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OFFICIAL REPORT  
(HANSARD)

**Monday, March 7, 2016**

—

**Speaker: The Honourable Geoff Regan**

## **CONTENTS**

(Table of Contents appears at back of this issue.)

# HOUSE OF COMMONS

Monday, March 7, 2016

The House met at 11 a.m.

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*Prayer*

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## GOVERNMENT ORDERS

• (1105)

[*English*]

### INCOME TAX ACT

The House resumed from February 1 consideration of the motion that Bill C-2, an act to amend the Income Tax Act, be read the second time and referred to a committee, and of the amendment.

**Mr. Chandra Arya (Nepean, Lib.):** Mr. Speaker, our government was proud to run on an ambitious economic agenda, an agenda that highlighted the importance of investment, investing in our economy and infrastructure. However, we did not pledge only to invest in the economy; we pledged to invest in the resourceful and talented people of our great country.

Specifically, our campaign was predicated on the belief that investing in the middle class and those working hard to join it was of utmost importance. As all members of the House can agree, when the middle class succeeds, we all succeed.

We are committed to a strong and growing middle class. The middle class is the true driver of economic growth and job creation in our country, and it needs our help.

Having run on, and been elected on, this plan, I am proud to support this legislation, which delivers on our promise to cut taxes for the middle class that has gone far too long without a raise. This is the fair thing to do; this is the right thing to do.

In the economic update of a few days ago, the Minister of Finance made clear that we were facing difficult economic times. We know that times of economic difficulty exacerbate inequality.

Bill C-2 would cut the tax rate on income earned between \$45,282 and \$90,563 in 2016 to 20.5% from 22%, and it would introduce a new tax rate of 33% on income in excess of \$200,000.

As of January 1, the government is putting \$3.4 billion in the pockets of about nine million Canadians each year.

Single individuals who benefit would see an average tax reduction of \$330 every year, and couples who benefit would see an average tax reduction of \$540 every year.

To help pay for this middle-class tax cut, the government is asking the wealthiest Canadians to contribute a little more. We are therefore creating a new top personal income tax rate of 33% for individual taxable incomes in excess of \$200,000.

Earlier, I mentioned the importance of helping the middle class, and those working hard to join it. It is critical that as a government we remember those most vulnerable in our society. In budget 2016, we will see a major step forward in helping our most vulnerable, through the introduction of the Canada child benefit.

I would like to discuss what this measure will mean for Canadian families.

This new tax-free income-tested benefit will lift hundreds of thousands of children out of poverty. Nine out of ten Canadian families will be better off.

The proposed Canada child benefit will simplify and consolidate existing child benefits. It will replace the universal child care benefit, which is not income tested. As we have committed, the new Canada child benefit will be better targeted to those who need it most.

We aim to have payments under the CCB begin this summer. It will give a new generation of Canadians just a bit more space to be children and to grow into a Canada that has prepared itself for them through long-term investments. That includes things like skills and labour strategies to unlock the potential of greater productivity, without making people work longer and harder for less.

Our most vulnerable will also benefit from our historical commitments to infrastructure. They will benefit from our commitment to social infrastructure in things like affordable housing, but also targeted investments in public infrastructure that will grow the economy and get Canadians moving, and green infrastructure that will open up new sectors while addressing climate change.

Canadians elected us to do these things, and they are supportive on the work we are doing.

*Government Orders*

Recently the Minister of Finance and the parliamentary secretary fanned out across the country, asking Canadians directly what our government could do to better support the middle class. They met with indigenous leaders, business leaders, cultural leaders, all with the intent of listening to Canadians and engaging in discussions to find practical solutions to the difficulties they were facing.

These pre-budget consultations continued online until very recently. The response rate and comments received were tremendous. With over 200,000 interactions with Canadians and more than 500,000 online submissions, this has been the largest pre-budget consultation on record.

Throughout the course of these consultations, Canadians confirmed that they wanted a government that delivered on strengthening the middle class and helping those working hard to join it, and we will deliver.

Our plan to grow the economy is now more important than ever. As the minister reiterated at the finance committee and in the House, the other parties' balanced budget proposals would have led to massive cuts at a time when the economy needed more investment. Cuts at this time would have led to more layoffs and less flexibility.

After 10 years of weak growth, we have a plan to grow the economy. As Bill C-2 clearly demonstrates, we have already started. It is a plan that we are proud to put forward and proud to be implementing. I know some in the House disagree, and members on our side will be happy to hear their perspective and happy to debate them. However, ultimately, we will not be deterred from implementing a plan that will help Canada by investing in it and in its talented, resourceful, and well-educated people.

The tax relief proposed in the legislation will help millions of Canadians. It will give middle-class Canadians more money in their pockets to spend, invest, and grow the economy. I encourage all members of the House to vote for this important legislation.

• (1110)

**Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC):** Mr. Speaker, the member for Nepean mentioned that the pre-budget consultation his government did was one of the largest in history. Would the hon. member not agree that bigger is not always better?

**Mr. Chandra Arya:** Mr. Speaker, bigger is always better when we engage Canadians. From coast to coast to coast, we listened to indigenous, community, and cultural leaders. We heard their issues and the problems they faced so we could propose good plans for implementation.

[*Translation*]

**Ms. Brigitte Sansoucy (Saint-Hyacinthe—Bagot, NDP):** Mr. Speaker, six out of 10 Canadians will get nothing under the Liberal plan. Seniors who are waiting for an increased pension are being told to hang on. Families are still waiting to find out how much they will get under the Canada child benefit. However, my colleague talked about this child benefit using the conditional tense and said that it should begin this summer. We are asking questions, but we are not getting any answers.

My colleague talked about the most vulnerable members of our society. Why are Canadians who are living in poverty, the vulnerable people he is talking about, still not getting anything under this bill?

[*English*]

**Mr. Chandra Arya:** Mr. Speaker, as I mentioned, we will include a Canada child care benefit that will help nine out of ten families that need this assistance most. We also said we would increase the old age pension plan to help seniors. We have other plans for seniors as well.

**Mr. John Barlow (Foothills, CPC):** Mr. Speaker, I want to follow up on the question my colleague asked regarding the consultation.

When I went around my riding and most of Alberta, the feedback I received from Albertans was that the increase in the tax-free savings account was extremely welcome to Albertans. Talking to my colleagues, I heard that it was extremely positive across Canada.

The member talked about consultations with Canadians. Have the Liberals ignored the feedback from Canadians who appreciate the increase in the tax-free savings account? Bill C-2 would eliminate that increase. I would be interested to hear why the Liberals would eliminate something that Canadians really want.

**Mr. Chandra Arya:** Mr. Speaker, we hosted a very good pre-budget consultation meeting in my riding of Nepean. It was a jam-packed room. We heard very clearly that Canadians were happy with the tax cuts we proposed for the middle class and were interested in our infrastructure plans that would allow the economy to continue to grow.

• (1115)

**Mr. Wayne Long (Saint John—Rothesay, Lib.):** Mr. Speaker, I have one comment with respect to tax-free savings accounts. It was a very good program initially, but I think the facts show that a very small percentage of Canadians actually maxed out their tax-free savings accounts and a smaller percentage took advantage of doubling the tax-free savings account. This absolutely was done by the party opposite to pander to its base and allow those who could afford it to do so.

The Liberals came forward with a tax break for the middle class, to put more money back into the pockets of the middle class. What does my hon. colleague believe the benefit of putting more money back into the pockets of hard-working middle-class Canadians will mean to the economy?

**Mr. Chandra Arya:** Mr. Speaker, in relation to the problems he has mentioned with the tax-free savings account, it is a harsh fact of life that many Canadians cannot even invest in RRSPs. I believe the amount not being invested is in the range of \$700 billion. The tax-free savings account is above and beyond what people can invest in their RRSPs.

Talking about our proposed tax cuts, we know this is a time when Canadians need to spend. We need the economy to grow and that can come through both spending by individuals and investments in infrastructure.

*Government Orders*

**Mr. Daniel Blaikie (Elmwood—Transcona, NDP):** Mr. Speaker, I am pleased to rise in debate on this bill today.

What has been most interesting about the debate on this bill to date has been the opportunity to drill down into an issue of contemporary Canadian political semantics. There was a time when we started to talk about the middle class that a lot of people felt this was sort of updating the language of standing up for working-class people and that when we talked about the middle class, we were talking about people who were going to work every day and working hard every day to bring home what they needed to be able to feed their family, pay for their home, and engage in some meaningful recreation after working hours as well.

That is where a lot of people felt the language of the campaign put forward by many parties, especially the governing party, was going when we were talking about the middle class. People felt the middle class meant people who were working hard every day to try to provide for their families.

We see an acknowledgement by the government sometimes that that is not quite what they mean by “middle class”. It has talked about the middle class and those working hard to join it. However, in fact, the way the government is defining the middle class through the tax cuts is to say, first of all, that they would only benefit people making over \$45,000 a year, which already does not include 60% of Canadians going to work every day and trying to provide for their families.

Then the greatest benefit, of course, does not come at the bottom of that bracket, but at the top, so when we start talking about the people who are going to see the major benefit of this tax cut, it is plain to see that it is far more than 60% of Canadians who will not be seeing any real, substantial benefit from this tax break.

We have been talking about how we define the middle class. If we are trying to define in any sort of absolute way what that means vis-à-vis the majority of working Canadians, then I would say the government proposal really does fail to do anything for the middle class, understood as the large majority of Canadians who are going out and earning the median market wage for a lot of the work being done in Canada. The median salary of a Canadian worker is somewhere in the neighbourhood of \$35,000 a year. That is not even close to qualifying for any benefit under the new Liberal tax plan.

We can define it aspirationally, as the Prime Minister sometimes does when he says it is the middle class and those working hard to join it. Maybe the implication is somehow that is more the focus or that we really need to capture all those people under the umbrella of “middle class”, even though they are living a life quite different life from those making \$90,000, \$100,000, \$110,000, \$120,000, who are the people in the middle of the bracket that the government has chosen to target.

If we are defining it aspirationally, then it is a mistake to say it is the class of people who need the most help. It is not. It is often implied by the government itself that the intention of the program is to provide help to those who need it the most, but if the middle class is going to be defined only aspirationally, then it would be a mistake to say that it is the class of people who need it most.

If it is defined absolutely, we are looking at the majority of working Canadians, and I would say that those are the people who do need help. If anyone needs extra help or extra resources in order to leverage more out of their work and create an acceptable living standard for their family, it is the people on the lower end of that scale, not the people on the higher end.

I find it a strange focus. I wish the government would be clear about the way in which it is going to go about defining the middle class and clarify whether it wants to speak directly to the majority of working Canadians or whether it is talking about some aspirational category. If that is the case, then the help is misplaced. We really want to be helping those who are trying to get into that category, and this tax package really has nothing to do with that.

I find that odd. We want to talk about how we provide real help to those who need it, those working families. If the Liberals are going to get away with defining “middle class” as being that upper end, a six-figure category, then we do need to rehabilitate the language related to “working class” in Canada, because the category of people we thought we were talking about when we were talking about the middle class clearly is not the category we are talking about if we listen to the government.

• (1120)

There is a whole group of people out there, 60% of the population, working for under \$45,000. Those are the people on whom the efforts of government are best spent, both because there is a moral obligation to make sure that people who are putting in that work are getting a fair return for that work and are able to provide for their families and also because there is an economic argument.

It is the kind of economic argument that has been appropriated by the government in favour of those making around six figures. That argument really belongs with that 60% who are making \$45,000 or less a year. The resources provided to them and the extra bit of spending money that could be provided to them, whether it is through tax relief or through a child care program that would do a better job, would relieve the actual dollars that are coming out of the pocket just the same as taxes are.

Child care is not optional for most working families in Canada, so the money that they spend on child care is no more an option than the money that is taken off their cheque every week for taxes. Providing relief on the cost of child care is meaningful and would put money back into the pockets of families. The benefit of this strategy is that it also means we could do a better job of making sure those services are available where they are needed.

We know that the market has not always been doing that in the most efficient way and that there is room for intervention there. There are many ways to put money back into the pockets of those families who need it the most—not the ones in which one or two earners are making \$100,000 a year, but the ones who are making a median salary. We could do that with a child care program.

*Government Orders*

We could do it by providing relief on EI, because even families who might have benefited from these tax cuts because they were making \$80,000 to \$120,000 somewhere in the country in the trades are now unable to find work. Because of the change in commodity prices, their jobs no longer exist, and those families need relief right now.

It is why I was quite pleased with our opposition day motion to get the government to move as quickly on EI as it saw fit to move on this tax break, the main benefit of which is going to go to people already making six figures. It will not help the people who need it now. If the government asked what its priorities are and how it can move quickly to help those who need it most and how it is going to put money in the pockets of people who will spend it right away because they have to and need to, this would not fit the bill.

I am shocked that this is what we are debating and that it took an NDP opposition day motion to get urgent debate on EI reform in the House. We will be voting on that later today, and I would be pleased to see colleagues across the way stand in favour of that motion. It is much needed, and I would be remiss if I did not mention it, because the vote is today.

In the spirit of being constructive, we also put forward a different tax proposal. Investing in a national child care strategy is a better way to go and would accomplish a lot of what the Liberal government said it wants to accomplish through tax relief. We said, "Fine; the Liberals ran on a platform of tax cuts that are supposed to help the middle class, so let us play ball. Why do we not give a proposal that is in spirit the same thing, but would actually do a better job of realizing the objectives the Liberals set out in the campaign for tax relief?"

We proposed a reduction on the first bracket that would actually cover that 60% of Canadians earning below \$45,000 a year. It is why we are looking to move the bill on to the committee stage to have it examined. I hope members opposite will see that as an opportunity to improve a plan that has misfired because it not helping those who need the help and is not helping those that the government in the election campaign implied it was going to be helping with tax relief.

We are looking to be constructive in the House. We think we have found a way to help the new government help itself. It is a busy time. There is a rush to get certain things through, and we hope that our reflections may assist the government in doing a better job of what it said it would do. We are voting in favour of the bill at second reading to get it to committee and have that full debate.

• (1125)

**Mr. Mark Gerretsen (Kingston and the Islands, Lib.):** Mr. Speaker, I will start with a comment about what we are discussing today and then go on to the less fortunate individuals in our society, as the member mentioned and pointed out so rightly.

I will start by saying that this measure would put money into the pockets of nine million Canadians. We cannot dispute the fact that would have the ability to spread throughout the economy and help it grow.

If we were to stop there, then I could possibly agree with the suggestion that this would not be enough. However, we are going further. This goes to the member's point in his eloquent speech and to

the passion he showed with respect to the less fortunate in our communities. That is why the Liberal Party is planning to put forward the Canadian child tax benefit, which would put more money into the pockets of families who need it the most, rather than maintaining the universal child care benefit—which, by the way, the NDP supported during the election.

My question to the member opposite is this. When it comes to the particular program that we will be putting forward, a program that would put more money into the pockets of families who are struggling, will he go against what the NDP committed to during the election and support that plan? It would truly benefit those he has singled out who were not being taken care of, which is what we plan to do with the Canadian child tax benefit.

**Mr. Daniel Blaikie:** Mr. Speaker, it would be irresponsible to endorse a plan I have not seen. In the House we have been calling to see that plan. We keep being told that it is coming. However, until I see the details, I will not say one way or another whether it is something I would be willing to support.

I would urge the member or another member to stand up in the House today and give us the details of that plan so that we might better evaluate our support.

**Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC):** Mr. Speaker, I thank the member for his eloquent speech. I agree with him that this bill and this strategy that the Liberal government is putting forward to this place does not help the low-income Canadians who need it the most. I will certainly grant him that point. I wish the priorities of the Liberals were different on that front.

The NDP and the member have said they will be supporting this measure. To bring it to committee means that it will have a good examination, and the NDP may decide not to support it later. What I am concerned about is that this measure will cause a deficit of \$1.2 billion or more, because it is not revenue neutral as the Liberals originally proposed it would be.

Does the member not see, though, that if we continue to put forward things that would put us into a deficit position, many of the programs and supports that the member is calling for that would help low-income Canadians would inevitably be put under pressure, to the point where we may revisit the 1990s, when the Liberal government at the time cut transfers to the provinces, particularly around health care, in order to pay the bills?

• (1130)

**Mr. Daniel Blaikie:** Mr. Speaker, I would agree with the hon. member that I am concerned that as deficits mount for a Liberal government, it does look to cutting programs eventually as a way to make up for that shortfall. That is why we have proposed that it look at raising the corporate tax rate and closing tax loopholes for CEOs, and we have seen them starting to backpedal somewhat on that commitment, so I do share some of the member's concerns.

*Government Orders*

I would say that if we are to offer good and sustainable social programs that support families, we do need to ask that revenue question. That is something that the NDP has been willing to do. It is a harder conversation than promising the moon and then getting elected and sorting it out later, usually to the dissatisfaction of most Canadians. That is a conversation we are willing to have. I would urge the government to look at raising the corporate tax rate in order to make up for some of the shortfalls in its plan, and I look forward to further discussion at committee.

**Mrs. Cathay Wagantall (Yorkton—Melville, CPC):** Mr. Speaker, I am pleased to stand today to speak on behalf of my constituents and Canadians across the country who have great reservations about Bill C-2 and the ballooning deficit agenda of the Liberal government.

My riding of Yorkton—Melville is strongly representative of the highly educated and talented workforces the Minister of Finance confirms exist in Canada, from young successful entrepreneurs and professionals to small- and medium-sized businesses in the real estate, retail, agriculture, manufacturing, and mining sectors, just to name a few.

We are a hard-working bunch who are committed to sustainable growth and prosperity. We value caring for each other and those less fortunate. We value investing in our communities, our hospitals, care homes, and our youth at risk programs. Quite frankly, the people of Yorkton—Melville are second to none when it comes to hard work, compassion, and common sense.

Election promises were made. However, promises made, promises kept, has yet to apply to the government. Instead of helping the middle class, the Liberals' tax cut is most beneficial to the high end of the second highest tax bracket, those who make close to \$200,000 a year. In fact, the parliamentary budget officer says that the reduction of the second tax bracket will benefit the top 30% of income earners in the country.

Based on the Finance Department's own estimates, the new Liberal tax plan amounts to an average \$6.34 a week for those who qualify. These facts reveal that this tax cut does not in any way uphold the Liberals' campaign promise. They promised that the tax cuts would be part of a plan holding the deficit to \$10 billion.

The Prime Minister promised a \$3 billion tax cut for the middle class, paid for by a \$3 billion tax increase on high-income earners. The middle-class tax cut would be revenue neutral. By the Minister of Finance's own admission, there will be a revenue shortfall of over \$1 billion on this issue.

The Institute of Research on Public Policy has said that the shortfall will be even greater, creating a revenue debt up to \$1.5 billion. The C.D. Howe Institute, which the Minister of Finance once chaired, said the Liberal plan will fall short by nearly \$2 billion, that will not be revenue neutral, but a tax cut that will cost the treasury a minimum of \$1 billion.

I have to say that ordinary folks in my riding are shaking their heads, wondering how election promises were made, either with poor research and poor advice, or with no clarity other than that hope that "This could work. It sounds good. Let's go for it."

Another related promise has been made that in the upcoming budget a new Canada child benefit will be introduced, plainly to target those who need it most by replacing the universal child care benefit, which was not tied to income.

The UCCB was given to every family, true, regardless of income. In addition, the Canada child tax benefit was also available for parents who needed and were eligible for more support. Here, I totally agree with the member opposite that my own family, when they were in challenging circumstances, were very thankful for that support that lower income folks need, and especially since, in many cases, the amount of tax they pay is minimal to begin with.

While I was door knocking during the election campaign, one gentleman complained to me that his daughter and son-in-law would have to give it all back when submitting their taxes and that it would not be of any benefit to them. As we talked, he did share that they were both good income earners who had qualified for their mortgage, and whose children were well cared for and that they had a little bit of savings. Since they knew they were likely to have to return the money, I suggested that perhaps they could put it in their tax-free savings account and at least make a little tax-free interest in the meantime.

As well, I suggested that it was probably good to know it was there in case the unexpected happened, an illness or who knows what, such as a downturn in the economy that could mean a temporary or permanent loss of employment, in which case an unexpected change in their family income could suddenly mean that the UCCB would be there for them because it is readily available and not tied to income.

This new Liberal child benefit tied to income would not be adjustable until after one's income tax has been filed and a difficult year is in the past, like the year that many of our oilfield workers in Saskatchewan and Alberta and those from the east coast are experiencing right now.

• (1135)

Then there is the decision of the government to eliminate the increase in the tax-free savings account to \$10,000, declaring that this action is consistent with their objective of creating a tax system that is fair and helps those most in need.

As a result of the TFSA being designed to be cumulative, it encourages young Canadians to invest what they can, knowing that it is a savings account to be used for the future when they are economically able to put more away in the knowledge that they had that choice. These accounts were an enormous step forward for the middle class to support a wide range of their financial goals, including saving for school, their children's futures, a home, or a comfortable retirement.

*Government Orders*

When the money is withdrawn it carries no tax penalties. Unlike the RRSP, money in a TFSA can be used as collateral, while at the same time investments are not counted as income to qualify for government benefits or pension supplements that carry a means test. They are not to penalize the most vulnerable people in society but to add to the free choice of how Canadians can save.

The argument that keeping the limit at \$10,000 would have helped Canada's wealthiest save more while costing the federal treasury hundreds of millions of dollars over the next five years is truly telling. It says that the government cannot afford people putting away for their own futures, saving for their own retirements, so they can continue into their golden years self-sufficient and continue to contribute to the economy. It says that when the government goes into deficit to the tune of at least \$50 billion in the next four years, it will need to claw back the hundreds of millions of dollars Canadians would be saving for themselves and their families' futures over the next five years.

The new government's approach to retirement savings is counter-intuitive. On the one hand, it supports the Government of Ontario's ideology to force all workers into new government-sponsored pension schemes that would cut take-home pay and force employers to cut jobs and/or have less to invest in the very businesses that are the backbone of our economy. On the other hand, the Liberals want to deter Canadians from using a revolutionary savings tool designed to support Canadians in whatever their own unique goals might be.

Eleven million Canadians opened tax-free savings accounts. People earning less than \$80,000 a year accounted for 80% of those holding those accounts, and 60% of the individuals contributing the maximum amount had incomes of less than \$60,000.

I personally encourage all young Canadians to open tax-free savings accounts now, in the midst of the challenges of getting their post-secondary education, raising their young families, facing increased unemployment and rising housing costs, including higher down payment expectations from the government that will hurt their ability to get into the housing market. I urge them to do it now so that the accrued potential for their future savings gives them hope and the incentive to plan and take hold of their future, and certainly not depend on a government that says on the one hand that it wants to invest in the middle class while on the other hand stifling their saving options and growing a national debt that will ultimately fall on their shoulders to repay.

This legislation does not recognize the fact that the tax break for the middle class is not revenue-neutral and would not make a significant difference in the ability of the middle class to grow or stimulate the economy in a significant way. This legislation would place a higher priority on federal revenues to offset the government's intentions to go significantly further into deficit than on empowering Canadians. When the Minister of Finance introduced the bill he said that "the government's job is to help Canadians succeed". Sadly, the bill does not meet that objective.

● (1140)

**Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Mr. Speaker, there are a lot of problems with this legislation, the most glaring of which the member highlighted in her remarks, that those who would benefit the most from the government's tax

changes are those making over \$90,000 a year, but that most of those who use tax-free savings accounts make less than \$60,000 a year. On the one hand, the government is talking about the middle class but on the other hand it is helping those who are doing better than those making less than \$60,000 a year.

Could the member talk a bit more about the value of tax-free savings accounts specifically for middle- and low-income Canadians, which really illustrates why the government's rhetoric does not match the reality of the bill?

**Mrs. Cathay Wagantall:** Mr. Speaker, there is no question in my mind that the tax-free savings accounts, which our government encouraged be raised to \$10,000, were significantly appreciated across the board by lower-income families as well as middle-income families.

This has an impact my own family, which is in the circumstances that I talked about. Right now it is in the midst of the challenges of family members upgrading their education and their families growing. Saving for their future is challenging at this point in time. Knowing that the ability was there for them to add that significant amount to their tax-free savings accounts in the future was significant. It is truly a disappointment to them because it will no longer be the case.

**Mr. Wayne Long (Saint John—Rothesay, Lib.):** Mr. Speaker, for the record, let us talk about the tax-free savings accounts. They were doubled for one reason, and that was to pander to the Conservative base. I wonder if the member opposite could tell me how many middle-income or low-income people would benefit from the Conservative Party's doubling of the tax-free savings account.

**Mrs. Cathay Wagantall:** Mr. Speaker, the majority of people with tax-free savings accounts have incomes of \$80,000 or less. Sixty per cent of those individuals contributing the maximum had incomes of less than \$60,000. I am not sure what the member opposite is calling the middle class. These are folks who do not have the potential right now to invest in their future.

This younger generation of Canadians understands that that will very much be their responsibility and are excited and hopeful when they hear the government say, "We're going to make sure our economy is strong". That would have been the case if the government were not planning on going into significant debt and there were still growing employment opportunities and these young Canadians were not facing the circumstances they are facing right now.

**The Assistant Deputy Speaker (Mr. Anthony Rota):** Before I continue to questions and comments, I just want to remind members that I am trying to listen from up here and with members' comments starting up on the side it really makes it hard for me. Therefore, if members do not mind thinking about me and my aging ears, I would appreciate it.

The hon. member for Elmwood—Transcona.



*Government Orders*

**Mr. Daniel Blaikie (Elmwood—Transcona, NDP):** Mr. Speaker, Canadians made it very clear in the last election that there is an appetite for government to invest in infrastructure, whether physical or social infrastructure. However, I wonder about the wisdom of cutting government revenue to make those investments. Canadians are getting some money back in their pockets, but it is money the government is spending anyway and Canadian taxpayers then have to pay interest on it.

We saw that a little with the previous government too, where big deficits were already being run and taxes were being reduced. Taxpayers end up paying for the money they are getting back with interest. I just wonder about the wisdom of that.

**Mrs. Cathay Wagantall:** Mr. Speaker, I am proud to stand today as a Conservative who was part of a government that saw our country through one of the worst depressions the world has ever seen. It required going into some debt to survive that. However, our country is not facing that kind of a dynamic right now and it is very important that we make sure our economy is very robust by investing in Canadians, Canadian businesses, entrepreneurs, and innovators who can make the difference for Canadians.

Yes, we need the infrastructure. We were prepared to invest in that infrastructure in a way that would be doable.

• (1145)

**Mr. Brian Masse (Windsor West, NDP):** Mr. Speaker, it is a pleasure to speak on Bill C-2 today. It is an initiative that New Democrats support going to committee. The reason we are doing so is because there are so many issues related to the incomes of Canadians.

The debate itself is healthy, because we have seen in society, during the years that I have been here, a movement away from the middle class, in two directions. One direction has been that some have become more affluent and are able to take advantage of certain government changes in laws, like the tax-free savings account and other types of measures put in place over the last decade. In the opposite direction, there are people with challenging circumstances, such as their wages being frozen, having their working hours reduced, a reduction in benefits taking place as collective agreements have been stretched to the limit, or benefits staying the same and cutting the workforce. That has very much been a priority of unions across this country, because they want to keep the same benefits and wages. However, there has been a stagnation with that.

We have also witnessed, on the other end against personal income taxes, massive corporate tax reductions that were supported by the Liberals originally, and then later by the Conservatives. That has left our economy without a lot of the tools that we normally would have had. There are a number of different industries, like the banks and so forth, that have benefited from a lot of tax reductions. Their response to those tax reductions has been historic layoffs and closures of facilities that actually cost Canadians more. There has also been a reward for them related to the products and services that they provide to customers on the other end. Therefore, there are those who are less affluent and cannot take advantage of their different circumstances.

Before I get into the connection to Bill C-2, I will take, for example, my bank, which I will not mention the name of; I also deal with a credit union. My bank allows its customers free banking

services if they maintain a minimum of \$1,000 in their accounts. It continues for the duration of a month. If customers go below that amount, then they pay a series of charges. In the riding I represent, Windsor West, there are a lot of people who do not have \$1,000 in their accounts, especially if they are students or working-class families. They pay those additional fees, whereas people with the money do not have to. We have lost the income stream from the government's tax reductions and a whole bunch of dead money in our economy, and then, on top of that, service charges continue to grow.

The tax-free savings account, in Bill C-2, is something that New Democrats are happy to see the eventual reduction of. The parliamentary budget officer and others have raised the caution flag with regard to the way that this expanded. I know from representing my area and travelling to other parts of Canada over the years, whether it be for my seniors charter of rights bill or other initiatives on auto fairness, that there are a series of things I have run into. The common thing is that a lot of people do not even have enough money to save for their current school year, let alone the next one.

There is a fine college, St. Clair College, in my riding, as well as the University of Windsor, that have done their part in expanding services and competitiveness, and attracting international students and other Canadians to go there. In many respects, it revitalized some of our innovation. However, the reality is that most people who go to school there are just getting by or taking out loans to get by, let alone putting money in a tax-free savings account. Perhaps some of their family members are doing so with their help, but the ordinary Canadians I represent do not have that luxury.

The squeeze is on the middle class and those who are unemployed. As I mentioned, in the job service sector many people are moving to part-time or precarious work and basically just getting by. Unfortunately with this bill, we know from third-party experts and economists that 60% of this plan for a reduction in taxes for Canadians will not be enjoyed by the middle class or people with less earnings. Therefore, there is a series of Canadians who will be left out. Because of the way this scheme works, the wealthiest will have the benefit. That is a real problem that New Democrats want to address at committee. It is an issue that we have raised before.

• (1150)

There will be a vote later tonight on employment insurance, where there are many people paying into a system that does not provide them with any benefit whatsoever. In the example that I used in speaking about this issue earlier in the House, there are persons with disabilities. They only have a certain number of hours to do their jobs because of health restrictions. They pay into the system, and to my knowledge would never benefit from it because they would not qualify at the end of the day.

*Government Orders*

We have to be careful. People are still getting their heads around it. To this day, I run into people who say they do not want to go on employment insurance because they do not want to feel they are taking taxpayers' money. They like to get by on their own. However, what people forget is that employment insurance is their money that comes off their paycheques, and the companies' money. That has nothing to do with the government, aside from the government deciding how that is disbursed, how it is actually given back to workers.

We set rules that disadvantage those who are in more precarious and part-time positions, and that includes women. We have a systemic issue within our culture and our society, even on the government programming side. We make lots of noise about being equality driven, but we still have rules in place that do not allow that to happen.

Who would not benefit from this bill? It is important for Canadians to realize some of the comparisons and who would not benefit whatsoever from this plan in terms of tax reductions. They are office workers who make an annual salary of less than \$40,000 per year; they would receive nothing under this scheme. They are hairstylists, who in Canada basically earn around \$28,000 annually. They will get zero. They are social workers, which I used to be in my previous working life. I worked for two organizations, on behalf of persons with disabilities and on behalf of youth at risk. Their annual salary today is around \$44,000. They would get nothing. Some people in the process of trying to buy a home, who are trying to raise families and trying to get forward, would not be able to benefit from this plan.

We have cashiers. When we go to stores and see the people working there, they work hard doing what they need to do. In our economy in some places, we have had challenges with the retail sector and so forth. They earn \$21,424 on average. Cashiers would get nothing back. That is a classic example. All of the people working in department stores, in retail shops, in drive-throughs, in fast-food chains, and all of these different businesses, would receive zero from the plan. To me, they are the people we should be rewarding with a tax reduction. These are the people who do not have the equity to easily afford some of the tax deductions that wealthier Canadians get. They do not earn income at the level to take advantage of some of the policies that have been put in place over the last couple of decades.

Waiters and waitresses earn less than \$22,000 as an average wage. They would get zero. That is another group of individuals I would argue would not benefit from this tax reduction. They would get nothing at all. Nannies are another good example, and chefs and assistant chefs as well. They would not get anything.

Who would get income from this legislation? Our bank managers, who earn around \$82,000 a year, would receive \$555 in their tax season from this. They would receive that and also be eligible for the tax-free savings account. They would be in an income stream where they might be able to take advantage of it. It would be beneficial for them and their families. A lawyer, earning around \$108,000 a year on average in Canada, would get \$679. Members of Parliament in that same wage amount would get the cap, at around \$680, as well.

I know my time is running out, but I want to hopefully create an opportunity at committee so we can work on some of the measures to ensure that all Canadians are included in this proposed tax reduction. We know it is going to come from the cost of borrowing, as the Liberals do not have the money coming in that they thought they had for this bill. Interest and payments on that money in the future are paid for by all Canadians, so all Canadians should be part of a tax reduction.

• (1155)

**Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, what the member does not realize, or he did not state, is that there are millions of Canadians who will benefit. I also did not hear him make reference to the tens of thousands of manufacturing jobs, and those workers who would benefit by the bill. This is why the NDP have chosen to support the bill.

The member did not talk about the tens of thousands of teachers from coast to coast to coast who would benefit in tax relief from the bill before us. There are nine million Canadians who would benefit from the bill.

The NDP asks about those on very low income. Never before have we seen such a progressive national child care program, which we are going to be hearing a lot more about in a week or so, that would lift hundreds of thousands of children out of poverty.

These are the types of progressive initiatives that the Liberal Party talked about prior to the last federal election. What we are seeing today, through Bill C-2, is a piece of legislation that would help to implement the Liberal platform. It would lift children out of poverty and support Canada's middle class.

I appreciate that the NDP will be supporting the bill, but will the member not at the very least acknowledge the benefits that tens of thousands, if not millions, of Canadians, would receive by seeing this legislation pass?

**Mr. Brian Masse:** Mr. Speaker, apparently I excited the hon. member with my speech. I do not know how he knows what I do or do not realize, and I will not get into it, but it is a presumptuous argument to take in answer to a question being proposed.

However, I do argue in the House of Commons that when there is an inequity to be faced here and there is a social justice aspect to it, I will raise those issues, and I will be confident in doing so, to bring the truth to Canadians.

The member can cherry-pick who he wants, as I did. I found some examples that got it and some that did not get it. However, the harsh reality at the end of the day is that most Canadians will not benefit, and that is unfair.

**Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC):** Mr. Speaker, I am trying to understand the NDP position.

I know that NDP members will be supporting the bill to go to committee so that it can be thoroughly reviewed by the finance committee. However, I want to know if they are against larger tax-free savings accounts and that is why they are in essence for the bill, or is it because they agree that people in those upper incomes, up to \$199,000, who will benefit the most from this is the proper plan to go forward.

*Government Orders*

**Mr. Brian Masse:** Mr. Speaker, we do want to work at the committee level to get more information.

However, like a number of organizations, including the parliamentary budget officer, we believe that the current system for the tax-free savings account, which the Conservatives brought in, becomes a drag on everyone else who cannot contribute to it. It is at their expense for those who can afford it. It is a significant tax reduction, but others pay for that tax reduction, especially in deficits when we have to borrow for that money.

It is similar to the Conservatives' economic policies where we have actually had deficits in borrowing for large corporate tax reductions. It is similar to when we brought in the HST in Canada, which cost \$6 billion. We actually had to pay interest, and are paying interest, on that \$6 billion. The independent commission that studied this showed that with the interest rate, it would probably be up to \$8 billion in total cost. We were borrowing money to bring in a tax on Canadians.

Therefore, we support returning the tax-free savings account to its previous level and going from there, and making sure that all Canadians can enjoy it in a tax benefit or tax credit. We are borrowing this money. If we are borrowing this money, then it is unfair that all have to pay for it and only some get the benefit.

**Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Mr. Speaker, I share the member's principle objection to the bill in terms of the lack of genuine progress in the tax changes, but I do want to ask him about corporate taxes. The evidence shows that as business taxes have been reduced, corporate tax revenue has gone up, presumably because of the relative elasticity of business investment.

Could the member comment on how the NDP plan to raise business taxes would actually reduce tax revenue?

• (1200)

**Mr. Brian Masse:** Mr. Speaker, in watching the decline of the manufacturing industry and the fact that most of the decisions are made for investment outside of our country, in the United States, we have seen a shrinking on the manufacturing sector that has been significant. We have also seen a lot of the corporations that have their head offices here in Canada enjoy some of those tax benefits. I can tell the member that large corporate tax reductions have not resulted in lower unemployment, and we see that in all communities across this country.

**Mr. Anthony Housefather (Mount Royal, Lib.):** Mr. Speaker, let me draw a picture. A single mother is earning \$80,000 and has two kids; one of the kids is in day care, and one of the kids is starting grade 2. She has to afford her mortgage, her grocery bill, her day care bill, and all of these different things in her daily life. This is exactly the type of measure that is designed to help her and nine million other Canadians. This is why I am so proud to rise today to support Bill C-2 in its second reading.

[*Translation*]

On January 1 of this year, nine million Canadians received a tax break. Our government was elected on a plan to grow the economy, and these changes are an important first step in that plan.

This week, our government reiterated its conviction that when you have an economy that works for the middle class, you have a country that works for everyone. Our government is charting a new course. At the heart of this approach is a commitment to strengthen the middle class and create conditions for economic growth that benefit all Canadians.

The new government will take action to ensure that economic growth is shared equally with the middle class and those working so hard to join it. In challenging economic times, the government has an important role to play. Now, more than ever, is the time to make investments to build a stronger middle class and foster sustainable, clean growth.

The legislative measures set out in Bill C-2 are the first step in the government's plan to create the long-term conditions necessary for economic growth. This will certainly not be the last step since we have a very ambitious agenda that we will fulfill one step at a time, one bill at a time, and one debate at a time.

I want to focus on the bill we are debating today, Bill C-2. This bill makes a meaningful change for the middle class by putting more money in the pockets of Canadian workers. In 2016, this bill will lower the personal tax rate for taxable income by 7% for people earning between \$45,282 and \$90,563.

On January 1, 2016, the government also reduced the annual contribution limit for the tax-free savings account, or TFSA, from \$10,000 to \$5,500. I assure the House that this change is not retroactive. The 2015 contribution limit will remain \$10,000. We know that just 6.7% of Canadians who are eligible to contribute to a TFSA contributed the maximum amount in 2013. Doubling the contribution limit did nothing for the 93.3% of Canadians who did not contribute the existing maximum. Indexation of the annual contribution limit will be reinstated so that the annual limit maintains its real value over time.

[*English*]

Let me just say that I very strongly support the TFSA. I think it is a very important investment vehicle.

However, given the fact that so few Canadians used the maximum amount—only 6.7% in 2013—the amount of money we are losing in treasury for doubling the amount of TFSA can well be used on better things, such as for example, the Canadian child tax benefit that we intend to introduce.

*Government Orders*

[Translation]

With this tax cut for the middle class and the associated changes, we are delivering a fairer tax system. It is expected that about nine million Canadians will benefit from this measure in 2016, and this measure represents a real change for many Canadian workers. Not only is this measure fair, but it is also the smart thing to do for our economy. Furthermore, the tax changes proposed in Bill C-2 took effect on January 1, 2016. This means that the Canadians affected by these tax changes are already seeing the impact on their paycheques.

This is a turbulent time for the global economy, a time when the Bank of Japan has adopted a negative interest rate policy, China is facing a slowdown, the collapse of commodity prices is more than just a blip, and mediocre growth is the new norm.

This is a time when Canada needs decisive measures and a firm hand. It requires bold leadership in order to make smart investments and adopt tax measures to put our economy on track for growth.

● (1205)

Our government is ready to rise to the challenge. Our government was elected to implement an ambitious economic agenda that will kick-start our economy. We are taking concrete action to manage the Canadian economy. We are building a more sound economic foundation by providing tax relief to middle-class Canadians and investing in key sectors.

Thanks to our plan to strengthen the middle class and grow the economy, people who work hard can expect a good standard of living, a secure retirement, and better opportunities for their children.

[English]

During the election campaign, many of us had the chance to travel around our own ridings; and my riding of Mount Royal is no different from many other ridings. All of us know many people who would benefit from the middle-class tax cut.

It is true that not every Canadian would benefit. Some Canadians who earn more than \$200,000 would be taxed a little more. Some Canadians who earn less than \$45,000 would not benefit from the middle-class tax cut itself. However, they would benefit from all of the corollary efforts the government would make: to add to the guaranteed income supplement for single seniors, the Canada child tax benefit that would allow those who earn less to have much more to take their children out of poverty, and all of the corollary plans of our agenda, which was the plan Canadians chose in this election. They are ones that we believe are well worthwhile to put through.

I fully understand that some members opposite may disagree. We are all free, in a democracy, to disagree. However, I do think nobody can doubt that this was a proposal we made in the election campaign—a proposal we were elected on—and as such, it is a proposal the government needs to adopt in this Parliament.

**Mr. Erin Weir (Regina—Lewvan, NDP):** Mr. Speaker, the member for Mount Royal started out with the example of a single mother making \$80,000, who would benefit from this proposal.

I could provide the example of a single mother making \$45,000, or less than that, who would see absolutely no benefit from the so-called middle-class tax cut.

Could the member for Mount Royal explain why it is actually better to cut the tax bracket over \$45,000 as opposed to cutting the first tax bracket that everyone pays? It is not good enough to just say that some people will benefit from this, so it is good, or they won the election, so it is good. I want a focused answer on why it makes more sense to give this tax cut only to people making more than \$45,000, rather than something that would include all Canadian taxpayers.

**Mr. Anthony Housefather:** Mr. Speaker, let me note that during the election campaign, the NDP did not propose any tax cuts, either for those earning over \$45,000 or for those earning under \$45,000. It is mysterious to me why the NDP is now determined to add to the tax cut and say we should be offering it other people, which they did not themselves propose during the election campaign.

Meanwhile, the Canada child tax benefit, which would be aimed squarely at those who earn less money, would be of great benefit to the single mother who earns \$45,000. That is a program we intend to introduce this year. That single mother about whom the member is talking would benefit greatly from it, and so would her children.

**Mr. Wayne Long (Saint John—Rothesay, Lib.):** Mr. Speaker, let us look at the facts on TFSA.

There are 28 million Canadians eligible; 10 million participated, which is 38%. Of that 38%, 18% maxed the original amount. It is only 18%, yet the party opposite doubled the amount; 93% of Canadians did not benefit from the TFSA.

There was a comment that it could be a dream of future Canadians to participate in a TFSA. Has the party opposite been to a low-income priority neighbourhood? During the election, I went from door to door in these neighbourhoods. Basically next to none of the people in these neighbourhoods participated in the TFSA.

The doubling of the TFSA would drain government money, government resources for now and the future, and that money could be used to help low-income families, families in need.

I commend my colleague for his speech. Would the member not agree that the tax cut for the middle class would do the right thing for our economy, and that the Canada child benefit would put money back into families that need it?

● (1210)

**Mr. Anthony Housefather:** Mr. Speaker, I agree with the conclusion the member reached related to the child tax benefit, and I totally agree that we need to put money back in the pockets of working-class Canadians.

I believe in the TFSA. It is a good vehicle. We should allow Canadians who are in the middle class, and higher-income Canadians, to save. We always need to draw a balance. The previous government had reached a good balance at the \$5,500 level. Doubling it, given the how many people were using the maximum, was unnecessary, and I would prefer to redirect that money to working-class Canadians.

*Government Orders*

I strongly favour the TFSA as a vehicle, and many members in the House would agree with me, even though we believe that lowering the cap from what was promised is a better choice.

**Mr. Ted Falk (Provencher, CPC):** Mr. Speaker, I want to thank the member for Mount Royal for his excellent speech and defence of Bill C-2; however, I would like to focus on the tax-free savings accounts, TFSAs.

In my riding and right across Canada, the most prolific users of tax-free savings accounts were our seniors. It was an avenue for seniors to take their nest egg, their retirement savings accumulated over a lifetime of working, and put it into a vehicle that did not attract any tax. The government is focused on giving the guaranteed income supplement a boost, but would this not have also been a good measure for our seniors?

**Mr. Anthony Housefather:** Mr. Speaker, I would note that this government is retaining income-splitting for seniors, and while the TFSA is an excellent vehicle for everyone, including seniors, only 6.3% used it up to the cap, and that was the lower cap in 2013. My issue is not with the concept of the TFSA or using the TFSA for all of us, including seniors; the question is whether the cap needed to be doubled when less than 7% used it up to the cap.

[*Translation*]

**Mr. Louis Plamondon (Bécancour—Nicolet—Saurel, BQ):** Mr. Speaker, the Bloc Québécois will be supporting this bill so that we can examine it more thoroughly in committee. My colleague, the member for Pierre-Boucher—Les Patriotes—Verchères, spoke about the Bloc Québécois's position in the speech he gave on February 1. He clearly explained why we will be supporting this bill.

He also pointed out the lack of substance in this ways and means motion, which was moved just before the holidays. In fact, this ways and means motion seemed much more a political exercise to create the impression that the Liberals were keeping their election promise. However, that was just one small part of the picture. The Liberals were not considering the overall picture in terms of the tax reforms that are required.

In its haste, the government introduced an incomplete bill. It is short on measures on income splitting and helping families, which leaves us with an imbalanced tax reform that does very little for most people. People in the very upper middle class, those with a taxable income of nearly \$90,000, are the ones who will enjoy the largest tax cuts. There is nothing for middle- or lower-income taxpayers. I am talking about more than two-thirds of Quebecers, the very people who need a boost the most.

People only start paying more tax if their gross income is higher than roughly \$250,000. For example, members of the House of Commons, whose income is at the limit that I mentioned, will not pay more in taxes. It is not right, considering that their income is higher than average. We are quite far from the tax reform promised during the election campaign, which, according to Liberal Party documents, sought to make the tax system fairer, more progressive, and beneficial to most families. This motion does no such thing.

However minor it may be, it is nevertheless an improvement over the status quo, which the Conservatives and New Democrats wanted to perpetuate, in particular by promising a balanced budget. We will

give the government a chance and support this initiative, in the hope that new measures will be introduced in the budget on March 22.

Since the government decided before Christmas to rush this ways and means motion, we do not understand why it did not make the UCCB tax-free in this motion. That amount was adopted precipitously by the previous government, just before the election. It was a bit of an election goody for families, but it was taxable; in other words, it had to be declared as taxable income. This tax credit would be added to families' incomes, and families would then have to pay back part of it. There was a lot of talk during the election campaign about making this benefit tax-free.

The same thing could be said about the tax credit for labour-sponsored funds, 80% of which are in Quebec. That tax credit should have been restored in full before the end of 2015, so that the issue could have been resolved before the end of RRSP season, which just ended.

That being said, before we throw any stones, we are waiting for the budget, because we think the government's real intentions will be revealed in this budget. We also believe that the somewhat botched and incomplete notice of motion tabled before Christmas was merely political smoke and mirrors.

● (1215)

In the notice of ways and means motion, right now, the maximum federal income tax rate is 29%. That applies to all income in excess of precisely \$138,586 for the year. In the notice of ways and means motion, the government is introducing, effective as of January, some of the measures promised during the election campaign, but not all of them.

As I said earlier, the motion includes a new fifth tax bracket that would raise the tax on income in excess of \$200,000 for the year from 29% to 33%. It would also reduce the tax rate on income within the second tax bracket from 22% to 20.5% and lower the TFSA limit.

During the election campaign, the Liberals said that changing income tax rates would cost very little, and they said that the two changes would balance each other out. They also talked about income splitting and reducing the TFSA limit.

The fact is that they overestimated revenue and underestimated the shortfall. The measures in the notice of ways and means motion will cost \$1.2 billion. That is what we are talking about today in connection with this bill. Things will not balance out after all.

The other measures in the notice of ways and means motion, such as corporate taxes, taxes on dividend income and investment income, and charitable tax deductions, are essentially technical and are merely there for reasons of consistency.

*Government Orders*

There are a number of measures missing from this bill. I am talking about the so-called progressive measures from the election campaign. Of course, we heard about income tax on income over \$200,000 a year, which I mentioned earlier, income tax for the second tax bracket, and TFSA limits. However, there are no measures to eliminate income splitting and make child benefits tax-free, for example. There are two important measures missing from this notice of ways and means motion.

Take, for example, the elimination of income splitting. This provision enables a family member with a higher income to transfer up to \$50,000 to their spouse with a lower income, so the couple can save the equivalent of the difference in tax rates.

The rich and members of the upper middle class are the ones who will benefit the most from income splitting. Also, the goal of Quebec's family policy is to help women enter the labour market, and it has been successful in doing so. Income splitting does exactly the opposite. It is particularly beneficial for traditional families where the husband has a good income and the wife stays at home. The government is still favouring this type of family approach.

In a scrum, the Minister of Finance indicated that income splitting will be eliminated for 2016 and that the measure will not be introduced until later. Let us hope that it will be in the coming budget. The same goes for the changes to family benefits. The Liberals promised to make changes to programs to support families. Their plan was to merge all of the programs to create the Canada child benefit. According to their platform, this new benefit will be tax-free and tied to income. That means that low-income families will get more, families with higher incomes will get less, and the richest families will not get anything. We agree with that.

However, if these changes do not come into effect until July, there will be six months next year when people have to pay for the income they received under the UCCB, a family program implemented by the previous government.

I would like to close by saying that this bill is a small step forward, but there is really something missing. If we are given the opportunity to speak in committee, we will, of course, be very interested in proposing real ways of improving this bill.

• (1220)

[*English*]

**Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, the member has alluded to the fact that this bill is a small step forward. We are talking about one aspect of an overall platform that would give literally millions of Canadians a significant tax break.

The member made reference to the fact that the federal budget will be delivered on March 22. There is great anticipation that we will see a number of initiatives to assist with the implementation of other policy platforms. When we talk about budgetary measures, such as tax relief and program development, we need to take more holistic approach to the legislation and the budget to get a better sense of how the government proposes to deal with the whole issue of income inequality. If we were to combine it as one, we would find that the

middle class would be the greatest benefactor. Would the member not agree with that?

[*Translation*]

**Mr. Louis Plamondon:** Mr. Speaker, I believe that the hon. member just summarized what I said in my speech. He referred to an overall, holistic reform and that is exactly what is missing in this bill. It is just one aspect. The notice of the ways and means motion which led to the actual bill was hastily tabled before Christmas. It covered only one aspect of the election promises. It seemed to be an exercise in partisanship to demonstrate that they wanted to act quickly. I believed that it could have been more substantive, especially with regard to the TFSA and income splitting, and could have taken a more holistic and overall approach, as the member said earlier.

• (1225)

**Mr. Erin Weir (Regina—Lewvan, NDP):** Mr. Speaker, I would like to thank my colleague from Bécancour—Nicolet—Saurel for his speech. Bill C-2 will reduce the second personal income tax rate on income exceeding \$45,000. My question for my colleague is as follows: would it be better to reduce the first tax bracket, which applies to everyone?

**Mr. Louis Plamondon:** Mr. Speaker, I concur with my colleague. People earning less than \$45,000 will get absolutely nothing out of these measures. They will not benefit in any way from the measures in this budget. I believe that there should have been an item, as my colleague just said, covering all income, from no income to very high income, to ensure that people making \$45,000 or less, who are very close to the middle class, could also benefit. We call them the least advantaged.

**Mr. Anthony Housefather (Mount Royal, Lib.):** Mr. Speaker, I thank my hon. colleague for his speech. I heard his response to the question from the hon. member for Regina—Lewvan. I would like to know whether the Bloc Québécois campaigned on lowering taxes for those who earn less than \$45,000 because, as a candidate in Quebec during the election campaign, I never heard the Bloc Québécois say anything about that.

**Mr. Louis Plamondon:** Mr. Speaker, in its extensive platform, the Bloc Québécois proposed tax measures to help the least advantaged and people with low income. For example, we wanted to enhance the guaranteed income supplement for seniors. We also wanted to improve the basic amount up to a maximum. We wanted to do that to raise the maximum income amount for eligibility to the guaranteed income supplement. In that sense we certainly did talk regularly about improving things for the least advantaged, while hoping the middle class could also benefit from a tax cut.

[*English*]

**Mr. John Barlow (Foothills, CPC):** Mr. Speaker, it is a pleasure to speak to Bill C-2. I want to focus my discussion today on the tax-free savings account.

I find some of the comments from the other side of the floor about the tax-free savings account, which we initiated, very interesting. We are very proud of this initiative and I think many Canadians appreciate it.

*Government Orders*

From going around my riding of Foothills in southern Alberta during the campaign and during other times during the year, I know Canadians, especially those in my riding, appreciated the increase in the tax-free savings account. Canadians use this to save for their children's education, or to buy their first home, or maybe to have a comfortable retirement. However, the fact is that the tax-free savings account allows Canadians to save.

Some members opposite claimed that this was just a way for us to pander to our base. If the middle-class Canadians who supported TFSA is our base, I would be more than happy to take them.

Members say that these dollars do not go to the Treasury and that they could be better spent. That is an arrogant statement, especially coming from a government that horribly has gotten the math wrong on its middle-class tax cut, which will now go into \$30-billion annual deficits despite having pledged \$10-billion deficits. Its financial plan is a mess and yet it is telling Canadians that it does not want them to have the benefits of the tax-free savings account because it feels it could spend those dollars better than them. It is extremely disingenuous to tell Canadians that a government can spend their dollars better than they can.

I want to talk a bit about what the tax-free savings account really means to Canadians.

We heard members opposite say that this was something very few Canadians could use, that it was a tax haven for the wealthy.

It should be noted that 11 million Canadians have tax-free savings accounts. That is certainly more than just wealthy Canadians. Eighty per cent of those are making \$80,000 or less. Of those who maxed out their TFSA, 60% are making \$60,000 or less annually. These are not wealthy Canadians. These are hard-working Canadians who are making difficult choices for their families, difficult choices that they feel will benefit them in the future, whether that is saving for their first house, or their children's education or for retirement. These are hard-working Canadians making the financial choices that they feel are best for them.

Since when does the government step in and say that it knows better than them when it comes to savings? These Canadians are simply trying to have a sound financial plan. We should be encouraging these things, not eliminating them. The key is that Canadians should have the opportunity to make decisions that are best for them. They are making choices that suit their priorities. Certainly some may have an RRSP, but the TFSA has much more flexibility than an RRSP. What is wrong with giving Canadians another option, another opportunity to save for their futures?

Canadians want to have those choices so they can put money away when times are good. Certainly for Albertans, many of them may be tapping into their tax-free savings account when times are difficult. This is a great chance for them to put funds away when times are good to help them through when times are difficult. When times are tough and they do not have that savings, they will rely on government social programs, whether it is EI or other programs. Any time they can be self-sufficient and rely on their own savings is a benefit for the government.

The new Liberal government's approach to this is misguided. It wants to take away something that has been extremely popular. As I

said, 11 million Canadians have a TFSA. The Liberals want to take away something that allows Canadians to make their own choices in whatever their unique savings goals might be. Not only do they want to take away the TFSA, but they will be implementing a mandatory CPP increase. This will not only hurt Canadian taxpayers—an additional \$1,000 a year—but it will also impact Canadian business owners because they will have to also match those fees.

Why would the government put in a mandatory savings when it has this great opportunity of which many Canadians can take advantage? They can put as much or as little into it, whatever they feel best benefits them and their families.

● (1230)

What kind of message is this sending to Canadians when the Liberal government is saying that it wants to take away some of their options for savings, but at the same time it will use those dollars to try to mitigate this massive deficit it will pass on to the taxpayers. The government will be taking with one hand and taking with the other. That could be extremely frustrating for Canadians who are trying to save for their future.

The Parliamentary Budget Officer released a report earlier this year that stated household indebtedness and financial vulnerability in Canada were increasing. It showed household debt servicing capacities were continuing to trend upward, while continuing capacity to meet those debt obligations was diminishing. It shows that we should be giving Canadians every opportunity to save when times are good, so when times are tough, like they are right now in Alberta, Atlantic Canada and Saskatchewan, they have an opportunity to have savings they can tap into when they need it.

Reducing the TFSA contribution limits will simply reduce the ability of Canadians to save for retirement and to protect themselves during those economic downturns. TFSAs remove barriers for all Canadians to maximize their financial position. It really is a shame the Liberal government wants to decrease the ability of Canadians to use this tool to save for their future.

The other issue at hand with Bill C-2 is the middle-class tax cut. I am sure this vision was burned into the minds of Canadians during the election campaign. The Prime Minister went from coast to coast to coast and said, "A billion dollar tax cut for the middle class, paid for by a \$3 billion increase on high income earners".

*Government Orders*

However, the Liberals got their numbers completely wrong. This middle-class tax cut is anything but revenue neutral. In fact, the Parliamentary Budget Officer has said that this tax reform, and I will not call it a tax cut, will cost Canadians \$8.9 billion over the next six years. That is anything but revenue neutral and it shows that the Liberal government will be taking away with one hand and taking away with the other. They say that this is a middle-class tax cut, but average Canadians who qualify for this will only get \$6 a week. I do not think that will have a profound impact on stimulating our economy or making a big impact for middle-class Canadians. In fact, middle-class Canadians will not benefit from this at all. The group that makes closer to \$200,000 will benefit the most.

We will be penalizing those hard-working Canadians, usually those who have started businesses, created jobs, grown our economy and who worked extremely hard to be in that higher tax bracket. We will be taking \$3 billion away from them, and it will not be making that big of an impact.

We should be taking a hard look at who actually will be benefiting from this middle tax cut. It is not a tax cut. It will be a \$8.9-billion debt for which each and every Canadian taxpayers will have to pay.

We should not be impacting or discouraging Canadians from saving. We should not be discouraging those hard-working Canadians who are job creators, who have started businesses, who have helped grow our economy. What I see in Bill C-2 are miscalculations impacting our business owners and our entrepreneurs. Also it will not have the financial impact the Liberals have said it will have.

I encourage all members of the House to vote against Bill C-2. This will not have the financial impact the Liberals have said it will, other than increasing our massive and growing debt. It comes down to this. Should Canadians be taking financial advice from a Liberal government that could not get the math right on its middle-class tax cut, is arguing with its own financial staff on the amount of the Conservative surplus, and will now have a \$30 billion annual debt that it will put on Canadians? I do not think we should be taking financial advice from that party or that government.

• (1235)

**Mr. Wayne Long (Saint John—Rothesay, Lib.):** Mr. Speaker, the member opposite said that our party would take with one hand and take with the other. That could not be further from the truth. Let us look at the numbers. They show that 6.7% of Canadians max out TFSAs. That is a fact. Why does the party opposite want to double that number? The Conservatives wanted to double the number because it pandered to their base.

The member opposite also said that the government would take that money, and that we were arrogant about how we would spend it. Is it arrogant to come up with a Canada child benefit that would help nine out of ten Canadian families and that would pull 315,000 children out of poverty?

The party opposite's finance minister, who has disappeared off the face of the earth, stated that future generations would pay for this. Our grandkids and great-grandkids would pay for the TFSA doubling. That is not fair to Canadians. It is not fair to Canadian families. What the Liberal Party would do is put money back in the pockets of families and in the pockets of people in the middle class.

If only 6.7% of Canadians maxed TFSAs, what was the rationale behind doubling that amount?

• (1240)

**Mr. John Barlow:** Mr. Speaker, first, on the child tax credit, the liberals got their math very wrong on the middle-class tax cut. I am really going to be interested to see what your math is like on the child benefit and whether it will indeed benefit nine out of ten Canadian families.

On the TFSA, what is the harm in doubling it? You are so concerned that so few Canadians actually used it? Actually 11 million Canadians have a TFSA account. This is a very profound and significant opportunity for Canadians to save for their future. The key is to save for what they feel is best and their priorities, not the government's.

**The Assistant Deputy Speaker (Mr. Anthony Rota):** I want to remind hon. members that they are speaking through the Chair and not directly across.

Questions and comments, the hon. member for Regina—Lewvan.

**Mr. Erin Weir (Regina—Lewvan, NDP):** Mr. Speaker, I would like to thank the member for Foothills for his impassioned defence of tax-free savings accounts. Of course the question before the House is not whether we should have TFSAs; it is whether the contribution limit should be \$5,500 or \$10,000.

The member for Foothills talked about the large number of Canadians who might use TFSAs to some extent. However, does he acknowledge that fewer than 7% of Canadians actually reached that maximum of \$5,500 in contributions, and that therefore it would be a relatively small and relatively affluent group that would gain from increasing that limit to \$10,000?

**Mr. John Barlow:** Mr. Speaker, the key phrase in that question was “affluent Canadians”. With all the stats and facts that are out there, the Liberals still feel that the tax-free savings account is somehow a tax shelter for the wealthy. Sixty per cent of those people who maxed out their TFSA made \$60,000 or less. I would like to hear in any community across Canada where people feel that an annual salary of \$60,000 somehow makes someone affluent.

This is an opportunity for hard-working Canadians to make difficult choices, which some of them are choosing a savings account as a priority over many material things. However, the key is that it is a choice they themselves make. What is wrong with allowing Canadians to make those choices for themselves, rather than giving those dollars over to government where they have no control over it, to a government that now has \$30 billion in annual deficits?

**Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC):** Mr. Speaker, it is a pleasure for me to speak today on what I think should be more appropriately titled the Liberal government's legislation on misplaced priorities, because that is exactly what Bill C-2 is.



The government of the day claims that this is a tax cut for middle-class Canadians and will help stimulate the economy. In fact, all it is is a bit of a shell game.

Liberals are attempting on the one hand to suggest to Canadians that this is a good thing, that it is reducing taxes, which is certainly something that our government believes in, since when we were in government for nine years, we reduced taxes over 140 times. The reason it is a shell game is that while there may be some modest gains in tax relief for some Canadians, on the other hand the Liberals have started to reduce the amount of contributions allowed in TFSAs.

The tax-free savings account was an initiative that our government brought in several years ago, the most important savings vehicle that Canadians have seen since the advent of the RRSP. It has been incredibly popular, and it was well received by Canadians from all income brackets.

My colleagues previously have talked about the fact that 60% of Canadians who maxed out their TFSAs have modest incomes. I always say that any time we give Canadians an opportunity to save money in a tax-free vehicle, that has to be a good thing, so when did it become wrong for Canadians to have the ability to save more of their hard-earned money tax-free? When did it become wrong to do that? However, that is exactly what the government apparently is saying, because it is planning to reduce the TFSA contribution limit from \$10,500 to \$5,500. Liberals are denying Canadians the opportunity to put \$5,000 more per year into a tax-free savings account.

I recognize that perhaps not all Canadians would be able to contribute the full amount each and every year, but the TFSAs have been structured so that there is a carry-over element. If people cannot max out their contributions in one year, they do not lose it the next year. No, that unused amount can be carried over, and carried over almost into perpetuity, so that several years down the road if a retired couple wants to sell their house in which they have built up a great deal of equity to travel in their golden years, they could take the money from the sale of their house and put it into a TFSA to the maximum amount.

However, the Liberals feel that this is not the right route to take. Rather than allowing Canadians more opportunities to save more money, they want to reduce that amount. Their argument is that only the wealthy can afford to contribute \$10,500 a year, but that is not what they really are saying. They may say that publicly, but what they mean and what they intend is that if a majority of Canadians maxed out their contributions at \$10,500, it would cost the government money in lost tax revenue. That is really the crux behind this move, because the government is in trouble.

Although the Liberals promised what they considered to be modest \$10-billion-a-year deficits in the first three years of their term, now are going to be incurring at least \$30-billion deficits for the first several years of their mandate. They said they would be able to balance the books by 2019, by the time of the next election. It is now admitted by the government's own officials that doing so will be an impossible task.

### *Government Orders*

The government needs more revenue. Allowing Canadians to save more in a tax-free environment would deny the government the much-needed revenue it so desires. What do the Liberals do? Their approach is to spend more money. They say that spending more money will ultimately create a healthier and larger economy. This Keynesian approach has never worked in the past and it will not work this time, but that is the approach that the government has.

I suspect that some of that comes from a long history of Liberal mismanagement in the economy. If one only takes a look at the current Prime Minister's father and his regime, when former Prime Minister Pierre Elliott Trudeau left office, his Liberal government was spending \$1.03 for every \$1 that it took in in revenue.

• (1245)

No wonder we have such a huge debt in this country, a debt that we are still trying to pay off, thanks to a previous Liberal government. Apparently the apple did not fall far from the tree, because the current Prime Minister seems to be taking the same approach as his father, an approach that has left this country in massive debt.

This is unacceptable, but obviously there are options. Any government has choices. How can it increase its revenue? How can it take in the amount of money it needs to produce programs and balance the budget, as it apparently desires to do?

The obvious choice is to raise taxes, but that is never a popular choice for any government. The other option is to find projects that might increase employment and consequently increase tax revenue, both personal and corporate. The government would argue that this is exactly what it is doing with its stimulus spending: by putting money into the economy, it would create those jobs, create those projects, and in return receive additional revenue.

Unfortunately, most economists worth their salt would tell us that stimulus really only works if a government or a country is in a recession, which Canada is not. Our economy is growing. Perhaps it is growing more slowly than we would like, but we are most certainly not in a recession, so there is no need for stimulus spending. What is needed is for the private sector to initiate projects that would bring in that much-needed tax revenue, projects that would create employment.

What have we got out there? Is there anything on the horizon that we could point to that might actually fit the bill? There is something, and it is called the energy east pipeline. Here is a project that is shovel ready, would not cost the Liberal government or taxpayers a dime, and would create literally thousands of jobs and billions of dollars in tax revenue between personal and corporate income tax, yet the government sees fit to put so many impositions and prohibitions on the start of this project that the chances of energy east ever seeing the light of day are slim. Hopefully, chances are not zero, but that is what is probably going to happen.

*Government Orders*

This is why I say that this piece of legislation is misguided in its priorities. There are alternatives. There are options the government could employ to increase its revenue base without costing the Canadian taxpayer a dime, but the Liberal government does not want to do that. Instead, it is going to punish and penalize average hard-working Canadians by reducing the amount of money that those same Canadians can contribute to their tax-free savings accounts.

The Liberal government is making the wrong choices. It has misguided priorities. At the end of the day, we will find that Bill C-2, the first piece of legislation the government has introduced, will end up costing Canadians far more than they will save.

• (1250)

**Mr. Lloyd Longfield (Guelph, Lib.):** Mr. Speaker, the member across the aisle made a good presentation. It covered a lot of the previous government's strategy around investment, which resulted in creating \$150 billion more in debt, which is part of a more recent history than the 1970s.

I found a couple of the member's comments interesting. He said that investing in Canada should only be done during a recession and that jobs can only be created during a recession. Did the previous government put us in two recessions to create jobs?

**Mr. Tom Lukiwski:** Mr. Speaker, once again, as is common with most Liberals and with most newly elected Liberals, they have this sense of revisionist history. Let us talk about what actually happened.

Back in 2008 when the global recession hit, every G20 country agreed that the best way to get out of the recession was to stimulate the economy by investing money in infrastructure. I was part of that debate in this place. What happened during that debate? The Liberals, who were then in third place, and the NDP, which was the official opposition, criticized our government for not putting enough money into stimulus. In other words, had the Liberals or the NDP had their way, we would have had a larger debt than we do today. Our deficit would have been larger if they had had their way. For anyone on the Liberal benches to say that we created a deficit that they would not have created is absolutely factually incorrect, and the records show that.

Second, we entered into a deficit situation because of the global recession, but we got out of it. In our last years in office, we balanced the budget. That is something the Liberal government will probably never do in its short mandate, which I expect to be only four years.

**Mr. Erin Weir (Regina—Lewvan, NDP):** Mr. Speaker, I would like to thank my neighbour MP from Moose Jaw—Lake Centre—Lanigan for not running in Regina—Lewvan. I would also like to thank him for his able chairmanship of the government operations committee, on which I also serve. Finally, I would like to thank the member for his speech.

I would like to pick up on the point he raised about TFSA contribution limits being cumulative from one year to the next. It seems to me one of the problems with the contribution limit of \$10,000 is that over the years and decades it would enable wealthy Canadians to accumulate pools of hundreds of thousands of dollars of investments that would be completely untaxed, and this could contribute significantly to growing inequality and would erode

public finances. I wonder what the member thinks about that prospect, looking into the future.

**Mr. Tom Lukiwski:** Mr. Speaker, I want to thank my colleague from Regina for thanking me for not running in his riding.

