational corporations. The cultural community and the Quebec government want to know the answer to this simple question.

When will this agreement be made public?

Hon. Mélanie Joly (Minister of Canadian Heritage, Lib.): Mr. Speaker, this morning I had a very productive meeting with various stakeholders in Quebec's cultural industry. Our conversations were very fruitful. I understand their concerns and their anxiety. We agreed to work together on a game plan for protecting our culture online.

We are therefore going to collaborate on a plan to reform our laws and policies to ensure that we protect our culture together.

* * *

EMPLOYMENT INSURANCE

Ms. Karine Trudel (Jonquière, NDP): Mr. Speaker, many seasonal workers in Saguenay—Lac-Saint-Jean were counting on the Liberal government to solve the EI spring gap problem.

They can see the Liberals breaking yet another promise. Discrimination against the regions must stop. As a result of the EI gap, these seasonal workers in Saguenay—Lac-Saint-Jean might end up without any income for several weeks. I do not understand why the Liberal government is turning its back on them. It makes no sense.

When will the minister bridge the spring gap once and for all?

Hon. Jean-Yves Duclos (Minister of Families, Children and Social Development, Lib.): Mr. Speaker, I thank my colleague for giving me the opportunity once again to emphasize the importance of the employment insurance system. First, it helps guarantee income security for families going through a tough time, and second, it helps in the transition to another job.

Over the past few months, we have taken significant action to make the system far more flexible and more generous in its benefits

and services, and we will continue to work very hard in that same vein.

* * *

[English]

TAXATION

Hon. Ed Fast (Abbotsford, CPC): Mr. Speaker, Saturday, I hosted a round table in the riding of Mission—Matsqui—Fraser Canyon. Sadly, the MP was a no-show. His constituents were angry that the finance minister called them tax cheats and is taxing them at 73%. These people were furious that the minister and the Prime Minister had fixed it so that their own family fortunes would not be affected.

When two rich guys try to fix it so they do not have to pay the same taxes as others, how is that fair?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, it is important for us to be very clear to all the people who are paying attention to this debate. We know the system, which has been around for a long time, is one that people have used legitimately. We also know that we need to make sure the system is fair going forward, so we have looked at the measures we can put in place to ensure that this will actually be the case. We've listened to Canadians about how we can get it right as we move forward.

What people have done in the past will of course be protected. We are coming up with new rules in the future that will not have unintended consequences but will ensure that people can invest in their business with a tax system that is fair.

● (1440)

[Translation]

Mr. Joël Godin (Portneuf—Jacques-Cartier, CPC): Mr. Speaker, the Liberal government launched consultations on its infamous tax reforms in the middle of summer vacation. What is it hiding?

The Liberals want to stifle our entrepreneurs and squeeze more money out of them. That is unacceptable. These are hard-working entrepreneurs who take risks and create jobs for the middle class. This reform is counterproductive. During a consultation held in my region, one entrepreneur said that the Liberal government did not know the difference between equality and equity.

I am calling on the Minister of Finance to back off, to respect and support these honest job creators, and to protect the jobs of the middle class.

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, we are going to continue to introduce measures to improve our tax system so that we have a system that works well. At the same time, we know that it is very important to do things to help our economy.

On that note, I would like to point out that, over the past year, we have had the highest level of growth in the past decade and that nearly 400,000 jobs have been created. It is important to have an economy that works and that is growing while having a fair tax system for the long term. Those are our two objectives.

*Oral Questions**[English]*

Mr. John Barlow (Foothills, CPC): Mr. Speaker, I think the finance minister has a different definition of listening compared to other Canadians. I do not know if it is just me, but I do not think listening means ignoring my constituents.

Greg and Jocelyn own small businesses in Kings—Hants, Nova Scotia. When they requested a meeting with the Liberal member of Parliament to discuss their concerns about these tax changes, the message they got was that their MP was not having meetings on this issue.

How can the Liberals profess to be listening if small business owners cannot even get in the front door? When it comes to these tax changes, why is the President of the Treasury Board refusing to meet with his constituents?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, we have been across the country listening to Canadians because we want to get this right. We have laid out some measures. We have talked about how we think these can improve our system. I have been across the country, in Nova Scotia, in New Brunswick, in Newfoundland, in Quebec, Ontario, and B.C. It is important for us to be across the country to hear Canadians. That is exactly what we have done.

We are going to take into account what we have heard to make sure that we get this right, that people can invest in their businesses on an ongoing basis, and that the system will provide a foundation that ensures that we have a fair outcome for all Canadians.

Mr. John Barlow (Foothills, CPC): Mr. Speaker, when it comes to these unfair tax changes, small business owners and farmers in Atlantic Canada are frustrated. They are frustrated because they do not believe the Liberals are listening, and they are right. When asked by a chamber of commerce in Nova Scotia to attend a town hall meeting to explain these tax changes and to listen to the concerns of small business owners, the Liberal MPs from Kings—Hants and West Nova were no-shows.

How can the Liberals profess to be listening to Canadians when they will not even listen to the members of their chamber of commerce? How can the finance minister possibly say he is listening to Canadians?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, it is important to consider the facts here. We have said to Canadians that we will work toward tax fairness. We talked about that as far back as our election campaign. We put measures in our budget 2017, talking about how we think we can make the system more fair. We put out a consultation paper. Then we went around the country to listen to Canadians. We did it across the country.

We have heard many things that are important for us to consider, including unintended consequences in some cases that we will need to fix, and other things to make sure that the system will actually work.

We are going to make sure that we get this right. We are going to move forward in a way that will make the system fair for the long run.

MARIJUANA

Mr. Don Davies (Vancouver Kingsway, NDP): Mr. Speaker, the government admits that edible cannabis products are a large and growing sector of the market, and it is undeniable that many Canadians prefer edible products as a healthier alternative to smoking cannabis. However, for some reason, the Liberals have decided to keep edibles illegal. This will deny consumers a safe product and ensure that the black market retains control. In addition, the Liberals have no plan to pardon individuals who are burdened with criminal convictions for simple possession. Therefore, will the Liberals accept our reasonable amendments and fix this bill?

● (1445)

Hon. Ginette Petitpas Taylor (Minister of Health, Lib.): Mr. Speaker, protecting the health and safety of Canadians is a top priority for this government. Designing an appropriate regulatory system for cannabis edibles is a complex undertaking and there are unique potential risks and harms that need to be carefully understood before we undergo changes to the regulations. For this reason, our government will need to take an appropriate amount of time to develop and implement regulations that will result in a safe edible product on the market.

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[Translation]

Ms. Anne Minh-Thu Quach (Salaberry—Suroît, NDP): Mr. Speaker, the Liberals plan to legalize marijuana next summer, but they do not plan to pardon people convicted of simple possession in the past.

That means that many Canadians will have serious problems finding work and crossing the border for the rest of their lives. What is more, the Liberals are retaining Stephen Harper's policies, which make criminal records difficult to erase.

Why do the Liberals not have a plan regarding such pardons, and do they think it is fair for people to have to live with a criminal record for something that will soon be legal?

[English]

Hon. Ralph Goodale (Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, in fact there have been extensive consultations under way over the last number of months with respect to reforming pardons. That work is well advanced. Very shortly, the results of those consultations will be published so that all Canadians can see what was said. Those consultations will inform legislation that we will put before the House to correct some of the egregious mistakes made by the previous government.

*Oral Questions***VETERANS AFFAIRS**

Mr. Doug Eyolfson (Charleswood—St. James—Assiniboia—Headingley, Lib.): Mr. Speaker, through the Invictus Games, we saw the power of adaptive sport on physical rehabilitation, but we all know that mental health and wellness go hand in hand. The perseverance of these brave men and women who took off their armed forces uniforms and found the strength and determination to put on a jersey and compete with representatives of 16 other countries impressed upon us all the importance of coming together to support our veterans and Canadian Armed Forces members. Can the Minister of Veterans Affairs tell us what the government is doing to address the invisible injuries of our men and women and their families?

Hon. Seamus O'Regan (Minister of Veterans Affairs, Lib.): Mr. Speaker, "You have done it," Prince Harry said to the athletes. "You are Invictus." The Latin word from which these games take their name means unconquered, and that unconquerable spirit was written on the face of every athlete we saw at these games. They flew our flag higher and they lit up the world. When they put their hand up, we will be there to help. There are 4,000 mental health professionals, a network of OSI clinics, and their brothers and sisters waiting to help them.

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TAXATION

Mr. Bob Saroya (Markham—Unionville, CPC): Mr. Speaker, this week I held round tables to discuss the Liberals' proposed tax changes. Jennifer was brought to tears sharing her story. The family business that her parents started 37 years ago is now going to face a transfer tax that will destroy her dream of taking over that family business. The Liberals want to make Jennifer's parents pay a higher percentage in tax than the finance minister's own family business. Will the finance minister listen to Canadians like Jennifer and extend the consultation period?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, the purpose of our consultations has been to listen to people like Jennifer, to make sure that we understand what the issues might be when moving forward with a tax system that will create a better incentive for people to invest in their active business at the same time as not encouraging wealthy Canadians to take advantage of things that may be there only for them and not for the middle class. That is what we are trying to achieve. I can assure members that we are going to listen to people like Jennifer so we get this right. We did not intend to change the ability of people to transfer businesses from one generation to the next. We intend to make sure that the tax system is fairer, and we are going to get it right.

Mr. Tom Kmiec (Calgary Shepard, CPC): Mr. Speaker, the Minister of Finance has called small business owners tax cheats. The Prime Minister implied that these hard-working Canadians are cheating on their taxes. The Liberals announced the most dramatic changes to the Income Tax Act in the dead of summer when farmers were busy with their crops and getting ready for harvest, and when parents were on vacation with their children and then getting them ready to go back to school. Now, the consultation has been bungled in every possible way. The minister has expressed zero regret. Will he do the right thing and extend the consultation, yes or no?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, I would like to provide clarity for the record. We have always said that the system that we have today is legitimate. It has been a system that has been around for a long time. However, it is creating incentives for wealthy Canadians to incorporate to get advantages that are not available to middle-class Canadians. That is a system that is not right for the long term.

Finding a way to make that right while continuing to encourage people to invest in their businesses, to create growth and jobs, that is the balance we are seeking to achieve. We believe we can achieve it. Listening to Canadians is an important part of that enabling us to get it right, enabling us to have a strong economy with a fairer—

• (1450)

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

[Translation]

Mrs. Sylvie Boucher (Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix, CPC): Mr. Speaker, we met with representatives from the Fédération des chambres de commerce du Québec this morning.

The consultations now at an end, the federation is sounding the alarm. It is asking the Minister of Finance to extend the consultations in order to carefully assess the impact of the proposed measures and submit an economic impact study. The minister is unable to tell us how his reform will affect SMEs across the country.

Is the minister going to wait until our SMEs pack up and leave the country or will he extend the consultation period?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, we know that a fair tax system has a major impact on the confidence of Canadians across the country. At the same time, it is very important to encourage small business owners to invest in their businesses. Those two things are very important.

Over the past 75 days, we have listened and we have heard many things. We will consider the opinions and points of view we heard and use them to build a fairer system for the future.

[English]

Mr. David Anderson (Cypress Hills—Grasslands, CPC): Mr. Speaker, the Liberals just are not interested in talking to Canadians about their unfair tax plan. Mitchell writes: "I wrote to the government first to [the Prime Minister] then they pass me off to [the finance minister]. Now I've responded to the email that they sent to [the minister] and I've got nothing back."

Mitchell has built a company up from the ground that now employs 12 people, including new Canadians. The Liberals are proposing to take his hard-earned money to pay for their reckless spending.

When entrepreneurs and job creators like Mitchell call and write, why are the Liberals so unwilling to listen?

Oral Questions

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, I am happy to say that when people like Mitchell write and people phone in, we are listening. We have been taking the time to listen to make sure that we get their perspectives. We know that having a system that works, that is fair for all Canadians, is important. We know that the tax system is complex and that we need to consider the perspectives of Mitchell and others across the country. We will do that as we move forward with a system that encourages investment and make sure that it is fair. That is our commitment to Canadians and we are looking forward to telling them more in the near future.

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INDIGENOUS AFFAIRS

Ms. Sheila Malcolmson (Nanaimo—Ladysmith, NDP): Mr. Speaker, yesterday we learned that the Native Women's Association of Canada has yet again been shut out of the first ministers meeting by the government. They asked to be included, and shutting them out speaks volumes to the government's lack of respect for indigenous women's voices. The self-proclaimed feminist Prime Minister promised a nation-to-nation relationship with all indigenous people, so why has the Native Women's Association been barred from today's first ministers meeting? Have indigenous women's voices not been silenced for long enough?

Hon. Carolyn Bennett (Minister of Crown-Indigenous Relations and Northern Affairs, Lib.): Mr. Speaker, our government believes that meaningful engagement is key to advancing reconciliation and to renewing our relationship with indigenous people in Canada. Today's meeting included the representatives of the rights holders in this country. The Prime Minister has agreed to meet with the Native Women's Association at least annually and they will be included in the meeting of the indigenous ministers later this year in November.

Mr. Romeo Saganash (Abitibi—Baie-James—Nunavik—Eeyou, NDP): Mr. Speaker, the Liberals can hardly speak about reconciliation when they decide to exclude the indigenous women from our national conversation.

[Translation]

Yesterday, the minister could not explain why government lawyers asked the court to award the compensation that residential school survivors were unjustly denied. I have a simple question for the Minister of Crown-Indigenous Relations.

Now that she has all of the information, will she ask her Justice colleague to stop challenging survivors in court?

Who told this government to withhold information about a child predator?

[English]

Hon. Carolyn Bennett (Minister of Crown-Indigenous Relations and Northern Affairs, Lib.): Mr. Speaker, our government is committed to ensuring justice for the victims of this dark chapter in our history. The independent assessment process under the settlement agreement was approved by the supervising courts. It contains all procedural protections necessary for the fair determination of claims.

Canada seeks fairness for all claimants under the independent assessment process. We are not challenging individual claimants or

their outcomes. Canada is seeking the court's guidance in order to ensure fairness for all claimants and parties to the settlement agreement.

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● (1455)

NATURAL RESOURCES

Mr. Jamie Schmale (Haliburton—Kawartha Lakes—Brock, CPC): Mr. Speaker, Canadians heard yesterday that the Liberals' anti-energy agenda was putting projects like energy east at risk. New rules, delays, and a lack of certainty are making energy workers nervous. Just last month, 350 families at General Electric in Peterborough, a factory operating since 1892, have lost their jobs as a result of new regulatory hurdles and mounting uncertainty, uncertainty the Liberals alone have caused.

When will the Liberals realize their risky delays are affecting real Canadians with real jobs?

Hon. Jim Carr (Minister of Natural Resources, Lib.): Mr. Speaker, in January of 2016, the Minister of Environment and Climate Change set out interim principles that would guide those projects under review. The same principles that were established then still are in effect today, as energy east goes through the National Energy Board process. Then, as now, the rules are the same.

Mrs. Shannon Stubbs (Lakeland, CPC): Mr. Speaker, Canada is a world leader in responsible resource development. For instance, Alberta was the first jurisdiction in North America to regulate emissions, and has the strongest regulatory system in the world. Instead of celebrating Canadian energy, the Liberals keep adding roadblocks at the very worst time, all while importing oil from countries like Algeria and Venezuela.

I asked the minister last week, and I will ask him again. Will the Liberals apply their upstream and downstream emissions tests as a condition to foreign oil imports?

Hon. Jim Carr (Minister of Natural Resources, Lib.): Mr. Speaker, the member says that we do not care about energy workers in Alberta. How about 3,000 jobs for the NOVA Gas pipeline? How about 7,000 jobs for the Line 3 replacement project? How about the 15,440 jobs for the Trans Mountain expansion pipeline? We support Keystone XL, another 6,400 jobs. That is more jobs created by this government in the energy sector in less than two years than 10 years by the Harper administration.

Mrs. Shannon Stubbs (Lakeland, CPC): Mr. Speaker, on the issue I actually asked about, let us talk about foreign oil imports.

Oral Questions

Last week, the UN Human Rights Council met to talk about the growing oppression of a dictator, who is brutally cracking down on public activism and starving his people. The commissioner even said that crimes against humanity may have been committed. Where is that? It is in Venezuela. However, the Liberals are prioritizing foreign oil from Venezuela, while stopping environmentally and socially responsible Canadian oil and gas.

When will the minister stop putting foreign oil ahead of Canadian energy?

Hon. Jim Carr (Minister of Natural Resources, Lib.): Mr. Speaker, we prioritize. We are prioritizing the creation of good jobs for Canadians, particularly in western Canada. We are prioritizing environmental stewardship. We are prioritizing important engagement with indigenous peoples. Those are the three pillars of responsible development in Canada: job creation, environmental stewardship, and meaningful consultation with indigenous peoples.

If the Harper government would have been loyal to those principles, more pipelines would have been built.

* * *

RAIL TRANSPORTATION

Mr. Ken Hardie (Fleetwood—Port Kells, Lib.): Mr. Speaker, Bill C-49 is going to introduce important modernization to the Canada Transportation Act, including the air passenger's bill of rights, and new opportunities for shippers across Canada to gain access to competitive rail rates.

The bill also provides for the introduction of video and voice recorders in locomotives. Labour groups are concerned this could be used by railways to violate workers' privacy and discipline them for non-safety related issues.

Could the Minister of Transport reassure us that this will not be the case?

Hon. Marc Garneau (Minister of Transport, Lib.): Mr. Speaker, I want to reassure Canadians that worker privacy is of paramount importance to this government. We are also responsible for improving railway safety, something that needs to be addressed constantly.

The use of the recorders is intended solely for safety purposes. It is something the Transportation Safety Board has been asking us to do for many years. I want to reassure Canadians that we will never use these recorders for monitoring employee performance or for managing that performance.

* * *

• (1500)

CANADIAN HERITAGE

Mr. David Sweet (Flamborough—Glanbrook, CPC): Mr. Speaker, many people worked hard for years to establish the National Holocaust Monument, including the Hon. Tim Uppal. Last week, the Prime Minister inaugurated it with a plaque of his own. However, his plaque fails to mention anti-Semitism or the Jewish people by name.

How could the Prime Minister permit such a glaring omission of reference to anti-Semitism and the fact that the millions of men,

women, and children who were murdered were overwhelmingly Jewish? If we are going to stamp out hatred toward Jews, it is important to get history right.

Will the Prime Minister commit to correcting this profoundly obvious omission?

Hon. Mélanie Joly (Minister of Canadian Heritage, Lib.): Mr. Speaker, the government is committed to building a more inclusive society, and the National Holocaust Monument commemorates the six million Jews, as well as the five million other victims, who were murdered during the Holocaust. It stands as a reminder of the dangers of hatred, racism, and intolerance, while affirming respect for human rights, dignity, and resilience.

The plaque has been removed and will be replaced with language that reflects the horrors experienced by the Jewish people.

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CANADA REVENUE AGENCY

Mr. Wayne Stetski (Kootenay—Columbia, NDP): Mr. Speaker, this week my constituency office had to intervene to prevent a single mother and her three children from being evicted from their home. The cause was that the CRA stopped paying her the Canada child benefit following a routine assessment that ultimately resulted in no changes but delayed her payments for up to four months.

This is becoming a common story. It is Phoenix all over again.

The minister's restructuring of CRA has forgotten people who depend on receiving their legitimate payments on time every month. What will the minister do to fix these problems?

[Translation]

Hon. Diane Lebouthillier (Minister of National Revenue, Lib.): Mr. Speaker, all families should receive the benefits to which they are entitled. In my mandate letter, I committed to facilitating access to services for the neediest and most vulnerable, seniors, and single-parent families.

We will work hard to resolve the problem.

* * *

SENIORS

Mr. Fayçal El-Khoury (Laval—Les Îles, Lib.): Mr. Speaker, Canada's aging population is going to bring about significant social and economic changes over the next few decades. It is important to ensure that our seniors can still contribute to our society, as they did in the past in building our country.

Can the minister responsible for seniors tell us what the government is doing to take advantage of the experience, talent, and knowledge of the older generation of Canadians?

Hon. Jean-Yves Duclos (Minister of Families, Children and Social Development, Lib.): Mr. Speaker, I want to thank and congratulate my colleague from Laval—Les Îles for his remarkable work in helping his constituents and for everything he does for our seniors.

Business of Supply

Our government is committed to supporting our seniors and ensuring that they have a dignified and secure retirement. I met with my territorial and provincial colleagues a few weeks ago in St. John's, Newfoundland. We agreed to work very hard in the short and long terms to put in place public and development policies that promote greater social and economic inclusion of our seniors today and in the future.

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CANADIAN HERITAGE

Mr. Alupa Clarke (Beauport—Limoulu, CPC): Mr. Speaker, the Minister of Canadian Heritage is patting herself on the back for signing a deal with Netflix. However, her proposals and commitments with regard to protecting the production of French-language content remain totally unclear.

It is for that very reason that Ms. Prigent, the president of the Quebec artists' union, said the Liberal government is sending a mixed message: it sits down for a talk, but then it turns around and takes steps that were never discussed. The CEO of Simons echoed that sentiment, saying the agreement has no long-term vision.

Has the minister forgotten her mandate letter? What firm commitments can she offer towards French-language cultural production?

Hon. Mélanie Joly (Minister of Canadian Heritage, Lib.): Mr. Speaker, it is a little ironic to see my Conservative colleague rise in defence of culture when the Conservatives were the ones who cut millions of dollars from culture funding over the past 10 years.

That being said, I am happy to see that we have an ally here in the House who will help us make sure that every player benefiting from the system is able to contribute financially to our culture. I look forward to working with him to revamp our system in order to support our artists.

* * *

● (1505)

TAXATION

Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ): Mr. Speaker, in its reform, the federal government is raising taxes on corporations' passive income, but not on the income of non-residents.