If we took a poll of all Canadians, regardless of income level, and asked them this simple question: "Do you agree that you should be allowed to contribute more money to a tax-free savings account, rather than less?", the answer would come back with a clear "Yes, we want to have the ability to invest more money in a tax-free environment if we can."

This does not allow only the wealthy to put money into an account. I have many people in my riding, most of whom are not wealthy or affluent, as the government would suggest. When I talk to them about the TFSA, many of them say that if they were to sell their house or come into an inheritance or somehow come into additional dollars, they would like to have the ability to put the money into an account where it would be tax-free. They do not want to be denied that ability. Whether or not they max out or contribute to it in totality over the years is incidental, but at least knowing it is there is something they agree with.

I fall back on words I said in my initial presentation. When in Canada did it become a bad thing to allow Canadians to contribute more money tax-free? Apparently it was when the Liberal government got elected.

• (1255)

**Hon. Peter Kent (Thornhill, CPC):** Mr. Speaker, it is a pleasure to rise in the final hours of debate on Bill C-2.

We all recognize that this piece of legislation, rushed into the House in December, a forerunner of the budget scheduled for March 22, was intended to fulfill a number of misguided campaign promises in time for a new taxation year. I must say that over the hours of debate since the speech by the Minister of Finance, his answers in debate and in question period, his pronouncements in various fora across Canada, Canadians are getting a very clear and concerning picture of where the government intends to go in terms of taxation, the collection of Canadians' hard-earned tax dollars, and of spending, namely, that it intends to go on a mega disbursement spree of those same hard-earned tax dollars.

The economic situation in Canada today, which a number of speakers have remarked upon, is truly a crisis in parts of the country walloped by the crash of resource prices, but it is not at all like the 2008-09 global recession. The fact is that Canada is not in recession today. Focused stimulation, tax cuts, incentives, and decisive and courageous support of projects such as pipelines and power projects are, indeed, appropriate for provinces hit hard by the resource downturn. However, massive, expansionary government spending, growth of the debt, increased debt servicing, and the mortgaging of our children's futures is simply not justified.

*Government Orders*

The minister's much touted middle-class tax cut will, he proclaimed, put more money into the pockets of Canadians who need it. The tax cut does, modestly, do that, but the finance minister himself estimates that it will amount to barely \$10 a week for the middle class and then, as our NDP colleagues have pointed out, only a portion of the middle class. At the same time, the Liberals promised that the total cost of the tax cuts would be offset by a new tax on Canada's most affluent taxpayers. Again, a reality check from Finance Canada reveals that, in fact, there will be at least a billion dollar shortfall in the Liberals' estimate, or, more appropriately, guesstimate, which is hardly reassuring as we anticipate the coming budget.

I will move on to the minister's ill-advised trimming of the tax-free savings accounts. The TFSA, as we know, was created by our previous Conservative government, along with more than 180 tax cuts made between 2006 and 2015. These tax cuts combined to give Canadians across all income groups significantly greater take-home income and reduced the federal tax burden to the lowest level in half a century. About half of adult Canadians today have tax-free savings accounts, which is a very high level of participation, indeed, for a program that only began in 2009.

These numbers have been cited before, but I am proud to remind the government again that of those TFSA investors who took advantage of last year's \$10,000 limit, fully 60% earned \$60,000 or less, which refutes the Prime Minister and the finance minister's characterization of the TFSA as a tool for the rich only. The tax-free savings account is also a particularly important retirement savings tool for seniors who can no longer take advantage of RRSPs, registered retirement savings plans.

A majority of Canadians supported and still support the \$10,000 limit. Public opinion polls reflected this and still reflect this. That support is consistent across all age groups, income levels, and regions of our country. That support was reflected in one of the first e-petitions to the government, an e-petition that I was proud to sponsor. Folks at home can find and consider that petition at [petitions.parl.gc.ca](http://petitions.parl.gc.ca), listed under e-3, with the key words "taxation", and "tax-free savings account". This petition has accumulated almost 5,000 signatures, even though the government plowed ahead in reducing this year's TFSA contribution level by half. The petition is still open for another month, and frustrated Canadians can still register their unhappiness with the government's decision until April.

The government tried to justify the gutting of the annual savings limits with the excuse that the TFSA cost the government too much. The federal government spends much more every year to support the very generous indexed pensions of government employees. Those public service pensions are paid for with the hard-earned tax dollars of the 80% of Canadians who do not work for the government, who have much less generous employer pension plans, or who must provide entirely for their own retirement.

• (1300)

In my constituency, the wonderfully diverse middle-class community of Thornhill, TFSAs have become an important part of taxpayers' retirement savings portfolios, an important part, again, of our senior citizens' retirement savings portfolios. That is evident across all income levels, as national polls show.

Making the retirement savings process even more challenging and burdensome, the new federal government has agreed to collect for the spendthrift Government of Ontario the job-killing payroll taxes from employees and employers for the so-called Ontario retirement pension plan. The ORPP is sold as a top-up to the Canada pension plan, but it will take fully 40 years to reach its modest annual payback level. Why now? What is the rush?

Well, Premier Wynne's government, in an amazing blaze of unintended transparency, in its 2014 budget, revealed that the ORPP is not really designed for retirees. The budget document revealed that ORPP is really a tax grab. It will help bail out the debt and deficit created by the provincial Liberal government's misspending. The 2014 budget said precisely that by "encouraging more Ontarians to save through a proposed new Ontario Retirement Pension Plan, new pools of capital would be available for Ontario-based projects such as building roads, bridges and new transit."

The federal government is now complicit by recently agreeing to collect for Ontario the job-killing employment taxes, not for the workers of today who will see little, if any, eventual benefit, but effectively to create a new slush fund for its provincial Liberal cousins who have created the largest sub-national debt in the world.

A variation of an old joke, not that far from reality is, ask an Ontario Liberal how to create a small business and they will say, take a medium-sized business and tax it down to size.

I see my remaining time is short, so I will briefly return to the Minister of Finance's remarks, when he introduced Bill C-2, in which he talked about growth and investment in the budget that will be tabled on March 22.

We on this side of the House are very concerned about the dark reality for Canadian taxpayers and the Canadian economy that will, we believe, define those words. The growth that the minister and Prime Minister are trying, unwisely, to create will be in annual deficits: \$30 billion, \$40 billion, or more, in expansionary spending that simply cannot be justified. The investment will be the billions of dollars of deeper debt that our children and grandchildren will eventually have to confront.

If the Liberals are really serious about growing the economy, the minister must come forward with a jobs plan that will actually help get Canadians back to work. He should abandon the rush to recklessly push Canadians' billions of hard-earned tax dollars into spontaneously confected, inadequately planned infrastructure projects or to impose new regulations and taxes based on half-baked theories.

*Government Orders*

•(1305)

**Mr. Wayne Long (Saint John—Rothesay, Lib.):** Mr. Speaker, we inherited an economy that was not moving forward and not in good shape due to the low-growth policies of the party opposite.

When the party opposite talks about the shell game the Liberals are playing, let us talk about the party that invented the shell game. After seven straight deficits, the party opposite said it was going to come up with a plan, that it would come up with a surplus or a balanced budget in the year before the election.

Let us talk about the shell game. There was \$900 million put back into the budget from its own public servants' sick leave; the \$2 billion rainy fund was put into the shell game; the GM shares were sold and also put into the shell game; and lapsed funding for veterans affairs was put into the shell game; and EI training was thrown in too.

Canadians have woken up to a low-growth, no-growth economic style from the party opposite. Good government and good government policies are for the many, not the few. With only 6.3% of Canadians using tax-free savings accounts, doubling that number pandered to the few.

Would the member opposite not concede that good government policy, good governance, is for the many, not the few, and not like the doubling of the tax-free savings accounts?

**Hon. Peter Kent:** Mr. Speaker, I thank my colleague for his question and for refraining from making the implausible claim that the Liberals found Canada in a deficit when they took power. Last year, the Canadian economy grew by 1.2%, and as the parliamentary budget officer has said many times, although this was ignored by the finance minister, we left the government in a surplus and in growth.

In response to the member's question with respect the tax-free savings account, I do not know how many times members on our side will say this today but fully 60% of the people who maxed out at the \$10,000 level, many of whom are seniors who have no other place to put their money because they are forced to cash in their RRSPs at the age of 72, earn \$60,000 or significantly less.

When I was knocking on doors in Thornhill last year, I met young people, university students and graduates, some of whom were paying both for university and making contributions to the TFSA. It is not for the affluent. Of the middle-income earners of all ages who made significant contributions, many chose not to buy an SUV but rather to drive a used vehicle and put some of that money aside. For those who are self-employed, the TFSA represents a real opportunity for long-term maximum benefit, and an even greater benefit than the RRSP.

I again think that the Liberal government was misguided into playing class warfare in trimming the TFSA.

**Mr. Erin Weir (Regina—Lewvan, NDP):** Mr. Speaker, the member for Thornhill just said that 60% of the people who maxed out at the \$10,000 level were earning \$60,000 or less. How can the member possibly have any data on who maxed out at \$10,000?

**Hon. Peter Kent:** Mr. Speaker, I would point the member to the various firms in Canada that carry out surveys of working Canadians, including the Working Canadians organization and the

financial institutions that handle the establishment of tax-free savings accounts. Those numbers are solid.

In quoting low participation rates, the Liberals looked back to the 2013 investment year. However, if we speak to any of the major financial institutions in this country, we will find that participation rates rose sharply last year, and even more sharply when it became clear that the Liberals were hell bent on fulfilling their campaign promises to slash the \$10,000 annual investment limit.

•(1310)

**Mr. Erin Weir (Regina—Lewvan, NDP):** Mr. Speaker, the late Saskatchewan premier Allan Blakeney defined social democracy as a “fair share for all in a free society”, and the NDP certainly believes in a free society.

In the last Parliament, we were the only party to stand up and vote against Bill C-51, the Conservative surveillance law. In the current Parliament, we were the only party to stand up and oppose the Conservative motion calling on the state to condemn controversial speech about Israel.

However, as important as civil liberties are, and as good as the NDP's record is in this area, civil liberties are not what define us fundamentally as social democrats. “Liberal” is also a derivative of “liberty”. Even in the Conservative Party, there is a libertarian strain, even if it was pretty difficult to detect under the last Conservative government. What really defines us as social democrats is our concern for what former premier Blakeney described as a fair share: a more equitable distribution of income and wealth.

We believe in equality, not just for its own sake, but also because all the evidence indicates that a more equitable distribution of income and wealth leads to more happiness, better health, and less crime. Therefore, the trend toward worsening inequality is quite troubling.

In recent years and decades, a vastly disproportionate share of income gains have been concentrated in too few hands at the very top of the scale. The tax system is one of the most powerful tools available to government to address those inequalities. Therefore, I believe the House should evaluate Bill C-2 in terms of its effect on income inequality.

At this point, I will shift from quoting Allan Blakeney to invoking Clint Eastwood, because Bill C-2 has the consistency of a spaghetti western. Allow me to review the good, the bad, and yes, the ugly aspects of the legislation before us.

The good thing about Bill C-2 is that it includes tangible measures to collect a fairer share of tax from the rich. Specifically, it would increase by 4% the top income tax rate on incomes over \$200,000.

*Government Orders*

This is entirely consistent with what the NDP has achieved at the provincial level. In Nova Scotia, the NDP government increased by 4% the top rate on incomes over \$150,000. In a minority legislature in Ontario, the NDP amended a budget to add two points of income tax on incomes over half a million dollars. The most excellent NDP government in Alberta has quite correctly gone from a flat tax to a progressive income tax system. As part of our election platform in Saskatchewan, the NDP is proposing an additional percentage point of tax on incomes over \$175,000.

The other positive aspect of this legislation is to restore the TFSA contribution limit to \$5,500 per year. I think it is important to note that the previous Conservative government's proposal to increase that limit to \$10,000 would only affect people who have extra money left over after the 18% of income that can be contributed to RRSPs and after the \$5,500 that can still be contributed to TFSAs.

In 2013, fewer than 7% of eligible Canadians made the maximum TFSA contribution. It stands to reason that probably only up to that 7% of Canadians would stand to gain anything from a higher limit on TFSA contributions. Therefore, restoring that limit to \$5,500 is clearly a progressive move. That is the good.

• (1315)

Now I am moving on to the bad.

Bill C-2 would include a so-called middle-class tax cut that would not actually help the middle class. I think the Liberals might be a bit confused between cutting the middle tax bracket and changing taxes in such a way as to help people with middle incomes, because what the bill proposes is a tax cut that only applies to incomes above \$45,000, and that is more than the median Canadian income. To receive the maximum benefit, someone would need to have an income of more than \$90,000 per year.

To put that into perspective, someone working as a nanny for the Prime Minister would receive nothing from the middle-class tax cut. However, the Prime Minister himself, and indeed all members of this House, would get the maximum benefit of about \$700—but we do not need the money.

What are the alternatives?

We in the NDP had proposed to reduce the first tax bracket, which applies to everyone. We also proposed to boost the working income tax benefit, which is more targeted toward lower incomes.

In our election platform in Saskatchewan, the provincial NDP is proposing to boost the basic personal exemption, which again applies to everyone.

It would be extremely easy to design and implement a middle-class tax cut that would actually go to the middle class. However, in all the discussion we have heard about the bill, I have not heard a coherent explanation from the Liberals as to why they are pushing ahead with a tax cut that would only go to incomes above \$45,000, rather than enacting a tax cut that would include all Canadian taxpayers.

I notice that many people on this side of the House are speaking today because the Liberals have given up their speaking slots in this

debate. I would suggest that is because they do not actually have a very good answer to this question.

That is the bad.

Now, I am moving on to the ugly.

The bill would not even add up. I would argue that the Liberal tax proposal during the election was palatable to many progressive Canadians because it was promised to pay for itself. Even though the Liberal proposal was not very well targeted, it at least seemed that a redistribution from the very rich to the upper middle class might be a move in the direction of equality.

It has since been revealed that the bill would not pay for itself, that it would cost more than \$1 billion a year in lost federal revenue. In effect, what the government is proposing is to borrow money to fund a tax break for people who do not really need it.

How could we make up the lost revenue?

Since 2000, Liberal and Conservative governments have slashed the federal corporate tax rate in half. We have not seen the promised boost in investment. On the contrary, we see private non-financial corporations sitting on a record hoard of cash.

The parliamentary budget officer estimates that each point of corporate income tax that we might restore would collect \$2 billion of revenue.

One might argue that, with low commodity prices and depressed corporate profits, the corporate tax would not actually bring in that much. However, that is the beauty of corporate taxes: they function as an automatic stabilizer. When the economy is depressed and profits are low, they do not take very much money out of it, but as the economy starts to recover and we want to move toward a balanced budget, corporate taxes will automatically collect more revenue.

I would urge the government to very seriously consider at least partially reversing corporate tax cuts as a way of starting to collect the additional revenue that will be wanted as our economy begins to recover.

In conclusion, there are enough positive elements in Bill C-2 that the NDP is prepared to support it on second reading. However, there is a huge amount of room for improvement in targeting the so-called middle-class tax cut to those who really need it and in collecting the revenue that will ultimately be needed if the government is ever going to balance the budget.

• (1320)

**Mr. Anthony Housefather (Mount Royal, Lib.):** Mr. Speaker, I want to congratulate the hon. member for Regina—Lewvan on a very entertaining speech. It is rare that we hear Clint Eastwood quoted in this chamber. I do not think he is quoted enough, so let me quote him from *Heartbreak Ridge*. Clint Eastwood said to improvise, adapt, and overcome.

*Government Orders*

I enjoyed how the hon. member improvised and adapted. During the election campaign, the NDP did not favour a tax increase for those earning over \$200,000. During the election campaign, the NDP did not favour a tax decrease for those earning less than \$45,000. However, suddenly the hon. member for Regina—Lewvan is adapting, improvising, and trying to overcome by criticizing all the things we are now doing and saying that the NDP believes this and this and this; but the New Democrats said completely the opposite in the election campaign.

I would like to ask this for the hon. member for Regina—Lewvan. How can he possibly improvise, adapt, and overcome in this way when he is now contradicting what his party said in the election campaign?

**Mr. Erin Weir:** Mr. Speaker, I will refrain from quoting Clint Eastwood as to whether the member opposite is feeling lucky, but I will make the point that there are many ways of making the tax system more progressive.

In the election campaign, the NDP proposed a reversal of corporate tax cuts as a way of collecting more revenue and funding important public services and infrastructure. The Liberal Party chose not to make that proposal. The Liberals proposed a modest increase in the top personal tax rate. That is quite consistent with what the NDP has achieved at the provincial level, and we are happy to support it in this House as well.

The real question is whether the Liberal government will actually start reversing corporate tax cuts in order to collect a fairer share of revenue and start to move back toward a balanced budget.

**Hon. Michelle Rempel (Calgary Nose Hill, CPC):** Mr. Speaker, my colleague brought the scope of provincial NDP governments into his speech, so let us talk about that.

In Manitoba, there was legislation that required a referendum prior to a PST increase. The NDP government, even though it campaigned against a PST increase, increased the PST. It had to go and try to gut the legislation requiring the referendum, but still increased the PST before that law was changed, even though a survey by Angus Reid at the time said that 74% of Manitobans wanted a referendum and 72% disagreed with raising the PST. Why was that? It was because common-sense Canadians know that raises to general consumption taxes are a bad thing.

I am asking the following for my colleague. Given the absolutely disastrous reign of the Manitoba NDP in my home province of Manitoba—it has been in power since I was 19 years old—including the loss of jobs, the instability in social programming, and the absolute disaster that the government has been, how can my colleague bring provincial politics into his speech and think that the NDP has absolutely any credibility whatsoever to speak to taxation issues?

**Mr. Erin Weir:** Mr. Speaker, I will just clarify for the member for Calgary Nose Hill that I am from Saskatchewan, not Manitoba, and I will not pretend to be intimately familiar with all the details of Manitoba provincial politics. What I will say philosophically is that I do not believe in legislation that requires governments to go through referenda before making tax changes. I believe in the sovereignty of Parliament, and I think that governments need to make important fiscal decisions all the time.

However, what I am really excited about, in terms of the NDP at the provincial level, is the most excellent government we have in Alberta. It has really moved that province out of the dark ages of having this regressive flat tax and has in fact brought Alberta into the light of having a progressive income tax, where people who have the good fortune to earn higher incomes pay a higher rate of tax on those incomes. I believe that progressive taxation is really a hallmark of civilized society, and it is a great thing that Alberta, under the NDP, has joined the rest of the country in that regard.

• (1325)

**Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC):** Mr. Speaker, I begin my speech today by referring to page 9 of the Liberal Party of Canada election platform and will quote directly from that document: “The two tax changes will be revenue neutral to the federal government.” It does not say that these tax changes might be revenue neutral to the federal government or that they hope these tax changes will be revenue neutral to the federal government. The Liberals were very clear that these tax changes will be revenue neutral to the federal government.

Of course, on page 6 of the same document, Liberals told us that this was all part of a “fully costed” platform. In fact, throughout the election, we heard how Liberal experts had fully costed the platform. However, we now know that the so-called Liberal experts got it wrong. In fact, they got it very wrong.

The public budget office has shown us the real cost of these Liberal tax changes. These are not revenue neutral at all. The real cost is \$8.9 billion by the 2020-21 fiscal year. In other words, every single Liberal member of this House was elected under questionable pretenses.

Where are those Liberal experts today? I have yet to hear the Prime Minister apologize on behalf of these experts, or hold them accountable for misleading Canadians. The Liberals, as we know, say these tax changes will help the middle class. In fact, if we search *Hansard*, as well as online search engines, we would see hundreds of references by the Prime Minister about the middle class.

Yet, here is an interesting observation. On dozens of occasions in this place and in the media, the Prime Minister and the Minister of Finance have been repeatedly asked how they define the middle class. To my amazement, I have yet to find an answer. They consistently refuse to provide a definition.

Let us look at these tax changes for an idea on who the Liberals think are the middle class. Are they citizens who are earning \$45,000 a year? According to the Liberals, these are not middle-class Canadians because there is no income tax cut for them in these changes.

In essence, the Liberal tax changes apply to the tax bracket for incomes just over \$45,000, and up to \$90,563. However, wait, there is more. For those who earn over \$90,000, they will also pay less tax on this portion of their income. For those earning up to \$199,000—and I will come back to why I reference \$199,000 in a moment—they will benefit from this tax cut. In other words, someone earning \$199,000 per year benefits from these Liberals income tax changes, while someone earning \$45,000 a year does not.

*Government Orders*

I challenge any member of this House to ask your constituents who they think is part of the middle class. Is it someone earning \$45,000 a year who does not benefit from these Liberal tax changes, or someone earning \$199,000 per year who does? It is no wonder that our Prime Minister and Minister of Finance refuse to define the middle class. Only the Liberals would think that someone earning \$199,000 is middle class and someone earning \$45,000 is not.

The other interesting part is that the Liberals, in spite of the shoddy revenue-neutral math, tell us that these tax changes are there to help stimulate the economy. However, part of these tax changes are that the Prime Minister has created his own new top income tax rate. Those earning \$200,000 or more will be penalized with a new 33% tax rate. In other words, we have a tax cut intended to help stimulate the economy, yet those who are most financially able to stimulate the economy are being penalized not to do so.

I have no doubt that the same Liberal experts who bungled the math on these tax changes being revenue neutral likely came up with this misguided policy as well. With this Liberal tax hike, combined with provincial income taxes, some provinces will now be paying a combined rate of taxation that exceeds 50%.

• (1330)

I know that the Liberals think, who cares, that these people are wealthy. However, in talking to regions desperately trying to recruit much-needed new doctors, particularly rural areas in my riding, when doctors hear about a total tax rate of over 50%, they say, "Thanks, but no thanks".

What is also interesting is that Bill C-2 proposes to roll back the maximum TFSA contribution implemented by the former government. I went through *Hansard* and read the Prime Minister's comments to try to determine why he hates the idea of Canadians saving money.

I found an interesting reference from the Prime Minister. He believes that having a tax-free savings account will only benefit the rich and will be paid for by the next generation of Canadians. I find this fascinating. Here we have a Prime Minister who is saddling the next generation of Canadians with billions of dollars in new debt, and he is worried about people having too much money in a savings account. Only in Liberal land does this make sense.

Let us not forget that all tax-free savings account contributions are made with net after-tax dollars. In other words, they are from the net income after tax has been paid. Let us also not forget that although people's investment income may not be taxable within a tax-free savings account, which is the entire point of having one, eventually that money will be withdrawn. In fact, people already withdraw from the TFSA for vehicle purchases, home renovations, and other big-ticket items that are common reasons for withdrawal.

Let us not overlook that when people spend that money here in Canada, not only do they support our local economies, but the money is also taxed, by GST, HST in some places, provincial sales tax. It is bizarre when the Liberals say that they are cutting taxes for some Canadians to help stimulate the economy, yet they discourage the idea of saving money.

Yesterday, I read an interesting column in a report by Vancity Credit Union. It talked about the expectations of millennials to inherit funds from the bank of mom and dad. The problem is that in many cases the expectations exceed what the bank of mom and dad is planning on delivering. That is why I submit that cutting back the tax-free savings account and sending the message that saving after-tax dollars is a bad idea is so misguided.

That is why I am here today opposing Bill C-2. So-called Liberal experts have the map badly wrong and have misled Canadians in the process. These same so-called experts further came up with policies that will only further set Canada behind, while adding billions in increased debt. It is not increased debt because we are in a recession, but rather debt because we are in a period of slow growth. That does not make sense.

The Liberals often like to say that a Canadian is a Canadian is a Canadian. However, if someone is a Canadian making \$45,000 a year, there is no tax cut. If a Canadian is making \$199,000 a year, they are apparently the middle class and do get a tax cut. If someone is a Canadian making \$200,000 a year or more, they are further financially penalized. However, I suppose the fact that all future Canadians, regardless of income, will be left paying billions of dollars in new debt from these Liberal tax changes is the great equalizer.

I oppose these changes, because I believe that as Canadians we deserve better.

**Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I find it truly amazing that the member would express concern in regard to deficits. All he needs to do is reflect on the 10 years of Conservative rule where there is over \$150 billion. The only governments in the past that have truly had balanced budgets and surpluses have been the Paul Martin and Jean Chrétien governments.

The member makes reference to the tax breaks and the middle class. If I were a Conservative, I too would have a tough time to vote against this legislation. As much as he tries to cherry-pick in terms of who is benefiting, the individuals he does not choose are the hundreds of thousands of individuals who work in factories, teachers, many different professionals, who are going to have more money in their pockets as a direct result of this legislation.

I would suggest that the member reflect in terms of why he believes that the bulk of middle-class Canadians, many of whom are in his constituency, do not deserve a tax break. That is what he is voting on. Does he believe that his constituents should be getting the tax break?

• (1335)

**Mr. Dan Albas:** Mr. Speaker, this is Liberal land at its finest. The fact is, the Liberals' own experts panned that this would be a revenue neutral tax cut. It is clearly not. At \$8.9 billion a year by 2020-21, it is not a healthy thing for Canada.

*Government Orders*

He talked about the deficits that prime ministers Chrétien and Martin dealt with. They dealt with them by cutting transfers to people, to provinces, and particularly downloading to municipalities and provincial health care programs. That is not a Canada that I want to see.

When we added to our deficits, it was because we had the financial crisis of 2007-08, which then precipitated the great recession, the lowest output in North America since the Great Depression. There was a rationale then; there is no rationale now. The member should be a little more clear and coherent about what he is panning.

**Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Mr. Speaker, it is surprising to see so much misinformation coming out of the government. This \$150-billion figure that they keep quoting is not accurate. In fact, the numbers are much lower in terms of debt that was added over the last 10 years. Projections are that the government will add more debt in the next four years than happened over the last 10 years, and that was coming through a financial crisis. We do not have a financial crisis right now, at all.

I was concerned as well to see very high levels of a combined debt-to-GDP ratio for Canada, if we include provincial and municipal numbers as well. Now is not the time to be increasing our debt-to-GDP ratio, as the government plan would be.

Could the member comment on that and also correct some of the ridiculous misinformation we are getting from the government?

**Mr. Dan Albas:** Mr. Speaker, we always have to take into account the context of the situation today. With our aging demographic, we are going to see less capacity to pay for things as we go forward. Is there a place for senior levels of government to invest in quality of life and productive infrastructure to make our economy better over the long term? Absolutely. However, we should be asking ourselves at what point it is within our means.

The government blew through the modest deficit promise of \$10 billion a year. Now, we are talking about a starting point of \$18.4 billion. It has blown past any suggestion that it would anchor itself to the GDP-to-net debt. That promise is blown away. What happens if we hit another financial crisis? What happens if there is another recession and we are behind the eight ball when it comes to dealing with our demographics and our aging society?

There is an argument to be made for investments. However, to be totally throwing out the financial road map that both previous Liberal and Conservative governments held, that balanced budgets make us stronger as a country, I believe is the wrong path.

**Hon. Lisa Raitt (Milton, CPC):** Mr. Speaker, it is my very great pleasure to rise today and speak on behalf of residents of Milton with respect to Bill C-2.

If we recall the last campaign, the new Liberal tax plan was a central part of the government's campaign. It would become a vital plank of the Liberals' platform, one that they would go on to say was a major part of the plan that they credit their election win on. In fact, it was a vital plank of their platform that was signed off on by the now-Minister of Finance.

What was really important to my constituents in that campaign platform was that the plan be revenue neutral, as they had promised.

However, soon after coming into power, the Minister of Finance admitted that there was a miscalculation. He is basically admitting that the Liberals had been elected under false pretenses.

We also have it confirmed now by the Parliamentary Budget Officer that this tax plan will end up costing Canadians \$8.9 billion over the next four years. This is one of the first concrete initiatives that was brought in by the new Liberal government, and it was grossly miscalculated. This leads us to where we find ourselves today, very much concerned about what is next. What future is our government headed toward in terms of other possible miscalculations?

The Liberals have justified destroying the former Conservative surplus and repealing the budget balance bill on the grounds that their spending is going to stimulate the economy. They are assuring Canadians, "Do not worry; relying on borrowed money is going to be okay. What really matters is the relationship between debt and GDP."

What the Liberals are not telling Canadians is that these values of debt and GDP are not within the government's control. The government controls only spending, and quite frankly, it should be exercising prudence on this front. Targeted spending that will truly stimulate the economy is a good thing, and it is very different from these feel-good handouts that we are seeing more and more from the Liberal government.

What is this for? What is this deficit for, in terms of this tax plan? In reality, for a single person, Finance Canada tells us that it amounts to \$6.34 a week. That is the price of a latte once a week, or maybe a salad once a week. The plan also relies on a feeling of consumer confidence, but when I talk to constituents in my riding, they have suggested that they are starting to feel a pinch.

A few weeks ago the Premier of Ontario announced a 4.5¢ tax on a litre of gas. That is about \$900 a year for Canadian families to fill up at the pump. That is the cost associated with moving kids around to hockey, to soccer, to school. Under the federal Liberals' new tax plan, middle-class families are just going to receive \$300 per year, and with this provincial tax, money granted under this bill will be completely swallowed up. Now, rather than feeling confident in spending, many plan on saving. After all, putting money in one pocket just to take it out of the other is certainly not what was promised in the election campaign.

The other aspect of this legislation that is truly concerning is that it seeks to make it more difficult for Canadians to save in general. It actually slashes the contribution limits for the tax-free savings account to \$5,500 from the \$10,000 that a previous Conservative government had set it at.

Many of the constituents in Milton have told me that they rely upon these savings accounts when planning for their future. In fact, there are two ways in which families in Milton are saving for their retirement and their future. One is by investing in their home. When they have their home equity built up, they utilize that in future years. They know they are saving toward a great goal.



*Government Orders*

•(1340)

The second way, of course, was through these TFSA's. The beautiful part about the TFSA is that individuals did not have to sell their homes in order to access the growth in these accounts. To someone saving for a higher education, a single couple saving to start a family, entrepreneurs saving for their businesses, parents saving for next year's hockey costs, or a low-income senior saving for retirement, the TFSA was a key tool to help them save. The Liberal tax plan will make life less affordable for Canadians and seniors who are ultimately trying to save for vulnerable years.

A recent report from the Parliamentary Budget Officer demonstrates that Canadians are taking on uncontrollable levels of debt. Canada has the highest debt in the G7, 171%, but at the same time we are taking away ways for Canadians to save their own money, and that is going to increase their exposure to becoming delinquent. The government should be encouraging responsibility in saving, regardless of how it chooses to run the nation's finances.

At a cost of \$8.9 billion over four years, the new Liberal tax plan will do virtually nothing for Ontarians. The point is that the amount of money granted under the Liberal tax plan is so small that it is not worth the cost. With low oil prices, with thousands of lost jobs across the country, Canadians cannot afford to be plunged into a greater economic uncertainty with more deficit spending, which, by the way, is borrowing. When individuals buy cars, they do not say they are going to deficit finance that car. They say they are going to borrow money for that car.

If net benefits are nebulous, as they are in this Liberal tax plan, then it is problematic. If the government cannot manage its own books, who will? At the end of the day, all Canadians will end up paying in the form of tax increases.

The Conservative government had a legacy of tax fairness and a legacy of cutting taxes. When in office, the Conservative government cut taxes over 140 times. It left government with a surplus on the books, according to Finance Canada. That surplus became a deficit pretty soon after the Liberals took power. The Liberal path of deficit spending is disconcerting. The lack of oversight demonstrated in Bill C-2 speaks to this, and for Canadians, this should be a red flag.

Three promises were made in the Liberal campaign platform. The first was that the budget would be balanced by the end of the Liberal mandate, the second was that any deficit would be moderate, and the third was that any tax plan would be revenue neutral.

Canadians took the Liberals at their word, but over 120 days, every single one of these fundamental promises has been broken and fundamentally breached. Those promises, I would submit, were absolutely made in consideration for the vote of the Canadian taxpayer. As a result, we sit in a situation now where we do not know how much the deficit will be, but we expect it will be significant.

The Liberals are not going to balance the budget at the end of their mandate. We know with great certainty that this is not a revenue-neutral tax plan, because it has been shown not to be upon admission and by Finance Canada.

As I said, for Canadians these are not only broken promises but very costly broken promises. Canadians cannot afford these changes, and when they come at the cost of growing structural long-term deficits, they should be opposed.

•(1345)

**Mr. Wayne Long (Saint John—Rothesay, Lib.):** Mr. Speaker, according to the Conservatives, it is a dream to have Canadians save. They want everybody to be able to save. However, try telling that to people in low-income areas in priority neighbourhoods. Try telling that to families that are living day to day. Try telling that to people on the street. Our homeless rates are rising. Our poverty levels are rising. Try telling that to them.

The Conservatives also talk about the Liberal shell game. A previous speech by a member of the party opposite talked about Premier Wynne and how she was using a government slush fund to pay down debt. That came from a party that took \$20 billion in EI reforms in 2010 and another \$3 billion in EI reforms from 2010 to 2015 to pay down debt, so let us not talk half-truths.

Would the member opposite not agree that only 6.7% of Canadians maximized or registered for a tax-free savings account, which does not mean it was used? Would the member not agree that doubling something like that was actually for the few and not for the many? Would the member not agree that good governments make policy for the many, policy such as the Canada child benefit or a tax break for the middle class?

That is what good government should be.

•(1350)

**Hon. Lisa Raitt:** Mr. Speaker, the hon. member and I both come from the same region of Canada. I, of course, am from Cape Breton. We cannot all be blessed: he is from Saint John, New Brunswick. However, during his earlier speech something caught my attention, some words that I do believe separate us in this House, one on this side and one on that side.

When he was talking about TFSA's, he said that having them in place would affect government revenues. I take a very different point of view. These are taxpayer dollars that people have worked for. This is what they have achieved and aspired to do. Notionally, to think of utilizing what is in people's TFSA's on a year-by-year basis is the wrong way of looking at it.

I did not make a lot of money when growing up on Cape Breton Island. I remember doing my grandmother's taxes. She made \$18,000 in 1989 and she brought us both up on that. The reality is I had dreams. I wanted to do better, and the TFSA goes with me through life. When I get to a higher salary, it allows me to shelter the money that I have worked extremely hard for so that I not only have a house I can rely upon if things go bad but I also have this tax-free savings account that is there for me to allow me to choose what to do, when I want to do it, and how I want to do it.

*Government Orders*

**Mr. Colin Carrie (Oshawa, CPC):** Mr. Speaker, I want to add to the comments made by my colleague with respect to the Liberal plan not being revenue neutral and in particular to the proposed carbon taxes the government wants to bring in.

I will quote Greg Sorbara, a former Ontario Liberal minister of finance and someone who would know a bit about this. In talking about what was done in Ontario, he stated, "Although the minister said there are no tax increases, the fact is that there's a \$1.9-billion increase, which I call a flow-through tax, that will ultimately affect consumers. Cap and trade is a system where the government sells to industry an imaginary product called carbon credits, and those industries pass the costs—\$1.9 billion, in this case—through the system, and it gives rise to higher prices at the gas pump, for gas that heats homes, and ultimately for every single product that we buy. The issue that I have with it.... I mean, it's an interesting way to raise money and say at the same time that you're not raising taxes. The issue that I have, and I'm not sure, because there's no evidence anywhere in the world that the cap and trade system actually does work to significantly reduce carbon emissions...."

My question to my colleague is this. The Liberals are addicted to all of these new taxes, and we have talked about the pension tax increases. However, what would this cap and trade plan do to the competitiveness of Canada when we are competing aggressively for new investment, especially in places like Oshawa, where I come from? What would these new taxes that are not revenue neutral do to our competitiveness internationally?

**Hon. Lisa Raitt:** Mr. Speaker, that is an excellent question. I thank the hon. member for his research on the matter.

The issue that arises with adding on all these taxes is that those who cannot afford them the most are the ones who feel them the most. It is the mother who on a Saturday morning is looking at how expensive gas is to fill up the minivan because she knows she has to get her kids to different areas in her town and she knows how much gas it will take for her to do that. It is happening in Nova Scotia, where people and senior citizens are wondering if they can fill their heating oil tank for the winter. I know they worry about global warming, but the truth is that an easier winter is something that will be easier on their pocketbooks. That is the reality. People make difficult choices with the small amount of money they have. Extra taxes on top of that seriously affect their quality of life.

**Mr. Andrew Scheer (Regina—Qu'Appelle, CPC):** Mr. Speaker, I would like to congratulate my seatmate on an excellent analysis of why Bill C-2 is so flawed and why the previous government's economic record was so good. The member has a lot of material to work with.

I am sure that members, at least on this side of the House, will be familiar with the last two "Fiscal Monitor" releases, which showed that the Conservative government left the Liberals with a surplus. At the time the Liberals took over, the Government of Canada was running a surplus. We know there will be a deficit and that this deficit will be a direct result of the choices the Liberal Party has made, and not because of anything the previous government did, because we left the books in such great shape.

The tail end of my colleague's speech centred on the tax-free savings account, and I would like to speak to that as well.

Canada used to have a lifetime capital gains exemption. I believe at the time it was phased out by a previous government, it was a \$500,000 in lifetime capital gains. It meant that any Canadian could buy and sell shares, equities, or investment real estate properties, and when they sold, a good chunk of it would be tax-free, and there were a lot of reasons for that.

There is a huge economic incentive to protect capital gains in that way, and the first aspect I would like to touch on is the idea that inflation is a tax.

When one has a capital gain, a good chunk of that notional gain is due to inflation. In other words, if I buy \$100 worth of equities today and 20 years from now they have gone up 20%, when I sell them, I have to pay taxes on that gain even though a good chunk of that has been the normal inflation that the Bank of Canada actively seeks with its mandate to achieve a 2% inflation target. Therefore, the \$120 that I sold the equities for is not really \$120, because a good chunk of the value of it has been eaten away by inflation, but I still pay the taxes as if I had the benefit of the entire 20%.

What the tax-free savings account does, of course, is protect all of the growth, both inflation and real growth, from the tax man. Therefore, if I have equities in a tax-free savings account and it does go up by 20% over a period of time, then, yes, a good chunk of that is inflation, fake growth and not real, a kind of a tax and devaluation of something that I own, but it is protected at the very least from paying taxes.

Ordinary Canadians cannot protect themselves from inflation. It is a tool of government, a tool of the Bank of Canada, and it is done for many different reasons.

There is some debate as to the benefits of having an inflation target, but nonetheless ordinary Canadians can do nothing about it. They can try to protect themselves in terms of where they put their money, they can try to find investments that offer some kind of predictable return, but they cannot control what the folks at the Bank of Canada do, and it in turn certainly cannot control the mandate it is given by the government. However, the tax-free savings account, at the very least, offered a little bit of a shelter against the negative impacts of inflation when it comes to paying taxes, as one would not have to pay tax on that fake growth.

Mr. Speaker, I see we are approaching statements by members.

• (1355)

**The Assistant Deputy Speaker (Mr. Anthony Rota):** I was just waiting to cut you off, but certainly old habits die hard. After question period, the hon. member will have six minutes and ten seconds remaining.

*Statements by Members***STATEMENTS BY MEMBERS***[English]***INDIGENOUS AFFAIRS**

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Mr. Speaker, I rise today to draw the attention of the House to the plight of the very courageous residents, the Inuit people, of the hamlet of Clyde River, who have gone to court to stop an approved project, the seismic blasting of their region for a five-year period, five months a year, with seismic guns that are 100,000 times louder than a jet engine. These will blast 24 hours a day, five months of the year, for five years.

This was approved by the previous government, but I call on the new government to honour its commitment to the United Nations Declaration on the Rights of Indigenous Peoples and accept the reality that the Inuit people of Clyde River were never consulted. They have taken this to the Supreme Court, but it is more urgent than that. Their case needs action now. Cancel the seismic permits.

\* \* \*

*[Translation]***MARC-AURÈLE-FORTIN**

**Mr. Yves Robillard (Marc-Aurèle-Fortin, Lib.):** Mr. Speaker, I would like to thank the people of Marc-Aurèle-Fortin for placing their trust in me on October 19. I would like to thank my family and friends, my volunteers, and the voters.

Marc-Aurèle-Fortin is rich in many ways, including its history, its attributes, and its people. The people of Marc-Aurèle-Fortin are good people whom I have known for more than 50 years in my time as a teacher, a public servant, and a politician, and I intend to serve them honourably over the coming years.

Marc-Aurèle-Fortin has a lot of young families putting down roots on the edge of metropolitan Montreal. They came in search of tranquility and prosperity. We also have seniors who have decided to live out their days in comfort here. Marc-Aurèle-Fortin is the past, the present, and the future.

\* \* \*

● (1400)

*[English]***YOUTH**

**Mr. Bob Saroya (Markham—Unionville, CPC):** Mr. Speaker, I rise today to acknowledge 360° kids, an important intercommunity organization in the York region.

Last week, I participated for a second time in the 360° experience, an event organized to draw awareness to youth homelessness. Alongside 35 other community leaders, including colleagues from across the aisle, we have helped raise almost \$100,000 so far.

360° kids serves over 5,000 homeless youth in the York region annually, and I can tell the House that the experience was very humbling. Walking all night in the shoes of homeless youth helps put everything else in perspective.

Thanks to the volunteers who made this event happen and to 360° kids for all their hard work toward this cause.

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**TORONTO**

**Mr. James Maloney (Etobicoke—Lakeshore, Lib.):** Mr. Speaker, I rise today as this is our first sitting day in the month of March.

We have all heard about March madness. Most people mistake this for a basketball tournament. I would invite those people to come to Toronto and join its thriving Irish community this month. The Irish community in Etobicoke—Lakeshore and Toronto is large, enthusiastic, hard-working and, frankly, a lot of fun.

During the month of March, the community seems to grow. It seems that everyone wants to be Irish. Festivities began yesterday, with the raising of the Irish flag at Toronto City Hall, which was followed by the Irish Person of the Year luncheon. Over the next 10 days, Toronto will host The Ireland Funds of Canada's annual St. Patrick's Day luncheon, which is the largest event of its kind worldwide, with over 1,250 people. This is followed by the Grand Marshal's Ball, the St. Patrick's Day Parade, and a few other events tossed in just for good measure.

If anyone really wants to see March madness, please come to Toronto during the month of March and watch us paint the town green.

\* \* \*

**BLOOD SUPPLY**

**Mr. Don Davies (Vancouver Kingsway, NDP):** Mr. Speaker, on February 18, a private, paid-donor, for-profit blood plasma collection clinic opened in Saskatoon after receiving an operating licence from the current government.

After the tragedy of the tainted blood scandal, which saw 30,000 Canadians receive diseased blood, Canada learned a clear lesson: blood is a public resource and profits must never be permitted to compete with safety. Justice Krever, commissioner for the inquiry into the tainted blood scandal, understood this. The governments of Quebec, Ontario, and Manitoba understand this today.

A prominent Canadian recently expressed it this way: "For whatever reason, it's taking...governments a long time to make up their minds. It shouldn't. The integrity of the blood supply, and our continuing resolve to keep a strong volunteer base, should make the answer simple: no to 'pay for blood or plasma'. Period." Who said this? It was former Liberal leader Bob Rae in 2014.

We urge—

**The Speaker:** Order, please.

The hon. member for North Vancouver.

*Statements by Members***SEARCH AND RESCUE AWARD**

**Mr. Jonathan Wilkinson (North Vancouver, Lib.):** Mr. Speaker, I rise today to recognize an exemplary constituent who has dedicated his life to the safety and well-being of others. North Vancouver resident David Brewer was recently awarded the National Search and Rescue Secretariat award of excellence for leadership.

In his 50 years of volunteer service, David has made an invaluable academic and operational contribution to the way communities and provinces design search and rescue programs. It is thanks to his leadership and innovation that Emergency Management British Columbia now has a nationally and internationally recognized search and rescue program. Today, it comprises 80 search and rescue groups administered by 2,500 volunteers, who respond annually in over 1,400 operations.

David's selfless work and achievements remind us that a volunteer is not just a volunteer but an indispensable resource to his or her community. Today, I ask the House to join me in thanking David and volunteers like David for their tireless work and dedication.

\* \* \*

[Translation]

**ALEX HARVEY**

**Mrs. Sylvie Boucher (Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix, CPC):** Mr. Speaker, I want to take a moment to congratulate someone from back home, cross-country skier Alex Harvey from Saint-Ferréol-les-Neiges, on his performance at the Ski Tour Canada event that took place this weekend in Quebec City. Alex Harvey won a silver medal in the freestyle sprint in the third stage, and fourth place in the 15-kilometre pursuit race.

Alex is an outstanding athlete who has led Canada to unprecedented success in the sport of cross-country skiing. We cannot underestimate the perseverance and years of hard work it takes to prepare for this level of competition. Alex Harvey is a brilliant athlete and a credit to his region. His dedication to and love of cross-country skiing make him a role model for our society and our young people. He is the pride of our region. I wish him every success for the rest of this season and in the years to come.

\* \* \*

● (1405)

[English]

**WELL WISHES**

**Mrs. Karen McCrimmon (Kanata—Carleton, Lib.):** Mr. Speaker, recently, residents across Ottawa and the national capital region were saddened to hear that Stu Schwartz, perhaps best known as Stuntman Stu, had been diagnosed with leukemia.

As a local radio host and public-address announcer at the Canadian Tire Centre, Mr. Schwartz is the voice of the Ottawa Senators in my riding of Kanata—Carleton. However, Mr. Schwartz does not just use his voice for radio and announcing Senators' goals. He is a community activist speaking out on behalf of anti-bullying campaigns and is involved in numerous charitable causes in this city, including charities that provide support for young cancer patients and their families.

I know all members will join me in thanking Mr. Schwartz for his tireless and inspirational community activism and extend our best wishes in his fight against leukemia. We are with Stu.

\* \* \*

**HOMELESS STREET CENSUS**

**Mr. Robert-Falcon Ouellette (Winnipeg Centre, Lib.):** Mr. Speaker, during the election campaign, I had the opportunity of going door-to-door in the inner city of Winnipeg, and I came across a lady by the name of Elizabeth. I asked her if she voted, and she said no she had never voted even though she was 50 years old. I took the time to say that we would see if we could get her registered. However, I discovered there were five other individuals in that house who did not have addresses. They were in fact homeless people who were staying at her place.

In Winnipeg in October, there was a homeless street census done by the Social Planning Council of Winnipeg, which found that there were 1,400 verified homeless people. However, that often did not include people like the five I found in this one house.

I would like to thank the organizations that have spent so much time trying to build up a data set that we can use now to craft great government policy.

\* \* \*

**HALIBURTON HIGHLANDS AWARDS GALA**

**Mr. Jamie Schmale (Haliburton—Kawartha Lakes—Brock, CPC):** Mr. Speaker, on Saturday, February 27, I was honoured to attend the 10th anniversary of the Business and Community Achievement Awards Gala put on by the Haliburton Highlands Chamber of Commerce.

The chamber received 94 nominations from 65 different businesses, organizations, and individuals. This speaks volumes to the hard work and excellence right across Haliburton County. I would like to congratulate all award nominees and recipients, including Joanne Barnes, who received the title of Highlander of the Year for her tireless involvement within the community. The not-for-profit that she founded, called "Fuel for Warmth", also received an award that evening.

In addition, all volunteer firefighters in Haliburton County were the recipients of this year's Warden's Award, recognizing the ongoing sacrifices and bravery the women and men demonstrate daily.

MC Mike Jaycock was given a well-deserved honorary membership to the chamber for his 10 years of hosting the gala.

Finally, a special thanks to the Haliburton Highlands Chamber of Commerce's general manager, Rosemarie Jung; and member services representative, Autumn Smith, for organizing that spectacular event.

*Statements by Members*

[Translation]

**THE HOLOCAUST**

**Mr. Anthony Housefather (Mount Royal, Lib.):** Mr. Speaker, it is rare for everyone in the House to agree on a topic. However, there is no doubt that we all agree that the Holocaust is an historic fact.

[English]

Nobody can imagine that the leader of a country would deny the Holocaust, but there is indeed one such leader, the supreme leader of Iran, Ali Khamenei. He stated, “The Holocaust is an event whose reality is uncertain and if it has happened, it’s uncertain how it has happened”.

As such, it is not a surprise, but still a disappointment, that the third international Holocaust cartoon competition will be held in Iran in June. At this deplorable event, participants are rewarded for drawing cartoons that deny the Holocaust in return for a \$50,000 cash prize. This competition is an insult to survivors of the Holocaust and to all of those who value common sense in history.

I ask my colleagues to join me in urging Iran to cancel this celebration of Holocaust denial.

\* \* \*

• (1410)

**INTERNATIONAL WOMEN'S DAY**

**Ms. Ruby Sahota (Brampton North, Lib.):** Mr. Speaker, I rise in the House today to remind everyone that tomorrow we celebrate International Women's Day. This year the theme for International Women's Day is, “Women's Empowerment Leads to Equality”.

Women who are empowered are better equipped to fulfill their potential and contribute their best to society.

I would like to take a moment to recognize my father, Mr. Harbans Singh Jandali, who empowered me throughout my life to get involved in politics and my community. Without his encouragement, I would not be standing before members in the House today.

However, it is not that long ago when I was born into an atmosphere of sorrow and gloom. Being the second daughter in my family, culturally there was not much reason to celebrate, for a daughter was not seen as holding the same importance as a male child.

My presence here today goes to show how wrong these ideas were then, and still are today. That is why I would also like to like to recognize Lohri For Her, a great organization with its grassroots in Brampton. Its message of empowerment and gender equality is helping create a new cultural trend by—

**The Speaker:** The hon. member for Milton.

\* \* \*

**RETIREMENT CONGRATULATIONS**

**Hon. Lisa Raitt (Milton, CPC):** Mr. Speaker, after having served the business community of Milton for 33 years as the executive director of the Milton Chamber of Commerce, Sandy Martin is retiring in April.

Sandy is a proud Miltonian who has watched our community grow. During that growth, she has consistently advocated that Milton maintain a business-friendly environment. Her success is evident because, in 2015, Milton took the top spot in profit.com's list of the best places for business in Canada.

Sandy has been recognized by the Rotary Foundation, the Ontario Chamber of Commerce, and has been named Milton's Citizen of the Year. In 2009, she received the Queen Elizabeth II Diamond Jubilee Medal.

Sandy leaves the chamber with a strong financial position and a capable and resilient staff.

She says the highlight of her early career was bringing the popular Milton Farmers' Market to downtown, where on a Saturday we will see 1,000 parents, kids, and dogs. Sandy Martin is an accomplished executive, a tireless community volunteer, and a devoted mother.

On behalf of all Miltonians, I give her our thanks for her service and wish her—

**The Speaker:** The hon. member for Don Valley West.

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**PHYSICIAN-ASSISTED DYING**

**Mr. Robert Oliphant (Don Valley West, Lib.):** Mr. Speaker, over the past month, I have had the honour to co-chair the special joint committee considering the question of medical assistance in dying. On February 25, we tabled a report.

Today, I want to take the opportunity to do two things.

First, I would like to draw the House's attention to the tremendous effort put in by every member of the committee, from all three parties and from the Senate. I was struck by both the compassion and intelligence that guided every member of the committee as we wrestled with the issues of life and death, living and dying, and suffering and hope. Even when there was disagreement, there was great decency and respect shown by every member of the committee.

Second, I want to encourage every member of the House to read the report, the whole report and not just the recommendations. In this way, they will, in part, share in the journey we took. I encourage them to seek out committee members to hear their experience and to discuss the report with families, friends, and constituents so they, too, may grapple with this important issue.

\* \* \*

[Translation]

**RICHELIEU-YAMASKA FADOQ REGIONAL GAMES**

**Ms. Brigitte Sansoucy (Saint-Hyacinthe—Bagot, NDP):** Mr. Speaker, the 40th annual Richelieu-Yamaska FADOQ regional games are being held from March 3 to May 19. A host of sporting, social, and cultural activities enable people 50 and over to push themselves to excel and have fun. The Richelieu-Yamaska FADOQ has more than 31,000 members across 56 clubs. More than 600 volunteers are involved in this association, a dynamic force in the Saint-Hyacinthe—Bagot community.

*Oral Questions*

I would like to acknowledge the dedication of the president, André Lussier, the executive director, Claude Leblanc, and the members of their team. In addition to advocating for seniors' rights, they also help the less fortunate and work every day on improving the quality of life of people 50 and over to ensure that this stage of life is full of health and fulfilment.

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●(1415)

*[English]***VISITORS VISAS**

**Hon. Pierre Poilievre (Carleton, CPC):** Mr. Speaker, finding someone to donate a kidney is hard, so hard in fact that 153 people died in 2012 waiting for an organ transplant. There are 4,400 Canadians waiting today.

That is why Colin Perera, who is in the late stages of kidney failure, was thrilled when his nephew from Sri Lanka offered to donate his. Imagine Colin's heartbreak when the nephew was denied a visitor's visa to come here for the operation. Colin was so devastated that he told his doctors to take him off painful dialysis and let him die peacefully.

He was sent to my office instead, and I asked the Minister of Immigration for a special permit. The minister's office provided top-notch treatment and quickly agreed. The surgery is scheduled for next month.

On behalf of a thrilled Colin Perera and all of his family, I thank the brilliant staff in both the minister's office and mine for helping to save this man.

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**THE ENVIRONMENT**

**Ms. Joyce Murray (Vancouver Quadra, Lib.):** Mr. Speaker, inspired, empowered, and connected is what happens when leaders come together to share winning strategies to ignite innovation and accelerate the shift to a low carbon economy.

I am referring to the GLOBE 2016 Conference & Innovation Expo in Vancouver last week. I had the pleasure of attending its launch, where our Prime Minister confirmed our government's commitment to real action on climate change based on collaboration.

At 25-years-old, GLOBE is North America's largest and longest running clean tech conference series and an important catalyst for generating solutions. I am happy to report the events last week built on that tradition. The best and brightest of the international sustainable business community shared ideas with thought leaders, policy-makers, and practitioners. The conference events and side events were dynamic, and visitors swarmed the expo's array of novel clean tech solutions.

Our beautiful city of Vancouver is a natural home for GLOBE, which in turn has helped make our city a leading help for the clean tech sector. Now that is inspiring.

**ORAL QUESTIONS***[English]***VETERANS AFFAIRS**

**Hon. Rona Ambrose (Leader of the Opposition, CPC):** Mr. Speaker, over 40,000 Canadians served our nation during the Afghanistan mission and 158 of those gave their lives. This was Canada's longest war, and it is the war of our generation. Yet the Prime Minister is considering cancelling the Afghanistan memorial. He already cancelled the war memorial program for small communities.

Canadians want to remember and they want to honour our heroes. Why is the Prime Minister denying proper memorials for those who served and, in some cases, gave their lives?

**Hon. Kent Hehr (Minister of Veterans Affairs and Associate Minister of National Defence, Lib.):** Mr. Speaker, it is very important to honour the men and women who served in Afghanistan. In 2014, a motion for a memorial to this mission received unanimous support in the House. Also, the dates of the mission were inscribed on the National War Memorial.

Veterans Affairs is working closely with Canadian Heritage to advance this initiative. More information regarding the project will be available in the coming months.

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**NATURAL RESOURCES**

**Hon. Rona Ambrose (Leader of the Opposition, CPC):** Mr. Speaker, the Center for American Progress is actually a front for anti-Canadian energy activists who want to shut down Canadian jobs. In fact, they insulted Canadian energy workers by calling their jobs "dirty business" and they were instrumental in Obama's rejection of the Keystone pipeline. Their goal is clear: to shut down Canada's energy industry, and yet this week our Prime Minister is their guest of honour.

Why is the Prime Minister aligning himself with an American organization that wants to kill Canadian jobs?

**Hon. Catherine McKenna (Minister of Environment and Climate Change, Lib.):** Mr. Speaker, unlike the party opposite, we understand that the environment and the economy go together. I was very pleased to see the Prime Minister with all the provinces and territories making exactly that case, coming together to tackle climate change. We will also be working with the United States to tackle climate change, because that is the right thing to do.

### THE ECONOMY

**Hon. Rona Ambrose (Leader of the Opposition, CPC):** Mr. Speaker, while the Prime Minister is in Washington hanging around with anti-Canadian activists, it is now obvious that back here at home his budget promises will not actually help working people. The latest evidence comes from TD Bank economists. According to TD, the Liberals will completely miss their balanced budget target, adding \$150 billion in borrowed money, and yet that will have a very small impact on Canadian economic growth.

When will the Prime Minister admit that his reckless borrowing and spending will not actually result in growth; it will only result in higher taxes and larger government?

• (1420)

**Hon. Scott Brison (President of the Treasury Board, Lib.):** Mr. Speaker, the Conservatives added \$150 billion to Canada's national debt and they failed to create growth with that spending. That is because they spent money on fake lakes, on partisan advertising, and on gazebos, none of which create growth.

Our government will invest strategically in infrastructure, skills, and jobs and growth. In today's slow growth economy, it is not the time to cut ideologically; it is the time to invest strategically. That is exactly what we are going to do.

\* \* \*

### NATURAL RESOURCES

**Hon. Denis Lebel (Lac-Saint-Jean, CPC):** Mr. Speaker, we had the biggest growth in the G7 and the country was in a surplus in November. We will see how the Liberals manage the economy.

[*Translation*]

We have learned that during the Prime Minister's visit to the United States, he will be meeting with a group that opposes oil sands development, which creates a lot of jobs here.

The Center for American Progress, a group that prides itself on opposing development of this natural resource, is against Canadians who depend on oil sands development. Many Canadian families depend on that money coming in.

Will the Prime Minister explain to Canadians why he is against Canadian jobs?

**Hon. Catherine McKenna (Minister of Environment and Climate Change, Lib.):** Mr. Speaker, we believe that the environment and the economy go hand in hand.

That is why we were in Vancouver, where the Prime Minister met with all of the provincial and territorial premiers. They drafted an ambitious plan to tackle climate change. I was at the GLOBE summit, where I met with industry representatives, including some from the energy industries. We will work together to prove that the environment and the economy go hand in hand.

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### FINANCE

**Hon. Denis Lebel (Lac-Saint-Jean, CPC):** Mr. Speaker, our government always worked to ally the economy and the environment, but not by creating a \$150-billion deficit. That is not the way.

### Oral Questions

TD Bank reports that this government's deficit for the next four years will exceed \$150 billion. That makes no sense. We know that today's deficits are tomorrow's taxes, which will be paid by our children and grandchildren.

How are they going to explain that to future generations?

**Hon. Scott Brison (President of the Treasury Board, Lib.):** Mr. Speaker, we inherited a deficit from the Conservatives, and economic growth is weak. That is why it is up to us to invest in job creation and economic growth. That is exactly what we are going to do in the budget.

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### EMPLOYMENT INSURANCE

**Hon. Thomas Mulcair (Outremont, NDP):** Mr. Speaker, members will be voting today on our motion to improve access to employment insurance. These are exactly the same proposals that the Liberals supported when they were in opposition. They even denounced the Conservatives' reform, especially in New Brunswick.

Now that they are in power, the Liberals have broken yet another promise, even though job losses are mounting and action is urgently needed.

Why will the Liberals not support the thousands of Canadian workers who need it most?

[*English*]

**Hon. MaryAnn Mihychuk (Minister of Employment, Workforce Development and Labour, Lib.):** Mr. Speaker, I want to assure the member across the way, and all Canadians, that we are working very hard to reform an EI system that was modified with a meanspirited purpose, a second purpose to help, clearly, businesses rather than workers.

It is time we renewed EI, and we are going to be bringing in a modernized system very shortly.

**Hon. Thomas Mulcair (Outremont, NDP):** Mr. Speaker, we are going to get to do that today, if they vote with us. We will see how that goes.

In opposition, the Liberals voted for increasing EI access, 360 hours as the norm across the country, and they were going to repeal the Conservative reforms. During the campaign, they swore they would protect the money workers paid into EI; and that is important because the last time the Liberals were in power, they stole \$54 billion from workers and spent it on corporate tax giveaways.

Why are the Liberals now voting against a motion that would do just that, protect the EI fund? Is it because they plan on stealing workers' money again?

*Oral Questions*

●(1425)

**Hon. MaryAnn Mihychuk (Minister of Employment, Workforce Development and Labour, Lib.):** Mr. Speaker, clearly, the goal of the system is to hear from Canadians, allow time to look at the changes that are necessary, and fulfill our election platform commitments.

That is exactly what we intend to do.

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**FORESTRY INDUSTRY**

**Hon. Thomas Mulcair (Outremont, NDP):** Mr. Speaker, the three elements of today's motion are directly in their campaign proposals. Will they vote with us, yes or no? That is what Canadians will find out today.

[Translation]

The softwood lumber agreement is about to expire. The industry and forestry workers are worried that the Americans are going to once again reduce imports into the U.S. Things have evolved since the botched agreement in 2006. For example, Quebec has revised its forestry regime, thereby responding to American claims of unfair competition.

During his trip to Washington, will the Prime Minister stand up for our forestry industry for once?

**Mr. David Lametti (Parliamentary Secretary to the Minister of International Trade, Lib.):** Mr. Speaker, I thank the hon. member for Outremont for his question.

The softwood lumber issue is an absolute priority for our government. We are working constructively with our American and Canadian partners to come up with a solution that works for everyone. We remain committed to ensuring that Canada's softwood lumber industry has stable access to the American market.

\* \* \*

**THE ENVIRONMENT**

**Hon. Thomas Mulcair (Outremont, NDP):** Mr. Speaker, here is a solution for the future: say no when the Americans try to impose new requirements that hurt our forestry industry. That is the problem.

[English]

After promising to establish a national climate strategy 90 days after the Paris conference, last week's first ministers meeting on climate change simply managed to produce more meetings. All Canada has is the old Conservative timelines, the old Conservative targets, and no plan to even reach those.

Does the Prime Minister believe that this satisfies the commitment he made in Paris? How proud is he to bring the Conservative climate strategy to Washington—

**The Speaker:** The hon. Minister of the Environment.

**Hon. Catherine McKenna (Minister of Environment and Climate Change, Lib.):** Mr. Speaker, we are thrilled by the agreement that was reached with the provinces and territories in Vancouver.

For the first time in our history, we have all the provinces and territories on board to take action against climate change, to meet our international obligations and recognize the importance of putting carbon pricing mechanisms.

This is a real step. We are now entering into a work group process where, at the end of six months, we will be able to show real actions that we are taking.

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**FINANCE**

**Hon. Lisa Raitt (Milton, CPC):** Mr. Speaker, less than two weeks ago, the Minister of Finance announced the Liberals would run a larger than expected deficit for the next two years, even before they add in the billions of dollars involved in spending on their new pet projects.

Last week was a break week, when no doubt he would have heard from Canadians who are very concerned about the plan.

Will the Minister of Finance listen to Canadians and reconsider his plan for massive increased spending, higher taxes, and a commitment to long-term deficits?

**Mr. François-Philippe Champagne (Parliamentary Secretary to the Minister of Finance, Lib.):** Mr. Speaker, let me be clear. We will take no lessons from the Conservatives when it comes to the deficit.

We already started in December with our plan for the middle class. We cut the tax to middle-class families in December.

We will continue, in our next budget, helping Canadian families with our Canada child benefit, which will help nine families out of 10 and lift hundreds of thousands of kids out of poverty. We will make historic investments in our infrastructure.

That is the way to grow the economy. The Conservatives should listen to us and look at what Canadians decided on October 19.

**Hon. Lisa Raitt (Milton, CPC):** Mr. Speaker, there is one lesson I wish they had learned from us, the previous Conservative government, on deficits, and that is how to eliminate the deficit.

Last week, StatsCan confirmed that we are not in a recession, and indeed, Canadians are left asking why the Minister of Finance is hell bent on acting as if we are in a recession.

Maybe the Minister of Finance can confirm for us that we are not in a recession; or does he have the same lack of confidence in StatsCan officials that he does in finance officials?

●(1430)

**Mr. François-Philippe Champagne (Parliamentary Secretary to the Minister of Finance, Lib.):** Mr. Speaker, we will take no lessons from the Conservatives when it comes to the deficit.

Let there be no mistake, the Conservatives left us with a deficit. The only ones who do not understand that are the members opposite —

**The Speaker:** Order, please. Order, please. We do not need any counting. Colleagues, let us pay attention to what people are saying. Let us not draw attention to personal attributes or characteristics. Let us focus on the content.



*Oral Questions*

The hon. parliamentary secretary has the floor.

**Mr. François-Philippe Champagne:** Mr. Speaker, I was saying to the member opposite that we will make historic investments to grow the economy. That is what Canadians chose on October 19.

Let me be clear. We will be making investments that are responsible, we will continue to reduce our debt-to-GDP ratio, and we will still have the objective of balancing the budget.

That is what Canadians expect from us, and that is what we will deliver.

\* \* \*

[Translation]

**SMALL BUSINESS**

**Mr. Gérard Deltell (Louis-Saint-Laurent, CPC):** Mr. Speaker, the Conservatives believe that the real job and wealth creators are our SMEs. We respect them and hold them in high esteem.

In fact, the Conservative government reduced the burdens shouldered by SMEs on several occasions. Take, for example, the employment insurance burden. We wanted to lower premiums to \$2.09 per \$100 in wages, but the current government wants to keep them at \$2.31.

The question is simple. Will the government promise not to increase the burden on our job and wealth creators, our SMEs?

[English]

**Hon. Bardish Chagger (Minister of Small Business and Tourism, Lib.):** Mr. Speaker, this government ran on a platform. We committed to work with small and medium-sized businesses, and we committed to reduce the administrative burden as well as the tax burden on small and medium-sized businesses, and that is exactly what we will do.

I know the members opposite are excited to see the budget that we will be introducing on March 22. They should stay tuned. It is coming. We look forward to working with members, Canadians, and small and medium-sized businesses.

[Translation]

**Mr. Gérard Deltell (Louis-Saint-Laurent, CPC):** Mr. Speaker, my colleague said “stay tuned”, but the problem is that the Prime Minister, the government leader, did not show much respect for SMEs during the election campaign.

He said that “a large percentage of small businesses are actually just ways for wealthier Canadians to save on their taxes”.

That is disrespectful to SMEs.

Will the government commit to helping our SMEs, rather than treating them with disdain, as the Prime Minister did during the election campaign?

[English]

**Hon. Bardish Chagger (Minister of Small Business and Tourism, Lib.):** Mr. Speaker, I again thank the member for the question.

I appreciate the opportunity to rise in this House to remind Canadians that we made a commitment to lower the tax burden on

small and medium-sized businesses, and that is exactly what we will do.

We know that members opposite are very good at picking apart words and misinforming Canadians. That is something we will not do, because we are committed to working with Canadians, and we are consulting with small and medium-sized businesses and entrepreneurs, because we know that is how we will grow the economy.

\* \* \*

**TAXATION**

**Hon. Pierre Poilievre (Carleton, CPC):** Mr. Speaker, those very entrepreneurs the Liberals are consulting with will agree that stock options are one of the greatest financial innovations to attract the brightest young people here in Canada.

Young superstar engineers, code writers, and IT pros accept lower pay today in exchange for a share of growth in the company tomorrow. The government's plan to double taxes on stock options will basically put them out of business altogether.

Will the government rise today and announce that it will cancel this job-killing tax increase and keep our brightest innovators right here in Canada?

**Hon. Navdeep Bains (Minister of Innovation, Science and Economic Development, Lib.):** Mr. Speaker, the member opposite has raised this question before. I have told him that we are engaged with small and medium-sized enterprises and with the business community because they understand, not only when it comes to stock options, but overall they are very fond and very supportive of our innovation agenda, which is an agenda that makes us more competitive and productive. We are helping small businesses scale up and grow. We are helping them compete globally.

We have a plan. We will execute that plan and make sure we create an environment for businesses to succeed.

● (1435)

**Hon. Pierre Poilievre (Carleton, CPC):** Mr. Speaker, the environment of higher taxes on stock options will not allow them to succeed.

There is also a financial problem here. The government says it wants to treat gains from stock options as regular T4 income, but that, of course, would allow corporations to write it off and in fact render the entire change revenue negative.

I wonder if the government could stand today and tell the House whether finance officials have briefed the Minister of Finance on the financial implications of this tax increase.

**Mr. François-Philippe Champagne (Parliamentary Secretary to the Minister of Finance, Lib.):** Mr. Speaker, I thank the hon. member for his question.