This means that a foreign billionaire who invests in Canada would be taxed at 25%, but a Quebecker would pay the maximum, 50%. The foreign investor could even avoid paying taxes altogether if his investment earns interest income, zero.

I would like the government to explain why it is penalizing our SMEs and giving foreign investors the advantage.

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, we want a tax system that is fair for all Canadians. That is very important.

The goal of our measures is to create a fair system that does not encourage the wealthy to simply incorporate in order to pay less in taxes. We will continue to move forward with our measures, taking into account everything we heard during our consultations. At the

same time, we will think about how our system can be better for all businesses in Canada for the future. That is also very important.

* * *

CANADIAN COAST GUARD

Mr. Michel Boudrias (Terrebonne, BQ): Mr. Speaker, last winter, because there were not enough icebreakers on the St. Lawrence River, a Rio Tinto ship became stuck in the ice.

Winter is coming, and this must not happen again. An immediate solution is needed, and it turns out that Project Resolute at the Davie shipyard is ready. The Davie shipyard can bring home four icebreakers, refit them up to standard, and lease them to the government to ensure that Quebec businesses will not have to suffer financial losses and once again face any risks in terms of marine safety.

Will the government finally wake up and say yes to the Davie shipyard?

[English]

Mr. Terry Beech (Parliamentary Secretary to the Minister of Fisheries, Oceans and the Canadian Coast Guard, Lib.): Mr. Speaker, our government is dedicated to making sure that the men and women of the Canadian Coast Guard have the tools they need to do their jobs, whether that be ice-breaking capacity in Quebec or towing capacity. The Coast Guard expertly maintains its fleet. Also, in the interim, we have opened up an RFI to see if there are other ways we can complement our force.

Our government will always make sure that the tools are available, so the job gets done and it gets done right.

Mr. John Oliver: Mr. Speaker, I rise on a point of order.

During question period, the member for Milton made a statement. For the record, I spoke directly with the CEO of Hatch several weeks ago, and I have a meeting already set up with a second group of Hatch employees to hear their concerns directly—

The Speaker: Sounds like debate. Sometimes questions sound like they are attacks on members. I thank the hon. member for his point.

GOVERNMENT ORDERS

● (1510)

[English]

BUSINESS OF SUPPLY

OPPOSITION MOTION—CONSULTATIONS ON PROPOSED TAX CHANGES

The House resumed consideration of the motion.

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Mr. Speaker, before we were interrupted for question period, I was talking about the process. I was suggesting that perhaps the Liberals, instead of reading the talking points generated by their leadership, should be listening to some experts. I have three experts I was talking about.

Business of Supply

I am going to go back to the quote from the B.C. Chamber of Commerce. This is a group that prides itself on trying to be non-partisan, but in this case, it had to talk policy. We are talking about the process. It said:

The federal government has engaged in rhetoric that divides the country, directly stating that small business owners do not “contribute” to the wellbeing of the country and implying poor character on their part if they employ tax planning strategies that were established many years ago, to encourage the growth and sustainability of innovation and entrepreneurship and to compensate small business owners for the higher level of risk they undertake in their venture, compared to that of an employee.

That is a very important group in Canada that represents business owners.

The next person I want to quote is a tax accountant, a very experienced person who works with small businesses. He was at a round table in the riding. Regarding the process, he said that there are consultation papers released all the time. They tend to be very mundane and very boring but are important to people like him. He said that the language in this release was very political. It said that the wealthy need to pay their fair share. The finance minister even tweeted that if people do not support changes then they oppose tax fairness.

The accountant said that this was supposed to be an open consultation, when the initial consultation paper and tweets from the finance minister indicated that it would be anything but. He went on to say that most of the organizations that will be impacted are not wealthy. They are mom-and-pop businesses, and they will be deeply affected. He said that the statement by the finance minister that it would not affect the middle class is absolutely false. It is not closing loopholes. These are policies that were developed for very purposeful reasons. As the chamber indicated, these are policies that were developed to support organizations, not loopholes. Even before the famous video by the member for Carleton about the pizza shop, he said that there is a pizza shop in the riding of Kamloops—Thompson—Cariboo that will also be impacted.

His next concern was the layers of bureaucracy for monitoring compliance. It will take a new horde of CRA auditors to monitor and watch that very nebulous language. This is an accountant who has very important knowledge and does this work all the time.

The next person who had something to say was an experienced tax lawyer. One of the things I thought was very interesting was that he said that tax changes are very complicated, and he doubts that most of the members in the House actually understand the implications and what the language in the proposed changes means. It is people like the accountant and the lawyer who really understand what is being proposed by the government. His bottom line was that the government has taken a sledgehammer when all it needed was a scalpel.

I suggest that the Liberals listen to these three experts, one who represents business, one who represents accounting organizations, and one who understands tax law. Perhaps they should look at the suggestion that we have an additional bit of a consultation period.

That is about the process. The process obviously has been botched. People are very upset. They are feeling insulted, hurt, and angry.

I want to talk about a couple of specific examples. First, I talked earlier about the ranching families in my riding. We were in a state of emergency until the long weekend in September. They are busy fixing their fences, looking for their cattle, and trying to recover their lives.

● (1515)

How can Liberals actually suggest that there has been adequate time for consultation, when people across British Columbia have been dealing with very difficult circumstances all summer? Tourism businesses have been incredibly impacted by the fire season. People do not have time right now to even consider what the changes are going to mean, much less provide meaningful consultation.

Finally, when we were in Winnipeg, I met with an aboriginal entrepreneur. She said she has never had a grant and has never asked the government for money. She was a single mom and started a business with her sweat and tears and many sleepless nights, like so many entrepreneurs. She grew her business. She is now in a position where she wants to turn her business over to her son, and her accountant has said that it is going to be much more difficult for her. The government talks a lot about consultation. The Liberals should be asking themselves if they have talked to aboriginal entrepreneurs across this country.

There is a reasoned argument to continue this consultation period, at least into January. It is certainly unprecedented to have so many dramatic changes in such a short time, during the dog days of summer and during an emergency situation in British Columbia. I urge all Liberals to vote for the motion.

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, it is worth repeating that the government has made a solid commitment to Canada's middle class. We can talk about the tax break in the first budget, a significant tax break for the middle class, and many other benefits, whether for children or seniors. We can talk about the idea of tax fairness. When we look at tax fairness, the overwhelming majority of constituents I represent want tax fairness, and that is what they see the minister and the Prime Minister trying to accomplish.

Why does she oppose the whole concept of tax fairness?

Mrs. Cathy McLeod: Madam Speaker, the whole problem is that the Liberals have not listened to a thing we have said during this debate. We are for tax fairness. What the Liberals do not recognize is that they have created a system that is about tax unfairness. It is about tax unfairness for the many people with small and medium-sized businesses who have worked very hard. Rather than speaking the talking points all the time, it is about time they listened to people like the lawyers, accountants, and small business operators and understand the important impact these changes are going to have on their lives and their livelihoods.

Business of Supply

● (1520)

Ms. Sheri Benson (Saskatoon West, NDP): Madam Speaker, I was glad to hear the member's comment about tax fairness. I am wondering if she would agree with me that what we really need is a comprehensive review of the tax code and that we need to focus more on the biggest abusers of the system rather than on small retailers and farmers.

Mrs. Cathy McLeod: Madam Speaker, we are talking about a pretty simple proposal, which is that the Liberals look at this issue further. The finance committee has had many recommendations, endorsed by many parties over the years that have talked about more comprehensive reviews. Conservatives are talking about putting a halt to the closure of this consultation period. As I indicated, British Columbia just lifted the state of emergency. How could people have paid any attention to what is going on here? It is time to spend a little more time getting the information the government needs to make sure that what it does is done properly.

Mr. Kevin Lamoureux: Madam Speaker, I will ask the member a very simple question. With regard to passive income, 83% of it is used by individuals who make more than \$250,000 a year. That is a quarter of a million dollars a year. Why is the member across the way prepared to have tax benefits for them but not for individuals working on factory floors, nurses, teachers, and so forth? Why does she support the double standard?

Some hon. members: Oh, oh!

The Assistant Deputy Speaker (Mrs. Carol Hughes): I just want to remind members that they may not like what they hear, but they still have to show respect to those members who do stand up.

Mrs. Cathy McLeod: Madam Speaker, they might make \$250,000 a year, but then they have to take \$100,000 or \$150,000 off in terms of the expenses of their operation, and the next year they might not make anything.

Again, I will use ranching families as an example. They might have made a good income a few years after the BSE outbreak. They had terrible times before that. They made good income, and left the money in their companies. Now they are having to draw down because they are in crisis. They might make \$250,000, but that has to be netted out. We then need to look at the difference over the years.

The fact that the member is using that kind of comparison is absolutely shameful.

Mr. Mark Gerretsen (Kingston and the Islands, Lib.): Madam Speaker, it is a pleasure to rise today to speak to the opposition motion. I have been in the House pretty much the entire time, listening to the debate. Hearing what has been exchanged, I do have some concerns.

From time to time, we might be straying from the facts a little. I thought I would try to take this opportunity to outline my position on this, where I am coming from, what my constituents have said to me, and where I see the importance as it reflects to those timelines.

For starters, I think we all believe in fairness and the idea that in Canada we live in country where fairness is afforded to everybody, so everybody can have a fair shot. That is why it is so important to make sure that the tax system we implement and adopt is fair, so that we can grow the entire economy, so that the middle class, who

contribute to the economy, who genuinely help it grow, can succeed and continue to further the enhancement and the growth of our economy.

Unfortunately, the reality that we have seen over the last 20 years is a growing divide, a matter of inequality between the haves and the have-nots.

We voted in favour of, and introduced, a tax break for the middle class not that long ago. Unfortunately that was not unanimous in this House. There were members, particularly Conservative and NDP members, who voted against lowering the taxes on the middle class and increasing them on the one per cent. That does not contribute to the fairness.

We can talk about social equities, we can talk about the social elevators, and we can have genuine policy debates about how we should implement and bring about different ideas to lift people up. Those are all good. There are genuine and good ideas that come from all parties.

However, when we talk about fairness, there is a concept that everybody needs to have a fair start. Unfortunately, the reality is that it is not the case. We come to the proposed changes. Will they make it totally fair? Absolutely not, but they are a step towards making it fair. Income sprinkling, which we have been talking about, is the concept that, if individuals have a corporation, they should not be able to take money that they are genuinely making for themselves and split it or sprinkle it amongst their spouses and adult children.

I am not coming at this just as a member of Parliament. I am a shareholder in a corporation. I own half of a corporation. I do not understand how it is fair that, as a corporate owner, I can effectively put my kids through school for cheaper than my employee can. It is just not fair.

Let us move on to passive investments. I will say this is probably the part of the debate that this motion really focuses on, because it is really the only part that is in the consultation period now. If we talk about extending the consultation period, we are talking about extending the consultation on passive investments.

I will say that there have been unintended consequences that have come forward as a result of the discussion around passive investments, but that is exactly why there is a consultation period going on now.

What I have been hearing about passive investments quite clearly is that people are worried about money that they put into a corporation and saved in a legitimate way. They are worried about how they can then take that money out later on, and rightly so. I heard from doctors, Craig and Ruth from my community, who have been saving this way for 20 years now, planning for their retirement. They are about to retire. Should the rug be pulled out from underneath them, because they have been using legitimate ways to save? No, I do not think it should.

That is why the parliamentary secretary made it very clear this morning, when he spoke, that we are focusing on this point and moving forward as it relates to the passive investments.

Business of Supply

Then, of course, there is the capital gains aspect of this, which probably has had the least amount of focus, and how different mechanisms are used to transfer for succession planning in a corporation. These are legitimate concerns. I share the concerns of succession planning. As I indicated, I have a corporation that one day I plan to pass on to my children, in whole or in part. I am worried about that.

• (1525)

During the discussion that has been going on, the themes are continuous and they are the same. No new ideas are really coming up. People love to income sprinkle and want to continue to do it, and that is just a matter of policy or principle amongst different individuals in the House.

With respect to passive investing, the government is only consulting on this now so that it can propose legislation, so we can then debate that legislation.

With respect to capital gains, some people have brought forward real concerns about unintended consequences, which I believe the government will look at and will address in the legislation.

I would also note that corporations are quite different now from 40 years ago, the last time that the tax code was changed. Forty years ago, the majority of corporations were manufacturing enterprises, large corporations. A “corporation” 40 years ago was not an individual person or a couple of people. That has significantly changed. The idea that the tax code should change to reflect that is, at least in my opinion, entirely appropriate.

It has been pointed out on a number of occasions in the House today what is an extremely valid point to continue to put on the table, and that is the fact that Canada has the lowest corporate income tax rate of the G7 countries. That continues to give us a competitive advantage, and that continues to drive the incentive for businesses to grow.

I meant to say at the beginning of my comments that I will be splitting my time with the member for Sudbury. I apologize, and I will put that on the table now.

I did have a town hall meeting. I have had a number of opportunities to engage with people from my constituency. I was invited to a town hall where I heard what people had to say. I met with the Ontario Medical Association and local members from my community. I met with a number of people in my office. I continue to hear the same things over and over again. I have identified their problems and I appreciate what they have to say. There are some genuine concerns there.

However, I am not seeing any new information coming forward. I am not sure how extending the time by another four months would generate new concerns. We have to listen to the concerns that we are hearing and see how they can be reflected in the proposed legislation and the new legislation that will come forward in terms of passive investing.

I would like to take this opportunity to thank the Kingston Advocacy for Small Business. This is a group of tax professionals and accountants who came together on their own without my trying to set them up or feed them any information or anything. They

looked at the genuine proposals and they brought their concerns to me. It was not a bashing session about taking shots at the government. This group had genuine concerns that they wanted to bring to my attention, and they helped me deliver them back to the government. A lot of the same concerns have been shared in the House and are starting to come to the surface.

There is opportunity now to take what we have consulted on, to take the draft legislation, to see the new draft legislation that will come forward, so that we can start to have some serious discussions on what that legislation will look like.

I believe in the concept of fairness. As an individual who owns a corporation, I do not think it is fair that I should have advantages over my employees when it comes to saving for my kids' education or saving for retirement. We all need to be on a level playing field. We can talk about the social elevators and how to make things different for particular groups in society, but at the end of the day what is so important is that everybody is on the same playing field. That is not the case when a police officer making \$98,000 can effectively pay a higher rate of income tax than somebody making \$230,000 and sprinkling that through his or her entire family.

• (1530)

Hon. Pierre Poilievre (Carleton, CPC): Madam Speaker, so the member claims he wants everything to be equal and even. He wants a tax code that is something like Switzerland, completely neutral. His government's proposal would impose double taxation on the passive investment of smaller private businesses, raising their effective tax rate to as much as a third higher than is the case for public companies; would tax at a higher rate a small business's investment in another business than it taxes that business's investment in its own operations; and would take away retirement income splitting for small business owners while maintaining it for politicians and others who have a company pension plan.

To narrow it down to one example, if the member wants to take retirement income splitting away from small business people through the so-called income sprinkling proposal, does he believe that the Prime Minister and he, himself, should lose that same ability with respect to their own pensions?

Mr. Mark Gerretsen: Madam Speaker, what I was not saying was that everything needs to be equal. What I was saying was that we all need to play by the same rules, that there has to be fairness with respect to where I am starting versus where a police officer or a nurse starts. The inequality will naturally come in the fact that people will be able to succeed in degrees that are higher than other individuals, but the basic starting point where we start playing the game needs to be the same. The truth of the matter is that it is not like that right now. When I own a corporation, I can effectively put my kids through school cheaper than my employee can put his children through school.

Business of Supply

• (1535)

Ms. Linda Duncan (Edmonton Strathcona, NDP): Madam Speaker, I am sure that many in this place have been receiving the same kinds of concerns from constituents. I have met with and heard from a great number of women physicians, many who have set up their own small medical practices and either had children or are wanting to expand their families but are concerned that they will not be able to afford to continue to pay to run their practice while they take maternity leave.

Could the member tell this place how they will address the concerns being raised by female physicians if they put through these changes?

Mr. Mark Gerretsen: Madam Speaker, people can continue to invest and hold money in a corporation. One of the misleading things that has been said quite a bit today is that somehow people will not be able to keep money within a corporation to do things with it later on. They can. They can continue to grow it, continue to invest it, and it is not until they go to use it for their own personal use that they will be taxed on it.

When we look at individuals who will be taking time off later, if they choose not to go down the route of benefits of some form to buy into—for example, if they are a business, they can be members of the Canadian Chamber of Commerce and buy benefits from them—but if they do, then they can utilize what they have saved later on and effectively will be paying the same tax rate that they were always paying.

Mr. Brad Trost (Saskatoon—University, CPC): Madam Speaker, of course the opposition does not share the premise of the inequalities that the member is talking about. However, let us say that we do.

Instead of raising taxes on business, why does the government or the hon. member not advocate for lowering taxes on salaried employees to the level that the businesses have for their supposed advantage? Why, instead of raising taxes, does he not advocate lowering taxes to make everyone equal?

Mr. Mark Gerretsen: Madam Speaker, it is because we already did that. We did that when we lowered the taxes on the middle class and increased them on the one per cent.

Mr. John Nater (Perth—Wellington, CPC): Madam Speaker, I point out that only the Liberal Party could actually try to raise taxes and actually decrease revenues on the top one per cent by the tune of \$1 billion.

Page 30 of the Liberal Party platform says, “We will make free votes in the House of Commons standard practice.” Will tonight's vote be a free vote? If it will not, if it will be a whipped vote, what will be the consequence to Liberal backbenchers for voting in favour of this motion?

Mr. Mark Gerretsen: Madam Speaker, it is a free vote to me. I know exactly how I am going to vote. It is a free vote.

Mr. Paul Lefebvre (Sudbury, Lib.): Madam Speaker, I am very pleased to have this opportunity to rise to speak to this motion today. I would just like to say where I am from, what I do, and what I have done in the past.

I am a small business owner, and I am also a tax lawyer. I used to teach tax at the Faculty of Law at the University of Ottawa, and I used to teach corporate tax at the Faculty of Management at Laurentian University. As well, my wife is a physician and is incorporated.

[*Translation*]

On July 18, many MPs and members of the general public were quite interested in the guidelines our party was going to release regarding the tax reform we want to bring in.

Considering my family background, I was very lucky to become a tax lawyer and to have studied the law, much like my wife. My father was a welder at the pulp and paper plant in Kapuskasing, and my wife's father was an electrician. We come from modest families, but we were lucky, because we managed to go to university back in the day. This dream is becoming increasingly harder to achieve.

That is why we need to take a closer look at our tax system to make sure it is fair and equitable. We need to determine whether looking into our social ladder is the right way to correct the inequities that exist in our society and give everyone a chance to fulfill their dreams. It is not easy these days. My party and I agree that we need to have a closer look at these growing inequities.

[*English*]

As soon as I found out what the reform was going to be, I sat down and read the whole document. I looked at the draft legislation as well. I had multiple discussions with colleagues, tax lawyers, tax accountants, and business owners across the country. I met with the chamber of commerce. I had town halls. I replied to many phone calls from people from different walks of life: small business owners, very successful physicians, very successful dentists, tax lawyers on Bay Street, and tax lawyers in rural areas of Canada.

At the end of the day, when we take a step back and look at what we have in Canada, right now we have the lowest small business tax rate of the G7 countries. It is 15%. The government could decide to raise it, and at the end of the day, everything would be fixed, but we do not want to do that. We want to continue having small businesses with the lowest tax rate. Why? It is because we want them to continue to invest. It is important that they continue to invest in equipment, grow their companies, and hire more people. In my opinion, that is the purpose of having a low tax rate.

A lot of people have made their plans and structured their companies legitimately, and the Minister of Finance has said this multiple times. Everyone has the ability to follow the rules and do this legitimately. However, I certainly believe that there is reform to be made in the Income Tax Act.

Right now, people can use what we call surplus stripping. If there is a high amount of cash in a corporation, one can do a fictitious transaction by using a family member or by incorporating another company, and after signing a few documents, one can convert what would be a dividend into a capital gain and reduce the tax rate by 20%.

Business of Supply

Over the last 60 years, the Department of Finance has been trying to address this problem in the Income Tax Act. Actually, in the 1980s, when the Conservatives were in power, they brought in the general anti-avoidance rule, or GAR, to address surplus stripping. However, after 30 years, clearly the courts have not followed.

Therefore, there needs to be a fix. Every tax lawyer and every tax accountant I have talked to says that this needs to be done. The minister has talked about unintended consequences. There are other issues that have arisen in the draft legislation and in the discussion paper, which is why the minister has said that there are issues, we have heard from people, we are listening, and we need to address them.

The other thing I find unfair, and I am surprised that the Conservatives are not talking about it, is the fact that if people set up their affairs properly, right now, with the current rules we have, if they sell their business, they can actually have their child, two months old, get a capital gains exemption of \$830,000. A child who cannot even contract but is a beneficiary of a trust can have a capital gains exemption of \$830,000. Are you saying that is fair? I do not think so—

• (1540)

The Assistant Deputy Speaker (Mrs. Carol Hughes): I ask that the member address the question through the Chair.

Mr. Paul Lefebvre: Madam Speaker, I know that the Conservatives believe it is fair. I do not believe it is fair.

As well, one of the things that has come up in the draft legislation is whether these rules would be retroactive. What happens after July 18? Are people going to be affected by these new rules? Again, the minister has said that these rules would not be retroactive. However, if we read the draft legislation, there appears to be some retroactivity. That is why we need to listen. I have had a lot of documentation sent my way by different groups. Yesterday it was the Canadian Bar Association. They want to help us address inequities in the system. Certainly retroactivity is a major issue that needs to be addressed.

The party opposite wants us to vote tonight to extend the consultation, which I find a bit ironic. Earlier today someone said that there is uncertainty right now. Business owners do not know what the rules are, yet they want to continue this until January 31. What I am hearing on the ground is that business owners need to know what the rules are before they can make decisions.

A month ago, I talked to an old friend of mine who said he needs to draft his will and he is not sure what to do, because he is not sure how the rules will end up. The longer we continue this, the less certainty there will be in the markets. There need to be assurances, because when we are in consultations, the Minister of Finance cannot make pronouncements. He cannot give direction to the Canadian population, to business owners, and to the House. Now that the consultation period is done, he can do that, but before he can do that, he needs to take into consideration all the comments. Many good suggestions have come our way.

The debate will continue, even though the consultation period stopped yesterday. I will meet again with my constituents. I am returning phone calls. I want their suggestions. I am addressing these with the Department of Finance, with my Liberal colleagues, and

with members in the House to try to make it right. As the Minister of Finance said, we are going to get this right. We want to make the system more fair to address the inequities that exist right now in the Income Tax Act.

When we talk about passive income, I know a lot of the comments from members of the opposition are about the whole issue of a 73% tax. Right now that is hypothetical. We have a discussion paper. There is a discussion paper that has provided certain hypothetical scenarios. We do not have draft legislation. The sooner we have draft legislation to study that we can question and improve, the better off small businesses will be.

I have had a few calls from concerned people who have saved money to invest. They are being told that they will have to pay an inordinate amount of tax on that money. I am telling them that this is not the way I am reading the draft legislation. That is not the way I am reading the discussion paper. However, before people do anything, they should wait and see what the results are to have certainty. That is normal. There will always be uncertainty in the law until we draft and bring a bill to the House to discuss and vote on.

I am very happy that the consultation period is over. The discussion will continue. It has to continue. On a go-forward basis, we need to address a lot of what is in the draft legislation and the discussion paper and how this will be rolled out.

• (1545)

[*Translation*]

I am very proud that we are tackling this issue and talking about tax fairness in our system. I have heard from many entrepreneurs and doctors who are very concerned about their situation. At the same time, obviously we want these entrepreneurs to succeed, reinvest their money in their business, and create the best possible lifestyle for themselves. We will continue to reinvest and give them opportunities to reinvest. We will not stop, and I am very glad that we are going to carry on with this plan.

[*English*]

Hon. Pierre Poilievre (Carleton, CPC): Madam Speaker, the member across the way claimed that the goal is to remove advantages for some taxpayers that are not available to others. However, the solution put forward by the government with respect to the taxation of passive income actually would create new imbalances and new biases in favour of some taxpayers over others. For example, a multi-millionaire CEO of a publicly traded corporation would pay a total tax of 55% on passive investment earned within his or her company. A pizza-shop owner earning just \$75,000 a year would pay almost 60% on passive investment earned within his or her company. That pizza-shop owner has no choice but to save within the company, because an RRSP has withdrawal rules that prevent him or her from pulling it out in case it is needed.

The result of these proposals would mean a higher tax for that middle-class pizza-shop owner earning \$75,000 a year than for a super-rich multi-millionaire CEO of a public company. How is that neutral and fair?

Business of Supply

Mr. Paul Lefebvre: Madam Speaker, with respect to passive income, and I mentioned this in my speech, right now it is a hypothetical situation, because it is a discussion paper. We have heard a lot of comments from tax lawyers and tax accountants from across the country about ensuring that we are looking at this issue. They are asking whether it is the tax-policy result we want.

Right now, certain business owners can take out money from their corporation and pay only 15% in tax. Is that the situation we want? The corporate tax rate is 15%. If they pay it and pay a dividend, and have no other income, they can pay themselves a \$40,000 dividend without paying any other taxes. That is a rare situation, but again, it is hypothetical, just like their examples are hypothetical until we have draft legislation we can deal with. Then we can move on with it.

• (1550)

Hon. Pierre Poilievre: Madam Speaker, the member claims that a business owner can pay himself a dividend after only having paid 15% in corporate tax. We have a fully integrated system on the taxation of business owners. They pay 15% tax on their original earnings inside the company, and then they pay the rest of their marginal tax when they receive the money in the form of a dividend. Therefore, if their tax rate is 50%, they pay 15% inside the company and 35% outside the company. For the member to suggest that business owners are getting off with a 15% total tax rate on their earnings betrays a total lack of understanding of how our integrated tax system works. It spreads misinformation about the amount of tax businesses pay. Will the member not admit that we have integration in this country, and as a result, our small-business owners pay the same marginal tax rate at the end of the day as they would if they were taking the money in the form of wages?

[*Translation*]

Mr. Paul Lefebvre: Madam Speaker, what I said was that this is the system we have right now, and that is one of the things that can happen.

What the member did not mention is that, right now, a child under the age of 18, who cannot even sign a contract, can receive tax-free capital gains of up to \$830,000 on the sale of shares. The Conservatives think that is okay and they want to keep allowing exactly that.

In our view, however, we need to rethink a system that allows a child under 18 to receive \$830,000 in capital gains on the sale of shares. That is why we have to reconsider our system and continue the conversation. This is a good conversation to be having right now.

[*English*]

Mr. Robert Kitchen (Souris—Moose Mountain, CPC): Madam Speaker, I will be sharing my time with the member for Calgary Nose Hill.

I am fortunate to rise to speak in the House regarding the Liberals' proposed changes to the taxation of private corporations in Canada. I received hundreds of phone calls, emails, and letters from my constituents, most from small business owners, expressing their deep concerns about how these changes would affect their ability to run their businesses.

The Prime Minister and Minister of Finance want Canadians to believe this tax hike is about fairness for the middle class. I fail to see what is fair about a family farm having to pay more tax, while the Prime Minister's self-proclaimed family fortune will be unaffected. The same goes for the finance minister, whose multinational family business, worth millions of dollars, will not be touched by these changes.

These policies are going to hurt the very people they were supposedly designed to help, the middle class. That is why the members on this side of the House will fight this tax hike every step of the way.

My riding of Souris—Moose Mountain is a rural riding in the southeast corner of Saskatchewan. Small businesses are the backbone of the economy there, with ranchers, farmers, and family farm operations making up a good chunk of those businesses. These farmers and their families work hard to feed Canada and the world, and they deserve the utmost respect for the hard work they do.

The Prime Minister does not seem to agree with that, however. The timing of the consultation period for these tax changes showed a blatant disregard for farmers as it fell during harvest, one of the busiest times of the year for the agriculture industry.

I have had farmers calling me from their combines, while sitting in the middle of a field, to voice their dissatisfaction with the proposed changes. I find it incredibly short-sighted that the government thought it was wise to initiate a very short, very limited consultation period during the time of year when one of the most affected groups, farmers, would be unavailable to submit their thoughts and opinions. If the minister did not know, then it shows an even greater disregard for our farmers. It is yet another example of how out of touch the Liberals really are.

I would like to set out just how the proposed tax hikes will affect farmers and their operations in my riding. Later I will touch on the effects to other small businesses, but for now I would like to speak more about farmers and the negative impacts these tax changes will have on their livelihoods.

Anyone who knows a farming family knows that running a farm involves everyone, from young children, to teenagers, to parents and grandparents, and sometimes great-grandparents. It is expected that all will help out with whatever tasks need to be done at any given time.

The government's tax hike proposal will now impose a reasonableness test to determine if family members are earning their income. This means there will be higher compliance costs for farmers and other small business owners as this reasonableness test will only serve to increase the administrative burden these small businesses already face. It is clear that the Prime Minister and his government have no regard for what this means for farmers and small business owners, especially since large businesses, such as the one owned by the finance minister's family, will be unaffected.

Business of Supply

Another tax planning measure that will have an impact on farmers is tax on passive investments. When money is saved inside of a corporation, it is for business investment purposes. This is extremely important for farmers whose ability to generate income depends heavily on variable and unpredictable factors, such as weather and expensive equipment costs, like \$500,000 for a combine.

Farmers are not trying to shield massive sums of money within their operations. They are not trying to cheat the system. The so-called loophole they use is what allows them to plan for their retirement.

Passive investment income is a necessary hedge against economic uncertainty for these small business owners who get no sick leave, no vacation pay, no health care, and no dental plan. Now the government will tax small business owners twice, once inside the company and again when paid out to the owner. Again, I fail to see the fairness in this when big corporations will not be subjected to this change.

I have a number of century farms in my riding of which I am very proud. These families have been farming in the area for over 100 years and have passed their operations down through generations. This, however, may not be an option for them any longer. Under the Liberal tax plan, the government will tax the proceeds of asset sales to non-arm's-length buyers at the higher dividend rate rather than at the lower rate. This means farmers could face a significantly higher tax rate selling their farms to their children than if they sold them to a multinational corporation. This is not supporting local small business. This is killing local small business and killing the jobs they create.

• (1555)

I have heard from a number of constituents who are now afraid they will need to sell their century family farms as their best financial option rather than to pass it on to the next generation. How can the Liberals support tax changes that will effectively kill small businesses like century family farms, an important part of Canadian heritage?

Farmers face a lot of adversity in their day-to-day lives. They need their government to support them in every way possible, but these tax changes will do exactly the opposite. On top of this, the forced carbon tax will hurt farmers even more, despite the fact the reports show that hitting farmers with a carbon tax will not reduce emissions faster. As I have said before, and will say again, the government is simply out of touch and rural Canada is paying a price for that.

The Prime Minister talks a lot about the need for innovation in our country. I am not sure he realizes this but small businesses are at the very heart of innovation. The tax hikes that the government wants to impose will only act as a disincentive for those people looking to start a small business in Canada. This means a lack of innovation, which in turn means economic growth is stifled.

It is not just the farmers in my riding who have serious concerns about the tax hike. Small business owners and a number of different industries have been in contact with me, asking me to be their voice on this matter since the government clearly refuses to be. These include veterinarians, insurance brokers, small oil and gas companies, doctors, store owners, and even rural municipalities. I

have never seen such an extensive response from the people of southeast Saskatchewan than I have on this issue, and the government needs to pay attention.

I would like to ensure that the Liberals understand the level of risk small business owners take on when deciding to operate a business. They hire employees and manage their overhead. They pay CPP and EI for those employees. They do not receive any health care or dental benefits, and have to pay out of pocket when these expenses arise. They are not entitled to any kind of vacation or sick leave, so they do not usually take time off. They do not get overtime. They are wholly responsible for financially planning for their retirement. Most of the time they have invested a significant amount, if not all of their savings, into the business and if it fails, this is lost. They take the chance, they take the risk.

I say all of this because the tax planning measures the Liberals hope to change actually help to mitigate some of these risks. There will be no benefit for small business owners to take those risks. Instead, they will encourage people to stay in employment rather than pursue entrepreneurship. Why? Because employees often get benefits with their pay. This means that no new jobs will be created and innovation and economic growth will be slow. Why? Because employers, the risk takers, cover these benefits for their employees.

These people are not the 1%. Many of them are firmly middle class and are offended by the notion they conduct their business in a dishonest way. If the Prime Minister truly wants to target the richest Canadians, as he says, then perhaps he should look to his right, where the finance minister sits in the House, instead of looking at the barns and pastures of our farmers or at the books and back offices of our small businesses.

Clearly, the west has yet again been forgotten about under the Liberal government. While we believe that higher taxes help no one, and we continue to be the voice of the small business owner in Canada, we call upon the government to extend the consultation period on these measures until January 31, 2018.

The Prime Minister visited a Saskatchewan farm in April and spoke to farmers on issues they were facing in their line of work. It was clear to me that was just a photo op. He targeted our farmers and instead of helping them, he basically insinuated the constituents were tax cheats.

I would like to conclude by reading a quote that was sent to me by one of my constituents, a veterinarian and rancher who is also an employer within his community. His letter to me stated the following by William B. Boetcker:

Business of Supply

“You cannot bring about prosperity by discouraging thrift. You cannot strengthen the weak by weakening the strong....You cannot lift the wage earner by pulling down the wage payer. You cannot help the poor by destroying the rich....You cannot further the brotherhood of man by inciting class hatred. You cannot keep out of trouble by spending more than you earn. You cannot build character and courage by destroying men's initiative and independence. And you cannot help men permanently by doing for them what they can and should do for themselves.”

• (1600)

Mr. Chris Bittle (St. Catharines, Lib.): Madam Speaker, I would like to thank the hon. member for bringing his concerns forward. I imagine we disagree on quite a bit. However, if his point is that this will be a disaster, will he stand before the House today and commit that should the Conservatives form government, they would repeal these changes and give these tax benefits back to the wealthiest Canadians?

Mr. Robert Kitchen: Madam Speaker, the hon. member points out an issue that he seems to think has some traction. The measures he is proposing will affect my constituents, my farmers and my ranchers. He is right. We have sat down and talked with our constituents. We have met with chambers of commerce. We have met with the people in our constituencies. We heard what they have had to say, and they want these things changed. We will listen to what they say and we will continue to listen to what they say.

Hon. Michelle Rempel (Calgary Nose Hill, CPC): Madam Speaker, in response to the question my Liberal colleague just asked, does he not find it absolutely ridiculous that the only defence a Liberal member of Parliament has against the hundreds of thousands of people who have, across party lines, spoken out against this issue is to ask if the Conservatives will repeal it? Would my colleague not think that a better response would be for the Liberals to not do it in the first place? Would he care to comment on the fact that the Liberals' only response to this is to ask what a Conservative government would do better with respect to taxes? Does he not find that to be possibly the most ridiculous thing ever said in the House of Commons?

Mr. Robert Kitchen: Madam Speaker, my colleague from Calgary Nose Hill is exactly right. The only response they had for me was how I would challenge this and what would I do. I listen to what my constituents have to say and I respond to them in a manner they want. I come from a rural riding, which has many farmers and ranchers. We will continue to stand up and support them every which way we can.

• (1605)

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, I thought the question posed by my colleague was fairly astute. Let me ask this of the member across the way.

An aspect we are talking about is the sprinkling of income. A vast majority of Canadians would argue that this is unfair, that they are unable to have the sprinkling of income because they work on a factory floor, or are firefighters, or police officers, or work in health care. It is a legitimate question to ask. Hypothetically speaking, if the Conservatives were back in power 10 years or 15 years from now,

would they want to again put in place tax advantages over others? Would they be committed to doing that in the future?

Mr. Robert Kitchen: Madam Speaker, I know the hon. member is always in the House, so I know he has listened to my speech. He is always attentive. I always appreciate his comments because he is the only one in the House I can hear. Even though I am deaf in one ear, I can still hear him in the House.

With respect to the sprinkling of income, we are talking about people who are business owners or are starting businesses and creating jobs. The jobs they create employ people. Oftentimes by employing those people, they provide benefits that many times employees take for granted. That is part of what goes on. However, we do not see that with our farmers and our ranchers. They do not have the same ability as those small businesses to do the exact same thing.

Hon. Michelle Rempel (Calgary Nose Hill, CPC): Madam Speaker, I just want to clarify for people who are watching that the motion before us today states:

That, given the proposed changes to the taxation of private corporations as outlined in the Minister of Finance's paper “Tax Planning Using Private Corporations” will have a drastic negative impact on small and medium sized local businesses, the House call on the government to continue, until January 31, 2018, its consultations on these measures.

Many of my colleagues today have made the point that they have heard that this proposal would be detrimental to small business and the middle class in Canada, but I want to focus on the substance of the motion and hopefully convince some of my colleagues to vote for it, because I do think that a reasonable motion to extend the consultation period is something that would cross party lines and that many Canadians watching this today would find reasonable. I will try to go through all of the reasons.

The government cannot and has not communicated the actual impact of this tax hike on the Canadian economy in real terms. The Liberals have not communicated the impact of this on small businesses that will not of this be able to take on new projects, that is, the small businesses that will not be created, or the employees that will be let go because of these measures. They have not calculated that or communicated it. They have not talked about the resulting drain on our social assistance programs when people who have put in place retirement savings under this tax regime right now would have to draw upon social assistance if they cannot access their retirement savings, thanks to these draconian tax measures.

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The minister cannot say how much net revenue it would create and on what assumptions the Liberals are basing that revenue. The fact that they have not been able to communicate how much revenue this would generate is problematic. We need to consult Canadians to make sure that they buy into a tax hike from which the finance minister and Prime Minister cannot even say how much revenue would result from it. We also do not know how much it would decrease tax revenue for the government. We know that in our former Conservative government, we saw the lowest federal tax burden in over 50 years, yet something interesting that happened was that government revenue went up. That is because the economy was growing. What is concerning for me is that today we heard from the Macdonald-Laurier Institute that we have had the fourth straight month of weak growth. Their report was done by senior and lauded economists. If we look at the federal budget this year, we see an increase year over year in deficit spending and debt, and a decrease in projected economic growth.

The fact that the finance minister cannot say what this would do is a problem. He also cannot say how much this would cost the government. We do not know how much government revenue would decrease and we do not know how much this would cost to administer. How many more bureaucrats will we have to hire for the CRA to chase small business owners as a result of these punitive new tax measures?

The government has also not explained why it is raising taxes. The Liberals use vague, very discriminative, very terrible, divisive terms like “tax cheats” and “tax on the wealthy” to describe hard-working small business owners who form part of the middle class, but they cannot tell them why they would take this money from them. There is no discernible benefit for the Canadian economy from their deficit right now. It is over \$30 billion, and for what? I have not seen any increases in growth. In my province, the economy has certainly continued to worsen.

In sum, the Liberals cannot say how much revenue the government is going to bring in from this and why they are doing this. Why are they taxing Canadians? Why are they bringing this up? The fact that this has not come out begs the question of more consultation.

The Liberals also cannot explain why they broke their promises to small business owners. Not only did they break their promise to not increase the small business tax rate, but they are also raising taxes on small businesses. The reason we need more consultation is that the Prime Minister should be able to explain that broken promise to the many small business owners who gave him the benefit of the doubt in the last election.

I also think that the Liberals have not explained why they are raising taxes on the middle class instead of getting their spending under control. I am the official opposition critic for citizenship and immigration. This year alone, not including social assistance payments, any sort of welfare scheme, or deportation, just the cost of processing people who are legally crossing the U.S.–Canada land border will be half a billion dollars.

The Liberals cannot explain how much revenue the government is going to bring in or how much this would hurt the Canadian economy. They cannot say how much this would benefit the

Canadians whom they are taking this from and they cannot explain why they are not getting their spending under control.

• (1610)

I could list hundreds of other measures the government has taken in which it has just blown the federal budget, and on what? Liberals should be talking about this and explaining their lack of spending controls to Canadians before they go back to them to try to raid their pockets for more money.

The government should extend the consultation period because people are furious and this is not a partisan issue. This is about people who voted Liberal in the last election, who hoped in the Prime Minister and are now saying, “No, I do not think so”, because the Liberals broke their promise and are now not even listening to the people. The Prime Minister owes it to these people who gave him the benefit of the doubt to hear their concerns.

I have had over 1,000 Canadians write to me or contact me at my office, either by email or phone. I had over 300 people who showed up at a town hall with virtually no notice. I have had tens of thousands of messages on social media. In a one-month period, over 43,000 Canadians signed a petition that I sponsored, e-1239, against these tax measures. That is unheard of. People are furious and the Prime Minister owes it to them, given his lack of detail on this, to hear them out because this is the future of the Canadian economy.

A further consultation period would also create an opportunity for the Liberals to correct their divisive, insulting rhetoric about small business owners. That is something that I have heard in virtually every email that has come into my office. They say: “Why is the Prime Minister calling me a tax cheat? Do you know how much extra I pay as a small business owner to employ tax lawyers, to prevent auditors from coming in and looking at me? And you are calling me a tax cheat? Now you are going to call me wealthy, like somehow he has no understanding that small business owners are actually part of the middle class.”

An extended consultation period would give the Liberals and the Prime Minister an opportunity to perhaps correct the record in this regard. It would also give us a further opportunity in the House to say what we value as a country. Are we going to punish small business owners for the fact they take on risk and create jobs without the safety net of sick days, vacation time and guaranteed pensions? Are we going to say to them that we as their representatives want to take away their entrepreneurial spirit, tax them, and change the rules such that they cannot see further out? That is something that could also be addressed in a further consultation period.

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It would also be an opportunity for the Liberals to clarify the following egregious statement by the Minister of Small Business and Tourism: “The longer we’re talking about this, the more people are concerned that they will be impacted, which is really raising a fear and not allowing people to be as productive as possible.” That is an old fearmongering canard. It is fantastical.

The Liberals have been taking so much heat on this that every single Liberal member of Parliament is getting called by everyone in their riding. What did the small business minister do? Imagine being a Liberal backbencher and watching the small business minister say that if we’re consulting, we’re fearmongering. It is kind of crazy. I would love to have a little more time for the small business minister to go out, correct the record on this, clarify what she meant, and perhaps take more heat from the small business community.

This also came out in the dead of summer when farmers were at their busiest. There were floods in Quebec and fires in B.C. The Prime Minister owes it to people in these communities to extend the consultation period. It would also allow us to fully examine the regional consequences of this proposal.

My province of Alberta has been struggling with the detrimental policies of the government with its changes to the rules for downstream regulations on emissions for our pipelines when the government does not do the same for Saudi oil. My province has been struggling with the minimum wage increase and municipal property tax increases. The government has made political decisions to block the build-out of northern gateway pipeline and has worked against the energy east proposal. This small business tax hike is kicking Alberta while it is down and I would love it if the Prime Minister came to my riding to hear how my constituents feel about it.

I wish I had time to read all the messages that were sent to my riding, but to anyone watching at home today, we need them to amplify their concerns and their voice. Canadians do not have a lot of time on this. They need to pick up the phone and call every single Liberal backbench MP and hold them to account for the fact that those MPs will be voting against something as simple as extending the consultation period. The Liberals are a government that consults on everything. Canadians should get out and call a Liberal MP.

●(1615)

Mr. David Anderson (Cypress Hills—Grasslands, CPC): Madam Speaker, I want to follow up on and get the member’s comments about a concern of my constituents.

Kyle Salikin has owned Double K Meats in Chaplin, Saskatchewan, for eight and a half years. He lives in a little town and has been working very hard. He calls the Liberal tax changes back-breaking. His margins are tight and with the new tax changes coming in he is worried about the future of his business. He would love to hire more people in the near future so that his family time will not be sacrificed even more than it currently is. He asks why he is getting punished for trying to grow a small business.