We obviously see stock options as a legitimate and valued form of compensation in our country, and we want to ensure that innovators and start-ups can grow in Canada.

*Oral Questions*

As we work on budget 2016, we have been hearing from Canadians across the country, including from the innovation and technology sector. Those concerns and issues have been heard and will be considered as we work on budget 2016.

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**INTERNATIONAL TRADE**

**Ms. Tracey Ramsey (Essex, NDP):** Mr. Speaker, the Prime Minister promised to be open and transparent on trade deals, but his government's approach is anything but open. Canadians are concerned about CETA and the TPP. Investor state provisions will have big implications for Canadians, affecting everything from environmental protection and labour rights to drug costs.

Before the election, Liberals demanded the government consult Canadians and produce a cost-benefit analysis of trade deals. Now that they are in government, where is the TPP analysis and where is the consultation with Canadians?

**Mr. David Lametti (Parliamentary Secretary to the Minister of International Trade, Lib.):** Mr. Speaker, I thank the hon. member for her question as well as for her work on this file.

We committed, during the election campaign, to have a transparent and open examination of the TPP and the provisions within it, which we are undertaking. There will be a vote in Parliament on that treaty when the time comes. It is being studied, and we are working with every available method of examining the treaty, including examining the impact.

[*Translation*]

**Ms. Ruth Ellen Brosseau (Berthier—Maskinongé, NDP):** Mr. Speaker, last week, the government announced that Canada and the European Union had made changes to the investment chapter of the free trade agreement. However, we still have a lot of questions.

We still do not know how this agreement will affect our environmental laws or whether the provinces and municipalities will have to pay in the event of legal action.

Can the minister explain how these changes will protect our environmental laws from being challenged?

[*English*]

**Hon. Catherine McKenna (Minister of Environment and Climate Change, Lib.):** Mr. Speaker, we were very pleased to finish the legal scrub of the CETA deal. We believe that the environment and the economy go together. We believe in the importance of trade deals. We also believe in the importance of environmental protections. CETA is a very good example of that, how we can protect the environment and also grow our economy.

\* \* \*

[*Translation*]

**VETERANS AFFAIRS**

**Mr. Alupa Clarke (Beauport—Limoilou, CPC):** Mr. Speaker, 40,000 brave Canadian soldiers served in the war in Afghanistan. One hundred and fifty-eight of them gave their lives and many others were physically or psychologically wounded.

The former Conservative government announced a national memorial for these veterans, as well as a second memorial for the

soldiers who were awarded the Victoria Cross. These plans are now obviously in limbo.

Will this government finally honour our veterans by committing today to follow through with building these two memorials?

[*English*]

**Hon. Kent Hehr (Minister of Veterans Affairs and Associate Minister of National Defence, Lib.):** Mr. Speaker, I will point out that the former government announced this project, not only once but twice, and failed to get it done in its 10 years in government.

In our work with Canadian Heritage, we will continue to work closely with the men and women involved in both that theatre and otherwise to move forward on this project in a timely manner.

**Mr. Alupa Clarke (Beauport—Limoilou, CPC):** Mr. Speaker, I have had enough. This House has been sitting for four months already, yet the minister has not been able to give me one real answer regarding the veterans.

We are talking about memorials for veterans. Will the Liberals honour our commitment to the Afghanistan memorial in the upcoming budget, yes or no?

• (1440)

**Hon. Kent Hehr (Minister of Veterans Affairs and Associate Minister of National Defence, Lib.):** Mr. Speaker, the Conservative government demonstrated its commitment to recognizing the sacrifices of our Canadian Armed Forces by closing nine Veterans Affairs offices and by cutting 800 front-line workers.

We will treat our veterans with care, compassion, and respect. As well, we will take their commemoration forward in a dignified fashion.

**Mr. James Bezan (Selkirk—Interlake—Eastman, CPC):** Mr. Speaker, the minister is waffling. Over 40,000 members of the Canadian Armed Forces have served in Afghanistan, fighting terrorism and barbarism. There were 158 Canadians who made the ultimate sacrifice in their service to Canada. The Afghanistan mission was started under a Liberal government, and it was the longest appointment of the Canadian Armed Forces in history.

Canada has a proud military history, which includes the war in Afghanistan. Why is the Liberal government dishonouring our Afghanistan veterans and cancelling the national memorial to Canada's mission in Afghanistan?

*Oral Questions*

**Hon. Kent Hehr (Minister of Veterans Affairs and Associate Minister of National Defence, Lib.):** Mr. Speaker, I could not agree more with the member that we do have a duty to honour and respect those men and women who have served in Afghanistan. This government understands the importance of commemoration, whether through Vimy Ridge, World War II, our peacekeepers, and also Afghanistan. We will be working closely with those men and women who have served, as well as with the organizations who want to see this project go forward.

I ask the member to give us time. His government could not get it done in 10 years. However, we will get it done.

[Translation]

**Mr. Pierre Paul-Hus (Charlesbourg—Haute-Saint-Charles, CPC):** Mr. Speaker, the soldiers who sacrificed their lives to defend our country are honoured on Remembrance Day. This commemoration is essential to honour the memory of those who perished and to remember the veterans who survived.

Why is the government cancelling the plan to pay tribute to veterans? What consultations did it hold with veterans before making this decision?

[English]

**Hon. Kent Hehr (Minister of Veterans Affairs and Associate Minister of National Defence, Lib.):** Mr. Speaker, I have been clear. This government understands the importance of commemoration and recognizing the men and women who have served in our armed forces. We will treat them with care, compassion and respect, not only getting them the services they need but also the commemoration they deserve. We will not continue with the Fantino follies of the last 10 years and will do things better on this side of the House.

\* \* \*

**INDIGENOUS AFFAIRS**

**Ms. Georgina Jolibois (Desnethé—Missinippi—Churchill River, NDP):** Mr. Speaker, six weeks after my community of La Loche experienced a profoundly painful tragedy, we do not have the mental health support we need to deal with the crisis in our community. Many people are showing signs of PTSD, but literally have no one to turn to for help. Will the Minister of Health send help to La Loche immediately, and urgently invest in culturally sensitive mental health services for communities in northern Saskatchewan?

**Hon. Jane Philpott (Minister of Health, Lib.):** Mr. Speaker, as the member opposite knows, I travelled to the community of La Loche, along with our Prime Minister, to pay our respects and condolences to the families who experienced this horrific tragedy. I am concerned, as the member is, about the mental health of the folks in that community who have suffered so much. That is why I have worked with my officials in Health Canada and with the first nations and Inuit health branch.

I received a letter from the member opposite last week; I returned a letter to her today. I will continue to work with her to address these needs.

**Ms. Niki Ashton (Churchill—Keewatinook Aski, NDP):** Mr. Speaker, Pimicikamak Cree nation in northern Manitoba is suffering through a suicide epidemic. Five people have taken their lives, and

as many as 18 suicide attempts have taken place in the last number of weeks. This did not just happen. As 17-year-old Amber Muskego said, there is nothing for young people to do in her community. This is the face of crushing poverty and growing inequality in Canada, and that is why first nations are asking for support in terms of education, recreation, and jobs.

Will the government listen to Amber and step up to support young people in Pimicikamak and first nations across the country?

**Hon. Carolyn Bennett (Minister of Indigenous and Northern Affairs, Lib.):** Mr. Speaker, I thank the member for her question and for her ongoing advocacy.

The hope in these communities is essential to wanting to go on and live, and seeing oneself contributing in society. We are committed to making investments in education and in the social infrastructure that will allow those young people to have hope. We thank the member for her collaboration in this.

\* \* \*

● (1445)

[Translation]

**DEMOCRATIC REFORM**

**Mr. Pierre Breton (Shefford, Lib.):** Mr. Speaker, since being elected, I have met many incredible people and groups in my riding. I think that the people in my riding should have more access to their MPs and that it is too bad that we sometimes have to refuse, cancel, or put off such meetings.

Can the Leader of the Government in the House of Commons explain to the House how the work he is doing to improve work-life balance in Parliament will also help the people in my riding?

**Hon. Dominic LeBlanc (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I thank my colleague from Shefford for his question.

We recognize the importance of modernizing our institutions and making them accessible to everyone, including people with children. We must also provide people with better access to their MPs. They should not have to wait, as my colleague said, sometimes more than a month to meet us in our constituency offices. Our constituents know the important work we have to do within our communities, and it is time that our institutions reflected that.

\* \* \*

[English]

**IMMIGRATION, REFUGEES AND CITIZENSHIP**

**Hon. Michelle Rempel (Calgary Nose Hill, CPC):** Mr. Speaker, the live-in caregiver program immigration stream provides vital support for families who are looking after loved ones with physical or mental disabilities. Can the minister assure the House that when he finally tables the long-overdue immigration levels report, that there will not be cuts to spots available in the live-in caregiver program?

*Oral Questions*

**Hon. John McCallum (Minister of Immigration, Refugees and Citizenship, Lib.):** Mr. Speaker, I can assure my colleague that the caregiver program, as it is now called because the people are no longer obliged to live in, is an integral part of our immigration program. It provides extensive and much-needed care, not only for seniors but also for young children. The House can be assured that this program will remain an important part of what we do in terms of immigration.

**Hon. Michelle Rempel (Calgary Nose Hill, CPC):** I will take that as a “quite possibly”, Mr. Speaker.

Immigration, via the federal skilled worker program, has long helped to build and strengthen the Canadian economy. With an aging workforce and major infrastructure projects on the line, provinces and territories and job-creating companies have been left waiting to hear from the government on its overdue immigration levels report so that it can plan for the future of our economy.

Can the minister assure the House that when he finally tables this report, which is long overdue, that there will not be cuts to spots in the federal skilled worker program?

**Hon. John McCallum (Minister of Immigration, Refugees and Citizenship, Lib.):** Mr. Speaker, the member might understand that the reason the report is a little late is because something called an election happened. That caused the delay. I can assure the House that this report will be tabled within the prescribed time.

While I cannot comment on the numbers yet, the report will produce a large number of additional refugees—I think we all know that—but it will also do justice to caregivers, to economic immigrants, and to the family class, all of which need our support.

**Hon. Peter Van Loan (York—Simcoe, CPC):** Mr. Speaker, the Minister of Immigration says that the Liberals need to change the citizenship guide because it is a bit heavy on the War of 1812. Less than one page out of the 68-page book is dedicated to this nation-building event that ensured Canada's continued existence.

Do the Liberals oppose letting new Canadians know that English, French, and first nations people can work together effectively? Do they oppose letting Canadians know that when we fight, even against the odds, we win? Why the Liberal war on history?

**Hon. John McCallum (Minister of Immigration, Refugees and Citizenship, Lib.):** Mr. Speaker, it is a bit much. It leaves me a little speechless.

We are not conducting a war on history. We may put in a little less than is the Conservative vision of history, but we are a party of history. We are a party of evidence, a party of science, and one of the worst things that party did was to abolish the long-form census. I think its view of history is in the same pattern.

**Hon. Peter Van Loan (York—Simcoe, CPC):** Mr. Speaker, the Prime Minister said Americans should know more about the rest of the world, but he wants Canadians to know less about their own country. Now, thanks to the citizenship guide, new Canadians do know the history of their country. They even know the difference between the great Canadian victory at Vimy Ridge and the craven Vichy regime in France.

Why does the Minister of Immigration want to reduce the historical literacy of new Canadians? Just because he does not value

Canadian history does not mean that we should leave new Canadians in the dark about their country. Why the Liberal war on history?

• (1450)

**Hon. John McCallum (Minister of Immigration, Refugees and Citizenship, Lib.):** Mr. Speaker, I would suggest to the hon. member that the Liberals have a great appreciation of history. He says I do not know history. I do have a Ph.D. in the economic history of Canada, so I think I know a little bit.

We are in the process of revising this document to make it a little less political. However, in the end result, there will be a lot of history in there.

\* \* \*

[Translation]

**FORESTRY INDUSTRY**

**Ms. Karine Trudel (Jonquière, NDP):** Mr. Speaker, the forestry industry employs more than 60,000 workers in Quebec, including 5,000 in Saguenay—Lac-Saint-Jean.

After many difficult years, the softwood lumber sector is again gripped by uncertainty with the expiry of the agreement. We still do not know what position the government will take in its new negotiations with the U.S. Quebec has its own forestry regime, and it must be recognized.

Can the minister tell us what this government will put on the table in order to reach an agreement that will benefit all Canadian industries?

**Mr. David Lametti (Parliamentary Secretary to the Minister of International Trade, Lib.):** Mr. Speaker, I would like to thank the hon. member for her very important question.

This is an absolute priority for our government. What we want is stable, fair, and equitable access to the U.S. market for the softwood lumber industry in Quebec and the rest of Canada. That is exactly what we are going to achieve by using every means at our disposal.

[English]

**Mr. Richard Cannings (South Okanagan—West Kootenay, NDP):** Mr. Speaker, the Prime Minister's trip to Washington is about more than cocktail parties and magazine spreads. The softwood lumber issue is important to Canadian industry from coast to coast, and workers are worried about how the new agreement will affect their livelihoods.

Softwood lumber is again open to negotiation, and our industry is vulnerable. Will the Prime Minister stand up for Canadians and refuse to grant concessions on softwood lumber?

**Mr. David Lametti (Parliamentary Secretary to the Minister of International Trade, Lib.):** Mr. Speaker, again, it is a very important issue for Canadians. It is an important industry. It is a very complex industry across the country. We are well aware of the complexity. We are going to ensure that we have stable, fair, and equitable access to the American market. We will use all means at our disposal, and we will get it done.

*Oral Questions***NATURAL RESOURCES**

**Mr. John Barlow (Foothills, CPC):** Mr. Speaker, the Prime Minister is going to Washington this week to meet with groups that are openly anti-oil sands and anti-Canadian jobs. When NDP members met in Washington to lobby against Canadian jobs, Canadians were appalled, but now the Prime Minister is doing it.

There are thousands of Canadians across this country who are out of work. Why is the Prime Minister wining and dining with people who hate Canada's energy sector instead of being in Washington lobbying for Canadian jobs and lobbying for the Canadian energy sector that will impact our Canadian economy?

**Ms. Kim Rudd (Parliamentary Secretary to the Minister of Natural Resources, Lib.):** Mr. Speaker, unlike the previous government we believe in meeting with all voices around the energy sector.

In 2012, the previous government stated that environmental groups threaten to hijack our regulatory system to achieve their radical ideological agenda. That is not exactly helpful language to build bridges and find common ground.

\* \* \*

**FORESTRY INDUSTRY**

**Mr. Todd Doherty (Cariboo—Prince George, CPC):** Mr. Speaker, the expired Canada-U.S. softwood lumber agreement negotiated under our previous Conservative government put an end to one of the longest and costliest trade disputes between Canada and the U.S. and ensured that 145,000 forestry jobs were protected in B.C. alone.

Why does the Prime Minister think that the U.S. will take him seriously when he is more focused on his outfit for the state dinner than securing a new softwood lumber agreement?

● (1455)

**Mr. David Lametti (Parliamentary Secretary to the Minister of International Trade, Lib.):** Mr. Speaker, it bears repeating that resolving the softwood lumber issue is an absolute priority for this government, for our Prime Minister, and for our Minister of International Trade. We have consulted. We are working with our partners to find a constructive solution moving forward with our partners both in the United States and in Canada. We will ensure that this is done.

**Mr. Todd Doherty (Cariboo—Prince George, CPC):** Mr. Speaker, the priority seems to be more on what the Prime Minister is wearing or who he is wearing it with than actually getting an agreement done.

This week the Prime Minister is going on bended knee to Washington and once again he has failed to renegotiate one of the most important trade agreements between our two countries.

Instead of pandering to anti-Canadian lobbyists and abandoning yet another resource industry, when is the Prime Minister going to start fighting for Canadian jobs and bring home a balanced softwood lumber agreement?

**Mr. David Lametti (Parliamentary Secretary to the Minister of International Trade, Lib.):** Mr. Speaker, I thank the hon. member for the same question again.

Since this government took over on October 19, the Prime Minister and the Minister of International Trade have used every single opportunity they have had to consult with our American partners and to consult with Canadians. We are moving forward in a constructive manner. That is the best way to get it done and that is how we will get it done.

\* \* \*

**FOREIGN AFFAIRS**

**Mr. Ahmed Hussen (York South—Weston, Lib.):** Mr. Speaker, the sixth meeting of the Somalia High Level Partnership Forum was recently held in Istanbul, Turkey. The meeting was attended by 46 countries, including Canada. With the end of the terms of the federal government and parliament in Somalia, 2016 is a decisive year for Somalia.

Could the Minister of Foreign Affairs update the House on this important meeting and Canada's contribution to the international community's effort to support a more democratic, secure, and prosperous future for the people of Somalia?

**Hon. Stéphane Dion (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I am honoured to answer the first question ever asked in the House on Somalia by a member of Parliament of Somalian origin.

This year will be crucial for Somalia. It will have a constitutional review, the implementation of a federal structure, and national elections. This would be a challenging agenda for any country, including Canada. Canada will be there with Somalia this year and for the long term.

\* \* \*

**PUBLIC SAFETY**

**Hon. Peter Kent (Thornhill, CPC):** Mr. Speaker, Mohammed Khalifeh, editor-in-chief of *Al Forqan* newspaper in Windsor, Ontario, was recently hired as a life-skills coach for, among others, Syrian refugees arriving in Canada.

B'nai Brith, Canada's oldest Jewish human rights organization, has accused *Al Forqan* and its editor of directly contributing to the radicalization of Canadian youth by glamorizing murderous attacks on civilians in Israel as a sacred religious duty.

Where is the federal oversight to prevent this sort of anti-Semitic, indeed terrorist, indoctrination of new Canadians?

**Hon. Ralph Goodale (Minister of Public Safety and Emergency Preparedness, Lib.):** Mr. Speaker, we indicated in the election platform, and it is in my mandate letter, that we will work with provinces, communities, and organizations across the country to develop a new system of community outreach and effective counter-radicalization initiatives in order to make sure that we build strong individuals in strong communities, defending the very best of Canadian values.

We will move on that expeditiously.

*Oral Questions*

[Translation]

**CBC/RADIO-CANADA**

**Mr. Pierre Nantel (Longueuil—Saint-Hubert, NDP):** Mr. Speaker, last year, 25,000 people marched for Radio-Canada. The Liberals were there with their wonderful promises, but today, under those same Liberals, the Maison de Radio-Canada is up for sale.

Once again, the minister will tell us that Radio-Canada is independent, although that is not the issue, and that she wants to hold consultations. It will be too late. The Maison belongs to the people, to everyone. It is part of the history of Montreal, and they are going to turn their backs on a whole neighbourhood.

Can the minister call for a moratorium on the sale until all the options have been reviewed and made public?

**Hon. Mélanie Joly (Minister of Canadian Heritage, Lib.):** Mr. Speaker, I thank my colleague for his question.

We recognize that the Maison de Radio-Canada is an important symbol. As a member and a minister from the Montreal region, I certainly want to make sure that Radio-Canada management holds proper consultations that include Montreal elected officials as well as the employees and the unions. The most important thing, considering the poor condition of the Maison de Radio-Canada, is to ensure that Radio-Canada and CBC employees have access to a modern workplace that meets their needs—

• (1500)

**The Speaker:** The hon. member for Sackville—Preston—Chezzetcook.

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**THE FRANCOPHONIE**

**Mr. Darrell Samson (Sackville—Preston—Chezzetcook, Lib.):** Mr. Speaker, March 3, 2016, marked the launch of this year's Rendez-vous de la Francophonie all across Canada. This annual event showcases more than 2,300 activities to honour the French language and culture. Last week I took part in events at Acadian schools in Nova Scotia.

I wonder if the Minister of Heritage could tell us more about the Rendez-vous de la Francophonie.

**Hon. Mélanie Joly (Minister of Canadian Heritage, Lib.):** Mr. Speaker, I thank the member for his question.

The official kick-off for Rendez-vous de la Francophonie was held last week. It is truly a unique opportunity to celebrate the Francophonie all across Canada. Activities will be taking place from March 3 to March 23 from coast to coast to celebrate all francophones, Quebecers, Acadians, and francophiles, not to mention the “franco-curious”, as the member for Edmonton Centre put it so well.

The Department of Canadian Heritage will be supporting Rendez-vous de la Francophonie with funding of \$2.8 million over the next three years.

[English]

**FOREIGN AFFAIRS**

**Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Mr. Speaker, later today, members of Parliament, the Pakistani community, and the Bhatti family will gather here to honour the life and legacy of Shahbaz Bhatti, a Pakistani federal minister who was assassinated for his advocacy on behalf of Pakistan's minorities.

Shahbaz was the inspiration for the Office of Religious Freedom, and the Bhatti family have been clear in their support for it.

Will the government give them good news today and commit to keeping this office open after March 31?

**Hon. Stéphane Dion (Minister of Foreign Affairs, Lib.):** Mr. Speaker, whatever structure will be put in place, it will be to strengthen the protection of religious minorities around the world, as the one my hon. colleague mentioned.

We have only one goal here, to be sure that freedom of religion will be highly protected and a priority for Canada.

\* \* \*

[Translation]

**FORESTRY INDUSTRY**

**Mr. Rhéal Fortin (Rivière-du-Nord, BQ):** Mr. Speaker, even though the WTO and NAFTA tribunals have always rejected accusations of dumping and illegal subsidies against our forestry industry, Quebec changed its forestry system in order to be above reproach. Since 2013, we have sold our wood at public auction, just like in the United States. However, the federal government has done nothing to have this fact recognized by the Americans.

Will the government take advantage of the Prime Minister's visit to Washington and the current truce to make the Americans understand that Quebec's forestry is above reproach?

**Mr. David Lametti (Parliamentary Secretary to the Minister of International Trade, Lib.):** Mr. Speaker, I thank the hon. member for the question.

We are aware of the changes that were made to Quebec's softwood lumber system and the changes made to other systems in the country. We are in the process of building bridges and using all the means at our disposal to find a fair and equitable solution to ensure stable access to the American market.

**Mr. Simon Marcell (Mirabel, BQ):** Mr. Speaker, the free trade agreement with the U.S. was supposed to ensure trade peace. However, the forestry industry has had to deal with one dispute after another. Our industry has done nothing wrong and wants only one thing: the return of free trade as defined by NAFTA.

The government is hurting Quebec's forestry industry by doing nothing about these protectionist measures.

When will the government, and especially its Quebec members, stand up and protect our forestry industry and our workers?

**Mr. David Lametti (Parliamentary Secretary to the Minister of International Trade, Lib.):** Mr. Speaker, I would like to thank the hon. member for his question.

I can assure the hon. member that since being elected in October, the Prime Minister and the Minister of International Trade have taken every opportunity to move forward on this issue and inform our U.S. partners of our position in order to ensure that we will have stable access to the U.S. market.

\* \* \*

• (1505)

#### RAIL TRANSPORTATION

**Mr. Louis Plamondon (Bécancour—Nicolet—Saurel, BQ):** Mr. Speaker, the group that the former government set up to review the Canada Transportation Act has submitted its report. This report, which was meant to map out the future of transportation in Canada, completely ignored the issues of rail safety and security, which Quebec cities are very concerned about.

Will the government listen to Quebec cities and demand that rail companies provide real-time updates on what is going on in Quebec, and will it force these companies to stop using DOT-111 cars immediately?

**Hon. Marc Garneau (Minister of Transport, Lib.):** Mr. Speaker, I thank my colleague for his question.

As he knows, rail safety is the top priority for this government. Of course, the previous government implemented measures to increase rail safety, including a measure to eventually stop the use of DOT-111 cars. I can say that we are currently examining the topic of rail safety in order to enhance safety and reassure Canadians.

\* \* \*

[English]

#### PRESENCE IN GALLERY

**The Speaker:** I would like to draw the attention of hon. members to the presence in the Gallery of the Hon. Michael Coteau, Minister of Tourism, Culture and Sport for the Province of Ontario.

**Some hon. members:** Hear, hear!

**The Speaker:** I would like to draw the attention of hon. members to the presence in the gallery of Mr. Martin Chungong, Secretary General of the Inter-Parliamentary Union.

**Some hon. members:** Hear, hear!

\* \* \*

#### POINTS OF ORDER

##### ORAL QUESTIONS

**Mr. Gérard Deltell (Louis-Saint-Laurent, CPC):** Mr. Speaker, a few minutes ago during question period the hon. Minister of Small Business and Tourism said that we were “misinforming Canadians”.

[Translation]

I want to inform the House that I never misinformed anyone.

[English]

**The Speaker:** This is not a point of order, but I thank the member for his clarification.

**Mr. Andrew Scheer:** Mr. Speaker, there have been some consultations with experts at the Department of Finance and they

#### Routine Proceedings

have confirmed that the Conservative government left the Liberals with a surplus. I would like to—

**Some hon. members:** Oh, oh!

**The Speaker:** If we want to get an answer to this question, let us quiet down for a second. Is there unanimous consent to table the document?

**Some hon. members:** Agreed.

**Some hon. members:** No.

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### ROUTINE PROCEEDINGS

• (1510)

[English]

#### PLANS AND PRIORITIES, 2016-17

**Hon. Scott Brison (President of the Treasury Board, Lib.):** Mr. Speaker, I have the honour to table, in both official languages, on behalf of 84 departments and agencies the reports on plans and priorities for 2016-17.

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#### 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 fourth report of the Standing Committee on Procedure and House Affairs concerning matters relating to the Conflict of Interest Code for members of the House of Commons. If the House gives its consent, I would like to move concurrence at this time.

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

**Some hon. members:** Agreed.

**The Speaker:** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

(Motion agreed to)

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#### PETITIONS

##### JUSTICE

**Mrs. Cathay Wagantall (Yorkton—Melville, CPC):** Mr. Speaker, Canadians want Parliament to know the tragic story of Cassandra Kaake who was 31 weeks pregnant when she was murdered in Windsor, Ontario, just over a year ago, on December 11, 2014. Tragically there will be no justice for Cassandra's preborn baby girl Molly, who was also killed in that violent attack. That is because in Canadian criminal law, a preborn child is not recognized as a separate victim in attacks against their mothers.

*Government Orders*

This petition calls on Parliament to pass legislation to allow a separate second offence to be laid in the death or injury of a preborn child when that child's mother is the victim of a crime. Canadians want justice for victims like Molly.

## DEMOCRATIC REFORM

**Mr. Wayne Stetski (Kootenay—Columbia, NDP):** Mr. Speaker, I am very pleased to rise today with a second petition from Kootenay—Columbia constituents concerning proportional representation, this time from Nelson, Balfour, Yahk, Passmore and Winlaw.

It is very clear this is not a petition in favour of preferential ballot, which is really a second-past-the-post system. This is all about proportional representation. It is important for democracy. It is important for encouraging youth and disenfranchised citizens to vote.

I encourage the government to take it seriously when it comes times to look at proportional representation.

## KILLER WHALES

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

The first is from residents of Saanich—Gulf Islands calling on the government to act to protect the southern resident killer whale population. We had repeated cuts to the programs to help restore this population. We need monitoring. We need protections and mandatory setbacks to be observed in law.

The petitioners ask for support to protect the southern resident killer whale population.

## MANUFACTURING INDUSTRY

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Mr. Speaker, the second petition would go a long way to reduce waste in our society through something called mandatory extended producer responsibility programs. These are ones where the manufacturer has ultimate responsibility to take control of/and dispose of and/or recycle materials they produce.

I am proud to present both petitions.

## PENSIONS

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, I have a petition regarding our Canada pension programs.

My constituents who have signed the petition call upon the government to reaffirm its support of our OAS and GIS and to ensure that the age of retirement stays at 65. I am glad in fact to see that will happen.

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## 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 would ask that all questions be allowed to stand.

**The Speaker:** Is that agreed?

**Some hon. members:** Agreed.

## GOVERNMENT ORDERS

● (1515)

[English]

## INCOME TAX ACT

The House resumed consideration of the motion that Bill C-2, an act to amend the Income Tax Act, be read the second time and referred to a committee, and of the amendment.

**The Speaker:** The hon. member for Regina—Qu'Appelle has six minutes remaining in his speech.

The member for Regina—Qu'Appelle.

**Mr. Andrew Scheer (Regina—Qu'Appelle, CPC):** Mr. Speaker, before question period started, I had just finished explaining how inflation acted as a tax on ordinary Canadians and that when the government imposed an inflation target, as Canada has, of 2%, that it slowly but surely would eat away at the value of what Canadians had saved. It lets the government off the hook because the liability today to a group, whether that be individuals or other entities, gets eaten away by inflation as the money they end up having to pay back over time is reduced because of the inflationary acts of the central bank policy.

However, I want to shift gears a bit and talk about how savings can be a stimulus. When it comes to economic times, we hear these buzz words of liquidity traps, dead cash, and all these kinds of phantom problems about which we should be concerned. A lot of people have a misconception about what happens when Canadians save money.

When individuals put money into a tax-free savings account, that does not go into a mattress or become dead money. Rather, it gets invested into the market. It becomes capital that businesses and individuals can tap into to expand operations, to invest in new equipment and capital expenditures for their business. It becomes real loanable funds, not the loanable funds the government creates out of thin air through deficit financing or the modern day alchemy like we see in Europe and the United States with quantitative easing, and these types of new monetary tools that many governments around the world have experienced.

It strikes me on how history repeats itself. We hear stories in history books and legends of kings and queens commanding the wizards and astronomers of the day to try to turn lead into gold. We call them alchemists. They used to get the support of the monarchy in the area to take something of no value and turn it into something of great value. The most common example is the practice of alchemy and trying to turn lead into gold. We always see governments around the world doing that with monetary policy, such as quantitative easing, and that somehow printing more dollar bills will improve the economy. We know that is false. Thankfully, under the previous government, we refused to go down that road and engage in that type of trickery.



*Government Orders*

However, real savings, which is real individuals putting money into investment vehicles, such as a tax-free savings account, mutual funds or bonds, is real capital. That is something tangible. Savings today become a stimulus tomorrow because they are real funds that are there. That is what our economic policy was all about when our party was in power, encouraging private sector stimulus.

As we lead up to the record deficits that we know are coming in the next budget, we have been hearing a lot from the Liberals in the last few days on how we need to stimulate the economy and that the only thing that can do that is government spending. We hear time and again from the parliamentary secretary and from the Minister of Finance, who should know better having been on Bay Street before, that somehow if the government could just spend the right amount of money, we would get back to big growth again. This is the problem we are facing. We hear from the other side that the government was not spending enough money. We can look back over the decades to budget documents.

As an aside, I know the Liberals do not like reading budget documents or Finance Canada reports because they show we left them with a surplus. It is becoming quite clear that the only people who do not believe the government was left a surplus are the Liberals themselves.

With respect to private sector stimulus, I want to point to a couple of examples. The first is the energy east pipeline, which is a \$15 billion private sector stimulus package that does not require a cent of taxpayer money and will put people to work because there is a market solution, there is a business case for it. We know there is a business case for it. If there were not, the company would not propose it.

A similar example would be the Toronto Island airport. My friend from Spadina—Fort York cares very passionately about this because he represents a lot of very rich condo dwellers in downtown Toronto who do not want the inconvenience of jets landing and spoiling their waterfront view as they wake up in the morning and drink their fancy coffee.

• (1520)

Meanwhile, people in Montreal who work in the aerospace industry have their jobs threatened because there is no ability for the airlines to buy those jets and land them at the airport. This is a classic Liberal example of putting up a wall, blocking an economic stimulant like energy east or the Toronto Island airport, and then coming along with taxpayers' dollars and saying, "Don't worry; we'll bail out the company" or "Don't worry; we'll expand EI benefits for all those people who are out of work for a long period of time."

That is the difference between the economic approaches of the two parties. On this side of the House, we want the private sector to provide that stimulus. We want to get the government out of the way. We want to tear down those walls that prevent innovation and investment, and allow the market to do what it does best, and that is to allocate resources, make those investments, and get people back to work. We do not think the government should cause the problem in the first place and then come along with a solution that always, invariably, just results in more taxpayers' dollars being spent.

**Mr. Arnold Chan (Scarborough—Agincourt, Lib.):** Mr. Speaker, I want to thank my friend from Regina—Qu'Appelle for his

comments. I listened very carefully to his contribution to the debate on Bill C-2, and I take to heart what he was saying about the inflationary factors that ultimately may erode the savings of Canadians, but what we really ultimately need to look at is a fundamental difference in approach with respect to savings.

This side of the House is not opposed to Canadians saving their hard-earned money. The question at the end of the day is this: who ultimately benefits? Who can actually maximize the contribution limits that had been proposed by the previous government, the new savings limits that had been proposed for TFSA's? From the perspective of his particular party, was the increase from \$5,500 to \$10,000 an inflationary factor, or was it fundamentally about rewarding those who fundamentally do not need it?

**Mr. Andrew Scheer:** Mr. Speaker, the member must not be familiar with the stats that show that the vast majority of people who use tax-free savings accounts and who maxed out doing so were people of very modest means. In many situations, they were seniors.

I have heard many examples of seniors having to transfer money out of a registered retirement product and put it into a vehicle. There is a huge tax implication there, but tax-free savings accounts were an attractive way to do that, to take money from a RRIF and put it into a tax-free savings account. The fact of the matter is that this increase in the TFSA limit benefited hundreds of thousands of people in many different demographics and income brackets.

It always comes back to the point where the Liberals need to be talked into giving taxpayers' money back to hard-working Canadians. Our default position is that government needs a reason to take the money, not a reason to leave the money in the pockets of Canadians. That is the fundamental difference between our two parties.

**Hon. Pierre Poilievre (Carleton, CPC):** Mr. Speaker, to build on the member's excellent speech, the published and available facts are that 60% of those who maxed out their tax-free savings accounts earned less than \$60,000 a year.

"How is that possible?" asks the Prime Minister. "How could someone who makes only \$60,000 a year have \$5,000 to max out the TFSA every year?"

The answer is that they do not. They do not get it from their income. They get it from downsizing their home. They turn some of their home equity into cash, as many seniors do, or a spouse passes away and bequeaths their savings, or they are forced to take money out of their RRIFs, which they have accumulated over an entire lifetime. They often have large infusions, even though they are people of very limited means.