How have the Liberals so misunderstood small businesses in this country that they think they can move ahead with these changes to punish people like Kyle, who is already working overtime, probably has his family in the meat business working with him, and is just trying to make a living?

Hon. Michelle Rempel: Madam Speaker, I could speculate about Kyle’s question of why he is being punished and say that is because we have a government that believes fundamentally that the state can run the country better than small business owners and individuals can. That is the macro level philosophy of the government. It is why it has increased the deficit to the point where I am not sure if we will ever, especially under a Liberal government, be able to pay it back or get it back to balance. It has done that without any discernible metrics or growth. All it has done is increase the size of government in and of itself. It feels that someone like Kyle should not have the independence and ability to run his own future. That is really what this tax is about. It is about stealing the entrepreneurial spirit of Canadians.

This is not just about farmers. This is about doctors, dry cleaners, people with small convenience stores, or someone who started a home-based business to stay at home with the kids and was super-excited that he or she was able to hire another employee. The fact is that Kyle was duped, because the government claims to stand up for the middle class, but what has it done instead? All it has done is punish the middle class.

Mr. Arnold Viersen (Peace River—Westlock, CPC): Madam Speaker, I will read from the Liberal platform from two years ago. It states, “For Parliament to work best, its members must be free to do what they have been elected to do”. At this juncture, I believe that eight Liberal MPs have spoken out against their own government’s methods in bringing this forward. I am wondering if my colleague has any comments to that effect.

●(1620)

Hon. Michelle Rempel: Madam Speaker, I certainly do. For people watching at home, what they need to understand is that this motion will be voted on by all members and that the Liberals will likely be whipped by the Prime Minister. That means the Prime Minister will say, “Regardless of what your constituents are saying, even though this is not a confidence motion and it is only asking for an extension of the consultation period, I am so big-headed with my ego to get this passed that you should go against the views of your constituents, the thousands of calls you have been getting, and should vote against this.”

I would say to the people watching at home that I can promise Liberal MPs that when they vote against this motion, there will be tens of thousands of people who will be angry about this and that we will certainly do our best on this side of the House to help those people point that fact out to those MPs.

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Madam Speaker, it is interesting that as a matter of process, when a Conservative member speaks, members of other parties normally want to pose questions of the member. It is probably a combination of the intensity and intelligence of the person who just spoke, but also the fact that government members do not want to talk about this issue, that they do not want to ask questions about it.

Business of Supply

I wonder if the member for Calgary Nose Hill wants to reflect on the fact that government members are not even willing to stand and ask her questions on this issue.

Hon. Michelle Rempel: Madam Speaker, I would be curious if this is a record. Has a member of the opposition party who has made a speech on an opposition day motion never been asked a question by a member of the governing party before? I think this is a first. It is certainly a first for me. It shows the public the extreme disinterest of the Liberal Party in this. Can anyone believe that? When I finished my speech, not a single Liberal MP got up to refute my argument, so I hope that failure will be reflected in their votes.

Mr. Daniel Blaikie (Elmwood—Transcona, NDP): Madam Speaker, for me the outstanding feature of the whole debate that was launched in July is that when the government decided to put out a discussion document about how to change the tax code, there were some proposals, but there was not actually a complete proposal for how to change the tax code.

The government identified three key areas where they think the tax code lacks fairness. The NDP has been a long-standing champion for tax fairness. We recognize that there are incentives within the existing tax code for people to incorporate, some for the right reasons and some for the wrong reasons. It is something we are keen to get to the bottom of, but it is hard to get to the bottom of it when the government announces just half a proposal.

It bears repeating that the tax code is one of the most complicated pieces of legislation we have in Canada, so for anyone to say that somehow this is going to be a simple debate is just simply not on.

We are discussing one of the most complex bits of legislation in the country. We want to get to the bottom of what are some pretty clever moves, in some cases, by certain individuals in order to be able to avoid paying their fair share of taxes. It is unfortunate that there is a legal structure, sanctioned by Liberals and Conservatives over the years, that gives them the legal tools to be able to do that.

What happened when that partial proposal came down in July was that all of a sudden people were taking very strong and clear-cut positions about the substance of the so-called proposal itself, when in fact that proposal has yet to land. We have some concrete proposals when it comes to income sprinkling within a corporation and when it comes to capital gains, but the government itself has said that those may not ultimately be what are tabled in the House, that those may not ultimately be the proposals it goes ahead with, that other mitigating measures may be introduced that have not been discussed and are not part of the discussion paper.

Here we are now, with everybody wanting to take a strong position on one of the most complex matters in Canadian law, but we do not know what it is yet. I kind of scratch my head, because I do not understand how we could come to such fervent conclusions about such an uncertain proposal. I hesitate even to call it that.

We have, in the Conservative motion today, some strong language about what these proposals are going to entail. For instance, the Conservatives say that the proposed changes to the taxation of private corporations would have a drastic negative impact on small and medium-sized local businesses. What I want to contribute to this debate is that I think that this language is far too strong, because we do not yet know what the impact of proposed potential legislation

would be. We have some proposed legislation that was meant to be discussed, but it is not necessarily what is going to be tabled in the House, so I think it is far too soon to say that it is going to drastically negatively affect small business.

Of course, if it does, that would not be fair, and then as advocates for tax fairness, the NDP is going to have to oppose measures that have a drastic negative impact on all small businesses in Canada. That is not what tax fairness is about, but we are not in a position yet to make that judgment, because we do not have the full proposal.

There is an issue of rhetoric on the one side from the Conservatives, who want to say, I think prematurely, that this measure is going to have a drastic negative impact on small businesses, and then there is a problem of rhetoric on the other side from the Liberals, who want to vaunt an incomplete proposal as somehow ushering in a new era of tax fairness. We can hardly say that either, because they have not even tabled the legislation in Parliament yet. We have not had a study of what the real legislation is going to be, and we have not had an opportunity to try to understand what its effect is going to be in a very complicated legal structure that has to do with how certain Canadians pay their taxes.

What we have heard in the media since July and in the House since we have come back has been this polemic debate that has been set up between those who are fighting for tax fairness—although we do not really know how, because we do not know what the proposal is—and those who are certain that those proposals are going to harm small business, although it is not clear how we can be certain of that, since we do not know what the proposal is.

• (1625)

I hope Canadians listening at home will hear the message, which in this case is the truth: we do not know what we are talking about yet because we do not actually have a real proposal.

The only thing that is going to affect how small businesses pay their taxes in the country is real changes to the law, and until we have a bill, we do not have concrete suggestions about how the government is going to change those laws. If someone were to go to an accountant today and ask how this was going to affect his business, any professional accountant would have to say that they could not tell him how the Liberals' proposal was going to affect his business, because the proposal is not complete. If that person was engaged in any passive investment, the accountant, unless he knows how the Liberals are going to change the rules on passive investment for companies, cannot in good conscience, as a professional, tell him how his business is going to be affected.

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That is why the NDP has called for, first, more consultation. The motion does that, but it does it in a way that does not do what we really need to do, which is tone down the rhetoric on both sides, get a concrete proposal, and then be able to talk about it. In that sense, the language of the motion contributes to the problem. It seems we are not able to have—or anyway we have not yet had—a sober conversation about how small businesses are taxed in Canada, about what is fair about it, what is not, how it might change, or how changing it in a particular way would affect particular businesses and classes of small businesses. If unfair negative impacts to small businesses—like a mom-and-pop shop, or whatever else—are going to have a serious effect on the owners' retirement plan, which they made in good faith under the existing rules, then we can have the conversation about what kind of mitigating measures we might make so that the unfair effect does not end up prevailing.

There are a lot of pieces to this puzzle. We are not there yet in terms of taking polemic positions. We do not have enough information. That is where the motion, unfortunately, contributes to that lack of clarity. It contributes to what has been a pretty poor quality of debate overall on how small businesses are taxed.

In addition to calling for more consultation because we want to better understand how the proposals the government has put out would affect small businesses, we are also anxious to know the other part of the proposal so that we can consult on the clear and full picture.

The other piece of the puzzle is that conversations on tax fairness are not just about how small businesses are taxed. They are about whether CEOs get sweetheart tax deals because they are paid in stock options instead of salaries. They are conversations about whether big companies or rich individuals get to stash their money in other countries because we have sweetheart deals between the Government of Canada and those other countries, such as Barbados—and we could name others—that allow them to do that.

Ordinary Canadians, even if they have a little savings, would never have the resources or know the right people to figure out how to take advantage of those tax shelters. Even if they could, that would not be right either, because taxation is important if we want to deliver good health services in Canada, if we want to build roads and bridges, if we want to make sure that people who cannot work because they have a disability continue to have an income and can live with dignity. Taxation has to be part of that conversation.

That is the other problem with this discussion. The rhetoric has been super-elevated, and we have not been getting to some of the real issues in terms of where the real revenue loss is when it comes to tax fairness. The biggest companies and the richest individuals are getting away with sheltering the largest amount of money from government and are therefore not paying their fair share.

That is the issue in this debate. We do not have the full proposal. We have not consulted enough or had lengthy enough consultations to know what the effect of a proposal would be.

• (1630)

If we do not have the full proposal, it seems to me that once the rest of the proposal is announced, any consultation they did earlier is not going to be that relevant because whatever the other measures

are, they will change the overall tax situation for those small businesses, for better or worse. The Liberals will have to re-launch the consultation, as far as I am concerned, once they table their full proposals here in the House.

Not only did we not have enough of a consultation period—and I think we need more in order to understand better—but the hope would also be that at some point during that extended consultation period, the Liberals would reveal the rest of their plan so that it could be part of the consultation as well. If not, there would be a need for further consultation once we have the full picture.

We would hope, of course, that then, when we are considering the bill here in the House, it would not just be time allocated and we would not have just two committee meetings to look at it, because we would essentially have to redo a lot of the work that was done or was supposed to have been done by the government during the summer.

We do not have the full proposal and we have not had full consultation. We also are not talking about the full picture, and in some ways the real picture, when it comes to tax fairness, because the government is going after the small fish and letting the big fish off the hook. Members may have heard that phrase here in the House before. I repeat it because it is a good one. It captures well what is going on. Here we have two parties, which for their own reasons want to have a polemic, high-rhetoric debate about taxation, and the government is wasting a good opportunity to have a real conversation about tax fairness because they do not want to spend the time on consultation that they really ought to spend and they apparently do not want to table their full proposal before ending that consultation period, which to me just seems absurd.

To the extent that this motion contributes to the problem in terms of rhetoric, it is unfortunate. Again, that was a missed opportunity by our colleagues in the official opposition to try to tone down the rhetoric and get to the real crux of the issue, which is this: who in Canada are paying their fair share and who are not?

When I watch the news and when I read the paper, that is not what we are actually talking about. What we are talking about is just a classic dichotomy between “We are standing up for business because any tax is a bad tax” and the government's saying, “We are going to implement tax fairness, except we are not going to say how we are going to do it, so no one can judge if it is really fair or not.” They want to get people on board and write in the details afterward, and if the details are not what the government led people to believe, too bad.

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. God knows, we saw that in the election, when civil servants were led to believe that they would have a government that they could actually bargain with and maybe get somewhere with at the bargaining table. That was certainly implied. First nations people in Canada got a big dose of that in the last election, when they were led to believe that they were going to have a government that was going to meaningfully embark on a path toward reconciliation, and then we continue to see the government fighting first nations people in court and not providing the kind of funding that is needed in first nations communities to bring fairness to those communities. We saw it on advocates for the environment, who believed that they were going to get a new National Energy Board, one that actually took into consideration what the climate change effects of large natural resources projects were going to be, and that the big projects that were already on the table would be reconsidered if they did not meet those standards. However, we did not get that either.

When it came to electoral reform, people clearly expected more. I do not know they how got the impression that 2015 might be the last election under the first-past-the-post system. It might be because the Prime Minister repeated it ad nauseam during the campaign and afterward, but of course that did not come to pass.

Now the Liberals are saying to trust them that they are going for tax fairness, but they are not going to show people the whole program. No, they want people to sign up to support something very general and trust them to write in the details later. I am sorry, but we have seen too many times that the current government is great on high rhetoric, which is why the Liberals are happy to engage in this unreal debate with the Conservatives on tax reform. We are not even talking about concrete reforms yet, but they want to marshal support for whatever it is they are going to do at the end of the day. That is something I object to. I object to it as a Canadian who wants some straight talk from my government and I object to it as a parliamentarian who is being asked to take a position on something that I do not know the details of yet, and I refuse to be bullied into that position.

• (1635)

We do have a great opportunity to talk about tax fairness. We do not realize the potential of that debate, because the other two parties have an interest in ramping up the rhetoric on this and not getting into the details.

The government has not provided us with the details that we would need to be able to get into it. It has not given us the time we would need in order to consult once we have those details. The government does not have sufficient scope for that study either, because a lot more people are legally evading taxes than some of the small business people who are being targeted by these so-called proposals. That is where we are at.

I hope people listening at home feel this is a worthy contribution to the debate. It is a different point of view from the one they have been hearing from Conservatives and Liberals today. Accepting those insights is just the first step toward having a real conversation in this country about tax fairness. I hope we can get there. What we have so far is not that, and that is disappointing.

The high level of rhetoric in this debate has not served people well. I have heard from people in Elmwood—Transcona who now,

because of the way this debate has unfolded, are worried. They are worried about their retirement security and they are worried about their income. They are worried about whether they are going to be able to keep their business open. Why is that? It because they are being told, by people who do not have the full picture, that this is going to happen.

This is not a foregone conclusion. It is not being responsible when we make people fearful of losing their business when we do not have the full proposal yet. That is why the rhetoric needs to come down and consultation needs to increase. The details need to be provided and the scope needs to be expanded, so that we capture the CEOs and the large corporations that are by far the worst tax evaders.

That would help to bring some comfort to small business owners in Elmwood—Transcona and across the country who are worried about losing their business. They should not be worried until we see the government's full proposal. It would be nice to hear someone today tell us when we could expect that, because then we would have an idea about when we could have a meaningful consultation and start talking about taking a position on a concrete government measure.

• (1640)

Mr. Martin Shields (Bow River, CPC): Madam Speaker, my colleague always brings lots of thoughtful opinions to our discussions. We may not always agree, but I do appreciate his thoughtful comments.

I would agree with the part of my colleague's speech on the shortness of the consultation period, which is due to the industries being busy and the time frame it happened in.

The accountants in my part of the world have been helpful in the sense that they have been consulting with their clients and suggesting that there will be ramifications as a result of the proposals. Small communities have managed to gather 50, 60, or 70 people to attend meetings. At the meetings that I held, we expected 100 people, and 250 showed up.

The member's view is that we should have a longer consultation period. What type of consultation time period and what type of framework does the member think would be required to better serve us going forward?

Mr. Daniel Blaikie: Madam Speaker, the member may know that we have called for a doubling of the existing consultation period, but beyond that I would add that, in my view, part of the problem with the consultation period right now is that we do not have the full proposal. Call me a dreamer, but I think it would be nice to be able to engage in a consultation with Canadian small business owners, actually knowing what the real plan is in its full detail. It is hard for me to imagine that people could get a real definite sense of how these changes are going to affect their business overall if they do not know what the full suite of changes being proposed actually is. If we had that, then we could start a meaningful consultation.

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In the meantime, there are things to talk about. One of the things I have appreciated as a parliamentarian in Elmwood—Transcona is that this conversation has triggered a great dialogue with small businesses in my community, and I am getting to understand better who they are, what their concerns are, and how their businesses operate. I do not think the consultation has been in vain; I just think it is not a comprehensive consultation and it is far too soon to end it. This kind of consultation could go on longer, but we are going to need some real time. We have seen from the government too often that, once it tables the legislation, it is keen to shut down debate in the House and speed it through committee.

When we actually get the bill, we are going to need some more time, and I hope that the government is budgeting that time so that we can go out and talk to Canadians about the real proposals that the Liberals are ultimately going to bring forward, because right now they are not committed to anything.

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, we are getting a sense of where the opposition is coming from on this issue. Whether members are New Democrats or Conservatives, it really does not matter because they have come together. I give my friends in the NDP a heads-up on this. The Conservative Party really does not want tax reform, so New Democrats are falling into the Conservative trap of delay, delay.

My colleague from across the way made reference to the fact that he hopes we have allocated time because this is going to be something that is thoroughly debated. I would suggest that I am giving my colleague this advice because I do not want him to continue to fall into the Conservative trap. The Conservatives do not support tax reform that is going to benefit Canada's middle class. That is really the issue that we have here.

My advice to my New Democratic friends is that, if they support Canada's middle class, they should be voting for things like the tax break for the middle class and the benefits that have been given to seniors and young people. I used to live in Transcona, and I know that if the member consults with his constituents, he will find that a vast majority of them are in favour of tax fairness.

Would the member not acknowledge that the Conservative trap is set for NDP members and others to fall into? I would suggest that he might want to stay away from it.

• (1645)

Mr. Daniel Blaikie: Madam Speaker, although I thank the member for the reminder, I have a pretty good sense that the Conservatives tend not to be interested in anything that would increase any payment of tax by anyone, which is why they did not do anything on CEO stock option loopholes for 10 years.

However, I would let the member know that we are concerned that the Liberals do not really support tax reform that would benefit working Canadians. The evidence over decades of Liberal government is exactly that. That is what we are concerned about.

The idea that they are not interested in that and you obviously are is not obvious to members sitting here. It is not—

The Assistant Deputy Speaker (Mrs. Carol Hughes): Order. I want to remind the hon. member that he is to address the questions and comments to the Chair and not individual members.

Questions and comments, the hon. member for Edmonton Strathcona.

Ms. Linda Duncan (Edmonton Strathcona, NDP): Madam Speaker, I appreciate the comments from my fellow Prairie MP. It is a delight to have him in our Prairie caucus. He always has very thoughtful ideas to share in this place, which bring us back to what we really should be talking about, which is tax fairness.

I wonder if the member would like to speak to the issue that was raised earlier by a Conservative colleague, that during this consultation period, many farmers were in the field, and many in our country, certainly in British Columbia, were busy fighting for their lives and to save their homes. Any reasonable person would listen to that request by Canadians and say that maybe we should extend the consultation period.

However, we are asking for two things: not to simply extend the consultation period on the very vague reforms that the Liberals are throwing out, but to genuinely put forward, frankly, the reforms the Liberals promised during the election. It would reassuring if we actually had a consultation on the election promises for tax reform, including lowering small business taxes and dealing with the stock option loophole, not to mention tax havens.

I would ask my colleague if he agrees that we should move forward with a longer consultation on the broader issue and that it is regrettable that apparently the Conservatives are not open to having a genuine, broader discussion.

Mr. Daniel Blaikie: Madam Speaker, I thank my colleague for reminding me to mention that we did move an amendment to the motion, in part because we think it is not enough just to extend the length of these consultations. They do need to be extended. They need to be extended, in part, for the reasons the member mentioned, which I think are important to remind the House of and those who may be listening at home, which is that not only is 75 days pretty short work for changing one of the most complicated legal structures in Canada, but the timing of that short period was particularly bad. As she mentioned, we had wildfires in B.C., but it was also peak season for any small businesses in the tourism industry, farmers, landscaping companies, and construction in general. Therefore, the timing of those consultations was particularly bad.

Earlier in my speech I said that it is hard to consult on a proposal one does not have. I think that is part of the reason it also makes sense to extend the scope of that consultation. There is a lot more to talk about than just the small business piece. We are waiting for the other shoe to drop to actually know what the government is proposing when it comes to tax reform, because we do not actually know that, which is why I think it is inappropriate for the Liberals to be saying that they are champions of tax fairness. We will judge that when we actually know what they are proposing. However, in the meantime, we could be talking about all those elements that go into tax fairness that do not have to do with small business, like the CEO stock option loophole and tax havens.

Therefore, yes, absolutely, these are some very good reasons why we need an extended consultation period, and because the government has not been forthcoming with its complete plan, that is also why we need to extend the scope. It was unfortunate that we did not see that supported by the Conservatives today when we moved an amendment to their motion that would have accomplished that.

• (1650)

The Assistant Deputy Speaker (Mrs. Carol Hughes): It is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix, Taxation; the hon. member for Saint-Hyacinthe—Bagot, Physician-Assisted Dying; the hon. member for Lethbridge, Indigenous Affairs.

Resuming debate, the hon. member for Durham.

Hon. Erin O'Toole (Durham, CPC): Madam Speaker, I am proud to rise with my colleagues in the Conservative caucus today to point out the hypocrisy of the government when it comes to the changes it is making to how small businesses in Canada are taxed.

Our opposition motion is calling for the consultations to be extended, because of the outrage we are hearing from farmers, small businesses, tech start-ups, and entrepreneurs and their employees across the country. We have been talking about some of the farming families and small business owners affected by these changes, who are outraged, but there are hundreds of thousands of employees who are also caught by these changes as well.

The consultations need to be extended because of the subterfuge by the government on the issue. Announcing the most comprehensive changes to how our CCPCs, small private corporations, are taxed in a generation in the dead of summer when the consultation period would end only a few weeks into the House of Commons' sitting is shameful. For a government that came in on a platform of open and transparent governance, to do this in the midst of the summer was outrageous. That is certainly why we are hearing the Canadian Federation of Independent Business, chambers of commerce, and Liberal members of Parliament agreeing that it is outrageous.

At a bare minimum, I would like to see the hon. member from Toronto, the finance minister, extend the consultation period to at least allow those people who are very fearful of these changes to be heard. He started a call list a few weeks ago, and called one or two farmers. However, now that other people have been calling him, the finance minister has been leaving them hanging.

We have seen the staged consultation round tables, where the finance minister repeats his talking points in the midst of rooms where people are emotional, because they feel they are under attack by a government that is claiming, or setting up this debate to suggest, that they are not paying their fair share.