That is why 60% of people who max out their TFSA's earn less than \$60,000 a year. The decision by the present government to cut back tax-free savings accounts will limit the ability of these people of modest means to put that money into a tax-free vehicle, where it can grow and pay them an income in a dignified retirement for the rest of their lives, two-thirds of them being in their retirement period.

I wonder if the member could comment on the irony of a government that wants to raise taxes on the savings of seniors and the retired while simultaneously proposing a mandatory expansion of the CPP under the pretext of helping people retire.

*Government Orders*

•(1525)

**Mr. Andrew Scheer:** Mr. Speaker, I thank my colleague for the question and I appreciate his ability to recall those types of stats and figures. I knew in general terms, but of course he very articulately brought in the actual stats, and I thank him for that.

It is true that there is a great irony there, and it is an irony that we see in the Liberals' approach to all economic matters. Fundamentally, they fear the independence of ordinary Canadians. The Liberals like to have clients. They like to have people reliant on government, but if people have their own money in a TFSA, if they have their own RSPs, they do not need government. They do not need different programs to be expanded or altered. They can just quietly go about living their life based on the savings they have accumulated.

However, if they are not allowed to put that money in those types of vehicles and they have to depend on government programs, then the Liberals have a base that they can grow and they have people who are beholden to government. That, I think, is ultimately what they are trying to do: limit the independence of ordinary Canadians so they do end up more and more heavily dependent on the state and look for parties like the Liberals, who constantly offer more and more spending.

[*Translation*]

**Ms. Brigitte Sansoucy (Saint-Hyacinthe—Bagot, NDP):** Mr. Speaker, I am pleased to rise in the House today to debate Bill C-2, which was introduced in December and is now being debated in the House.

Middle-class families are losing ground even though they are working harder than ever. What these families need is a government that is concerned about their situation and will fight against growing inequality. Unfortunately, we see that this government is doing the opposite. Liberals have repeated for months and months that they have a plan for the middle class. They promised quick, urgent and positive change. However, we see today that we know very little about how these major changes will happen and even less about when they will happen.

Bill C-2 was a golden opportunity to make good on these promises and to put words into action. Unfortunately, the Liberals' plan is quite disappointing.

The Liberals' proposed tax plan does nothing for 60% of Canadians, six out of 10 Canadians. Once again, the wealthy are the ones who will benefit. The NDP put forward solutions that would benefit a large number of Canadians and would allow a fairer distribution of tax cuts: boosting the national child benefit supplement, increasing the guaranteed income supplement, creating a \$15-a-day national child care program for all Canadian families, and restoring the tax credit for labour-sponsored funds. These realistic, progressive measures would provide real help for the middle class.

The Liberals campaigned on a platform focused on the middle class. As my colleague from Rimouski-Neigette—Témiscouata—Les Basques mentioned in his speech in the House, we want to know how the Liberal Party defines the middle class. This is a legitimate and important question. This government keeps promising tax cuts for the middle class. However, as the parliamentary budget officer

explained very clearly in his report, the real middle class will not benefit from this government's promised tax cut. A tax cut for the middle class should benefit the middle class.

When we really look at the Liberal plan, it is quite clear that unfortunately, it does not make sense. The median income in Canada is about \$31,000 a year. Obviously, this means that half of Canadians earn less than \$31,000 a year and the other half earns more than \$31,000 a year.

If we imagine a pizzeria worker in my riding who earns \$20,000 a year, will he benefit from this tax cut? Unfortunately, no. Will a social worker who earns \$43,000 a year benefit from this tax cut? The answer is still no. The reality is that someone who works hard and earns \$50,000 a year will probably receive only \$20 or \$30. Is that real change?

One has to wonder who is really going to benefit from this change. Who is really going to benefit from these cuts? Who could benefit? When we look closely at the figures, we see that this will benefit people who earn more than \$90,000 a year. What is more, someone who earns \$200,000 a year will get the most out of this tax cut. Saying that this will benefit the middle class is not entirely true.

I hope I did not lose too many of my colleagues with all those figures, but they are important in understanding just how much hard-working families, our seniors who often live in poverty, and the real middle class will unfortunately not benefit from these measures.

If we take the median income, people will receive nothing. If we take the income that everyone associates with the middle class, in other words, \$45,000, people will receive nothing. Those who will receive the biggest slice of the tax-cut pie are the top 20% income earners. That is not the middle class. The Liberals' proposed tax cuts will help the rich, not students or young families.

When I talk to groups in my riding and my constituents about this, they are disappointed. Like me, and like most Canadians, they expected the tax cuts to help those who need it most and to benefit the real middle class.

•(1530)

During the election campaign, people who believed they were part of the middle class were told over and over again, for nearly 80 days, that they would finally have room to breathe and that they would be given tax breaks. Today, they are realizing that that is not the case.

Unfortunately, the middle class will not benefit from these measures; only the richest 20% will. That is what the figures say. When middle-class Canadians file their income tax returns, they will be surprised, and not in a good way.

In fact, most Canadians will see that they cannot benefit from the tax cuts that this government promised them. Only 20% of the population will be eligible for the tax cuts, even though they were supposed to give the middle class some breathing room.

The fact that the tax breaks will benefit those who earn \$200,00 a year and not those who earn \$39,000 shows just how inequitable the proposed tax breaks make the tax system. That is really unfortunate.

After the bill to amend the Income Tax Act was introduced, I read with interest what Luc Godbout, an eminent tax expert in Quebec, had to say about it. When looking at how this would affect couples, he determined that, if a couple had a combined income of \$250,000 a year, they could receive a tax break of up to \$1,120. However, a hard-working couple in my riding with a combined income of \$75,000 a year, who sometimes has trouble making ends meet, would receive an average of zero to four dollars. That is really disappointing.

The NDP developed a plan to fix the Liberals' tax plan, to ensure that the government's measures truly reflect its campaign promises. Our plan would reduce the tax burden on middle-class and lower-class workers. We urge the Liberals to take our suggestions so that we can help those who truly need it.

Our plan is simple. The NDP calls on the government to lower the tax rate for Canadians in the first tax bracket from 15% to 14%, instead of lowering the tax rate for Canadians in the second tax bracket. This way, eight out of ten taxpayers would see a change in the amount of tax they pay. This solution would benefit many more taxpayers. Under our proposal, people earning the median income could see a reduction of up to \$250 a year, but these people get nothing under the existing plan.

Our concrete proposal could really help the middle class. That is what the people of Saint-Hyacinthe—Bagot and the 337 other ridings want.

• (1535)

[English]

**Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I have had the opportunity to listen to a number of New Democrats talk to Bill C-2. We look at Bill C-2 as a commitment that was made to Canadians. The Liberal Party wants to build the middle class, believing that a healthy middle class means a healthy economy. This is an investment in the middle class.

The New Democrats are somewhat critical of it, but they are supporting the legislation, and I do appreciate their support. When we complement Bill C-2 with other actions the Government of Canada is taking, such as the child benefit plan, which is going to raise literally hundreds of thousands of children out of poverty, would she not say that, looking at the bigger picture, for the first time in many years we are seeing a very progressive attitude in dealing with the issues of poverty and enhancing the strength of Canada's middle class?

[Translation]

**Ms. Brigitte Sansoucy:** Mr. Speaker, I thank my colleague for his question. We do support this bill, and we hope to improve it in committee.

We all spent the past week in our ridings. During the week, constituents contacted me to say that they were happy they would benefit from the tax cut because they belong to the middle class. Then I asked them what their household income was. Each time, I

### Government Orders

had to tell them that the so-called middle-class tax cut was not for them and that it would benefit people who are richer than they are.

We are here to represent our constituents. We have to respond to their disappointment. In the 2015 election, people had high expectations in connection with Liberal promises, but they have been let down over and over.

[English]

**Hon. Erin O'Toole (Durham, CPC):** Mr. Speaker, my question follows on the question from my Liberal colleague, who tried to suggest that Bill C-2 was a progressive measure to help Canadians who need help, the middle class. The member who spoke identified that there are many people who aspire to the middle class or consider themselves to be the middle class, who would not be helped by the measures in Bill C-2 at all, and in fact it would then raise taxes on a whole range of other Canadians.

The previous Conservative government undertook a reduction to the GST to reduce consumption taxes. The lower-income and lower-middle-income people consume most of their income, and therefore lowering the consumption taxes and raising the basic personal exemption, which the Conservative government also did, also took hundreds of thousands of Canadian families off the tax rolls entirely.

Could the member comment on how Bill C-2 would actually miss some Canadians who are probably the most deserving of relief?

[Translation]

**Ms. Brigitte Sansoucy:** Mr. Speaker, I thank my colleague for the question.

I think that a graduated tax rate, in other words a tax rate based on annual income, is the best way to redistribute wealth in our society. A consumption tax certainly hinges on our consumption, which in turn depends on our income. However, we all know that there are some purchases that have to be made for many of our basic needs regardless of whether we have a low income or a high income.

In my opinion, changing the tax rate in a way that is equitable to people with different incomes is a better way to distribute wealth in our society.

**Hon. Steven Blaney (Bellechasse—Les Etchemins—Lévis, CPC):** Mr. Speaker, I will be sharing my time with the member for Louis-Saint-Laurent. This is actually the first chance I have had to share my time with him.

The latest election returned a lot of new members from the Quebec City region. We are very proud to have them here in the House of Commons to participate in this important work. I am particularly proud to have my colleague from Louis-Saint-Laurent here with us. He is a passionate and talented MP whom the esteemed journalist, Jacques Samson, even compared to Peter Stastny.

We like having high scorers on our team. These days, we really need good net minders because the Liberal government seems keen on racking up deficits like hat tricks. Unfortunately, taxpayers end up paying the price, particularly those who need help the most.

*Government Orders*

That is why I am rising in the House today. I want to make it clear that, on behalf of the people of Bellechasse—Les Etchemins—Lévis, I will oppose this bill. In theory, the Liberals seem to want to help the middle class, but the fact is that they will do exactly the opposite, as I am about to show.

Through the tax measures they have proposed, the Liberals seem to want to drive those most in need of help into poverty and debt. These measures will prevent the public, which does not always have access to tax shelters, from saving and setting money aside tax-free.

According to the Institut de la statistique du Québec, the median employment income of workers in Bellechasse between the ages of 25 and 64 is \$38,289. The median income for workers in Lévis in the same age bracket is \$46,384. Those data are from 2013, so they are quite recent.

The measure we are talking about today does very little, since it is really a tax cut only for those who earn an annual salary of \$45,282 or more. Anyone who earns less than \$45,282 gets nothing.

What is more, this bill is not revenue neutral. In other words, in order to pay for a tax cut for those who earn more than \$45,000, those who earn less will be forced into debt and therefore into poverty. That is the reality with regard to the bill currently before us. The Liberals are saying that they have something else, but today we are talking about Bill C-2.

People who earn less than \$45,000 will see the government debt, our collective debt, increase so that those who earn over \$45,282 can pay 1.5% less in taxes. That also applies to those who earn \$150,000, \$200,000 or \$300,000 a year. Everyone with an income in the \$45,282 to \$90,563 tax bracket, the so-called middle class, will be eligible for these savings.

However, 70% of the population earns less than \$35,000, so one can only imagine how many people have incomes less than \$45,000. All of these people will get poorer because the measure is not revenue neutral. Tax savings come at a cost. According to Statistics Canada, the nearly 18 million people who earn less than \$35,000 a year will go into debt and become poorer because of this measure.

Speaking of the middle class, it is really a Liberal myth. Who is part of the middle class? It is difficult to determine and could be defined in a number of ways. Some say that the middle class is the portion of the population that is neither rich nor poor. However, what is the middle class? I would like to share what renowned Quebec economist Pierre Fortin has to say on the matter.

• (1540)

He considers the middle class to include families with incomes between \$44,660 and \$95,700 per year. A typical family has two incomes. Once again, families that fit the definition of middle class do not earn enough to benefit from the Liberals' tax cut. That is the reality.

However, people who earn \$150,000, \$200,000, \$300,000 or \$500,000 a year will pass go and collect their savings of 1.5% on the portion of their income that falls within that tax bracket. That speaks volumes. I gave the average income of people in Bellechasse. I gave the average income of people in Les Etchemins. We are talking about \$38,000 a year. The measure that the Liberals are proposing kicks in

at a minimum of \$45,000 per year and therefore does not apply. It is not good for Lévis, it is not good for Bellechasse, and it is not good for nearly 70% of the Canadian population.

What we know is that this will create a deficit. The parliamentary budget officer said so. He said that this measure would lead to a deficit. Obviously it is the taxpayers who will have to pay. That is the main reason I am against the measure before us today. It is in stark contrast to the tax measures and policies that our government put in place over the past 10 years.

Yesterday, I was reading *Le Soleil*, and Romain Gagné, from Quebec City, said:

From the...2008-09 recession through all the subsequent years until 2014, Canada had the strongest economic growth of the G7 countries, with 15.6% [growth, surpassing the Americans]. The debt burden was the lowest of the G7 countries at 15.6% versus 13.5% for the United States, and the middle class was the wealthiest of the G20 countries, according to a study cited by the *New York Times*.

Indeed, we have sound fiscal management, but we also put in place effective measures, not like the ones in Bill C-2, which do nothing for the workers in Bellechasse and Les Etchemins who do not earn \$45,000 a year, who earn less. Our measures helped those who needed it most. That is what our government did. That is how we ended up in *The New York Times* with the wealthiest middle class in the G20.

It was because we brought in income splitting for seniors. More than a million senior couples were able to benefit from it. Hon. members will recall that in 2011, we increased the guaranteed income supplement to help the most vulnerable. We also implemented a number of tax measures, including more than 100 tax cuts, ensuring that the average family would benefit from a tax cut of more than \$5,000.

We can be very proud of the fact that the tax-free savings account helps 2.7 million seniors. That is another thing that this bill attacks. The Liberals want to restrict this safe and flexible savings option. They want to prevent Canadians from having tax-sheltered savings. They want to push us into debt and give the rich a break, at the expense of those who earn less. In short, that is the rather obvious reason why I oppose this measure.

I would like to remind members that over the past 10 years, under a Conservative government, almost 400,000 seniors were taken off the tax rolls. We did not go looking for money in the tax brackets for those earning a lot of money, but we did, in a way, erode the tax base so that those who earn less no longer pay taxes. Those are the responsible and progressive tax measures that the Conservative Party introduced. That is not at all what we have in Bill C-2.

In closing, it seems that when the Liberals moved from the opposition to the government benches, they forgot what they had said. I would like to quote the member from Papineau, who, on May 13, 2015, said:

Mr. Speaker, if the Prime Minister thinks that wealthy families like his and mine should be getting new benefits, then I look forward to the debates.

*Government Orders*

●(1545)

That is what we are talking about today. Society's highest-earning members are giving themselves a tax cut. Those who earn the least, such as the people of Bellechasse—Les Etchemins—Lévis, are being taken for a ride because they will have to foot the bill for the deficit and pick up the pieces. We are talking about \$8.9 billion over the next six years.

We will stand up for taxpayers and families, for the people who most need help, and we will vote against the Liberal government's bill, which will make the neediest even poorer.

●(1550)

[*English*]

**Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, the member is just wrong with his facts in what he just said. He indicated that we are taking from the poor to finance the rich. If we look at the legislation, it increases taxation of the wealthiest in Canada, who make over \$200,000 annually.

The member stated that the bill does not appeal to thousands of people it should appeal to, such as lower annual earners. However, this legislation appeals to tens of thousands, going into the millions. Members can think of the factory workers, teachers, and individuals from coast to coast to coast who are part of Canada's middle class who are getting a tax break from this legislation. As well, there is an additional tax on, and a source of revenue from, those who make in excess of \$200,000.

I do not quite understand where the content of the member's speech is coming from.

[*Translation*]

**Hon. Steven Blaney:** Mr. Speaker, I thank my colleague for his question.

What the government is offering workers and manufacturers, such as Rotobec and Exceldor in the Bellechasse region, is a debt that will grow by \$8.9 billion over the next six years because their incomes are not high enough for them to benefit from the tax cut the Liberals want to give them. That \$8.9 billion debt will be paid by families and workers earning less than \$45,000. That is what I clearly demonstrated, and I can table the Institut de la statistique du Québec document. The average income of the people of Bellechasse—Les Etchemins—Lévis is less than that.

As for their little tax hike, which is not revenue-neutral, here is how Ronald Reagan described the U.S. president's plan to hike taxes on the rich: Getting the most feathers as possible from the fewest...in order to minimize the quacking.

Once again, taxpayers will be left to pick up the pieces.

[*English*]

**Ms. Marilyn Gladu (Sarnia—Lambton, CPC):** Mr. Speaker, my riding of Sarnia—Lambton has a lot of seniors in it. The average age is 54 in fact. As I was going door to door in my campaign, I saw a lot of them, especially those on a fixed income who are really struggling to make ends meet.

I wonder if the member could comment on how he thinks Bill C-2 would impact seniors.

**Hon. Steven Blaney:** Mr. Speaker, I thank and praise the member for her interest in the elderly people of her riding. Why? It is because they are the ones who have built this country and deserve to be treated with respect, as well as the next generation. However, in both cases, they are the big losers from this Liberal proposal. Why? It is because there is nothing for the elderly in the proposal. They are generally not earning enough revenue to get this tax break, and the next generation in her riding will have to pay for this proposal, which is creating a huge deficit of \$8.9 billion over six years.

This is bad policy and really goes against what has been accomplished for our elderly over the last 10 years, like income splitting and the possibility of saving without it being taxed.

**Mr. John Barlow (Foothills, CPC):** Mr. Speaker, during the debate today we have heard many times from the members opposite that the tax-free savings account is something that only benefits the wealthy, the affluent even. Some of the NDP members today have asked why they should be supporting a tax break for the affluent.

I would like my colleague to talk about the real facts of who benefits from a tax-free savings account. I do not believe these are wealthy Canadians at all times, but Canadians who are making difficult choices for their families and difficult choices for what they feel is best for their saving priorities.

Could my colleague talk about who can benefit from the tax-free savings account?

**Hon. Steven Blaney:** Mr. Speaker, I thank my colleague for his question and excellent work.

He has given me an opportunity to recall that tax-free savings accounts are benefiting people who earn \$60,000 or less, those who are not targeted by this measure. Sixty per cent of those people are putting money aside for retirement. This tool is provided for those who have less capacity to save money, so they can better enjoy their senior years.

In a nutshell, Bill C-2 would prevent them from saving money. It is not the way to move forward to ensure that working people today can save money and not pay more taxes.

●(1555)

[*Translation*]

**Mr. Gérard Deltell (Louis-Saint-Laurent, CPC):** Mr. Speaker, I want to thank my seasoned colleague from Bellechasse—Les Etchemins—Lévis for sharing his time with me.

What we have before us today is the debate on Bill C-2, which, to some extent, implements the financial commitments made by the Liberal Party, which now forms the Canadian government.

To put it mildly, the reality presented by the Liberal Party during the election campaign is a far cry from the reality facing Canadians today. In fact, the two could not be more opposite. We are talking about black and white, night and day.

*Government Orders*

I would remind the House that during the election campaign, the current Prime Minister boasted that the Liberals were going to make changes to the tax system that would benefit the middle class, that the wealthy would finally pay their fair share, and that it would all be revenue neutral. That was a serious mistake. First of all, let us be honest: these Robin Hood stories never work. Should we be surprised to see such a political approach from this Prime Minister? Is this not the same person who said on February 11, 2014, that “the budget will balance itself”?

When someone who believes that the budget will magically balance itself finds himself in government, reality hits hard. The Liberals' promise that the tax changes would be revenue neutral was nothing but a pipe dream.

The parliamentary budget officer recently announced that the Liberals' promise would result in a \$1.7-billion deficit. That is far from a balanced budget, far from revenue neutral, and far from the Prime Minister's pipe dream that the budget would balance itself.

The tax changes for the so-called middle class come at a cost. The bill is being sent to our grandchildren and great-grandchildren who are not yet born, but who will be paying for this government's lack of political judgment, as seen in Bill C-2.

Speaking of the middle class, my colleagues, the New Democrat member for Saint-Hyacinthe—Bagot and the member for Bellechasse—Les Etchemins—Lévis, told us how the interpretation of middle class is rather broad, to say the least, especially when someone who earns more than \$180,000 is supposed to be part of the middle class. The scope is quite large.

This brings us to the structural deficits run by the Liberal Party. Let us remember that, during the election campaign, the Prime Minister said over and over again that there would be very small deficits for the first two years. In the third year, the deficit would be even smaller, and then, bam! In the fourth year, the budget would be balanced again. That was what the Liberals were saying during the election campaign. Unfortunately, reality has now caught up to the Liberal Party. What did the Minister of Finance say just two weeks ago? He had to confess that Canada was headed for an \$18-billion deficit.

Prestigious banking institutions all across Canada have concluded that, in the next four years, we are headed for deficits of \$100 billion, \$130 billion, and \$150 billion. That is a far cry from the very small actuarial deficits that were going to be eliminated during the third year. Is this not the same Prime Minister, who during the election campaign, said that the budget would be balanced by the fourth year? Today, he can no longer say that. In an editorial board meeting with *La Presse*, he indicated that he could not confirm that the budget would be balanced.

Let us not forget the government's election platform. Unfortunately, the Standing Orders do not permit me to show it, but I have it here with me. The party leader was not present when the platform was released. I have been actively involved in politics for seven years. I was a journalist for 20 years and, honestly, this is the first time I have seen a serious national political party present its economic platform without the party leader being present. Some might say that perhaps it was better that way, because he believes

that budgets and deficits balance themselves. However, the minister from Quebec City, my neighbour, was there and I commend him for that.

What did the Liberal government's economic plan say? On page 3, it says, “We will be honest about the government of Canada's fiscal position”.

● (1600)

Really? In fact, that is not untrue. Last week, they acknowledged that we are headed to an \$18.7-billion hole. In terms of being honest, that is a start.

Further on it says, “We will run modest deficits for three years.” That did not happen.

On page 4, it says, “A new Liberal government will release a fall Economic and Fiscal Update.” That is true. We got that update.

In the April to November 2015 *Fiscal Monitor* published by the Department of Finance, we see that there was a \$1-billion budgetary surplus. It is true that in this regard, they kept their promise. They released a report, a positive one when it comes to what they inherited from the Conservative government.

Nonetheless, the sad thing in all of this is to read in black and white on page 7, “With the Liberal plan, the federal government will have a modest short-term deficit of less than \$10 billion in each of the next two fiscal years...After the next two fiscal years, the deficit will decline and our investment plan will return Canada to a balanced budget in 2019/20.”

It is a pipe dream. These promises are not worth the paper they are printed on. That is the reality of the current Liberal government.

What really gets us is that the government is in the process of literally killing the rich legacy left by the government led by the right hon. member for Calgary Heritage. We left the house in order.

I want to remind members of the facts. We took power in 2006 and remained in power until 2014. In 2008, the entire world was hit by the global economic crisis, the worst crisis since the great recession of the 1930s. No one denies that. What did our government do? It took the bull by the horns. It made bold, brave decisions, with the result that in 2014, our record was very good. We had the best debt-to-GDP ratio. That is important, because if debt is under control, it does not cause problems, especially when the ratio is good and our GDP is higher than our debt. That is the legacy of the Conservative government. The best debt-to-GDP ratio in the G7: that is our legacy. The best job creation record in the G7 during the crisis: that is our legacy. The fastest economic recovery in the G7: that is our legacy.

*Government Orders*

We believe in infrastructure programs. As all sides of the House have noted, we are glad to see the hon. member for Lac-Saint-Jean back in fine form today. I applaud my colleagues for welcoming him back in a civil and honourable fashion. On his watch, our government introduced the boldest infrastructure plan ever. Our top priority was always to reduce taxes and let people keep more money in their pockets. Our government passed over 140 measures in 10 years. Let me remind everyone that the grandest and most effective of them was reducing the GST from 7% to 6% and from 6% to 5%. We promised, and we delivered. They promised revenue-neutral tax cuts, but they are not delivering. That is why we strongly condemn this government and will not vote in favour of Bill C-2.

Saving money is another issue that is close to our hearts. That is why our government created the TFSA, which this government is trying to water down, unfortunately. That is the wrong approach, and we hope the government will see the light on this.

This government's policies are unrealistic and irresponsible. The government is putting Canada on the road to disaster. It is scuttling the Conservative government's legacy. The Liberal Party has at times left an onerous legacy and at other times left a rich legacy. It is a political party that has vigorously tackled deficits. As the MP for the riding of Louis-Saint-Laurent, I would like to point out that the Right Honourable Louis Saint-Laurent was the prime minister who eliminated the debt after the war. The Right Honourable Paul Martin also steadfastly addressed deficits not so long ago. He made very contentious decisions including the decision to drastically reduce health transfers to the provinces. However he at least wanted to leave a strong economy and, above all, healthy public finances. That is not what the current government is doing.

It is never too late to do the right thing. Bill C-2 could be amended to give Canadians a better economy and, above all, to ensure that their government is realistic and responsible.

• (1605)

**Hon. Ginette Petitpas Taylor (Moncton—Riverview—Dieppe, Lib.):** Mr. Speaker, I first want to thank my colleague for his speech.

Clearly, all members of the House want greater benefits for the middle class. Can my colleague explain why he opposes lower tax rates for middle-class Canadians?

**Mr. Gérard Deltell:** Mr. Speaker, once again, the member's question refers to a rather broadly defined middle class. Someone who earns \$185,000 a year is part of the upper, upper middle class. The other reality, however, is that this is not going to be revenue neutral, as the Liberal Party had promised. This is going to create a deficit of \$1.7 billion.

Need I remind the member that under our government, when we reduced the tax burden through 140 measures, we did not create a massive deficit, as this government is doing? If they wanted to cut taxes for the middle class, why not introduce measures that will actually lower them? As long as we are in the hole for \$1.7 billion, why stop there? Everything is fine. That is not the right attitude to take. It is important to be realistic and responsible. If you cannot afford it, do not do it.

**Ms. Brigitte Sansoucy (Saint-Hyacinthe—Bagot, NDP):** Mr. Speaker, I thank the hon. member for Louis-Saint-Laurent for his

speech, and I wish to inform him that the riding I represent is called Saint-Hyacinthe—Bagot.

I have had the opportunity to sit with my colleague on a committee where he went on and on about the importance of non-partisan work in committee. In that vein, we have chosen to support the bill so that we can try to improve it in committee, determine at third reading whether it meets the needs of the people we represent, and then decide whether we will support it or not.

Will my colleague also adopt this attitude and support this bill to try to improve it for the people we represent?

**Mr. Gérard Deltell:** Mr. Speaker, first, I want to give my regards to my colleague from Saint-Hyacinthe—Bagot. I apologize for forgetting the name of her riding. Bagot is the land of the late Hon. Daniel Johnson, Premier of Quebec from 1966 to 1968.

The second part of what she said had to do with the non-partisan work of the end-of-life care committee. That was absolutely the attitude that was called for, the one that we took, and the one that we will take toward the bill that will be introduced on this issue in the House.

In committee, of course we will collaborate and move forward, but everything in this bill needs to be changed. We have to rescind the proposed tax cuts, as they are not revenue-neutral, as was announced. That is why we are going to do the work and propose amendments. However, will they be accepted by the people who were elected on a campaign that they are unable to follow through on today? We shall see. I am not holding my breath.

**Hon. Erin O'Toole (Durham, CPC):** Mr. Speaker, I thank my colleague for his speech today.

[*English*]

He is a welcome addition to our team, and as the member for Louis Saint-Laurent, he would make Louis Saint-Laurent and a generation of leaders from Quebec quite proud with the passion and the knowledge he brings to this House.

He touched on this in his speech. This is a very selective bill that cuts taxes for a few but claims to cut for many and actually leaves out the most needy, the lower-income to lower-middle-income Canadians, yet at the same time the government is now in the \$30 billion-plus deficit range.

Could the member comment that reckless deficit spending means future taxes? While the Liberals may give a modest tax break to a few Canadians now, their work in building up liabilities and deficits and debt means that taxes will go up, carbon taxes will be imposed, and GST will be increased in the future, if they possibly ever keep a commitment to balance the budget in four years.

Could the member talk about how high deficit and high spending mean future taxes on the people for whom the government claims to be cutting now?

*Government Orders*

•(1610)

**Mr. Gérard Deltell:** Mr. Speaker, let me pay all my respects to my hon. colleague who, not long ago was the minister of veterans affairs and did a tremendous job. I know what I am talking about because in my riding I have plenty of veterans. He did a heck of a good job, and I appreciate this member.

Talking about the future, yes, it is very sad to see a deficit in this situation. We are not in a crisis as we were in 2008. It is all wrong for the economy, because we are putting it into the hands of our grandchildren who are not born today.

Let me remind the House that I pay my respects to two former honourable Liberal prime ministers, but I also have to remind the House that it was under another Liberal prime minister during the 1970s that the deficits were back to the worst in the Canadian economy.

**Mr. Gord Johns (Courtenay—Alberni, NDP):** Mr. Speaker, it is an honour to rise in the House to join the debate on Bill C-2. I would like to spend some of my time speaking on why definitions of the middle class are so important.

In the last election the Liberals campaigned on a promise to reduce taxes for the middle class and support those working hard to enter the middle class. Canadians took them at their word. Like most Canadians, I agree with my NDP caucus that additional benefits should be targeted at the middle class and those who need them the most.

The problem with this legislation is that the Liberal definition of “middle class” seems to have been created by the Donald Trumps of the world. Surely only the very rich would devise a bill that would give most of the tax benefits to those making around \$200,000 a year while offering Canadians who make \$40,000 a year nothing at all and still call it a tax cut for the middle class. Definitions matter for the middle class.

The bill in its current form would not help Canadians who are working harder than ever, yet falling further behind. The Liberals promised to join the campaign to fight against growing inequalities, which was a big part of why they were elected, but in this legislation they are doing the exact opposite. Canadians do not like to be misled, and the Liberals will have to answer for that. Canadians also do not like empty rhetoric and grandstanding.

Let us see what needs to be done to fix this bill. We were all sent here to work together to deliver positive results for all Canadians, and I believe it is not too late.

The government needs to present its definition of who is included in its understanding of the middle class. There are different ways to define the middle class, but regardless of the definition, those definitions should always at least cover one, if not both, of the following characteristics. First, we could look at the income of all Canadians and see where most people land. This is also considered to be the median income in a country. Second, the population could be divided into groups of equivalent size, such as five blocks each comprising 20% of the population, and targeting the groups in the middle as the middle class.

Let us see if the current definition of “middle class” in the bill meets these requirements.

First, the median income in Canada is \$31,000. Under the Liberal plan, any Canadian making the median income, or near it, would receive zero benefit. Second, if we divide the population into equal blocks of 20%, the bill would not benefit the lowest 20%, nor would it benefit the second tier of Canadians. For those in the third or middle block, the bill would still provide no benefit at all. Furthermore, the benefits would only kick in halfway through the fourth block, and they would begin very small. The vast majority of the benefit would go to the highest-income earners in Canada alone.

I will look at my riding of Courtenay—Alberni. In the fifties and the sixties, Alberni Valley was a booming community. It had the highest median income in the country and was sending lots of money to Ottawa. Most recently, it was rejected for a Building Canada grant for scheduled air service at its airport. It was rejected because it did not have scheduled air service.

The people in Alberni Valley feel as though they are being betrayed by Ottawa. The median income is \$25,000 a year, and one in three children is living in poverty. Alberni Valley wants to move forward, but it needs help. The Liberal government promised that it was going to help the middle class.

I will talk about another demographic in my riding, the Nuu-chah-nulth people. The median income of the Nuu-chah-nulth people is \$17,000 a year. The Liberal government made a lot of promises about a new relationship with aboriginal people, but this legislation does not include aboriginal people across Canada. They feel forgotten.

Seniors feel forgotten. Inequality is at an all-time high, and this legislation does not address it.

The Nuu-chah-nulth people use a word in their language, *uu-a-thluk*, which means “taking care of”. They use this word in reference to their fishery. They have been in a court case for over 10 years defending their right to catch and sell fish. They feel again that Ottawa has betrayed them with respect to recognizing their aboriginal rights and title. They want to take care of the resource. They want to work with Canadians so we can take care of each other. This legislation forgets to take care of the people in my riding.

•(1615)

Folks in my riding will do anything to support maintaining the tax-free savings account system, but they want a return to the annual cap of \$5,500. This would allow my constituents the ability to put more savings away, but it would not open the door that would, in effect, give the richest Canadians a tax break. We know this because 93% of Canadians with tax-free savings accounts were not able to contribute the full amount, so the expanded limit would allow only the wealthiest Canadians—and we have seen this before—to utilize the full amount of the savings account.



*Government Orders*

To return to the income tax changes, people in my riding in the Alberni Valley, the Comox Valley, and Oceanside, and aboriginal people across this country, are feeling left out. Who will see the biggest benefits from the definition of “middle class”? As I said, clearly it is not the majority of people in my riding, but those who make as much as members of Parliament here. Those who make over \$160,000 a year would see their taxes lowered by almost \$700, while nearly 60% of Canadians would get nothing at all. This is not fair, and the NDP opposes those measures.

How do we fix this? Instead of targeting the second bracket, as the Liberals have done, the NDP has proposed lowering the first tax bracket.

How would this help? The tax brackets are in layers, and Canadians who earn enough to enter the second and third tax brackets are still taxed on the first layer. Therefore, to focus the benefit on the middle class, one must get a tax break on the first layer rather than the second, which skews the benefits disproportionately to the top earners. The NDP plan would reduce the first tax bracket from 15% to 14%. This would give the largest benefit to those making \$45,000, rather than those making \$200,000, who would benefit under the Liberal plan. Because the NDP plan actually focuses on the middle class, 83% of taxpayers would benefit from our proposed idea.

It may seem strange to some folks watching at home, but the way we can fix this bill is to implement this reasonable amendment from the NDP to get the bill to committee. New Democrats want to fix this bill so that the substance matches the title. This way, a bill that is supposedly intended to help middle-class families would actually deliver on that promise, instead of giving MPs a \$680 tax break that they do not need.