This finance minister and Prime Minister owe it to Canadians to at least hear them out. I think this is a modest request by the opposition today, and I hope that some members of the government caucus will see the extension of consultations as such.

Business of Supply

We remember the big walk up to Rideau Hall, but in the two years since then, what has the government, with all its openness and transparency, done in that time?

It has raised taxes more than any government in the history of our country: an income tax increase; a small business tax increase with the end of the phased-in reduction for small business to 9%, which it had promised to maintain, as the MP for Carleton raised in the House of Commons today; a CPP payroll tax increase that taxes employers; changes to tax-free savings accounts, which many Canadians have relied on in their own tax planning for their future; and beer and wine taxes, so that if people have to drown their sorrows in the age of Liberal tax increases, the government is taxing them too; and a tax on ride sharing via an Uber tax; and now the CCPC small business tax changes.

That is seven substantial tax increases in less than two years. In the Canada of this Prime Minister, if something moves, it gets taxed. In fact, the rate of tax increases and the creation of new taxes is truly astounding. It is the centrepiece of the government. While it is breaking dozens of promises from electoral reform to support for our military, the one thing the government has not stopped is raising taxes.

• (1655)

What concerns me, as someone who worked in the private sector and with entrepreneurs, the engine of growth in our economy, is the way the government is framing this debate. I have never seen such a divisive approach to taxation and relations within our country when it comes to the government's suggestion that small business owners and farmers are somehow tax evaders. I was writing an essay a few weeks ago on this and the most common two-word phrase the Prime Minister uses is "wealthiest 1%". When I researched this some time ago, he had used that phrase 65 times as Prime Minister, a phrase that is only surpassed by his most common expression, "the middle class and those working hard to join it". I know, Madam Speaker, you probably join us in groaning when we hear the use of that term in the House, but why is he juxtaposing those things with each other and now bringing farmers and small businesses into it?

The Prime Minister is suggesting to Canadians that there are people who are not contributing. He is suggesting that the small business owner, the entrepreneur, the tech start-up, or the sixth generation farming family are somehow making things harder for middle-class Canadians. That is shameful. We have a progressive tax system in Canada that has long ensured that people making more will pay more and that those consuming more will pay more because of the GST. The Harper government cut the GST because it impacted lower-income people the most, so it was reduced.

I neglected to mention that I will be splitting my time with the member for Perth—Wellington. I got so passionate that I left that out at the beginning of my speech.

Business of Supply

One can see that the Prime Minister is juxtaposing the people who he is claiming are causing the middle class to be held back, when in reality a lot of middle-class Canadians are employed by these same people, such as the manufacturers in my riding of Durham, the tech start-ups that I visited in Waterloo, and the farming families and processing businesses related to it. This is whom he is attacking. I have never seen such an approach in Canada, and it is shameful the way the government is framing it and limiting debate when proposing to make the most substantive changes to the small business tax rate in a generation.

The issue is that there is no revenue problem in Canada. We should not be raising taxes at all. The government and the Prime Minister have a spending problem, not a revenue problem. In fact, in 2015-16, there was almost \$300 billion in revenue. When the Harper government had to run a deficit in the midst of the biggest global recession since the 1930s, revenues were \$233 billion. If it had had the revenues the government now has, there would have been no deficit. That is a difference of over \$60 billion, but the problem is that the Prime Minister is spending more than the government is bringing in. It is bringing in more, but it keeps spending more.

When the Liberals asked Canadians for their trust in 2015 and promised that they would never run a deficit of more than \$10 billion, they broke that promise in a few months. They cannot even get a deficit under \$20 billion, and most of the money has not gone to infrastructure, as they like to suggest it has to Canadians. It is just over-spending. Why do they think they can get away with that? It is because, as I said, they have raised taxes seven times in under two years, and now they are targeting entrepreneurs and businesses, our employers.

What the finance minister does not tell the middle class and those working hard to join it is that entrepreneurs do not have EI, do not have maternity leave, do not have pensions, and do not have paid holidays. They are employing people in our communities and saving for their future. Female physicians are making sure they have enough to provide for their families while they take care of their own maternity leave. I am glad that a doctor in B.C. informed the Prime Minister of this, who is making tax changes while admitting that he does not even understand how they will impact the people he serves.

The Conservatives have a modest proposal: let us extend the consultations. This opposition day motion is not asking to shut down the whole thing like thousands of Canadians are asking. The Liberals should at least have the dignity to hear Canadians out.

• (1700)

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, suffice it to say I disagree with most of what the member across the way has said. If it were up to the Conservatives, this debate would never end. The consultations would never end. The funny thing is that their idea of consultations only emerged after they crossed the benches, because when they were in government they sure did not believe in consultation.

When I look at some of the rhetoric by the member opposite, let us look at some of the facts. When it came to tax breaks and tax cuts, the Liberals brought in a middle-class tax break. There were some of the largest redistributions of wealth we have seen in decades as a

result of the tax increase on Canada's wealthiest 1%, the child care increase, and the increases for seniors. The Conservatives voted against those. They actually voted against tax breaks.

Now, on tax fairness, what do they want to do? They just want to see the wheels spinning, because they do not want any decision that would favour Canada's middle class. The policies of this government and Prime Minister have resulted in close to 400,000 more jobs in the last two years. We have seen infrastructure being built in every region of the country.

Why does the member opposite oppose tax fairness?

Hon. Erin O'Toole: Madam Speaker, in response to the member's raising of the issue of tax fairness, I will quote what his colleague, the MP for Whitby, said about the Liberal government's approach to tax changes. In an email to probably hundreds of entrepreneurs, she said, "Let me start by apologizing to each and every entrepreneur, small business owner, physician, and constituent in the Town of Whitby for the tone and the language that was used during the roll-out of these proposals."

The rhetoric of my friend from Winnipeg in this place is legendary, but when he has one or two dozen members of his own caucus disagreeing that this is about tax fairness, apologizing to entrepreneurs, farmers, and to employers for the tone used by the Prime Minister and Minister of Finance, that should be the signal to the deputy House leader of that party that consultation should be extended.

I remember that when that member was in the third party and there were a time allocation motion speeding things up, he called it "an assault on democracy".

Mr. Kevin Lamoureux: It is a necessary tool at times.

Hon. Erin O'Toole: Now he seems to forget that, Madam Speaker. All we are asking is that the Canadians who are emailing and phoning the Minister of Finance get at least a few more weeks to receive the apologies of their MPs for this tax plan.

The Assistant Deputy Speaker (Mrs. Carol Hughes): I want to remind the parliamentary secretary, who knows that we have raised this on a number of occasions, that when someone has the floor that person deserves respect. I know he has been around long enough to respect that.

Questions and comments. The hon. member for Sherwood Park—Fort Saskatchewan.

Business of Supply

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Madam Speaker, I was actually glad for that heckle by the member for Winnipeg North because it was quite revealing. He seems to think that time allocation is an assault on democracy, and yet a necessary tool. I wonder if what we are seeing in the context of these tax changes is another thing the government might acknowledge as an assault on the democratic process, but also in their view a necessary tool.

I would like my colleague to speak to some of the conversations he is having in his riding, because I have been told by business owners that they would have a hard time advising young people to start a career in small business in light of some of these attacks or proposed tax changes. They would have a hard time making the case to the next generation.

That is a big concern that I have been hearing, and I wonder if the member has been hearing the same.

The Assistant Deputy Speaker (Mrs. Carol Hughes): The member for Durham has a little less than a minute left.

Hon. Erin O'Toole: Madam Speaker, my most poignant connection to this issue was when I was with my friend from Selkirk—Interlake—Eastman and MLA Jon Reyes in Winnipeg, where we met small business owners from the Filipino Canadian community.

There was a woman there with three children, who had started her own physiotherapist practice. She is heavily leveraged because, like any smart entrepreneur, she bought the building she is in. She is leveraged to the hilt, and she volunteers with her church and community, and she is now going to volunteer with the Canadian Armed Forces reserves. This person is not a tax cheat. This type of person is the bedrock of our community whom we should be supporting. We should be applauding her risk-taking while raising a family and giving back to her community. These are the types of people they are stymying. At a minimum, let us hear them out.

• (1705)

The Assistant Deputy Speaker (Mrs. Carol Hughes): Resuming debate, the hon. member for Perth—Wellington.

I want to remind the member that the debate will end at 5:15, and therefore there might not be an opportunity for questions and comments.

Mr. John Nater (Perth—Wellington, CPC): Madam Speaker, in 1952, my late grandfather came to Canada. He travelled through Quebec and ended up in southern Ontario. Then, almost by accident, he bought our family farm. As family legend has it, he used his Harley-Davidson motorcycle as a deposit on our family farm. Within 48 hours of buying the farm, he was in the field harvesting a crop of wheat.

I say that because now, 65 years later, that family farm is still in our family. My parents still actually run and farm that land. A mile and a quarter north of our family farm is my in-laws' farm. It is a century farm. For over 100 years, their family has farmed that land and passed the farm down through the generations.

I share this because our family and our farm families are not that much different from other farmers and farm families in Perth—Wellington and across Canada. They work hard. They raise their

families. They give back to the community. They are the bedrock of the community and the economy in our rural communities. To them, and to our farm families, the farm is more than a business. It is a way of life, but it is also a legacy that survives them. It goes on through the generations.

Unfortunately, some of the tax changes in the proposed legislation from the Liberal government would make it harder and harder for a farm family to pass that farm on to the next generation, for a daughter or son to buy into the corporation, to buy into the farm family, and to preserve that legacy for generations to come.

It is telling that the consultations proposed by the government were only for 75 days. These consultations took place at the height of summer, when farmers and farm families were busy. I know that today alone, many of the farmers in my riding are concerned about harvesting soybeans. They are combining. Yesterday, for example, my own father was combining soybeans at my father-in-law's farm. My wife took our two kids out to the farm to go on a combine ride with grandpa. It is a way of life. It is important to the community. However, here we are with a sham of consultations being done when farmers, farm families, and small businesses were busy.

As members know, Perth—Wellington has a strong agricultural community, but it also has a strong tourist and cultural sector, which of course is much busier during the summer. Many of the small businesses in Stratford and Drayton were busy working hard running their businesses, because summer is when the tourist season happens. The opportunity to provide feedback and to examine a number of these changes was not possible.

That is why to provide the most opportunity possible for the hard-working businesses and farm families to give feedback, we are asking to extend these consultations, as proposed in the opposition day motion.

I find it interesting as well that we had to wait until today, our third week in the fall sitting, to finally have an opposition day motion. The government House leader decided not to extend the courtesy to the official opposition or to the third party to have an opposition day to debate the important issues that matter to our constituents. Instead, it withheld the opportunity until today, a day after the consultations closed. That is unacceptable to so many Canadians who want to have the opportunity to have some input.

Like so many members of the House on all sides, Liberals, Conservatives and New Democrats, I have had hundreds of emails and correspondence and phone calls from so many people who are affected. For me, probably the most powerful and moving email came from a farmer in my riding. She was widowed. She lost her husband in a tragic accident. She wrote this to me, and it really reflects the determination of so many farmers.

Business of Supply

●(1710)

She writes, “I was left with four teenage children, 55 cows, and 400 acres. I had decisions to make. I decided, along with my children, to keep the family farm and to continue the legacy in memory of my husband and to be able to keep feeding my family along with providing quality food for the world. I have never been so scared during all the struggles I have been through over the past 10 years as I am today. These new changes will affect me and my business greatly. I will not be able to pay the taxes that may be presented to me each year. My son wishes to take over the operation from me, and this will be highly impossible for him to do and be a successful farmer, pay his bills, along with providing mom the necessary living that I should be entitled to. We do not live high on the hog. We do not own fancy homes and don't drive fancy pickup trucks. We do not take vacations to faraway places. We try to make ends meet and pay our fair share. Please stand up for your local family farmers and all the small businesses and let our voices be heard.”

I am proud to stand and support farmers like Linda who work hard for their families and to preserve the legacy of our farm families in rural Canada. However, under these proposed changes it will be more beneficial for a farm family to sell its farm to a large corporation than to a daughter or a son. It will be more beneficial to sell the farm to McCain's than to a daughter or a son. That is wrong. We on this side of the House recognize the importance of preserving that legacy.

It is not just farmers and farm families but small business owners who employ so many people in our country. A small-business owner from Listowel, Ontario, wrote me. He wrote, “As a business owner, I am the one who wakes up in the middle of the night worrying about the future and planning to make sure that I can continue to employ the great people in my organization. If I am successful and able to save funds with my corporation, I will have to pay extremely high tax rates to take the funds out to use personally, and if my business fails, I'm the only one who will lose everything I have worked hard to accumulate.”

That is reflective of the small-business owners in my riding. They are not tax cheats. They work hard. They are up late at night working in their businesses, trying to preserve them, and trying to keep those jobs. They worry about making payroll. They worry about where that next cheque may come from during downturns in the economy. They take the risk. They take the risk without the pension plans, without the health and dental benefits. They do so because they are in it to create a good business and to provide for their own families and the families of their employees. That is who we, on this side, are fighting for. We are fighting to make sure that their voices are heard. We are fighting so that they have the opportunity to have meaningful input on the tax changes being proposed by the Liberal government.

I think as well of the many families in my community who do not currently have a family doctor. I have heard from many hard-working physicians who have expressed concerns about this. One female doctor in my riding wrote, “I have met with headhunters in the United States. I do not want to leave, but if these changes occur I will have to. These tax changes on doctors are equivalent to a 30% wage cut for a salaried employee.”

In an area where we are already having trouble attracting physicians to rural and small town Ontario, putting these changes in place would make it even more difficult to recruit and attract physicians. It would make it more challenging for those families that are already having trouble finding a family doctor to finally find a family doctor. It will affect patient care. We cannot have that happen. We need to fight for all small businesses across our ridings and across Canada.

I know my time is coming to a close, and I want to finish on one important thought. The Liberal government has a spending problem. The Liberals are eager to latch onto any revenue-generating tool they can find. That is exactly what is happening in this case. They are punishing small businesses. They are punishing farm families. They are punishing those who employ our neighbours and those in our community who drive our local economy. They are punishing local businesses because of their spending problems. It must end.

I am proud to rise and support my constituents. I will be voting yes to this extension, and I hope the Liberal Party will finally un-whip their back benches and allow them to vote in favour as well.

●(1715)

The Assistant Deputy Speaker (Mrs. Carol Hughes): It being 5:15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply.

Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And five or more members having risen:

The Assistant Deputy Speaker (Mrs. Carol Hughes): Call in the members.

●(1755)

(The House divided on the motion, which was negated on the following division:)

(Division No. 355)

YEAS

Members

Aboultaif	Albrecht
Allison	Anderson
Arnold	Barlow
Barsalou-Duval	Beaulieu
Benzen	Bergen
Bernier	Bezan
Blaney (Bellechasse—Les Etchemins—Lévis)	Block
Boucher	Boudrias
Brassard	Brown
Calkins	Carrie
Chong	Clarke
Cooper	Deltell
Diotte	Dreeshen
Eglinski	Falk
Fast	Fortin
Gallant	Généreux
Genuis	Gladu
Godin	Gourde
Harder	Kmiec
Kusie	Lake
Liepert	Lobb
Long	Lukiwski
MacKenzie	Maguire
Marcil	McCaughey (Edmonton West)
McColeman	McLeod (Kamloops—Thompson—Cariboo)
Miller (Bruce—Grey—Owen Sound)	Motz
Nater	Nicholson
Nuttall	O'Toole
Paul-Hus	Pauzé
Plamondon	Poilievre
Raitt	Reid
Rempel	Richards
Saroya	Scheer
Schmale	Shields
Shipley	Sopuck
Sorenson	Stanton
Ste-Marie	Strahl
Stubbs	Sweet
Thériault	Trost
Van Kesteren	Van Loan
Vecchio	Viersen
Wagantall	Warawa
Warkentin	Waugh
Webber	Wong

NAYS

Members

Aldag	Alghabra
Alleslev	Amos
Anandasangaree	Arseneault
Arya	Aubin
Ayoub	Badawey
Bagnell	Bains
Baylis	Beech
Bennett	Benson
Bibeau	Bittle
Blaikie	Blair
Blaney (North Island—Powell River)	Boissonnault
Bossio	Boulerice
Boutin-Sweet	Bratina
Breton	Brisson
Brosseau	Caesar-Chavannes
Cannings	Carr
Casey (Cumberland—Colchester)	Casey (Charlottetown)
Chagger	Champagne
Chen	Choquette
Christopherson	Cormier
Cuzner	Dabrusin
Damoff	Davies
DeCoursey	Dhaliwal
Dhillon	Di Iorio
Drouin	Dubé
Dubourg	Duclos
Duguid	Duncan (Etobicoke North)
Duncan (Edmonton Strathcona)	Duvall

Business of Supply

Dzerowicz	Ehsassi
El-Khoury	Ellis
Eyking	Eyolfson
Fillmore	Finnigan
Fisher	Fortier
Fragiskatos	Fraser (West Nova)
Fraser (Central Nova)	Freeland
Fuhr	Garneau
Garrison	Gerretsen
Goldsmith-Jones	Goodale
Gould	Graham
Grewal	Hajdu
Hardcastle	Hardie
Harvey	Hehr
Holland	Hughes
Hussen	Hutchings
Iacono	Johns
Jolibois	Joly
Jones	Jordan
Jowhari	Julian
Khalid	Khera
Kwan	Lambropoulos
Lamoureux	Lapointe
Lauson (Argenteuil—La Petite-Nation)	Laverdière
Lebouthillier	Lefebvre
Lemieux	Leslie
Levitt	Lightbound
Lockhart	Longfield
Ludwig	MacAulay (Cardigan)
MacKinnon (Gatineau)	Malcolmson
Maloney	Masse (Windsor West)
Massé (Avignon—La Mitis—Matane—Matapédia)	
Mathysen	
May (Cambridge)	McCrimmon
McDonald	McGuinty
McKay	McKenna
McKinnon (Coquitlam—Port Coquitlam)	Mendès
Mendicino	Mihychuk
Miller (Ville-Marie—Le Sud-Ouest—Île-des-Sœurs)	
Monsef	
Moore	Morneau
Morrissey	Murray
Nantel	Nassif
Nault	Ng
O'Connell	Oliphant
Oliver	O'Regan
Ouellette	Paradis
Peschisolido	Peterson
Petitpas Taylor	Philpott
Picard	Poissant
Quach	Qualtrough
Ramsey	Rankin
Ratansi	Rioux
Robillard	Rodriguez
Romanado	Rudd
Ruimy	Rusnak
Saganash	Sahota
Saini	Sajjan
Samson	Sangha
Sansoucy	Sarai
Scarpaleggia	Schieffe
Schulte	Serré
Sgro	Shanahan
Sheehan	Sidhu (Brampton South)
Sikand	Simms
Sohi	Spengemann
Stewart	Tabbara
Tan	Tassi
Trudeau	Trudel
Vandal	Vandenbeld
Vaughan	Virani
Weir	Wilkinson
Wilson-Raybould	Wrzesniewski — 198

PAIRED

Nil

The Speaker: I declare the motion defeated.

Mr. Ron Liepert: Mr. Speaker, if you would check, you would see that the member for Mission—Matsqui—Fraser Canyon took his seat after the vote had commenced, and voted against the motion.

Business of Supply

The Speaker: I would ask the hon. member for Mission—Matsqui—Fraser Canyon to comment on whether this is the case.

Mr. Jati Sidhu: Mr. Speaker, I walked in at 5:47 p.m. If this was late, then I will withdraw my vote.

The Speaker: Colleagues, order. The question is not the time that someone walked in. The question is whether or not I had already begun reading the question. If the Speaker has begun reading the question, then the member should not be voting.

Mr. Jati Sidhu: Mr. Speaker, you had finished speaking then. I came in late, I guess.

The Speaker: I thank the hon. member. His vote will not be counted, and the record will be corrected.

Mr. Mark Strahl: Mr. Speaker, I believe that you need to seek unanimous consent to have the vote struck from the record. We are quite happy to have that member's vote count as voting against this motion.

The Speaker: There is no requirement for unanimous consent when a member has come in after the reading of the question has begun.

* * *

[*Translation*]

EXPORT AND IMPORT PERMITS ACT

The House resumed from September 28 consideration of the motion that Bill C-47, An Act to amend the Export and Import Permits Act and the Criminal Code (amendments permitting the accession to the Arms Trade Treaty and other amendments), be read the second time and referred to a committee.

The Speaker: Pursuant to order made on Monday, October 2, 2017, the House will now proceed to the taking of the deferred recorded division on the motion at second reading stage of Bill C-47.

● (1805)

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 356*)

YEAS

Members

Aldag
Alleslev
Anandasangaree
Arya
Ayoub
Bagnell
Barsalou-Duval
Beaulieu
Bennett
Bibeau
Blaikie
Blaney (North Island—Powell River)
Bossio
Boulerice
Bratina
Brisson
Caesar-Chavannes
Carr
Casey (Charlottetown)
Champagne
Choquette
Cormier
Dabrusin

Alghabra
Amos
Arseneault
Aubin
Badawey
Bains
Baylis
Beech
Benson
Bittle
Blair
Boissonnault
Boudrias
Boutin-Sweet
Breton
Brosseau
Cannings
Casey (Cumberland—Colchester)
Chagger
Chen
Christopherson
Cuzner
Damoff

Davies
Dhaliwal
Di Iorio
Dubé
Duclos
Duncan (Etobicoke North)
Duvall
Ehsassi
Ellis
Eyolfson
Finnigan
Fortier
Fragiskatos
Fraser (Central Nova)
Fuhr
Garrison
Goldsmith-Jones
Gould
Grewal
Hardcastle
Harvey
Holland
Hussen
Iacono
Jolibois
Jones
Jowhari
Khalid
Kwan
Lamoureux
Lauzon (Argenteuil—La Petite-Nation)
Lebouthillier
Lemieux
Levitt
Lockhart
Longfield
MacAulay (Cardigan)
Malcolmson
Marcil
Massé (Avignon—La Mitis—Matane—Matapédia)
Mathysen
May (Cambridge)
McDonald
McKay
McKinnon (Coquitlam—Port Coquitlam)
Mendicino
Miller (Ville-Marie—Le Sud-Ouest—Île-des-Sœurs)
Monsef
Moore
Morrissey
Nantel
Nault
O'Connell
Oliver
Ouellette
Pauzé
Peterson
Philpott
Plamondon
Quach
Ramsey
Ratansi
Robillard
Romanado
Ruimy
Saganash
Saini
Samson
Sansoucy
Scarpaleggia
Schulte
Sgro
Sheehan
Sidhu (Brampton South)
Simms
Spengemann
Stewart
Tan
Thériault
Trudel
Vandenbeld
Virani
Wilkinson
Wrzesnewskyj— 209

DeCoursey
Dhillon
Drouin
Dubourg
Duguid
Duncan (Edmonton Strathcona)
Dzerowicz
El-Khoury
Eyking
Fillmore
Fisher
Fortin
Fraser (West Nova)
Freeland
Garneau
Gerretsen
Goodale
Graham
Hajdu
Hardie
Hehr
Hughes
Hutchings
Johns
Joly
Jordan
Julian
Khera
Lambropoulos
Lapointe
Laverdière
Lefebvre
Leslie
Lightbound
Long
Ludwig
MacKinnon (Gatineau)
Maloney
Masse (Windsor West)
McCrimmon
McGuinity
McKenna
Mendès
Mihychuk
Morneau
Murray
Nassif
Ng
Oliphant
O'Regan
Paradis
Peschisolido
Petitpas Taylor
Picard
Poissant
Qualtrough
Rankin
Rioux
Rodriguez
Rudd
Rusnak
Sahota
Sajjan
Sangha
Sarai
Schieffe
Serré
Shanahan
Sidhu (Mission—Matsqui—Fraser Canyon)
Sikand
Sohi
Ste-Marie
Tabbara
Tassi
Trudeau
Vandal
Vaughan
Weir
Wilson-Raybould

Private Members' Business

NAYS

Members

Aboultaif	Albrecht
Allison	Anderson
Arnold	Barlow
Benzen	Bergen
Bernier	Bezan
Blaney (Bellechasse—Les Etchemins—Lévis)	Block
Boucher	Brown
Calkins	Carrie
Chong	Clarke
Cooper	Deltell
Diotte	Dreeshen
Egliniski	Falk
Fast	Gallant
Généreux	Genuis
Gladu	Godin
Gourde	Harder
Kmiec	Kusie
Lake	Liepert
Lobb	Lukiwski
MacKenzie	Maguire
McCauley (Edmonton West)	McColeman
McLeod (Kamloops—Thompson—Cariboo)	Miller (Bruce—Grey—Owen Sound)
Motz	Nater
Nicholson	Nuttall
O'Toole	Paul-Hus
Poillivree	Reid
Rempel	Richards
Saroya	Scheer
Schmale	Shields
Shipley	Sopuck
Sorenson	Stanton
Strahl	Sweet
Trost	Van Kesteren
Van Loan	Vecchio
Viersen	Wagantall
Warawa	Warkentin
Waugh	Webber
Wong	Yurdiga — 76

PAIRED

Nil

The Speaker: I declare the motion carried.

(Motion agreed to and bill referred to a committee)

*[English]***The Speaker:** It being 6:07 p.m., the House will now proceed to the consideration of private members' business as listed on today's Order Paper.**PRIVATE MEMBERS' BUSINESS***[English]***CANADIAN JEWISH HERITAGE MONTH ACT**

The House resumed from June 20 consideration of the motion that Bill S-232, An Act respecting Canadian Jewish Heritage Month, be read the second time and referred to a committee.

Hon. Erin O'Toole (Durham, CPC): Mr. Speaker, it is my privilege to rise today to discuss Bill S-232 respecting Jewish heritage month. I want to recognize the work of my friend the member of Parliament for York Centre and Senator Frum for her work with respect to bringing this to Parliament to recognize Jewish heritage month and, more specifically, to recognize the important contributions that Jewish Canadians have made to Canada's social, economic, political, and cultural fabric, and to remember, celebrate, and educate Canadians about that contribution.

One might ask why an Irish Catholic MP from Ontario is rising on this. It is because throughout my own life, and certainly in my passion for political life in really all my adult life, I have seen firsthand the critical contributions of Jewish Canadians to the Canada we all enjoy today. Therefore, I will speak to that, much like my father John O'Toole who, as an MPP in the Ontario legislature, introduced a bill to recognize Irish Heritage Day. I think the fabric, the tapestry, of Canada is made better when we celebrate and acknowledge what produced it, which is a cross-section of people who have come here for the tremendous opportunity that Canada represents: the opportunity for them or their children to form critical parts of our political, cultural, and social history. Therefore, I want to congratulate my friend from across the way and my good friend from the Senate for bringing this today.

I also want to recognize a very important person in my life, my late uncle, Paul Goodman, for educating me on Jewish traditions, for allowing me to join them for Passover and a number of special celebrations in the community, and for being my first relative to really challenge me to think about the world and Canada's place in it. I am thinking of him as I stand here today, and my Aunt Jane, who remains a very important part of my life.

I think all parliamentarians have to have a great respect for Herb Gray, the first Jewish cabinet minister from the Liberal Party, who became a cabinet member in 1969 and by the time he left Parliament was the longest-serving parliamentarian. The "Gray fog", as someone reminded us, was very effective at dispersing any criticism of the Chrétien government because he would get up and just dispel the Gray fog to much effect. I had the personal privilege of helping organize a dinner in Toronto a decade ago with the Churchill Society for the Advancement of Parliamentary Democracy to celebrate him as our Churchill award winner for his tremendous contributions to our parliamentary democracy. I think his impact is still felt in this place. I am sure I can say that my friend from York Centre probably draws some inspiration from the life of Mr. Gray.

This is how it has impacted the Irish Catholic kid from southern Ontario. At that dinner I got to meet a hero of mine, Mr. Barney Danson, who was the first Jewish defence minister in Canadian history, very appropriately so as he was a veteran of the Normandy landings and fought with the Queen's Own Rifles of Canada, our oldest regiment in continuous service. I just happened to be in its armouries last week as part of the Invictus Games. To have storied veterans like Mr. Danson serve with that regiment I think makes it and our country better. Like many veterans from World War II, he returned to Canada injured, with loss of vision in one eye. However, one did not see that impact his business career or certainly his remarkable public service as an MP or as a defence minister who understood the file from having worn the uniform of his country.

As a Conservative MP, it is important for me to say how proud I am that two parliamentarians, Senator Frum and the member of Parliament for York Centre, are bringing this forward, because the history of the Jewish community, like that of all Canadians, is not confined to the Liberal, PC, Conservative, or NDP parties.

Private Members' Business

I had the honour of meeting Larry Grossman before he died far too young, an MPP in the Ontario legislature and the first Jewish leader of the PC Party of Ontario. He assumed that mantle in 1985.

• (1810)

Of course, our Parliament saw David Lewis, leader of the New Democratic Party in 1971.

Last week, I joined many from the business community at the launch of *Nuit Blanche* at Toronto City Hall. Where did we see that exhibit? It was in Nathan Phillips Square, the namesake for a very important civic leader from Toronto, Mr. Nathan Phillips, a Jewish mayor of that city.

Also, I am very proud to say in the House that the first leadership vote I cast as a young PC, while still in the military, was for my friend Hugh Segal. He was not successful in his leadership bid, kind of like I was not successful most recently. However, he ran with honour and integrity, and with ideas for the future of the country. I was proud Prime Minister Martin later appointed him as a Conservative senator to our upper house.

We need only look at the wonderful investiture of our new Governor General yesterday to see how the arts community in Canada and around the world reverberate. Perhaps my favourite part was the spectacular rendition of *Hallelujah*, by Leonard Cohen, someone from the Montreal Jewish community.

My previous experience with that song was hearing it sung at the opening of the Vancouver Olympics. It is now one of the most iconic and covered songs in the world, with its origins in Montreal.

Also out of Montreal, another contributor to the arts community, one of my favourite actors, is William Shatner. We were investing an astronaut as our Governor General. Who was the first space traveller we all looked to but Canada's own William Shatner.

I remembered when preparing this speech, my sendoff to my friend Arnold Chan, who passed and left us, was an exchange between Mr. Nimoy and Mr. Shatner and his famous *Star Trek* line, "I have been, and always shall be, your friend." I was glad to see the Prime Minister also used it when he eulogized our friend Arnold.

Certainly, that iconic friendship was from a Canadian Jewish actor and an American Jewish actor. It resonates with me still to this day.

How else has it affected me? The tremendous business success that some members of the Jewish community have enjoyed has often led to outstanding, in fact trail blazing, philanthropy.

I am a graduate of the Schulich School of Law, the Dalhousie University law school. That is just one of five schools Mr. Schulich has endowed to ensure we educate Canadians, be they here for many years or a few weeks, to give them the tremendous opportunities many Jewish immigrants had when they came to Canada, to have success in our country.

Indeed, culturally, politically, from a philanthropic and business standpoint, we cannot look around modern Canada and not see the tremendous impact of Jewish Canadians on our country. That is why I am so happy my friends have brought Bill S-232 to this place to ensure we mark each year with a month for Jewish heritage.

My friends have have said this is a celebration, but it is also important to remember and educate. Those are critical. I applaud, as my colleagues did today, the Minister of Heritage who said in this place that the Liberals would rectify the designation at the Holocaust memorial.

I was proud, alongside my friend from York Centre and others, to condemn the boycott, divestment and sanctions movement in the House, in which members of Parliament can try to show the creeping edge of anti-Semitism. If we look at recent statistics, it is still the Jewish community and anti-Semitism that ranks as the highest hate crime in Canada.

Therefore, as we honour, remember, and celebrate, let us also educate. It is important for Canadians to realize that this form of discrimination, anti-Semitism exclusion, can still creep into our society. It must be called out when we see it. Parliamentarians have a special duty in that regard for all types of intolerance.

Reading the newspaper, I learned that the Prime Minister may honour and remember the merchant ship *St. Louis*. We must remember that terrible episode from our past, from the one is too many era, where we denied 900 Jews fleeing Europe at a time we should have opened up to protect them.

• (1815)

We have much to celebrate. I have tried to touch on this, but as my friends have said, celebrate, remember, and educate. I am very glad we will be able to do that each year as Canadians, whether Jewish or Irish, to celebrate the tremendous contribution of Jewish Canadians.

[*Translation*]

Mr. Pierre Nantel (Longueuil—Saint-Hubert, NDP): Mr. Speaker, I am pleased and honoured to rise to support this bill to create a Jewish heritage month.

This bill recognizes that Canada has a large Jewish community and reminds us of the important contribution that Jewish people have made throughout our history. The bill seeks to designate a month, the month of May, to recognize, highlight, and celebrate Jewish heritage. I would therefore like to take this opportunity to talk about how important the Jewish community and its contributions are to Quebec and the rest of Canada.

Quebec has become what it is today because of the strength of presence of each of its citizens, people of all origins, of all faiths, and of all communities. Our society is built on the contributions that each and every man and woman who participated in our country's journey have made throughout history.

Private Members' Business

The Jewish community is an integral part of Quebec life. Jewish cultural heritage and traditions have over the decades woven into the fabric of Quebec and its culture. Jewish culture has been a part of Quebec for centuries. It all began surprisingly with one Esther Brandeau, a young Jewish woman from the Bayonne region in France, who arrived in New France in 1738 and declared her Jewish origins to the authorities, who were mainly from the Church.

It was not until Aaron Hart settled in Trois-Rivières in 1761 and the first synagogue in Montreal was founded on what is now known as the corner of Boulevard Saint-Laurent and Rue Notre-Dame that Jewish culture truly took root in Quebec.

The Jewish community also faced prejudices during the election of Ezekiel Hart, who was twice elected the member for Trois-Rivières, but barred from taking a seat in the Legislative Assembly of Lower Canada because of his Jewish faith. The Jewish community would forever be part of Quebecers' future when Louis-Joseph Papineau, one of the great figures of our history, had legislation passed at the Legislative Assembly of Lower Canada, on April 12, 1832, namely "An Act to declare persons of the Jewish Religion entitled to all of the rights and privileges of the other subjects of His Majesty in this Province".

Thanks to the struggle waged by the Jewish community and the Hart family and the support of progressives in Louis-Joseph Papineau's party, Quebec became the first colony in the British Empire to emancipate Jewish citizens and grant them full rights. The Jewish community flourished and grew, swelled by waves of immigration in the 19th and 20th centuries. Each year starting in 1904, an average of 10,000 Jews settled in Canada from eastern Europe and other parts of the world. They continued to stream in throughout the 20th century and into the present day. Among them were the ancestors of many illustrious figures who have done much to define Quebec, its culture, and its contribution to the world.

These luminaries include Leonard Cohen, one of Montreal's greatest poets; Moshe Safdie, the architect who built monuments in all of our major cities, including Habitat 67 in Montreal, the National Gallery of Canada in Ottawa, and the Museum of Civilization in Quebec City; Phyllis Lambert, to whom we owe the preservation and restoration of Montreal's architecture; and others, such as Pauline Donalda, David Lewis, Stephen Lewis, Irwin Cotler, and Victor Goldbloom, Quebec's first Jewish cabinet minister.

The motion we are discussing today is about the Jewish contribution to Canada's growth and prosperity. I would also like to emphasize their contribution to solidarity in our country, the labour movement, and the workers' defence movement. One person who comes to mind is Léa Roback, an activist, feminist, and union organizer who led job action such as the Montreal garment factory strike by 5,000 women workers. She also represented the 3,000 RCA Victor workers in Montreal, and she fought for abortion rights and housing and against apartheid and the Vietnam War.

The Jewish community and its culture have left an indelible mark on our city. Every street in Montreal is, in a way, a shared heritage, a place where time stands still. Montreal's Boulevard Saint-Laurent from the St. Lawrence to the CP rail line, past Sainte-Catherine, Fairmount, and Jean-Talon, is itself a living legacy, a true human

monument to immigration and the heritage of the communities that built our city.

If there were only one public place in Montreal, just one meeting place for people and communities, it would be Boulevard Saint-Laurent. Like so many neighbourhoods, this boulevard is also an undeniable part of the Jewish community. Dotted with signs and landmarks that Quebecers have come to know, Boulevard Saint-Laurent is now also home to the Museum of Jewish Montreal.

Montreal and its streets, shops, meeting places, and landmarks are also the stage for the characters and childhoods evoked by Mordecai Richler, who paints a portrait of Boulevard Saint-Laurent and Rue Saint-Urbain, among other things, in a collection of stories simply entitled *The Street*, and who chronicles, autobiographically, his youth in Montreal, Jewish life in Montreal in the 1930s, 1940s, and 1950s, but also the life of the francophones, anglophones, Greeks, and Portuguese who were his neighbours.

It is impossible to talk about a relationship with people of the Jewish culture and faith in our country without talking about the darker days of humanity, the days between 1933 and 1945 in particular.

● (1820)

I am respectfully aware of the pain and trauma forever etched in the bodies, minds, and souls of the survivors, forming a permanent memory that is passed down from one generation to the next. However, it is important to talk about what happened to make sure that we never forget.

As citizens, we must remember and acknowledge the crimes of the Holocaust. I was able to do so on three occasions in recent years: first at the Memorial to the Murdered Jews of Europe, a reminder of the unthinkable built in the middle of Berlin; then, at the Holocaust Memorial Museum in Washington, which is just as heartbreaking and intimate; and then finally here in Ottawa, just steps from Parliament, where we finally inaugurated a monument in memory of the millions of Holocaust victims. We were the only country among the Second World War allies that did not yet have a monument to commemorate the suffering of the Jewish people, even though the Jewish community has deep roots in Canada.

Today, we have a place to remember the genocidal violence of unimaginable proportions that took place during those years. The monument also serves as a reminder of our dark role in those events, since our government, here in Ottawa, chose to admit less than 5,000 Jewish refugees during that time and turned away many others, despite the horrors that were occurring in Europe.

We have a duty to remember. This duty to remember is also expressed by our choices regarding the kind of society we want, our decision to be a country that wholeheartedly welcomes refugees who have been persecuted or are fleeing violence, our decision to form a society that is open to others and that celebrates diversity, because the future of our country lies in its diversity.

Private Members' Business

It is this blending of cultures that characterizes and brings to life Quebec and its streets, alleyways, public spaces, CLSCs, church basements, community centres, places of worship, newspapers, and radio and television programs everywhere on a daily basis. It is this mosaic, vibrant and pulsating, yet calm and peaceful, that has always been part of Quebec's history and will always be part of our reality, which is a good thing.

We are a diverse nation, or in the words of Boucar Diouf, who, like me, lives in Longueuil, a tightly-knit diverse nation. That is one of the things that makes Quebec so compelling and such a source of inspiration. It is also what has given us our reputation as a nation of peaceful coexistence, which has found expression many times over the years.

We have had many debates over the past few years about what it means to be a Quebecker, about politics and religion, about the place of different cultures, about secularism, about coexistence and the relationships between citizens born here and those born elsewhere. These are important, legitimate debates, and I have always fought tooth and nail to defend the right of Quebeckers and their representatives in the National Assembly to have these debates.

However, we must never forget that we are talking about men and women, about families, about people, about citizens, about our neighbours, and that our primary obligation is to welcome them with our words and with our hearts. All of us, particularly we who have been elected by the citizens to represent them, have a responsibility to express that welcome, a Quebec welcome.

In the face of both differences of opinion and differences in background, no matter what debate is happening in Quebec, we need to remember that we share one land, a land that binds us. We need to remember that every person in Quebec is a Quebecker, and all Quebeckers are at home in Quebec. To paraphrase a former premier of Quebec, no matter what is said or done, Quebec will always be the homeland of 8 million citizens from here and from elsewhere, unconditionally, regardless of their birthplace, beliefs, language, or background. This can never be said often enough, and I am very proud to be here to say it myself this evening.

* * *

● (1825)

[*English*]

OIL TANKER MORATORIUM ACT

BILL C-48—NOTICE OF TIME ALLOCATION MOTION

Hon. Bardish Chagger (Leader of the Government in the House of Commons and Minister of Small Business and Tourism, Lib.): Mr. Speaker, an agreement could not be reached under the provisions of Standing Orders 78(1) or 78(2) with respect to the second reading stage of Bill C-48, An Act respecting the regulation of vessels that transport crude oil or persistent oil to or from ports or marine installations located along British Columbia's north coast.

Under the provisions of Standing Order 78(3), I give notice that a minister of the crown will propose at the next sitting a motion to allot a specific number of days or hours for the consideration and disposal of proceedings at the said stage.

CANADIAN JEWISH HERITAGE MONTH ACT

The House resumed consideration of the motion that Bill S-232, An Act respecting Canadian Jewish Heritage Month, be read the second time and referred to a committee.

Ms. Julie Dabrusin (Toronto—Danforth, Lib.): Mr. Speaker, I would like to begin by thanking the member for York Centre for sponsoring Bill S-232 to establish Canadian Jewish heritage month.

Preparing for this debate has made me think about what we would be celebrating, how we would be doing that, and that it would mean different things for different people, which is what I find so exciting about having Canadian Jewish heritage month. It would give us an opportunity to explore and learn more about our rich Jewish heritage here in Canada. When I think about Canadian Jewish heritage, I think about our history, food, and some strong Jewish women who have paved the way for us.

On the history, I recently discovered that only a few blocks away from my home are two of the oldest Jewish cemeteries in Toronto. These are two small, fairly nondescript cemeteries we might not normally notice, but I am hoping that having a month like Canadian Jewish heritage month will give us an opportunity to learn more about these hidden spaces. One of the cemeteries is located on Pape Avenue, just south of Gerrard, behind the Matty Eckler Recreation Centre. This was the first Jewish cemetery in all of Toronto. It was established in 1849, before we even had the first synagogue in the city of Toronto. Its administration was taken over by the Holy Blossom Temple, and it has been closed since 1930. However, if members are walking along Pape Avenue behind the Matty Eckler Recreation Centre, they should take a peek, because it a little piece of our history.

The other historical cemetery is on Jones Avenue just south of Strathcona Avenue. As we walk along Jones Avenue, we can see some Hebrew writing on a wall, but otherwise we might not notice it is there. This is the second-oldest Jewish cemetery in the city of Toronto. It was bought as farmland in 1883, and it was consecrated in 1896. It is where the city's first Orthodox Jewish rabbi, Joseph Weinrib, is buried. This cemetery is still in operation but on a very limited basis. In fact, the last burial was in 2008.

There are parts of our history that are also going to take us a moment to challenge the way we see our Canadian history and our path forward. When I say this, I think about the *St. Louis*, on which more than 900 Jewish refugees fleeing the Second World War were seeking refuge in Canada in 1939. This story is fairly well known. We have talked about it here. The boat was turned away, because the feeling at the time in Canada was that none was too many. This is a dark moment for Canadian history, but I would like to bring us back to my community. There is a beautiful narrative arc to this story.

I recently learned that one of the survivors of the *St. Louis* made it to Canada and had a family, and members of her family are part of the Danforth Jewish Circle in my community. I see beautiful light in this story, and where we can learn lessons from our history is that the Danforth Jewish Circle has been active in sponsoring a Syrian refugee family. Therefore, we see this wonderful story of our own history of many Jewish people coming here as refugees and now returning that circle in sponsoring people and welcoming them to our country. I had the opportunity to meet the family that was sponsored, and they are flourishing due to their own hard work but also because of the support they are receiving from the community. Therefore, in retelling our history as part of Canadian Jewish heritage month, we also have an opportunity to learn from our lessons from the past and see how we can pave a better future going forward.