I was elected to hold the government to account and to work with it, wherever possible, to bring much-needed relief to those struggling in my riding. As the Nuu-chah-nulth people say, “Let’s use *uu-a-thluk*. Let’s take care of each other.”

I hope members will consider that in this bill and in making this amendment.

**Mr. Adam Vaughan (Parliamentary Secretary to the Prime Minister (Intergovernmental Affairs), Lib.):** Mr. Speaker, my colleague opposite and I share some similar values in terms of taking care of each other and trying to find ways to take care of each other. I appreciate that this bill does not reach into some of the areas where he thinks attention needs to be paid, such as raising incomes and the outlook for people of first nations, aboriginal, Métis, and Inuit descent. We share those concerns. It is not in this bill because this bill is focused on income tax and not necessarily on those specific issues.

On the issue of helping low-income children and low-income families in particular, again the tax credit focuses specifically on raising children out of poverty, as with raising seniors out of poverty. They are not part of this bill; they are part of the budget to come.

Would the member opposite not agree that the focus of this bill is to deal with tax measures that had to be in place before the calendar year began, because that is the time in which one fixes the tax code and that is why this bill is so narrowly focused?

● (1620)

**Mr. Gord Johns:** Mr. Speaker, I absolutely think that this is exactly the right time to help those people earning \$17,000 a year.

No, they are not included in this tax bill, actually, because anyone earning under \$49,000 a year does not get a tax break with this bill that has been introduced. Therefore, including them is what I would like to see. I am asking the government to include everybody in this tax bill earning under \$49,000, including people earning \$17,000 a year and people earning \$25,000 a year. Right now, they are not being recognized in this bill. They are being left behind, and inequality is going to continue to rise. It is those earning over \$49,000 who start to see the benefit and those earning more than \$100,000 who see the most benefit.

This is the right time to tackle inequality. This is the right time to show that we want a new relationship with people who are struggling to make ends meet, meaning the working class, the medium-income earners of this country.

**Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Mr. Speaker, I certainly share some of the member’s concerns with respect to how this bill does not help those who actually need the help the most. I am sure he will applaud the Conservative record as a government in lowering the GST and lowering the lowest marginal tax rate that Canadians pay.

However, I am a bit confused about the NDP position on tax-free savings accounts, because the numbers with respect to TFSAs are very clear. They show that over half of those who max out their tax-free savings accounts are actually making less than \$60,000 a year. Why does the NDP not join Conservatives in supporting tax-free savings accounts, a vital vehicle that is very useful to medium- and low-income Canadians?

**Mr. Gord Johns:** Mr. Speaker, I appreciate the question from the member because we both agree that tax-free savings accounts are important. They are important to help people save for the future. We want to encourage that, but at what cost? We have to define what it will cost future generations. We know that the finance minister from the last government said that it would be the problem of future generations or a certain prime minister’s granddaughter to deal with the increasing costs associated with the tax-free savings account. I do not think that is a responsible way of taking this on.

It is important that we take fiscal action right now, today, and ensure that we manage the economy, the environment, and the social well-being of our nation. We invest in that today, but we also will not leave it to the detriment of future generations to pick up the tab.

*Government Orders*

**Ms. Marilyn Gladu (Sarnia—Lambton, CPC):** Mr. Speaker, I would like to congratulate my colleague on a great speech. I really liked his commentary on the definition of the middle class, because it should be defined as being above the poverty line and below the highest tax bracket. That would put it somewhere between \$23,000 and \$138,000 for individuals.

However, the current government, in giving a tax break to the middle class, is giving about \$600 a year to people who make more than \$50,000 and up to \$200,000. Therefore, my question to the member is this: does he think that people who make more than \$80,000 a year need a tax break of \$50 a month?

**Mr. Gord Johns:** Mr. Speaker, the government made a decision and put forward an idea upon which it got elected, a promise of a tax cut to the middle class. I want to ensure that the middle class get that tax cut. If the median income in our country is \$31,000 a year, the people who earn \$31,000 a year should get a tax break. That is a promise that was made by the current government.

The government cannot fulfill all of its obligations and its promises through promises of child tax benefits or old age security that we have still not seen. Here is the opportunity right now. The government has been asked to provide a tax cut and relief for the middle class, but it is not doing it for those who are earning less than \$49,000 a year. It has an opportunity to bring the bill to committee to fix it and to ensure that 83% of Canadians benefit from this tax measure.

Hopefully we can fix this bill and work together collaboratively in this House to move forward in 2016 to take care of each other.

[*Translation*]

**The Deputy Speaker:** Order. 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 member for Regina—Lewvan, Regional Development; and the member for Hochelaga, Social Development.

• (1625)

[*English*]

**Hon. Alice Wong (Richmond Centre, CPC):** Mr. Speaker, there are two provisions to Bill C-2. One is the reduction in the annual limit one can deposit into a tax-free savings account, and the other is a reduction in the second income tax bracket while increasing the top tax bracket. I will begin my discussion with the tax-free savings account.

The TFSA was introduced in the 2008 federal budget, back when the late Jim Flaherty was the minister of finance. Canadian families were able to invest their after-tax dollars and earn income tax-free through their TFSAs. TFSAs can be used to invest in all sorts of eligible financial products, whether they are GICs, mutual funds, or stocks and bonds, to name a few. Canadians were already taxed once on their income. The TFSA allows them to earn income on their savings without having to be taxed again. Unlike RRSPs, the TFSA alleviates the risk that governments will change the tax rates, as withdrawals from the TFSA are not taxed.

It is not surprising, especially with the Liberals set to increase taxes in the upcoming budget, that Canadians at all income levels are choosing to invest in TFSAs. The Liberals would like nothing more

than to get their hands on the savings of Canadians. Simply put, the country benefits from Canadians saving their hard-earned money, and the TFSA allows them to do so. We should be encouraging saving and not discouraging it, as Bill C-2 will do.

The previous Conservative government was able to increase the TFSA contribution limit because our last full fiscal year in government was in surplus. The Auditor General confirmed this. Indeed, the Minister of Finance's own department, in the monthly "Fiscal Monitor" publication, showed that in the first nine months of the current fiscal year ending in December, Canada's budgetary surplus was \$3 billion. Now the Liberals are choosing to squander this surplus and plunge us into massive deficits, including with Bill C-2.

I will now bring my attention to the second part of Bill C-2, which is the proposed adjustment of the income tax brackets. Since I was elected to the House of Commons in October 2008, the rates for the federal tax brackets have not changed. There is a 15% bracket, a 22% bracket, a 26% bracket, and the top bracket of 29%. With this stability, Canadians can reliably predict how much income tax they would be paying.

The new Liberal introduction of a higher tax bracket would create a situation where top-paid and top-performing professionals in Canada will be discouraged from working further and encouraged to look into ways of legally reducing their taxable income levels. In particular, I would like to point out that when we add together the combined federal and provincial marginal tax rates, Canadians who live in over half of our provinces will be paying a top combined tax rate of over 50%. These provinces include Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, and Prince Edward Island. This means that people in the top tax bracket will be paying the government more than half of their income for each extra dollar they make.

Does anyone in the House believe that these individuals will be seeking to earn more money when they will be paying more than half of their income in the form of income taxes? We should be encouraging Canadians to work hard and earn more money. This income tax change will have the opposite effect for those highly paid professionals who qualify for the top income tax bracket. There will be a point when people will choose to work less because the money they earn will simply be given to the government. Indeed, I foresee the only growth in high-paying jobs resulting from Bill C-2 will be of tax accountants, who will be finding ways to reduce the income tax burden on highly paid professionals. That was maybe the Liberal plan after all.

• (1630)

Speaking of Liberal plans, the other fact that the Liberals promised in their election platform is that the reduction of the second tax bracket will be paid for by the increase in taxes in the top tax bracket. Subsequent projections from the Department of Finance have indicated that Bill C-2 will not be revenue neutral but will put us further into deficit.

Indeed, our previous government's election commitments, including an increase to the TFSA annual contribution rate, were contingent on balancing the budget. Not only have the Liberals squandered the surplus, but they are implementing changes that were clearly from incorrect premises.

In summary, Bill C-2 is wrong for Canadians. I will be voting against it in its current form.

**Mr. Adam Vaughan (Parliamentary Secretary to the Prime Minister (Intergovernmental Affairs), Lib.):** Mr. Speaker, on October 19, the Montreal Canadiens were in first place and Carey Price was the player of the week. We are now watching a play-off series about to start where the Montreal Canadiens are not going to make the play-offs simply because they were leading on October 19, and Carey Price, much like Joe Oliver, is no longer in a position to defend anything.

The situation is this. The previous Liberal government paid down \$90 billion on the national debt, but the previous Conservative government added \$150 billion to the national debt. Under former prime minister Pierre Trudeau, the debt was 2.9% of the GDP, but under Brian Mulroney, it was 6.7%, and it goes on and on. The bottom line is that the former prime minister, combined with Mr. Mulroney, have created three-quarters of Canada's debt since Confederation.

If the Conservatives are so concerned about the record of debt that their government left, why have they not all resigned and joined a party that actually fights deficits?

**Hon. Alice Wong:** Mr. Speaker, I thank the member opposite for quoting historical records.

Historically, it was our government that cut taxes and yet was able to balance the budget. The way that the Liberals did the balancing was to cut transfers to provinces for education and health care. We had to keep adding our contribution to the provinces in order to get rid of their deficits. It was our government that was able to balance budgets several times. It was during the recession that we were able to use the deficit to create jobs, 1.2 million net new jobs. When the government on the other side was doing that, they lost jobs. This is our proud record.

**Ms. Marilyn Gladu (Sarnia—Lambton, CPC):** Mr. Speaker, my question has to do with the two conflicting views that are continually being presented in the House on the financial situation that the current government inherited. I am interested to hear the member clarify, for the sake of the public who must be very confused, what she understands about the balanced budget and the surplus left by the previous Conservative government.

**Hon. Alice Wong:** Mr. Speaker, I will state again that the Conservative government was able to increase the TFSA contribution limit because our full fiscal year in government had a surplus. The Auditor General confirmed this. Indeed, the Department of Finance, through its monthly "Fiscal Monitor" publication showed that in the first nine months of the current fiscal year ending December, Canada's budgetary surplus was \$3 billion.

**Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Mr. Speaker, the member talked about how the new bill would add to the deficit, and the government seems to have no

### Government Orders

regard for the impact of that deficit on future generations who are going to work to pay off the spending we have today.

I wonder if the member could comment specifically on the impact that the misguided fiscal approach of the current government is going to have on future generations.

• (1635)

**Hon. Alice Wong:** Mr. Speaker, I thank my young hon. member for that question.

Indeed, the Liberal government is heading to create more deficits, and I worry about the younger generation. That is why we wanted our students to be able to save for education, our families to save to start a family, entrepreneurs to save for their businesses, parents to save for their children, and low-income seniors, who are close to my heart, save for retirement.

If Bill C-2 passes without change, these changes will make life less affordable for Canadians who are trying to save for vulnerable years. Therefore, we will vote against Bill C-2 in its current form.

**Ms. Irene Mathyssen (London—Fanshawe, NDP):** Mr. Speaker, I appreciate the opportunity to speak on this important bill. Tax fairness has been an NDP concern for decades. Unfortunately, I am not at all convinced that Bill C-2, an act to amend the Income Tax Act, provides the fairness that Canadians have done without for quite some time.

I will begin by quoting from the Liberal Party's election campaign platform. The Liberals told us that they would give middle-class Canadians a tax break by making taxes more fair: "When middle class Canadians have more money in their pockets to save, invest, and grow the economy, we all benefit."

However, there is a problem here. The Liberal definition of middle class seems to be a moving target. Worse, that vagary seems to be intentional. It wins votes, but at the same time it absolves them of accountability. It leaves us with many questions.

Which Canadian workers fall into the category of middle class? Let us look at the numbers. *MoneySense* estimates for 2013, based on Statistics Canada data, are that an individual Canadian earning an income between \$23,000 and \$37,000 annually makes more than the poorest 40% of Canadians and less than the richest 40%. It is reasonable, then, to assume that if one sits in a wage range where the number of Canadians making more and less is equal, one falls in the middle, a middle which at the top end, using this definition, is just under \$37,000. In fact, the Liberal tax proposal excludes anyone making less than \$45,000. In other words, this tax reform excludes the lowest 60% of wage earners. However, as I pointed out, the Liberal definition of middle class is a little vague.

Let us give the Liberals the benefit of the doubt and look at Canadians with an annual income falling between \$48,000 and \$62,000 per year. The tax benefit now kicks in at a whopping \$50.

*Government Orders*

As an aside, and because the bill also proposes a rollback in the TFSA limit, it may be sad and somewhat surprising to learn that the claims of the previous minister of employment, the member for Carleton, turned out to be inaccurate when he said that 60% of individuals contributing the maximum amount to their TFSAs had incomes of less than \$60,000 in 2013. Were they middle class? Also, for those income earners, the additional \$50 tax benefit, or 96¢ a week, does not amount to much. With that increase to one's take-home pay, they would have to wait two weeks just to buy themselves a double-double.

It seems to me that except for the fact that the Conservative Party leader seems to have had a change of heart and is now aligning herself with the 99%, the old Liberal-Tories same old story adage holds true here again today. Under the current Prime Minister's plan, the highest 30% of Canadian income earners are the main beneficiaries of this legislation while the wealthiest 10% pocket most of the money. One would think that an income tax deduction designed for the middle class should actually benefit a larger proportion of Canadians.

A federal tax system is put into place in order to create and maintain an equal and just society, to provide essential services for Canadians, and to ensure that not one of us is left behind. It is the vehicle of a strong social democracy. I would like to suggest that the plan should be sustainable. New Democrats know that is possible. How can the Liberals justify this change when it will result in a total revenue loss of \$8.9 billion between now and 2021?

We have an opportunity to effect real change for the people who need it most, and, in doing that, everyone benefits. Unfortunately, the tax change proposed by the Liberals does not even come close.

• (1640)

Why not aim higher? Why not make changes that would ensure that no Canadian lives in poverty?

New Democrats know that we do not have to get bogged down in the definition of who is middle class to see that Canadians are being left behind as a result of Conservative and Liberal government inaction. The gutting of our manufacturing sector and the loss of well-paying jobs and stable work has affected the economy and the lives of people in London, Ontario and all of Canada for decades. New Democrats understand this reality and know that we can do better. The fact that we have Canadians living in poverty is shameful. The income gap is growing and it becomes increasingly difficult for families to find accessible, affordable housing, and child care, health care, and education.

In their effective opposition, the New Democrats have proposed a number of realistic measures to help families struggling to make ends meet: a national child benefit supplement; guaranteed income supplement; \$15-a-day child care for all Canadian families; and reinstatement of the labour-sponsored tax fund credit, to name just a few. The NDP understands the reality of the middle- and lower-income earners of this country.

If the country were to reduce the tax rate for Canadians earning less than \$45,000 a year by just 1%, from 15% to 14%, 83% of those people, some nine million Canadians, would benefit. The cost difference would be minimal and could be easily recovered with a

very slight increase of one half percentage point to the corporate tax rate. The New Democrats' proposal makes sense in dollars and cents terms. Our proposal would also enable the government to increase the working income tax benefit, which has proven to be very effective for low-income workers, and put more money back into local economies.

As tomorrow is International Women's Day, let us talk a bit about equity.

We know that creating equity for workers with the lowest incomes benefits women. Federal tax policy is structured such that the ratio of profit between women and men is 60-40, more or less. It favours those with higher incomes, and since men by and large earn higher incomes than women, they are advantaged and women are disadvantaged under the current taxation regimes. This disadvantage follows them from the time they enter the workforce to retirement, as women on average fall more often into the category of low-wage earners and since those benefits are often calculated based upon annual income, which is more likely to be part-time, precarious, or interrupted in order for women to raise children.

As members can see, tax cuts to the lowest tier of Canadian income earners, such as those proposed by the NDP, would not only benefit those workers and the communities but would also represent a small and vital step toward gender equality.

The NDP has always worked for seniors. I am very proud to say that we are the only party that has a national strategy on aging, and I am thankful to my staffer, Tara Hogeterp, who worked diligently in the last Parliament, with the aid of our NDP research staff team, to bring that strategy to the public.

We do not believe that an increased TFSA limit is the solution for lifting nearly 200,000 seniors out of poverty, so we support the government's proposal to amend it. We fought against the Conservatives' reckless decision to raise the retirement age from 65 to 67. We proposed to increase funding for the guaranteed income supplement by more than \$400 million.

It seems to me that the government is missing an important opportunity here to create fair and equal taxation systems that would benefit all Canadians, missing an opportunity to fulfill one of its election promises. It makes me wonder whether it ever had any intention of doing so in the first place.

Instead of making smoke-and-mirror changes to tax policy that would not benefit anyone but copywriters, why not create a system that would actually serve the Canadian population and work toward real sustainable fairness and equity?

In doing so, the government would be able to say that election promises do matter. That would be a remarkable and refreshing change.

*Government Orders*

• (1645)

**Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Mr. Speaker, when we became the government about 10 years ago, we cut taxes in a very specific way. We cut the GST from 7% to 6% and, eventually, to 5%. We also reduced the lowest marginal tax rate. It was important for us to do that because these tax reductions benefited all Canadians, but they focused the benefit particularly upon low-income Canadians.

We did what the government has said it would do but did not do, which is help those who need the help the most: those who are looking to join the middle class.

I know that we disagree about business taxes, but I wonder if the member would reflect upon the differences between those changes to the lowest marginal rate and the GTS compared with the way the current government is proceeding.

**Ms. Irene Mathysen:** Mr. Speaker, I was here during those Conservative years, and without a doubt, in all of the Conservatives' so-called help for Canadians, they missed out a whole lot of people.

They did not help women. They put women at a great disadvantage, and they certainly did not help seniors when they raised the age of eligibility for OAS/GIS to age 67. They did not bring in any kind of socially progressive legislation or policies that really would have made a difference to people in our communities.

There was no national housing program. There was no child care. It was all simply a matter of throwing around money, and most of the money landed in the laps of those who did not need it. I would not call that tax fairness by any stretch.

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Mr. Speaker, I think the hon. member for London—Fanshawe and I can agree that the last 10 years did not address issues of inequality but contributed to a spreading problem, a real crisis in Canada with inequality.

I would like to ask if the New Democratic Party is willing to join the Greens in supporting a guaranteed livable income so that we can end poverty for all in Canada. I have been encouraged to hear the new Minister of Families, Children and Social Development talk out loud about maybe moving to that progressive policy, and I am hoping the NDP is ready to join us.

**Ms. Irene Mathysen:** Mr. Speaker, I thank my hon. colleague for her invitation. I would counter by saying that I hope that the Greens will join New Democrats, because we have been talking about the importance of income equality for years and years.

I think that a guaranteed livable income would be a very important step in making sure that those in our communities who have given so much, the seniors, the veterans, the working families, receive the kind of supports that allow them to contribute to our economy.

One of the fallacies in all of this is that somehow these are folks who are simply on the receiving end of government benevolence. They are the backbone of this country and make this country strong. They are the ones who are providing, and we need to acknowledge that.

**Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, when I look at Bill C-2, it is just one of the many things

being done to address some of the existing income inequalities that the previous Conservative government somewhat exacerbated.

An important component is that nine million-plus Canadians would benefit directly. Tens of thousands of workers from every region of our country would get tax money going back in their pockets. I see that as a positive thing.

When we take into consideration issues such as our senior pension programs, for which there will be substantial increases, from what I understand, coming in the March 22 budget that I know Canadians are waiting to hear, there is a movement in the other direction, a direction that empowers Canadians and Canada's middle class, which would be healthier for our economy. Would the member not agree?

• (1650)

**Ms. Irene Mathysen:** Mr. Speaker, the member from the government caucus talks about all that the Liberals are doing. I do not think so. We are still waiting over here. There has been a whole lot of talk in a chamber filled with thunderous noise and all kinds of assertions, but I have not seen anything tangible.

The reality is that when we look at Bill C-2, we see very clearly that it is rewarding those who have the highest incomes. Those who earn \$45,000 or less are not benefiting. How on earth is this construed anywhere as a positive step in helping Canadians?

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Mr. Speaker, it is an honour to rise today in the House to discuss Bill C-2.

I want to start by clearly stating my premise up front and then speak to it throughout the 10 minutes I have. My premise is that fairness for the middle class and societal inequality cannot stand together. We cannot as a society, and nor can the government, decide that the middle class is the be all and end all of tax policy. I will say this bill misses the mark on delivering for the middle class.

We cannot say that fairness for the middle class is the be all and end all for society, because as long as inequality and poverty persist, every part of society is disadvantaged. Every part of society is disadvantaged by the continuation of poverty.

In the last half hour, I heard a Conservative member say that the people who need the tax breaks the most, the people who need the help the most, are the middle class. No, the people who need the help the most are the homeless. The people who need the help the most are the unemployed. The people who need the help the most are the poor.

*Government Orders*

In terms of inequality, where does Canadian society stand today? By any measure, we are a fairer and more equitable society than the United States. However, in a very real way, we are not as fair or as equitable as we used to be.

During the election campaign, I was digging all the time for stats and arguments for the few leaders' debates in which I was included. While doing research, I was staggered to come across this stunning statistic: the 86 wealthiest families in Canada have more combined wealth than the 11.4 million Canadians in the bottom of income brackets. Eighty-six individual Canadian families have more wealth than 11.4 million Canadians at the bottom.

Is this a problem? I submit it is a serious problem, and it is a problem that Bill C-2 will not address. I do not imagine that anyone thought Bill C-2 would address it. I will say, in fairness to the new government, that I hope that more is planned if it is serious about addressing income inequality.

Let us just look at this on a higher plane of analysis, namely, in regard to the mania for neo-liberalism, for the policies of Milton Friedman and for the Thatcher-Reagan era, in which no politician would say anything other than that we needed smaller government, that we needed tax cuts, that we needed deregulation, that we needed trade liberalism, as though that mantra would deliver great blessings to society overall.

One of the economists who I think has skewered this most effectively with detailed empirical research, and who does not brook a different opinion because he comes fully loaded with the facts, is Nobel Prize-winning economist and current professor at Columbia University in New York, Joseph Stiglitz. Stiglitz amassed all the information any Parliament would need to decide that inequality is unacceptable for a society that wants to succeed at anything.

Joseph Stiglitz's book, *The Price of Inequality*, is one that I hope every member of Parliament will read. Stiglitz concludes that:

Inequality leads to lower growth and less efficiency. Lack of opportunity means that its most valuable asset—its people—is not being fully used.

There are a lot of things one can say about the era of Thatcher-Reagan, neo-liberalism, and the kinds of trickle-down policies that were supposed to deliver benefits for all, but Joseph Stiglitz has pronounced, and I think it is time that we all learned how to say it, that the neo-liberal experiment with tax cuts to deliver wealth has been tried and is a monumental failure. Growth is stagnant. The economy is suffering, not just in Canada but everywhere. In Canada, particularly more than some of our OECD colleagues, we have had stagnant growth for a while now. We are not seeing investment, and I want to touch on what our corporate sector has been doing or not doing.

• (1655)

Trickle-down economics is a joke. The great Canadian economist, the late John Kenneth Galbraith, used to explain trickle-down economics like this. If one feeds a horse enough oats, the sparrows will eventually find a meal in the manure. That is trickle-down economics. In the alternative, as Gus Speth, who used to be head of the United Nations Development Programme, once said, when talking about trade liberalization, a rising tide lifts all boats; we can now fairly say that a rising tide will lift all yachts, not all boats.

We have a real challenge in our society and, boy, do we have a really good opportunity right now. I would urge the new government to actually embrace the idea of tackling inequality in our society. We have seen a foundational shift in our tax system in the last 10 years.

Let me provide this statistic. I am indebted to a great Canadian economist, who I wish had not just moved to Australia, Jim Stanford, for having identified this. Over the 10 years of the previous government, the federal revenues as a share of GDP fell from 16% in 2006 to 14.3% last year. That may be celebrated by some, but tax cuts overall end up with shrinking revenue to do the things that society needs, like make sure the health care system works, deliver child care for all, make sure people are not living in poverty and cannot get adequate housing, because again, I repeat, the empirical evidence is clear that it disadvantages all of society, not just the poor.

If we are going to see a rise in revenue, that means politicians are going to have to get used to saying some words that have been drilled out of our lexicon since the Thatcher-Reagan era began, and that is to ask where we are going to find the taxes to increase government revenue. It is clear that this tax cut modestly, moderately readjusts a tax bracket for our highest income earners. The top 20% basically see \$3 billion removed from the very highest taxpayers, so that the next highest taxpayers get a slight benefit. It is not bad in itself, but it is not, on its own, tax relief for the middle class, nor does it strike any significant blow against income inequality. It is a small step, but tepid, and it fails to address the needs of the middle class, nor does it address the needs of the poor, nor does it really deal with the complicated tax code we have.

I would like to propose to the Minister of Finance that we need root and branch tax reform. We need to step back from all the fashionable pandering to individual sectors of a voting electorate, the boutique tax cuts of the previous 10 years. We need to review all of the complications that work against a tax code, that frankly, the fiscal conservatives say they want, and that people in Canadians for Tax Fairness argue we absolutely need. We need to simplify our tax code by taking out the special rewards: for people who happen to have kids who are already in hockey and can get a prize for that, for people who are already taking the bus and can get a prize for that. That is not good tax policy.

We also need to look for where we should be increasing taxes. I would suggest we need to look no further than what happened to the tax code for the corporate tax rate in the previous 10 years. It used to be 28% in the year 2000. By 2006, when the previous administration took over, it had dropped from 28% to 20%. It now stands at 15%. People might be interested to know that, in comparison, the U.S. corporate income tax rate stands at 35%. Other than Ireland, which is at 12%, Canada has the lowest tax rate in the industrialized world, and certainly right now we stand with the lowest tax rate in the G7.

*Government Orders*

I draw members' attention to the fact that Canada's corporate tax cut has resulted in about \$700 billion to date being considered as dead money, as the former governor of the Bank of Canada described it—\$700 billion sloshing around as available cash and not being reinvested in our economy where we need it. We may need to look at other tax measures. Down the road, we may need to look at the GST. The Green Party is not advocating raising that tax. We are talking about increasing the corporate tax rate. I believe it should be set where it was in 2008. We really need to look at a guaranteed livable income, because the bottom line is that Canada's society is middle class. All of Canada's society will not experience well-being and prosperity as long as poverty persists.

• (1700)

**Hon. Larry Bagnell (Yukon, Lib.):** Mr. Speaker, you are doing a great job. I really enjoy being in the House with the member who just spoke. I have a great deal of respect for her. She, along with the Prime Minister, is one of the long-time movers of civility in the House, and I really appreciate that.

I appreciated the topic of the member's speech today on equality. It is very interesting that a lot of research has been done on this. It shows that it does not matter whether a country is very wealthy or very poor, but what determines its success is the disparity in income groups and the disparity among various people from the highest range to the lowest range. It is certainly an admirable goal that would lead to profitable economic and social results by reducing income inequality.

The member referred earlier, in a question actually, to the guaranteed annual income. I wonder if she could expound a bit on her vision of that, because it is a very interesting concept, where we would take all of the various supports and put them into a guaranteed annual income. Would she see that going to every single citizen, or would there be a limit so it would be affordable and the lower-income people could get a higher amount? How might that system that she is contemplating work?

**Ms. Elizabeth May:** Mr. Speaker, I thank my hon. colleague from Yukon. If he is pleased to see me here, I cannot tell him how happy I am to see him here, back again.

The premise of the guaranteed livable income was embraced once by Reverend Martin Luther King as the only true solution to poverty. It must apply to everyone. That is the way it works. Some people describe it as a negative income tax. The essence of it is that every single citizen receives an income from the government. It would replace quite a lot of other programs, and that is why it is a saving. For instance, it could replace welfare and employment insurance, and would be a phenomenal benefit for students in school.

It would be set at a level that would alleviate poverty in its extreme form but would not create a situation where someone did not want to work. In other words, it would not be a sufficient income to induce people to stay home.

What it would do is say to a woman who is a single mother that she should declare her income and that there would be no clawback, whereas the welfare system penalizes a single mother for going back to work or encourages an underground economy. People would keep earning money until they became a taxpayer. That is where it becomes a negative income tax. Higher-income earners of course

would have all of their guaranteed livable income taxed back; lower-income earners could work their way out of poverty.

**Hon. Steven Blaney (Bellechasse—Les Etchemins—Lévis, CPC):** Mr. Speaker, I want to congratulate the member for her speech. She talked about reducing inequality.

Is the bill in front of us not doing exactly the opposite by increasing inequalities? We are seeing in this bill that 70% of the population would not get a tax break. Those who need it the most would actually carry the burden of the deficit created by this measure that would provide a tax break for those who earn more, and those who earn less would be left with a deficit.

My question for the member is this. Is the member supporting the bill? If so, how can we support such a bill that would increase inequality so dramatically for those who need it the most?

• (1705)

**Ms. Elizabeth May:** Mr. Speaker, I do not see how this bill would increase inequality. I do not think it does enough to attack inequality. However, the increase in tax paid by the highest-income earners, over \$200,000, which would be roughly \$3 billion, would pretty much offset the small tax break that would go to the higher upper end of the middle class.

Here is one piece that I found in a paper I like. John Geddes' column described it as how the current Prime Minister's plan "takes from the rich and gives to the almost-as-rich". I think that captures it about right, but it would not increase inequality, nor would it increase deficits, as much as the hon. member might like to wish it would.

**Mr. John Brassard (Barrie—Innisfil, CPC):** Mr. Speaker, it is a great pleasure to rise in the House today to speak to Bill C-2.

I realize that we are near the end of the debate and the vote is coming tonight. Oftentimes when we prepare for these types of things, a lot of what we want to say has already been said. We have heard some good arguments from both sides of the House, but I happen to think that the arguments from this side have been more persuasive.

I have tried to break this issue down to its simplest form, and its simplest form is this. If I were standing in a Tim Hortons in Stroud or Alcona or if I were at Big Bay Point or in Huronia, in Barrie, how would I explain Bill C-2 to the residents of my riding? I would simply start by saying that it is a shell game. I have often used the term "liberalnomics". If one were to define "liberalnomics", it would be accurately reflected as a fiscal policy of saying that things will add up when they do not; a fiscal policy that equates to playing pin the tail on the donkey in the dark, where a government keeps missing its targets; and a fiscal policy in which, if government members made decisions using their own money, they certainly would not make the same types of decisions they are making, including those that appear in Bill C-2.

*Government Orders*

Who is going to pay for this? That is the question we need to ask. The Liberals said they were going to give middle-class Canadians a tax break by making taxes fairer. They said they would cut the middle-class tax bracket to 20.5%, and they certainly have done that. However, they also said that this plan would be revenue neutral. All of the speeches that have been presented by members on our side, even information that has been presented to us by the parliamentary budget officer, have indicated that a \$1.7 billion deficit will be created by this plan this year and effectively an \$8.9 billion deficit over six years. This plan would benefit the top 30% of wage earners. How would I explain this to the people of my riding if I were standing in Tim Hortons?

This may not be a great example for this side to use, but it is an example nonetheless and it comes from Mr. David Macdonald, who is senior economist with the Canadian Centre for Policy Alternatives. In an article in *Maclean's* magazine Mr. Macdonald, through a study, said that 1.6 million families making \$48,000 to \$62,000 a year would see roughly \$51 a year in tax savings; and for those families making \$62,000 to \$78,000 a year, they would be making \$117 in tax savings. I would define those figures as the middle class, and Mr. Macdonald did as well.

Then Mr. Macdonald moved into an interesting category that he defined as the upper middle class, and I think most of us would agree with his definition. Those Canadians who make \$124,000 to \$166,000 a year would see a benefit of this middle-class tax decrease of about \$521 a year, while those making \$166,000 to \$211,000 would see a tax saving of \$813 a year.

How would I explain that to my residents if I were standing in Tim Hortons? I would simply say to them that this middle-class tax decrease would benefit every single member of the House of Commons more than it would affect those who need it the most.

We have heard the finance minister stand up many times in the House during question period and say that nine million Canadians are going to benefit from this. If the parliamentary budget officer's estimates are correct—and there is no reason to think that anyone in the House would discount them—that means for those nine million Canadians, the amount of deficit that they would have to pay is equal to about \$164 each. If I were to explain to my residents in Barrie—Innisfil, with an average median household income of \$69,000 in Barrie and \$66,000 in Innisfil, that the maximum amount they would get as a result of this middle-class decrease would be \$51 but the expectation would be that they would have to pay \$164 for the amount of this deficit, not one of them would think this is a good deal.

• (1710)

Yet the Canadian government is running around, because of this election promise, saying that nine million Canadians will actually benefit from it, when in fact, every member of the House knows that it is Canadians who pay the price.

Based on Finance Canada's estimates, the new Liberal tax plan amounts to an average of an extra \$6.34 a week for those who qualify, merely a head of cauliflower with the way the prices are today.

The other thing Bill C-2 talks about is the reduction of the TFSA from its current amount down to \$5,500. In fact, 11 million Canadians took advantage of the TFSA. My wife and I, who I would classify as middle-class Canadians, and my kids who are in university have used TFSAs as a savings and investment vehicle. It is a tool that lessens the dependence on government. It gives people options. To reduce it just does not make sense because it puts Canadians in control of their future if they choose to do so.

Recently, my financial planner talked about TFSAs and he was quite concerned about the fact that we would see a reduction in them. He told me the story of a 22-year-old student who had invested the maximum amount in a TFSA, which was now worth \$220,000. That individual will be able to take that out tax-free and use it for whatever purpose he or she chooses to use it for. The purpose of the TFSA was all about that.

About a century ago, American author and journalist H.L. Mencken wrote that complex problems had simple, easy to understand wrong answers. He may as well have been referring to the idea that budgets balanced themselves or that the Government of Canada could foster economic growth by simply injecting mountains of taxpayer money into the economy.

Government stimulus spending and workers alike can succeed. However, bad public policy, one based on pin the tail on the donkey approach, Liberalnomics, sees companies rushing for the border and everyone else heading straight to the unemployment line. That is exactly the road that the people in my home province have found themselves travelling on over the past 13 years and Canadians are sadly following the same disastrous route under the current government.