As a Canadian Jewish woman, I am proud of some of the strong Jewish women who have come before me and formed part of our heritage. The heritage committee, on which I sit, recently did a study on women and girls in sports, and that was tabled in the House quite recently.

When we look at women and girls in sports, we owe a lot to the leadership of female Jewish athletes. I recently got the updated *Book of Lists*, and in it I was happy to see that Abby Hoffman was included in Lanni Marchant's seven gritty and groundbreaking athletic performances by women. She says that when Abby was nine, she wanted to play in a boys' hockey league, so she cut her hair short and registered as Ab Hoffman. She was known for her speed, skills, and determination that matched her better than those of the boys with whom she played. She went on to compete in four Olympic Games between 1964 and 1976, and medaled at the Pan Am Games.

● (1830)

Abby's efforts helped to open the University of Toronto's Hart House to women after initially being an all-male facility, and that was a big change. She is part of the reason women can now be at Hart House. At the 1976 summer Olympics in Montreal, she was also the first woman to carry the Canadian flag in the Olympic opening ceremonies.

I would like to do a shout-out to take a moment to recognize some strong Canadian Jewish women who have contributed. I would like to talk about another strong Jewish woman, Justice Rosalie Abella of our Supreme Court of Canada. She was born as a refugee in Germany, coming to Canada following the Second World War, and now she serves on our highest court. Her story is inspirational. This year, she was named the Global Jurist of the Year for her defence of human rights. We need to recognize some of the strong Jewish women whom we have in our community, and that will be at the centre of so many of our stories when we are looking at Canadian Jewish heritage month.

It might be because of the hour of this debate and feeling a bit peckish at the moment, but I cannot talk about Jewish heritage without talking about food. Food is at the heart of any culture. One of my favourite Jewish foods, one that has an important part in Canadian Jewish heritage, is bagels. All through university when I studied at McGill, my late-night snack was at St-Viateur Bagel down the street. It was right around the corner from me. To this day, I love Montreal bagels.

Private Members' Business

Bagels are a Canadian Jewish treat. I tried to track down the history of the Montreal bagel, only to discover that it is shrouded in mystery and controversy. Who knew? *The Canadian Encyclopedia* says:

The Montréal bagel is one of Canada's most iconic and coveted snacks. Its origins are contested and murky.

Food and controversy: that piques my interest. I am not going to be able to resolve that controversy tonight, but I can let members know a bit about the history.

Some say that bagels were brought to Montreal by Chaim Seligman, who helped to set up St-Viateur Bagel bakery. That was where I bought my bagels during my university years. Others say it was Isadore Shlafman, who was the person who started the Fairmount Bagel bakery, another popular bagel shop, which continues to be managed by the same family. For the record, I also enjoy Fairmount bagels. It is just that they were a little farther from my apartment.

When we look at the history, we see the story of the establishment of the St-Viateur Bagel bakery is not at all murky, and it tells a touching story. The history draws a story of moving from a place of adversity to building a better future in Canada. The shop founder, Myer Lewkowicz, grew up in a *shtetl* near Krakow, Poland. He was sent to Buchenwald concentration camp in 1942. Heartbreakingly, he apparently told a high school class about his experience at the concentration camp by saying, "At Buchenwald, all I dreamt of was a piece of bread." After the war, he remained in Germany until 1952, when he was discovered by Jewish Immigrant Aid Services of Canada and moved to Montreal. In Montreal, he got a job at a bagel bakery on Saint-Laurent, and in 1957 he set up the St-Viateur Bagel shop with Mr. Seligman. That is how we have the shop today.

When we celebrate, we celebrate people, we celebrate food, we celebrate moments in our history, and we take our lessons forward. There are so many aspects of Canadian Jewish heritage that we could focus upon once this bill passes to recognize Canadian Jewish heritage month. I touched on a few parts, but the magic to me is that the establishment of this month would allow us to learn so much more. I would like to take a moment to thank the member for York Centre once again for bringing us this opportunity. I look forward to it.

● (1835)

Mr. Kelly McCauley (Edmonton West, CPC): Mr. Speaker, I am pleased to rise in support of Bill S-232, a bill that proposes to establish the month of May as Jewish heritage month.

I want to discuss the Jewish history in Edmonton and particularly in my riding of Edmonton West.

I want to thank Debbie Shoctor and the Jewish Archives and Historical Society of Edmonton for their work in gathering together the history of Jewish Edmontonians. It is from this work that much of my speech is drawn or plagiarized.

Private Members' Business

This legislation is important to me as the member of Parliament representing Edmonton West, because two of the Jewish congregations in Edmonton, Beth Israel Synagogue and the Chabad Lubavitch, are in my riding. The two rabbis, Rabbi Friedman at Beth Israel and Rabbi Ari Drelich at Chabad, I count as two of my closest friends.

It is important to recognize as well the work of Rabbi Friedman as the council chair of the National Holocaust Memorial that just opened. Rabbi Friedman, who is the grandson of Holocaust survivors, chaired the National Holocaust Monument Development Council, which raised \$4.5 million for the design and construction of the monument.

Of the museum, Rabbi Friedman said, "It has been a very long work in progress, but we have reached the goal: It's something I'm very proud of. It really symbolizes who we are as Canadians." I thank Rabbi Friedman for his work.

Given the history of the Jewish people in Edmonton and the prominent role that Beth Israel and the Chabaud play in the community, I am pleased that this legislation passed the Senate unanimously, and I hope that my colleagues will do the same here.

Now, on to the history.

Abraham and Rebecca Cristall, Edmonton's first Jews, arrived in 1893, just a year after Edmonton was incorporated as a town. Their children, George and Rose, were the very first Jewish children born in Edmonton. Abe became a successful businessman and helped to bring more Jews over from his native Bessarabia.

Right from the beginning, the Jewish people played an integral part in the growth of Edmonton, dating back almost to the city's founding over a century ago.

In 1905, William "Boss" Diamond came to Edmonton after coming to join his brother Jacob, Alberta's first Jewish citizen, in Calgary. Even back then we had a rivalry with Calgary, and I will grant Calgary that point.

Together with eight other men, Boss Diamond and Abe Cristall formed the Edmonton Hebrew Association in 1906. They hired Rabbi Hyman Goldstick of Pilton, Latvia to be rabbi for both the Edmonton and Calgary Jewish communities.

In 1907, Abe Cristall purchased land on the south side for a Jewish cemetery and the Chevra Kadisha was formed.

In 1912, the foundations were laid for the Beth Israel Synagogue on the corner of 95th Street and Rowland Road. Abe Cristall served as the first president, and William "Boss" Diamond served as the second, a position he held for 31 years.

In 1912, the Edmonton Talmud Torah Society was founded, with classes being held in the basement of the synagogue.

In 1925, the society erected its own building on Jasper Avenue, and it was incorporated as the very first Hebrew day school in all of Canada.

Note that it was not in Calgary.

One of my good friends Jamie and her husband Jonah have a young son named Benjamin. Jamie and Jonah plan on sending Ben to Talmud Torah for his education at this century-old institution, an example of the continuation of the work begun by Abe Cristall so long ago.

In 1928, a second congregation was started in the basement of the Talmud Torah building, which later became the Beth Shalom congregation.

A few years later, it was formally organized and they engaged Rabbi Jacob Eisen, who became the first English-speaking rabbi west of Winnipeg.

Also at that time, the new Yiddish school was opened in downtown Edmonton, enjoying a brief heyday before it had to close just before the war.

In 1938, just before the start of World War II, a 13-year old boy named Peter Owen became the only Jewish child let into Canada alone during the war years by a special order in council. He was sponsored by Edmonton lawyer H.A. Friedman, and was adopted by the family, eventually becoming a prominent lawyer himself and a permanent resident of the city.

By 1941, Edmonton's population had increased to 94,000, and the Jewish population stood at just below 1,500.

During World War II, 120 men and women from Edmonton's Jewish community served, with 11 of them giving their lives for our country.

The postwar years saw rapid growth in both the Jewish and general population of Edmonton. As a result, a new Beth Shalom Synagogue was built on Jasper Avenue. A new Beth Israel Synagogue building was constructed in 1953, as well as a new Talmud Torah building that same year, reflecting the population shift of the Jewish community from downtown to the west end.

● (1840)

In 1954, the Edmonton Jewish Community Council was formed as an umbrella organization for the community and served as such for the next 28 years. Later it merged with the Edmonton United Jewish Appeal and became the Jewish Federation of Edmonton, which still serves today.

Edmonton's booming oil-based economy brought increased Jewish immigration over the next two decades, with major influxes from other provinces in Canada as well as from places such as Hungary, Russia, and South Africa. The Jewish population tripled in size from 1951 to 1991 and now stands at about 6,000 people, many of whom reside in my constituency of Edmonton West.

All these new immigrants brought with them the organizations that contribute to Edmonton's vibrant Jewish community. The community's third congregation, Temple Beth Ora Reform congregation, was founded in 1979 and is housed in the Jewish Community Centre. Beth Tzedek, a new conservative congregation and offshoot of Beth Shalom, was started in 1989 and holds services at the Talmud Torah. In 1999, a new building for the Edmonton Talmud Torah was built in west Edmonton, and the very next year, a new Beth Israel Synagogue was built nearby, reflecting a further shift in the population of the Jewish community from downtown to west Edmonton.

In the fall of 2004, Edmonton elected its first Jewish mayor, Stephen Mandel. Mr. Mandel had previously served as a city councillor, continuing a long tradition of Jewish city councillors, including Dr. Morris Weinlos, Helen Paull, Mel Binder, Karen Leibovici, Tooker Gomberg, and Michael Oshry.

There has always been a strong tradition of civic involvement in the Edmonton Jewish community, with members serving on the boards and executives of many local arts, cultural, educational, and fundraising organizations as well as in the judiciary. Notable community leaders over the years include Tiger Goldstick; Joe Schoctor; the Ghermizian family, of course, of the West Edmonton Mall; and Darryl Katz, owner of our beloved Edmonton Oilers.

The Jewish Archives and Historical Society of Edmonton and Northern Alberta was founded in 1996 to preserve and promote the history of the vibrant Jewish community. I must thank it again for supplying much of the history I have just walked the House through.

I would also like to address the specific importance of a Jewish heritage month to acknowledge not only the contributions of Jewish Canadians to Canadian society but also the importance of teaching Jewish history to our younger generations, who will now be at least two generations removed from the horrors of the Holocaust and the Second World War. I make these comments in light of the recent anti-Semitic rallies in Charlottesville, which my Jewish friends described as sad but not surprising, as well as the growing strength of the BDS movement on our university campuses.

Hate crimes against those of the Jewish faith are still the highest per capita in Canada. A hate crime is a hate crime is a hate crime, and any number of hate crimes greater than zero is too many. We must not ignore crimes committed against one group. Otherwise, we normalize the hatred.

We see evidence of this attitude in the treatment of the BDS movement in this place. When a motion was brought forward to condemn the BDS movement in Canada, I was shocked that many in the House refused to vote for the motion to condemn BDS. The boycott, divestment, and sanctions movement makes little effort to separate the Israeli government from those of the Jewish faith, and consequently, treats them as one and the same. It is fair to criticize the policy decisions of the government of the day, which we do in this place all the time. It is unacceptable to treat those of a certain faith as the same as a certain government. BDS fails to make this distinction and encourages unchecked hatred across Canada.

This summer I travelled to Auschwitz and saw first-hand this monument to human tragedy. I want to share with the House the

Private Members' Business

overwhelming emotion I felt when I visited the death camp. I was struck by the simple mechanics of the Holocaust, the cold and mechanical efficiency of the Nazi genocide machine.

My son and I travelled to Warsaw as well, and we visited the site of the old ghetto. The destruction was so thorough that no buildings remain, just a small portion of the wall the Nazis built around the ghetto. My son has just entered university to study poli-sci, and I am glad he will be able to gain a necessary perspective about world history and the capability of humankind to commit truly unspeakable atrocities.

The BDS movement is particularly active in Canadian universities, and I am glad there will be one more educated voice on campus fighting this insidious form of anti-Semitism.

We cannot allow the atrocities of the past to be repeated. Remembering the contributions of the Jewish people to our country is a good step toward combatting anti-Semitism today. I am thankful for the contributions to Edmonton and to Canada by those of the Jewish faith. I am proud to stand today to support this motion to establish the month of May as Jewish heritage month.

• (1845)

Mr. Randall Garrison (Esquimalt—Saanich—Sooke, NDP): Mr. Speaker, I, too, want to start by thanking the member for York Centre for sponsoring this bill to recognize May as Canadian Jewish heritage month.

Perhaps it is a surprise to some listeners that one of the three Victoria MPs is speaking to the bill. When it comes to thinking about Judaism in Canada, Greater Victoria is not often the first place Canadians think of, given the very large Jewish communities in both Toronto and Montreal. It may surprise listeners to learn that Victoria has both the oldest and the newest synagogues in Canada.

Congregation Emanu-El Jewish synagogue located in downtown Victoria, while not technically the first synagogue in Canada, is certainly the oldest in western Canada. Having been founded in 1863, it is the oldest synagogue in continuous operation in Canada, now more than 154 years.

Congregation Emanu-El marked its 150th anniversary in 2013, with the return of its Torah scrolls which had been sent to London for restoration. These two scrolls, which contain the five books of Moses written on calf skin in Hebrew, are known to have originally arrived in Victoria via San Francisco more than 150 years ago, but their origin has remained a mystery.

When they were sent out for restoration, analysis of the scrolls, especially features such as the stitching and the thread work, as well as the calligraphy, helped scholars determine they were more than 300 years old, and the style of calligraphy meant they were likely produced in Germany.

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An interesting side note on the restoration of the Victoria Torah was the key role of Avielah Barclay, who grew up in Victoria, and was inspired by the age of the Torah in her local synagogue. As a result, she went to Israel to find a Hebrew ritual scribe, known as a sofer, who would mentor her as a woman.

In doing so, she thus became, not the first woman sofer, but perhaps the first in 250 years. I understand there are now 10 women studying to become a sofer, accepting the challenge not only to learn the more than 4,000 rules for writing a Torah, but also to understand the import of those rules and annotations, and the background that accompanies each of the handwritten Torah.

The first Jews came to Victoria with the gold rush in the 1850s, and by the end of that decade, there were more than 200 Jews living in Victoria. Their first community project, as in many communities, was the establishment of a Jewish cemetery in 1860, a cemetery which still serves the community to this day.

The Congregation Emanu-El came together in 1862, and shortly thereafter, in 1863, purchased the site for the synagogue and began construction. Congregation Emanu-El has been on the same site since 1863. The building was restored in a five-year project from 1978 to 1983, and then expanded with a new addition in 2004, all the while keeping its very prominent place in downtown Victoria and its status as the oldest house of worship of any kind in British Columbia.

Rabbi Harry Brechner has been the rabbi at Congregation Emanu-El since 2001. It has been a great pleasure and privilege for me to get to know him and his congregation better over my time as an MP, although the synagogue is located in the adjoining riding.

Today, perhaps, I am going to focus a bit too much on bricks and books history, but having returned just recently from Eastern Europe, where so many million Jews died in the Holocaust, I cannot help thinking how all the great post-war accomplishments of Jewish society and culture have come in the face of the enormous challenges of ongoing anti-Semitism and in the shadow of the Holocaust.

As I mentioned, as well as having the oldest synagogue in Canada, Greater Victoria is home to Canada's newest synagogue, located just on the boundary of my riding. I was pleased to attend the cornerstone laying for the Chabad Centre for Jewish Life and Learning, on August 24, 2016. I was awed to see the \$3 million project completed just one year later, with the opening of the centre which contains a synagogue, Hebrew school, library, kosher kitchen, and much-needed day care.

As Rabbi Meir Kaplan came to Victoria to establish the Chabad congregation, based on Hasidic traditions and an outreach model, only 16 years ago, the accomplishment is truly amazing. As well as being the newest synagogue in Canada, the Chabad Centre will soon have the newest Torah in Canada.

In June of this year the community held a ceremony to celebrate the beginning of the writing of a new Victoria Torah, a very special ceremony which I was privileged to attend. The process will continue in Jerusalem and is expected to be completed sometime in 2018, as a result of generous financial support from the community, and in particular, generous support from Dr. Stan Shortt and Mrs. Lindy Shortt, who have dedicated this Torah in memory of their

grand grandparents, Herschel and Sarah Gassner, and Moshe and Rushka Kleinwachs.

● (1850)

As their member of Parliament, I was very honoured to be asked to contribute to the project by writing one letter in this new Torah, though this took place under the firm guidance of a sofer who allowed me to place my hand on his as we wrote the letter together, because if I made a mistake, I would have to start over.

It may seem strange that I am saying so few words today about the contributions of the Jewish community of greater Victoria when there have been so many. Every place I go in the community, where there is a need, the Jewish community is present, whether in the charitable or volunteer sector, or public life where Jews serve as elected representatives, or work as teachers, professors, scholars, artists, or business people.

I know that one of my colleagues pointed out that Victoria MP Henry Nathan, elected in 1872, was the first Jewish MP to take a seat in the House. Not only does Victoria have the oldest synagogue, but also had the first Jewish MP.

Let me take a moment to draw attention to three contemporary members of the Jewish community in Victoria. First, I want to acknowledge former B.C. Premier Dave Barrett, the first Jewish premier in Canada and first MP to hold the federal seat I was first elected to, Esquimalt—Juan de Fuca.

Second, I want to mention the woman who I think is the greatest painter Victoria has ever produced, Phyllis Serota, and no, I have not forgotten Emily Carr.

Last and less likely to be famous, as he is a teacher, is my friend and former colleague at Camosun College, Peter Maidstone, who mentored and inspired hundreds of students in sociology and Pacific Rim studies in a teaching career spanning three decades at Camosun.

I will stop with these three examples of contributions to our community both because my time in the House is, as always, limited and because this to me is the purpose of Jewish heritage month as we go forward, to celebrate the many contributions of Jews to our communities and Canada as a whole.

Again today I have emphasized the long presence of the Jewish community in Victoria. Just as mainstream Eurocentric views of the building of Canada almost always leave out first nations, they also cause us to think of all ethnic groups as somehow newcomers and as other than Canadian and, therefore, as somehow less important or less legitimate. Whether we are talking about the Victoria synagogue that predates Confederation or the more than century old Victoria Sikh temple, greater Victoria has always been a multi-ethnic, multicultural community, even if we have not always succeeded in being a fully inclusive society.

It is my hope and belief that the creation of Jewish heritage month will help contribute to better understanding of just how diverse we Canadians are, and in doing so contribute to building a Canada free from hatred and division.

● (1855)

The Deputy Speaker: Resuming debate.

Adjournment Proceedings

I invite the hon. member for York Centre for his right of reply. The hon. member has up to five minutes for his remarks.

The hon. member for York Centre.

Mr. Michael Levitt (York Centre, Lib.): Mr. Speaker, I want to reflect on the importance of the Canadian Jewish heritage month act in the closing minutes of this debate. I would like to thank colleagues from all sides of the House, particularly the members for Thornhill and Esquimalt—Saanich—Sooke, for their strong support of this bill. I also want to thank members of the Jewish community across Canada who have approached me and expressed their gratitude for presenting this bill in the House. Lastly, I want to thank my co-sponsor, Senator Frum, who did the invaluable legislative legwork shepherding this bill through the other place so it could be before us tonight. None of this would be possible, though, without the groundwork laid by the former member for Mount Royal, the Hon. Irwin Cotler, who originally introduced the substance of this bill in 2015. I dedicate my efforts on this bill in his honour.

This is the time of year that is very special for Jewish Canadians. Last Saturday was Yom Kippur. Two weeks ago was Rosh Hashanah, and this week will mark the festival of Sukkot. I cannot think of a better time for us to be debating this bill, as Jewish Canadians in communities across Canada come together to celebrate with friends and family.

Last week we saw the Prime Minister inaugurate the national Holocaust monument here in Ottawa. The monument serves to honour the victims of the Holocaust and to remind us of the important lessons it so painfully taught us all. As the Prime Minister noted in his remarks, the history of the Jewish community in Canada has not always been bright. In 1939, under Canada's infamous "none is too many policy", the Government of Canada turned away the MS *St. Louis*. There were more than 900 Jewish refugees on board seeking sanctuary here in Canada. Government sanctioned anti-Semitism forced them to return to Europe, where 254 of them were murdered in the Holocaust, many at the infamous Auschwitz death camp. This uncomfortable truth is part of our history, and one we cannot turn away from.

However, the Holocaust monument stands for so much more. It also stands as a testament to the resilience and courage of Holocaust survivors. Many found a home in a more tolerant Canada and profoundly shaped our country and society. It is a source of pride that my riding of York Centre became home to so many Holocaust survivors who built new lives there.

By enacting a Jewish heritage month, we can preserve their legacies as a lesson to all Canadians, from all faiths and backgrounds, of the consequences of hate and intolerance. Canada and the Canadian Jewish community serve as a testament to the values of tolerance and pluralism. These lessons were not learned the easy way, but tragedies like the MS *St. Louis* demonstrate to us the need for compassion and understanding.

Even today our society faces the challenges brought by bigotry and xenophobia. Canada is not immune to anti-Semitism, the oldest hate of them all. Anti-Semitism does not affect just the Jewish community. It affects all communities and all Canadians. When it comes to hate crime, Jews are the most targeted religious minority in

Canada, but Canadians of all backgrounds suffer when their fellow Canadians are targeted for no reason other than their faith.

Our great country, from coast to coast to coast, is an example of how we can build a successful society through inclusion and diversity. Canada itself is a rebuttal to those who would spread hate and intolerance. This year, the 150th anniversary of Confederation, gives Canadians an opportunity to reflect on the society we have built together and to honour the many cultures, traditions, and beliefs that underpin the very foundation of our country.

Jewish Canadians from across Canada have greatly contributed to our nation's successes over the last 150 years, and they will continue to play an important role as our country continues to grow. Their stories are many. As a Scottish Jew who arrived here in 1983, I have met Jewish Canadians from all corners of the world: South Africa, Russia, Israel, Morocco, India, Iran, Argentina, and many other countries. Their histories and experiences shape the Canadian Jewish identity and add to the very fabric of our nation, which is why a bill like this is so important.

● (1900)

The enactment of Canadian Jewish heritage month would ensure that these stories and contributions of Jewish Canadians are recognized, shared, and celebrated across this great country, inspiring all Canadians to build a better, more tolerant Canada for generations to come. This bill demonstrates the principles for which all of us in the House stand, and that is why I ask for all hon. colleagues to stand and support this bill.

The Deputy Speaker: The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the yeas have it.

And five or more members having risen:

The Deputy Speaker: Pursuant to Standing Order 93, the recorded division stands deferred until Wednesday, October 4, 2017, immediately before the time provided for private members' business.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

Adjournment Proceedings

[Translation]

TAXATION

Mrs. Sylvie Boucher (Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix, CPC): Mr. Speaker, I am always very pleased to rise and speak in the House. On September 19, I talked about taxation and the new Liberal tax, as I was calling it. I must say that today, considering some of the meetings I have had since September 19 in my riding and elsewhere, I realized that the government is in a hurry. It is in a hurry and wants to pass legislation. We held a vote earlier to extend the consultations. They voted against the motion, although it made a lot of sense.

This morning we met with the Fédération des chambres de commerce du Québec, and its representatives are very concerned, just like all chambers of commerce everywhere in Canada.

We were told this morning that the legislation that the Liberals want to bring in will make it harder to transfer businesses from one generation to the next and to keep head offices in Canada. The Minister of Finance said he was open, that he was listening and paying attention to the comments being made. However, that is not what we heard this morning, and I quote:

We have met with the minister several times, but the government seems to be in a hurry to pass this legislation. So far, it has been rather resistant to the suggestions and comments made by entrepreneurs.

It is worrisome. When people come to see us in our ridings or meet us on the street, they do not know what party we belong to and that is just fine.

That is just fine because we were elected to listen to the public. This is a bill that the Liberals want to pass and it is making people anxious not just in Quebec, where I am from, but across the country. On that score, I find that when we ask questions, and I have been in the government, they always answer with the same meaningless talking points.

Could the government, for once, realize that the consultations should have continued because people do not really understand everything that is in this legislative measure? Could the government explain it to the Canadians, SMEs, and entrepreneurs who are scared and give them time to digest and understand this bill?

That is not what the government is doing. It is too bad, but if this keeps up, businesses back home, and I met with about a dozen of them, will move to the United States.

Why? Because they will not be taxed as much there as they are in Canada. We will lose the very businesses that are our bread and butter, the ones that create jobs. That is what I am asking the government to consider.

When the government wants to pass legislation, it has to explain what it is and not just on July 18 at a barbeque when everyone is on vacation and farmers are in the fields. That is unacceptable.

● (1905)

Mr. Joël Lightbound (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, I thank my colleague from Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix for raising this tax equity issue. We held consultations with Canadians, which gave us

the opportunity to hear a variety of opinions, from coast to coast to coast.

[English]

On the important topic of tax planning using private corporations, the proposals put forward by our government on this issue are at the heart of our plan to help the middle class.

[Translation]

I can hear my colleague complaining, but I have the right to respond in either language. The member will notice that I always answer in French during question period because it is important to me. I will make an effort to speak French since she is asking me to.

Our plan seeks to reduce inequality because we have noticed that some inequities have found their way into our tax system. Our government recognizes that small businesses are at the very heart of our economy and that they create a lot of jobs for the middle class. We are committed to always supporting business owners, no matter what the size of their company, so that they can continue to stimulate the Canadian economy as they have been successfully doing for years.

Our government supports these small businesses, but our tax system is very competitive. We have the lowest small business tax rate in the G7, and that will not change. However, we want to ensure that our tax system is fair.

In budget 2017, the government indicated that it intended to address the issue of tax planning strategies using private corporations. These strategies give wealthy individuals access to tax benefits that are out of reach for the vast majority of Canadians. We have seen that a growing number of Canadians, often high-income individuals, are using private corporations to unfairly reduce their income taxes.

For example, an individual who earns \$300,000 per year and has a spouse and two adult children can use a private company to save tax roughly equivalent to the average Canadian income, which is \$48,000 per year. We think that is unfair. It was legal and legitimate for Canadians to use this private company provision in the past, but that does not mean it was fair. We want to fix this inequity in our tax system.

That is why, in July, the Minister of Finance launched consultations about tax planning strategies used by private companies. The government's proposed solutions have been the subject of much public comment and debate, and, as we all know, some business owners and incorporated professionals have expressed concern they might be penalized by these measures.

That is why the Minister of Finance and the Minister of Small Business and Tourism went on a cross-Canada tour. They wanted to meet with Canadians to hear about their concerns first-hand. I was a part of that too.

Our government listened to small business owners, middle-class entrepreneurs, professionals, and experts during our consultations and we will take action based on what we heard and people's concerns.

Adjournment Proceedings

I would like to take this opportunity to thank all the Canadians who contributed to the conversation. I would also like to thank the member for Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix for her question.

• (1910)

Mrs. Sylvie Boucher: Mr. Speaker, when the government launches a consultation in the middle of July, while everyone is on vacation, it is because it has something to hide.

In order to be as transparent as this government claims to be, one would have to hold consultations for much longer than 75 days and make at least some attempt to listen to everyone. Our farmers were out in their fields. They did not have time to attend consultations.

Our constituents have come to us with concerns about this bizarre way of reforming the tax system. I live in the Quebec City area, and I know the Liberal members from my region have been approached on this subject. However, they did not listen to what people told them. I am not making this up. People came and told us this.

There is a problem here. If you want to have an open discussion, you need to be open to what people have to say, whether you agree with it or not. Now these people are scared. I am not talking about one or two people who voted Conservative. I am talking about Canadians across the country, not just in my area.

If the government members went out on the ground, I want a list of everyone they met with, because that is not what people are telling us.

Mr. Joël Lightbound: Mr. Speaker, I have to say that I find it a bit rich for a member to criticize us for that while defending a government that held hardly any consultations for 10 years. We held consultations to bring greater fairness to our tax system, to make sure we were doing things properly, and to avoid any undesirable consequences. We heard from farmers, fishers, and business people because we want to make sure we do things right. For example, we want to make sure that intergenerational transfers will not be unfairly affected.

At the same time, we have to understand that our current tax system has incentives that allow some of the wealthiest Canadians to use private corporations to gain tax advantages that the vast majority of Canadians cannot access, such as those I mentioned earlier in my example. I think we can all agree that we want a fairer tax system.

MEDICAL ASSISTANCE IN DYING

Ms. Brigitte Sansoucy (Saint-Hyacinthe—Bagot, NDP): Mr. Speaker, on May 2, I rose in the House to ask questions about the impartiality of the working group set up by the government to study the issue of advance requests and broadening eligibility for medical assistance in dying.

The appointment of Dr. Harvey Schipper as chair of the working group was accepted by the minister, even though Dr. Schipper opposed medical assistance in dying and advance requests.

This appointment was also criticized by several stakeholders. Even though Dr. Harvey Schipper stepped down from his position and was replaced by Marie Deschamps, the issue of medical assistance in dying, and especially advance requests, is still current.

The former health minister, the hon. member for Markham—Stouffville, promised to strike committees to study the issue of incapacity and advance requests, cases where medical assistance in dying was denied and not administered in the past year, and the issue of mature minors, to determine if a minor suffering from an incurable or painful illness can request medical assistance in dying. However, once again, there has been no decisive action from the Liberal government.

Once again, Quebec is ahead of the federal government on this issue. In 2013, it tabled a working group report on incapacity and struck a committee to handle advance requests and broaden eligibility for medical assistance in dying. However, Quebec's efforts are hampered by its compliance with federal legislation, even though it is essential that provinces and territories work in close collaboration with the federal government to avoid an over-hasty approach, as is the case in this situation.

I sat on the Special Joint Committee on Physician-Assisted Dying, and many of our recommendations were not taken into consideration when the federal law was drafted.

I am also concerned about people who are ill and suffering but are no longer able to request medical assistance in dying because they have a mental illness or dementia, such as Alzheimer's-related dementia. A decision needs to be made on the issue of advance consent and whether a person with dementia or mental illness can make an advance request while they are still in full possession of their mental faculties, before the disease progresses.

That is a critical issue that the government must address, particularly following the compassionate killing of Jocelyne Lizotte by her husband. It is also vitally important that citizens have faith in the system and feel as though they have the guidance they need to avoid any possible abuse.

According to Bill C-14, there are many criteria that a person must meet in order to be eligible for medical assistance in dying. For example, they must be at the end of their life, have a serious and incurable illness, be in an advanced state of decline, be enduring physical or psychological suffering, and so on. The most shocking is the criteria of reasonably foreseeable death. The government must clarify that provision, which does not make any sense.

Obviously, we are all going to die one day. The Liberal government is not telling us anything that we do not already know. It is unacceptable that people who are ill have to go back to the courts to assert their right to die in dignity because they do not clearly meet all of the criteria. We must not forget that medical assistance in dying is a right and that those who are ill and suffering and who want to die in dignity do not have the strength to fight for that right.

I am well aware that this is sensitive issue, but doing nothing is not going to solve the problem. When will the Liberal government truly take into account the issues of advance requests, mature minors, and people who are not capable of asking for medical assistance in dying? When will it actually set up those committees? We look forward to seeing results.

Adjournment Proceedings

• (1915)

[English]

Mr. Bill Blair (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I would like to thank the member for Saint-Hyacinthe—Bagot for the opportunity to speak on this important issue.

Legislation on medical assistance in dying received royal assent on June 17, 2016. The act is designed to strike a balance between personal autonomy for those seeking access to medical assistance in dying and protection of the vulnerable. We believe our legislation achieves the right balance.

At the same time, our government committed to initiate independent reviews on a select set of complex circumstances that currently fell outside the purview of the existing act.

Specifically, the legislation obligates the ministers of justice and of health to initiate independent reviews of issues relating to requests for medical assistance in dying in relation to advance requests, requests by mature minors, and requests where mental illness is the sole underlying medical condition. As the member opposite has noted, these are sensitive and complex issues that require careful consideration.

On December 13, 2016, our government announced the selection of the Council of Canadian Academies to conduct these reviews. This decision was based on the organization's extensive expertise and demonstrated experience in conducting reviews on complex issues in an objective and rigorous manner. The Council of Canadian Academies is addressing these questions from an independent, authoritative, and evidence-based perspective. This is being done through an expert panel comprised of three working groups, one on each topic. Panel members are experts on the issues raised by the three review topics. Strong leadership is being provided by the chair of the panel, former justice of the Supreme Court of Canada, Marie Deschamps, and the working group chairs. This includes the new chair for the advance request working group, Dr. Jennifer Gibson, who was selected when the previous chair stepped down.

The objective of the reviews is to gather and analyze relevant information and evidence on the diverse perspectives and issues surrounding the three types of requests not dealt with in the legislation. This evidence will facilitate an evidence-based dialogue among Canadians and decision-makers. To this end, the reports will not provide recommendations but will communicate the findings of the reviews to inform that conversation.

The legislation requires that reports on the reviews be tabled in Parliament within two years of initiation. Our government will fulfill this mandate by making the reports available by mid-December 2018. The time frame identified for these reviews is intentional. These issues raise very serious questions, requiring thoughtful consideration from legal, ethical, medical, and social science perspectives, just to name a few.

Evidence is being considered from national and international experts, all levels of government, health care providers, and others impacted by the issues. In fact, to inform its deliberations, the Council of Canadian Academies put out a call for submissions from interested groups. At the start of the fifth year after coming into

force, the legislation calls for a parliamentary committee to undertake a review of its provisions. The findings of the independent reviews will be available for consideration by this parliamentary committee, along with information on the state of palliative care in Canada.

In addition to initiating the independent reviews, our government is also in the process of preparing regulations for the purpose of establishing a system for monitoring medical assistance in dying. We are committed to creating a system in which Canadians have accurate and timely information regarding the implementation of this legislation. Federal officials, in consultation with our provincial and territorial colleagues, are working on the parameters of the monitoring system. This mechanism will provide Canadians with a nationwide picture of medical assistance in dying.

Until a permanent monitoring system is in place, federal, provincial and territorial governments are working collaboratively to produce interim reports with available data. The first report was released in April, and a second report will be released this month.

The well-being of all Canadians is of paramount concern to our government. For this reason, it is important we proceed carefully when determining if and how requests for medical assistance in dying in the three specific circumstances will best fit within the federal framework. These are sensitive issues. We need an approach that supports eligible individuals seeking medical assistance in dying, while also ensuring safeguards are in place. Our primary objective is a system that aims to serve the best interests of all Canadians.

• (1920)

[Translation]

Ms. Brigitte Sansoucy: Mr. Speaker, having sat on the Special Joint Committee on Physician-Assisted Dying, I am well aware that it is a sensitive and complex issue. We heard from hundreds of witnesses and I read thousand of pages on the topic. Of course these are sensitive and complex issues.

When the legislation was passed 15 months ago, many people who are suffering were disappointed to learn that they are not eligible. People who are suffering who want to have access to medical assistance in dying are being told they are not entitled to it.

Calls for advance requests from citizens are getting louder, and they are being told to wait even longer. That response was much too theoretical for these people who are suffering and have to wait indefinitely for the government.

Striking a committee to examine advance requests must be made a priority, and we need to hold the government to account now. It is important to realize that we are talking about human lives, people who are sick and suffering, who want to exercise their right to die with dignity. The government must act as soon as possible on the issue of advance requests.

[English]

Mr. Bill Blair: Mr. Speaker, I want to acknowledge the member opposite and all members who participated in the committee that examined medical assistance in dying for their tireless work, which was very useful in the preparation of the government's legislation on this matter.

Adjournment Proceedings

Our government believes that the legislation permitting medical assistance in dying strikes the right balance between honouring the choices of eligible individuals while protecting the vulnerable. In keeping with the requirement set out in our legislation, our government initiated independent reviews on three topics that were identified as particularly sensitive and complex and required further examination. These reviews are being conducted by the Council of Canadian Academies. This is an organization with a great deal of expertise and experience in conducting such assessments to support and inform public policy development in Canada. The council has established a panel of skilled and credible experts with the appropriate leadership to ensure there is a comprehensive and rigorous process.

I am confident that the council's assessments will present objective and impartial findings that will support an informed dialogue in this country. We look forward to receiving the results of these reviews by December 2018, and will continue to work on this important issue.

INDIGENOUS AFFAIRS

Ms. Rachael Harder (Lethbridge, CPC): Mr. Speaker, when the Liberals formed government, they made a great number of promises with regard to indigenous peoples. They spoke of taking action to address government injustices that have gone on for decades and, in some cases, even centuries.

With the previous government, a great deal of work was done to advance the rights of aboriginal people, including Jordan's principle, which was put in place with unanimous consent across all party lines in the House in 2007. It has been over a decade ago since that was put into place. The current Liberal government has been in power now for more than two years, so the question is what has been done to advance the rights of aboriginal people and uphold Jordan's principle? The answer is quite simple: nothing.

The Minister of Crown-Indigenous Relations and Northern Affairs thought that the best use of her money was to hire the former Liberal candidate for York—Simcoe, Ms. Wesley-Esquimaux, to write a report. One might ask the excellent question of how much she was paid to write this report. She was paid \$430,000 for a mere eight months of work on the report. Quick math tells me that this is \$53,000 per month, which is not a bad salary. In fact, \$53,000 is twice the average yearly salary of most aboriginal people in Canada.

When the head of the First Nations Child & Family Caring Society of Canada, Cindy Blackstock, questioned this decision, Ms. Wesley-Esquimaux, the one who was paid \$430,000 for eight months of work, accused Ms. Blackstock of using "lateral violence". She said it would be more respectful to support and congratulate her rather than question the use of the money. She went on to say that if Cindy and her bunch would work together and stop attacking, they would all get along and get more done. That statement is rather rich coming from someone who was paid \$430,000 for a mere eight months of work only because she was a Liberal insider.

More than anything, though, this is what I am hearing from Canadians. Canadians are absolutely fed up with the hypocrisy of the current government. The Prime Minister claims to stand up for the middle class, but all he as done for them is increase their taxes and made life far more difficult for them. Most recently, the Liberals have increased taxes on the hard-working women and men who have

had a dream, developed a plan, and taken a risk to start a new business and create jobs.

According to Statistics Canada, two-thirds of small business owners in Canada are taking home less than \$73,000 per year. This firmly places them in the middle class, the class that the Prime Minister claims he represents and takes a strong stand on. Dan Kelly, the president of the CFIB, states, "The notion that most small business owners are rich, or part of the 'one per cent', is pure fiction."

The Liberal small business tax hikes are, in fact, a direct attack on entrepreneurship and, as such, are a direct attack on the 8.2 million Canadians who are employed by local businesses. What makes this worse is that the Prime Minister had the audacity to refer to small businesses as "tax shelters" and label their owners as "tax cheats". In truth, most small business owners are within our neighbourhoods. Local businesses are the backbone of our economy. Without their vision and leadership, Canada's economy would stop thriving as the place it is today.

Privately run businesses not only provide jobs to the large majority of Canadians, but also support local charities and play a significant role in supporting the social programs that we enjoy in this country. They are the local accountants, hairdressers, tradespeople, landscapers, coffee shop owners, and farming families in my community of Lethbridge. These individuals are trying to earn a living and provide jobs for others while pursuing a dream and using their talents.

It is rare for someone to be hypocritical, cruel, and blatantly ignorant at the same time, but I am afraid that the Prime Minister and his government have accomplished just that. Whether it is failing to follow through on its promise to stand up for aboriginals or failing to defend the middle class, the government insists on saying one thing and doing another. Why is the government so hypocritical?

● (1925)

Ms. Yvonne Jones (Parliamentary Secretary to the Minister of Crown-Indigenous Relations and Northern Affairs and the Minister of Indigenous Services, Lib.): Mr. Speaker, I am pleased to recognize that I stand on traditional territory of the Algonquin nation this evening as I respond to the question raised by the member for Lethbridge.

I am somewhat taken aback by the fact that the late show question presented was not regarding tax reform, but rather the overhauling of the child and family services within the Department of Crown-Indigenous Relations and Northern Affairs.

However, I will respond to the original question that was listed on the Order Paper, and that was the question regarding the minister's special representative, Dr. Cynthia Wesley-Esquimaux, who was mandated to conduct a nationwide engagement and to consult on comprehensive child welfare reform. She was mandated to do so because of her expertise within the field.

Dr. Cynthia Wesley-Esquimaux is a very strong and well-respected indigenous advocate in Canada. She is the very first chair on truth and reconciliation at Lakehead University and has spent her career working tirelessly with and for indigenous people in the country.

Adjournment Proceedings

During the time she spent working on this important file, she engaged with those who had in the past been typically marginalized in the decision-making process, including first nations youth and families, processes that affected them, as well as grassroots indigenous organizations and advocates. Those are the voices that need to be heard, and that needs to be leading this engagement process.

Dr. Wesley-Esquimaux spent nearly 60 days travelling to communities in Canada. She heard from more than 250 elders, experts, chiefs, families, youth, and individuals who had lived the experience of moving through the system.

We all need to work together to end the cycle of children being taken into care and removed from their communities. It is very concerning that there were perverse incentives in the system where agencies would get the money the more children were apprehended. It should be up to the communities to decide where the money for the system should go. More money for prevention means more money for communities to keep their children within the community, while their parents focus on getting well. The only way to design a system that truly responds to the needs of the communities is by going out and listening to that very community, which is exactly what the special representative did.

In terms of the contract itself, it could not be more straightforward. The Department of Indigenous and Northern Affairs followed all of Treasury Board's guidelines and rules. The contract included paying out travel expenses and all the costs associated with the consultations in very northern and remote communities in Canada. The special representative did not ask for, nor did she receive, any payments that were above the norm under the Treasury Board rules.

It is vital that we listen to citizens in our country, no matter where they live. That means going to them and listening to what they have to say, which is exactly what the minister's special representative did. We look forward to seeing her upcoming report and how we can build on those recommendations to create a better child welfare system that supports and reflects the needs of first nations children in Canada.

● (1930)

Ms. Rachael Harder: Mr. Speaker, the government sure likes to talk a lot, but when it comes to actually getting work done, its record is not that great.

The Liberals talk a lot about taking action and having plans put in place, but so far all this has meant is spending a whole lot of money

in inappropriate ways, in a way that has not had a direct benefit on the people to date. There is no reason why \$430,000 should have been given to the Liberal insider, Ms. Wesley-Esquimaux, in the name of so-called consultation. Meanwhile, first nations people continue to go without the adequate support they require for quality of life.

What is particularly troubling about this example is the top-down elitist attitude that is adopted by the former Liberal candidate who was given an extravagant amount of money; again, \$430,000 for eight months worth of work.

Does the member opposite then agree that other aboriginal activists should also be congratulating the Liberal insider for her success in using her Liberal connections to land a paycheque worth nearly half a million dollars?

Ms. Yvonne Jones: Mr. Speaker, the hon. member should know as well that she is citing the maximum value of the contract, which included travel arrangements, out-of-pocket expenses, and any number of costs associated with travelling to rural and remote regions of Canada to consult with indigenous people. I am sure she would not want to mislead the House with the information and the numbers she is citing.

I want to specifically lay out that all of the professional services contracted by the government, including this service, are done under Treasury Board guidelines and that all the rules were followed in awarding and executing the entire contract.

We are very proud of the work that the special representative has managed to accomplish in a very short time. She has assured us that the voices of those affected, the families and children affected by the welfare system, have been heard. Her engagements will guide our complete efforts in overhauling that system.

In the meantime, we are continuing to invest billions of dollars in first nation and indigenous communities across Canada to address their needs. We are not ignoring them like the former government did for nearly 10 years.

● (1935)

[*Translation*]

The Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 7:36 p.m.)

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