Tax breaks that do not help those who need it the most and they create deficits that are not needed. That is Liberalnomics. That is how I would explain to the residents of my riding why I am not supporting Bill C-2. It does not help those who need it the most. It gives members of Parliament a bigger tax decrease than most Canadians, and I will not support it.

• (1715)

**Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, we are giving these tax breaks to hard-working middle-class Canadians. It was an increase in last year's fiscal budget under the former prime minister that took the TFSAs from \$5,000 to \$10,000. This legislation rectifies the wrong and it brings it back down to \$5,000.

In discussions with my constituents, they do not have that extra \$5,000 or \$10,000 after paying their mortgages and loans, having to provide food and necessities for children or even on their own. This was a policy decision of the previous government and it did not address the needs of Canada's middle class. This legislation goes a long way in addressing those needs, especially when it is part one of another part that will come with a child tax benefit. Would the member not acknowledge that?



*Government Orders*

**Mr. John Brassard:** Mr. Speaker, I think all members on this side have acknowledged the fact that the Liberal plan is not what it has been made out to be. I said very clearly in my remarks that those who needed it the most would not actually benefit from it. It will be members of Parliament who will benefit from this tax decrease.

As someone who comes from the middle class, I can say, in contrast to the member opposite, that many people in my riding, such as university students and seniors, use tax-free savings accounts as a vehicle, because it gives them choices for their future. Many people in my riding have used tax-free savings accounts as a vehicle to save for their future. To reduce it is morally flawed, because they do not want to live on government dependence. They want to do things on their own. It is just the wrong thing to do.

**Mr. Scott Reid (Lanark—Frontenac—Kingston, CPC):** Mr. Speaker, I want to thank my colleague for mentioning what is arguably my very favourite quote of them all, which is from H. L. Mencken: "...For every complex problem, there is an answer that is clear, simple and [mistaken]". The government's plans are just full of these kinds of things.

I want to ask the member about the reduction in the size of the TFSA annual donation from \$10,000 to \$5,000. Also, one of the things that strikes me is that when one is a senior citizen, the assumption that exists under the old RRSP system is that one is no longer a saver but is now supposed to spend for the remaining period of one's life. It is a policy that may have made sense when the average life span was much shorter than it is today. However, people turning 70 or 71 who have to start taking money out of RRSPs may reasonably expect to be around for two or more decades. That is a big problem which the TFSA helps to overcome.

Does the member believe that it is possible setting aside only \$5,000 a year in a TFSA to adequately plan for a decent retirement, or is that amount too small?

**Mr. John Brassard:** Mr. Speaker, the amount of \$10,000 provided a lot of flexibility to people. I mean, incrementally, people can come into money and they can save a little more throughout the year. For most Canadians, for 11 million Canadians, that investment vehicle was just that. It was an option and vehicle to save, clearly in all of the investment strategies and retirement planning.

I will use myself as an example. I do not just have a TFSA, I have other investment vehicles as well, but I chose the option of a TFSA because it was there.

Many young Canadians are using that option because it is available to them. It provides them with the opportunity to gain income for retirement, or for buying a home, and for many other circumstances in a tax-free way. That is what we should be encouraging among Canadians. It is one option of many.

• (1720)

**Mr. Harold Albrecht (Kitchener—Conestoga, CPC):** Mr. Speaker, it is my pleasure to rise in the House today on behalf of the hard-working taxpayers in my riding of Kitchener—Conestoga. It is with their interests in mind that I speak in opposition to the government motion that does not help the middle class. Instead, it raises taxes on Canadians and makes it harder for my constituents to save their hard-earned money.

What we are debating today in the House is a fundamental difference between the Liberal Party and the Conservative Party of Canada. On this side of the House, we know that ordinary Canadians are best positioned to determine how their money is saved and spent. On this side of the House, we believe the government should be making it easier for Canadians to adequately prepare for their own retirement.

The Conservative Party supports both immediate and long-term, broad-based tax relief. Reducing personal income taxes is a priority for the Conservative Party because it increases take-home pay and raises the living standards of all Canadians. It leaves more money in their pockets and less in the government's, where far too often it is not used efficiently by governments of all stripes.

Over the past 10 years, our Conservative government cut the GST from 7% to 5%. We cut taxes for small business. We created the tax-free savings account, which is now being clawed back. We introduced pension income splitting and the family tax cut. Indeed, since 2006, our Conservative government reduced the overall tax burden to its lowest level in 50 years. We cut taxes over 180 times. As of 2015, our tax relief is saving a typical family of four up to \$6,600 per year. I am proud of that record. I have been approached in my riding by parents who were very grateful for the reduced tax burden, which lets them now meet the financial needs of their families.

However, what I cannot be proud of is the current Liberal government's failed election promise of a revenue neutral tax cut to what it has determined to be the middle class and restricting the ways that Canadians can save for that special project, or for their retirement.

These two measures will not help middle-class Canadians, and they are election promises that should be abandoned, as the Liberal government has already done on many of its other election promises.

First is the creation of the middle-class tax cut. It sounds great: a tax cut for the middle class. The Liberals' election promise was that this tax cut would be revenue neutral. We know that this was never true, and it was not until after the election that the current Minister of Finance realized it. This means bigger deficits with no end in sight and higher taxes in the future to pay for this failed election promise. It is money going to pay interest that could be invested in health care, palliative care, and mental health care services.

Let us look at exactly who would be benefiting from this so-called tax cut.

*Government Orders*

David Macdonald, who is a senior economist with the Canadian Centre for Policy Alternatives, analyzed this so-called middle-class tax cut. The reality is that for those Canadians making between \$48,000 to \$52,000 a year, the average saving would be \$51 a year. That is less than a dollar a week. For Canadians making from \$62,000 to \$78,000, it would be \$117 in savings per year. He classifies what comes as the next level as the upper middle class. Those making \$124,000 to \$166,000 would gain \$521 a year. Then from \$166,000 to \$211,000, it would be a gain of \$813.

As incomes rise, the larger the break from government taxes. Is this really the Liberal message? I am sure all Canadians would like to have a few extra dollars in their pockets, but it seems quite clear that those who the Liberal government consider the middle class are receiving far less from this tax cut than those of us serving as members of Parliament in the House of Commons.

It is very clear that this modification to the income tax rate change the Liberals are championing is not a significant tax cut at all, but it also comes with a very high price tag in deficit financing. The policies of the government will be economically destructive for Canada. These destructive economic policies will create a huge burden for our children, our grandchildren, and, indeed, our great-grandchildren.

This small tax break is not enough to stimulate our economy. Nor will throwing money at the middle class stimulate growth. It does not help create jobs. We have not seen anything from the government that will help with innovation, allowing companies to expand, or anything that will help create jobs for Canadians.

● (1725)

However, we know that creating jobs is not a top priority of the Liberal government. Since forming government, the Liberal Party has spent and promised billions of dollars outside of Canada, spent time here in the House repealing laws that increase union transparency, but have not created a single job here in Canada.

While in government, we on this side of the House took our jobs seriously and knew what it took to create jobs, to return to balanced budgets, and create a fairer tax system. In our 10 years as government, we eliminated the deficit while continuing to enhance the integrity and fairness of the tax system while refusing to raise taxes. These are the measures the government should be taking, not an expensive tax cut that benefits members of Parliament here in the House more than middle-class Canadians.

Second is the clawing back of the tax-free savings account. A few days after the throne speech, my office received a phone call from a senior who asked for my help to do everything possible to ensure that the Liberal government did not reduce the limit she could contribute to her primary source of savings. This woman, by the way, was not someone with a large income.

Contrary to what the Liberal government would like Canadians to believe, TFSAs have been a very effective tool for all Canadians, both young and old. Members should not take my word for it, as experts in the business community recognize the value of the higher contribution limit for the TFSA. In fact, one chief actuary from a well-respect HR firm said, "I think it is really quite a positive move for the retirement security in general". Who said that? It was the

chief actuary of the Toronto-based HR firm Morneau Shepell. I would encourage our Minister of Finance to perhaps talk to his former colleagues about the benefits of the TFSA and the increase in contribution limits for all families.

In response to this, the Liberal government will claim that only the top 1% of income earners in Canada benefit from TFSAs and that their plan to increase the mandatory CPP contribution limit is better for Canadians. However, 60% of those who max out their TFSA contributions make under \$60,000 per year. Let me repeat that for my colleagues here in the House: 60% of Canadians who utilized the maximum amount they can contribute to their TFSA make less than \$60,000 a year. It goes without saying that these are not the top 1% of income earners in Canada.

I would return to my initial point on the differences between our two parties. On this side of the House, we trust Canadians with their own money. We realize that it is our job to create ways that which Canadians can save for their own retirement and make it economically beneficial for them to do so. The Liberals, on the other hand, have decided that they know what is best and that Canadians have no say in how their money is invested for their retirement.

I would humbly ask on behalf of my constituents that the Liberal government abandon its ill-conceived plan and instead introduce real measures that would lower taxes on the middle class and not claw back the TFSA contribution limit. Let Canadians keep more of their hard-earned money in their own pockets where it will be invested wisely and spent judiciously in ways that spur our economy. We do not need more debt and more interest payments.

**Hon. Larry Bagnell (Yukon, Lib.):** Mr. Speaker, I enjoyed the member's speech, although his philosophy is different from mine.

I am just curious. If I were a Conservative member, I would be really worried about the vote tonight, because I cannot understand how a Conservative member could vote against a tax cut.

As he said at the beginning of his speech, it is their philosophy to let Canadians keep their money, and this would allow millions of Canadians to keep some more of their income. I assume, had that been a Conservative proposal, he would have voted for it, and so I am sure the Conservatives must be conflicted internally to vote against a tax cut for millions of Canadians.

● (1730)

**Mr. Harold Albrecht:** Mr. Speaker, I want to welcome my colleague back to the House. I had the honour of serving with him on the aboriginal affairs committee a number of years ago.

No, I am not conflicted to vote against the motion, because as I pointed out in my comments, the Liberals are trying to imply that this is a tax cut for the middle class when in fact it is some of our lower and middle-income earners that will fare the poorest under this system.

*Government Orders*

If my colleague could say that a \$1 a week benefit is something that should take up this amount of time in Parliament to debate and discuss and then implement, when we know that in the end, this so-called tax cut will simply add to our deficit, I can assure him that I will have no conflict in voting against the bill tonight.

**Mr. Blaine Calkins (Red Deer—Lacombe, CPC):** Mr. Speaker, I would like to thank my seatmate for his elucidation on sunny ways.

The comment I want to make to him, notwithstanding the ridiculous question posed by the member from the Liberal Party, is this. Anyone who is a financial advisor or understands financial investment and personal income security would understand that anyone earning less than \$40,000 a year currently has no or little-realized benefit from putting their money into an RRSP. That money is better put into a tax-free savings account until the income earner is in an income bracket where it makes more sense for them to put their money into an RRSP.

If we do the math and apply it, if an individual Canadian earning less than \$40,000 a year who can save or put, say, \$5,000, \$6,000, or \$7,000 a year into an RRSP were instead to put it into a TFSA—whose extra capacity they will lose under Bill C-2—they would be able to further advance their own income security and income for retirement. By maximizing their contributions to the tax-free savings account early in their careers and then when they become seniors and need to take money out of their RRSPs or their locked-in retirement accounts at the other end, they are taking advantage of the most important financial vehicle that has ever been brought in by a government. The fact that this has been undermined and political games have been played with it is astounding.

Could my colleague talk to the importance of Canadians who can look after themselves and are able to do so with vehicles like a tax-free savings account?

**Mr. Harold Albrecht:** Mr. Speaker, it is obvious that my colleague is more of an expert in financial matters than I am. However, let me say that this goes to the heart of the differences between the Liberal Party and our party. We, on this side, do believe that we, as Canadians, should take the primary responsibility for our retirement savings, and the TFSA has been an incredible tool for that.

It has been mentioned a number of times that it only benefits the wealthiest. As I pointed out in my remarks, most of the people who maxed out their contribution to a TFSA were making \$60,000 or less. These are not the wealthiest Canadians.

In terms of what we use the TFSAs for, it could be used for retirement. However, I know people who are not even close to retirement who are using it to save up for that special project they want to do three, four, or five years from now. It could be a renovation to their house, or it could be as simple as making a lump-sum payment on their mortgage when it comes due. If they save the money in February, March, April, or May, and put it in a TFSA, then when their annual renewal date comes up, they could make a lump-sum payment on their mortgage and reduce their debt.

The TFSA maximum limit of \$10,500 was an incredible tool that should be maintained. It is really disappointing to see the Liberals taking it away.

**Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Mr. Speaker, I want to begin my remarks today with a point of refutation, because in listening to the debate we have heard some discussion around inequality in Canada, with the member for Saanich—Gulf Islands using the phrase a “crisis in Canada with inequality”. We need to review the record with respect to inequality. Frankly, this bill is going in the wrong direction.

However, over the last 10 years as a government we had a really positive record addressing inequality, as the numbers clearly show. As I have mentioned before, at the beginning of our mandate we lowered the GST, which is the tax that all Canadians pay. We also cut the lowest marginal tax rate. This is a very different approach from that of the current government.

In my view, the best way to measure inequality is through something called “intergenerational earnings elasticity”, which is the ability of people to move between different income brackets across generations. In other words, what are someone's chances of being a wealthier person even if he or she had relatively lower-income parents and vice versa?

I will refer members to a paper written by Miles Corak from the University of Ottawa. If we look at the data on intergenerational earnings elasticity, the numbers are clear that Canada is near the top when it comes to equality. In terms of intergenerational earnings elasticity, Canada gets a score of 0.19, where low is good. We are fourth in the world. We are far ahead of the United Kingdom, France, Italy, and countries with a very different social system. We are also ahead of the United States. Therefore, we have a combination of factors in Canada that is good for equality. I would argue that it is a combination of certain necessary social programs in areas like education and health care but also of economic opportunity, and what we have had historically over the last 10 years with limited but effective regulation of business and low business taxes. This environment has been good for equality. It is one thing for members to throw out phrases like “crisis in Canada with inequality”, but if we look at the data specifically I would argue that with respect to intergenerational earnings elasticity, we see that Canada is in a very good spot right now.

Nonetheless, I would argue, and here I agree with our colleagues in the NDP, that this bill does not move in the right direction with respect to inequality because it cuts taxes in certain categories but not in others. Many low- and moderate-income Canadians would not benefit at all.

I am concerned about this bill because we might call this a Liberal promise-wrecking ball. It is a bill that breaks through what were clear election commitments by the Liberal Party. The Liberal Party committed in two key categories when it comes to fiscal measures. It promised to run three modest deficits of \$10 billion, balance the budget after that, and ensure that all tax changes were revenue-neutral. It also promised to cut taxes for, in their words, the “middle class, or [those] hoping to join it”, and to pay for those tax cuts with tax increases on higher-income earning Canadians. We see very clearly that this bill makes utter nonsense of these two commitments.

*Government Orders*

In terms of the Liberals' commitment to run only three modest deficits of \$10 billion, balance the budget after that, and ensure all tax changes are revenue neutral, we know that the deficits have ballooned significantly since the election, and that even before new spending is promised, we will be running an \$18.4 billion deficit in fiscal year 2016-17 and a \$15.5 billion deficit in 2017-18. That is again before new spending.

The Minister of Finance had this to say about that:

A less ambitious government might see these conditions as a reason to hide, to make cuts or to be overly cautious. But our government might see that the economic downturn makes our plan to grow the economy even more relevant than it was a few short months ago.

I will say it is a rather strange definition of "ambitious" to leave the cupboard bare for the next generation. Let us define our ambition by how much we leave for the next generation, not how little we leave for it.

The Prime Minister has said that Canada has room to run these massive new deficits because of our relatively low debt-to-GDP ratio at the federal level. It is true that our government left Canada with a low debt-to-GDP ratio. In fact, we left a reduced debt-to-GDP ratio compared to when we first took office. However, the combined federal, provincial, and municipal debt-to-GDP ratio is alarmingly high. It is over 90%. It is in the same ballpark as the debt-to-GDP ratio of the U.S. and the U.K., if we combine federal, provincial, and municipal debt.

• (1735)

We actually do not have room at all to run these massive new reckless deficits. Of course, this large debt-to-GDP ratio is led by the very large deficit and debt here in the province of Ontario. The policies of the Kathleen Wynne government, which I think unfortunately the current government wishes to emulate, have made Ontario the most indebted sub-sovereign borrower on earth. We cannot go in that direction at the federal level as well. We are already significantly weighed down by that combination of federal, provincial, and municipal debt.

Bill C-2 makes tax changes that will have a significant cost to our treasury. By ignoring the value of tax-free savings accounts, they will also have a significant cost to our economy. This bill would cut tax-free savings accounts and lower some taxes while raising others, but it is not revenue neutral. According to the parliamentary budget officer, it would cost the treasury \$1.7 billion per year. It is clear that the current government is not sticking to its \$10 billion per year deficit commitment. The Liberals have no serious plan to balance the budget in year four. Their tax changes would not be revenue neutral, and estimates are that they will increase instead of lowering the debt-to-GDP ratio. Over the next four years, it is projected that the Liberals will increase the debt more than we did in 10 years. They will increase the debt-to-GDP ratio. They will do it, not because of a financial crisis, but because they have no regard for the importance of planning for the next generation. They are spending today with no regard for the future at all, and, again, certainly making nonsense of their initial budget commitment.

The Liberals said as well that they would cut taxes for the middle class and those hoping to join it. The details do not measure up to that commitment at all. Their proposal is a modest tax reduction for

those making between \$45,000 a year and \$90,000 a year. Individuals making less than \$45,000 will get nothing. Families with a combined income approaching \$90,000 a year will perhaps get nothing. Whether those people consider themselves middle class or those hoping to join it, they in fact would lose because of the proposed changes. Even individuals at the low end of that tax bracket may be worse off because of the other changes that the current government would bring in with respect to tax-free savings accounts.

Those who will benefit most, as has been pointed out, would be those making over \$90,000 per year, perhaps families with a combined income approaching \$200,000 a year. That is the reality of these changes. As a member of Parliament, I know I make a good salary, and my wife, as a part-time physician, does as well. With two incomes, each individually less than \$200,000 a year, we are in the group that would benefit the most from these proposed changes. However, the fact is that members of Parliament and senators do not need tax cuts. Canadians do—hard-working, middle-class Canadians—and those who are hoping to join it. The rhetoric does not match the reality in this bill, at all. Instead, what the Liberals will do by reducing tax-free savings account limits is to hurt those Canadians who need the help the most.

Here are the real numbers on tax-free savings accounts. Over 65% of tax-free savings account holders make less than \$60,000 a year. Almost half of TFSA holders make less than \$40,000 a year. Over half of those who currently max out their TFSAs make less than \$60,000 per year. The Liberals somehow behave as if those making over \$90,000 a year count as middle class for the purposes of their rate cut, but those making less than \$60,000 a year for the purposes of tax-free savings accounts count as wealthy. This is a clear paradox in their plan. Why would they cut benefits for those who make less than \$60,000, while increasing benefits for those who make more than \$90,000 a year?

Again, this bill will drive a stake through the Liberals' election commitments. They promised to run three modest deficits of \$10 billion, balance the budget after that, and ensure that tax changes are revenue neutral. That was and is nonsense. They promised to cut taxes for, in their words, the middle class and those hoping to join it, and to pay for those tax cuts with tax increases on higher-income Canadian. Again, if we look at the numbers, clearly this is total nonsense.

Those of us who are on the Conservative side of the House, and even our colleagues in the NDP, have convictions. We stick to them and we try to advance them. However, it is clear that the current Liberal government already has no regard for its platform. The Liberals have broken more promises in a mere four months than we did in 10 years. Shame on them for that.

*Government Orders*

• (1740)

**Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, a few phrases come to my mind, and one of them is “You have to be kidding.”

It was just a couple of weeks ago that I was at a local restaurant, and someone said to me that the new Prime Minister, in his first 100 days, has accomplished more toward making our society a better place to live than the previous prime minister did in his entire 10 years. I do not know where the member gets off with the comments that he is making.

Let me ask the member a question. We talked about an election platform. He seemed to be focused on that. Let us take a look at what Bill C-2 does. It fulfills a major party platform. It will in fact give money to Canada's middle class. This bill is a promise kept. That is something that was promised in the platform. It said that we were going to give an increase to Canada's wealthiest, that 1%. Again, it is a promise that is being kept.

Let us not give up hope. There is more coming on March 22. It is going to give that much more in terms of Canada's middle class and those aspiring to be a part of the middle class, through the Canada child benefit program. We have seen the greatest redistribution of income inequality in trying to address that issue in the last 120-plus days.

Let us be a little more patient. There is a lot more to come. Would the member not recognize, at the very least, that the government has done more for the Canadian middle class than the previous government did in the previous 10 years?

• (1745)

**Mr. Garnett Genuis:** Mr. Speaker, the hon. member, as well as other members, has alluded to surprises in the budget.

Frankly, we have had quite enough surprises from the government already. It is great to hear the anecdote about the member going to a restaurant and finding someone there who agrees with him. However, we need to look at the numbers and the facts.

I talked about numbers with regard to inequality and the tax changes. The Liberals have trouble with this. They have trouble with the numbers. It is clear from their budget policy that they have trouble with the numbers. Those who benefit from the tax changes are those making between \$45,282 and \$90,563. They are the only ones who will get a tax cut. Those making less than that \$45,000 mark will pay more because they lose the benefit of the tax-free savings accounts.

This bill benefits members of Parliament who make less than \$200,000 but more than \$90,000 a year. It benefits other people in that higher-income category. It does not benefit those who need it the most. These are the lines that the Liberals have, but they simply do not match up with the reality of the numbers.

**Mr. Erin Weir (Regina—Lewvan, NDP):** Mr. Speaker, I thank the member for Sherwood Park—Fort Saskatchewan for introducing the concept of intergenerational mobility into this debate, and I would agree that that is a very important measure of equality of opportunity. Certainly we would not aspire to have a country in

which someone could become prime minister largely on the strength of their father having been prime minister.

One of the threats to intergenerational mobility is inheritance. A concern that I would express about tax-free savings accounts is that they could aggravate the amount of wealth that is conferred based on heredity. Not only will people be able to accumulate wealth over the years, but the Conservatives would like them to accumulate much more wealth tax-free.

I wonder if the member for Sherwood Park—Fort Saskatchewan shares this concern about intergenerational inequity being aggravated by tax-free savings accounts.

**Mr. Garnett Genuis:** Mr. Speaker, it certainly is always a pleasure to engage in dialogue with this member, an experienced debater and someone who has a good understanding of economics, although it has clearly led him to take a wrong turn at some point.

With respect to his comments about intergenerational earnings elasticity, I appreciate his affirmation of the value of that as a metric. It vindicates the approach that our government took. With regard to the issue of tax-free savings accounts and how they operate in the context of inheritance, this is an important point. Tax-free savings accounts are disproportionately used by those on the lower income scale. We know because of the tax treatment of RRSPs versus TFSA's that there is a real incentive for people to use them who are on the lower end in particular. The numbers are clear, and I mentioned them before. Over 65% of tax-free savings account holders make under \$60,000 a year. Over half of those who max out their tax-free savings accounts make under \$60,000 a year.

We want to see people be able to pass on an inheritance to the next generation. We see value in that. However, given the disproportionate use of tax-free savings accounts by middle and low-income Canadians, the advantageous tax treatment of them in the context of inheritance is a pro-equality measure. That is why we support maintaining and enhancing the tax-free savings accounts.

• (1750)

**Mr. Kelly McCauley (Edmonton West, CPC):** Mr. Speaker, I rise in the House today to discuss Bill C-2, an act to amend the Income Tax or, as I like to call it, the Liberals' tax cut in name only.

There are many things to be said about this bill. For starters, the tax cut, while sounding good in a press release, is nothing more than a PR ploy. I want to first note the fact that this tax break is another in a string of broken promises by the Liberals. I recall the warm summer months, and I do recall the warmth fondly being here, and the beginning of a long and growing election. One of the promises made by the government was that the new tax plan, a plan that would cut taxes for the middle class, would be made revenue neutral through a tax hike on the wealthy. The wealthy were defined as those who make \$200,000 or more. However, surprise, the tax plan is not revenue neutral, and in fact will cost Canadian taxpayers well over \$1 billion per year, year after year.

*Government Orders*

The finance minister himself conceded that the plan will leave a staggering \$1-billion annual hole behind, and this is from the head of the government's finance department. Further, a report from the parliamentary budget officer estimates the cost to be close to \$1.7 billion per year, adding almost \$9 billion in debt over the next six years. This broken promise proves that the government's plan was grossly miscalculated. It is clear that for the Liberals, numbers are a challenging thing to deal with.

This tax plan would completely eliminate the \$1 billion surplus that the previous Conservative government left behind, as confirmed by the "Fiscal Monitor" in Finance Canada. I would normally favour tax cuts, but what Canadians are getting is a future tax hike. It is a tax cut being paid for by deficit spending. By borrowing more money to pay for this tax cut, the government is slightly reducing what individual taxpayers are paying now, in exchange for a future hike in taxes. This hike in taxes will surpass the small decrease they are receiving now. It is akin to taking out a bank loan and thinking that the money is an increase in income. It is not. Interest payments on the money borrowed to finance a \$9-billion deficit over the next six years will add millions upon millions of extra dollars to what the government owes, which in turn means more money that the taxpayer will be forced to pay.

This tax cut simply does not make sense. Why pay a little less now for a larger tax hike later? In the world of the Liberals, we do so because it makes the government look good. It makes it look like it is saving Canadians money, when in reality it is sticking it to future taxpayers. This so-called middle-class tax cut amounts to savings of mere pennies a day at the lower end of the income scale, rising up to a whole \$3 a day of savings at the top end.

What would it offer those making below \$45,000 a year? It will offer nothing. There are 17-million Canadian taxpayers who make less than \$45,000 a year and will receive absolutely nothing from this tax cut. Sixty-six per cent of all Canadian tax filers will get nothing from this tax cut. There are 338 members of Parliament in the House who will benefit from this tax cut, but not those below \$45,000 a year. It is not often that I agree with my NDP colleagues, but, like them, I question how the Liberal government could overlook 66% of Canadians who make less than \$45,000 a year and will receive nothing but higher debt from this tax cut. This is not a middle-class tax cut paid for by the 1%. It is simply cynical Liberal rhetoric used solely for election purposes.

It is not just the fact that this tax cut is nothing but a phony one; it includes much more than that. This bill would effectively slash the savings vehicle that gives those with low to medium-income levels a chance to get ahead. The bill would slash the tax-free savings account from \$10,000 to \$5,500. We Conservatives understand the importance of saving and investing. Frankly, our tax system is often a disincentive to the lower middle-class income earners when it comes to saving. The tax code would treat interest and income from savings as yet another lucrative pool of money that the government could get its hands on.

The TFSA limit at \$5,500 a year and then at \$10,000 a year was fair. It allowed for both lower and middle-class income earners to save without worrying that the gains made from interest or rising stock values would be washed away by taxes. Doubling the TFSA was a chance for those at the bottom of the economic rungs to climb

up. However, never let a good program that benefits Canadians get in the way of the Liberals' chance to play politics for their own gain.

Let me quote from the Liberal website, which is still up, about TFSA. It states that TFSA's are "tax breaks for the wealthy — like the doubling of the TFSA limit, which does nothing for the middle class." Yet, 73% of those who maxed out their TFSA's in 2013-14 were making less than \$80,000 per year. Sixty per cent of those who maxed out their TFSA's made less than \$60,000 per year.

• (1755)

What about those horrid one-percenters who the Liberals claim were the biggest benefactors of the TFSA's? Just 5% who maxed out their TFSA's were from this despicable 1%.

The government is trying to change the ability of Canadians to save for their future. Through Bill C-2, Liberals are now saying that those in the middle class should in fact pay more taxes on the money that they save. Rather than giving low- and middle-class income earners the freedom to save up to \$10,000 a year, Liberals are saying that \$5,500 is a proper amount. If one is able to save more, then clearly one is rich enough to pay more taxes, yet 60% of Canadians who maxed out their TFSA's make less than \$60,000 a year. Still they are told it is a tax break for the wealthy, so they are not allowed to save more, tax-free.

This has affected many Canadians who have come to rely on these savings accounts in planning for their future: students saving for higher education; families saving to start a family or for a down payment on a house; entrepreneurs saving for a business; parents saving for their children; and, more importantly, seniors saving to stretch their savings into retirement. These changes will make life less affordable for these Canadians who are trying to save for their vulnerable years. This will be the Liberal legacy: taking away opportunity for wealth generation for Canadians.

The bill embodies the Liberal ideology of higher taxes, higher debt, and higher deficits. It highlights the financial illiteracy of the current government. To Liberals, debt and deficit are great things. Taxing people more is a great thing. This is in stark contrast to what our previous Conservative government did.

*Government Orders*

Under our leadership, Canada was prosperous, with the wealthiest middle class in the world. Canada was an island of stability in a turbulent world. We had a proud legacy of tax fairness and cutting taxes. When in office, our Conservative government reduced taxes more than 140 times, bringing the federal tax burden to the lowest level it has been in 50 years. To put it in perspective, the Maple Leafs were still winning Stanley Cups the last time the tax burden was this low. We did this through measures that were targeted and responsible. We did it while ensuring that when taxes were cut, they were cut for good. It is not like what the current Liberal government is doing, which is cutting today with more to pay in the future.

All in all, the bill is simply irresponsible. It would put an even bigger hole in our budget, pile on more debt for future generations, and cost Canadians more in the long run. It would also take away the economic freedom of Canadians to be able to save and invest in their already taxed hard-earned money, tax-free.

It is for these reasons I will not be voting in favour of the bill.

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Mr. Speaker, I rise to address this member, largely because I missed the chance during questions in the last round to ask a question of one of his Conservative colleagues, who suggested that there have been many Liberal promises broken.

I will leave the Liberals to defend their own promises, but I did want to ask the member if the current Conservative caucus has any explanation for the fact that the Conservative promises of the 2000 election campaign included not taxing income trusts, which was broken on October 31, 2006; a very substantial commitment to reduce wait times in our medical system, which was also a promise broken; a very specific promise to bring in measures on ethics and a bill on ethics with over 60 specific promises, most of which were broken; as well as a plan not to touch our pension ages of retirement.

Now that is just the 2006 election campaign promises of the Conservatives. I could go through the 2008 broken promises and the 2011 broken promises, but I do not have enough time in one question.

**Mr. Kelly McCauley:** Mr. Speaker, I thank my hon. colleague for that question. I am sure the hon. member for Winnipeg North across the way will probably continue from 2008 to 2011 with the broken promises.

I am very proud to stand with that Conservative government. We have made many great promises, including lowering taxes and increasing the TFSA. We have stood proud behind our record, and I do so today as well.

**Mr. Joël Lightbound (Louis-Hébert, Lib.):** Mr. Speaker, it is definitely nice to hear our Conservative colleagues being so worried about low- and middle-income Canadians. I share their concern. It would have been even nicer had they passed the memo to the previous administration 10 years ago.

That said, I would like to come back to the doubling of the TFSA amount. According to a previous parliamentary budget officer, Kevin Page, it was a policy that would have benefited the 10% wealthiest Canadians the most. It was also considered by that parliamentary budget officer as a regressive tax policy. According to

many economists, it was a promise and an engagement that the Conservatives had taken that would have cost \$15 billion a year a few decades from now. According to the previous finance minister, it was a problem that we should have left to the prime minister's granddaughter. According to us, it is not a problem that we should leave to anybody's granddaughter, and that is why we have reduced the limit to what it was before.

I would like to have the member's take on all of these opinions about the doubling of the TFSA amount.

• (1800)

**Mr. Kelly McCauley:** Mr. Speaker, the reality is the majority of TFSA accounts are held by individuals in the low and middle class. We can sit here and say it benefits the wealthy, but the reality is that 73% of those maxing out their contributions are making less than \$80,000 a year, so it is benefiting the middle class.

I do find it quite strange to have someone across the way comment about future debt when his party has been piling on \$19 billion, \$20 billion, \$30 billion of debt this year alone, including \$9 billion of irresponsible spending from this so-called middle-class tax cut.

**Mr. Colin Fraser (West Nova, Lib.):** Mr. Speaker, it is clear that members on this side of the House support the tax-free savings account. What we are talking about is the increase that was made last year to almost double the contribution to the tax-free savings account and whether that was a fair and proportional way to allocate those resources.

The tax-free savings account is an important savings tool. That is why we support returning it to the way it was in 2014. There is no disagreement there. It was brought into effect in 2009. In 2010, 2011, and 2012, the maximum contribution remained at \$5,000. Then in 2014 it went up, based on the rate of inflation, to \$5,500. We want it to go back to the 2014 level, which is fair and proportionate. We do not agree with doubling it in an election year. We do not agree with doing it for less than reasonable purposes.

I wonder if my friend would agree with me that restoring it to the 2014 level would be fair and equitable. We on this side of the House support the TFSA.

**Mr. Kelly McCauley:** Mr. Speaker, we do not agree with your position. The TFSA has been shown to benefit the massive numbers of people have taken advantage of it, and they are in the middle to lower class. Clearly, 50% of the contributions are made by people who make less than \$50,000 a year. It benefits the lower and middle class. The more we can benefit them, the better our country will be.

**The Assistant Deputy Speaker (Mr. Anthony Rota):** Before I continue with the debate, I just want to remind everyone that the Speaker does not have a position. I am sure it was in third person.

The hon. member for Calgary Signal Hill.

*Government Orders*

**Mr. Ron Liepert (Calgary Signal Hill, CPC):** Mr. Speaker, I wish I could say it is my pleasure to stand today and speak to this piece of legislation. Unfortunately, it is not, but it is important to put some views on record. These are the views of my constituents that I talked to during the election campaign.

As I went from door to door through various communities, the issue of the tax-free savings account was seen as a very creative way that as we move away in the future from defined benefit plans, the tax-free savings account was something that they could contribute to and rely on as they went through their retirement years.

We have seen, in the 150 or so days that the government has been in power, promise after promise being broken, but this is one promise that I wish the government had broken.

I have reflected on how some of these decisions were made by the Liberal campaign team. I envisioned that when the Liberal plane was flying over Sault Ste. Marie, the Liberal leader decided he did not have a promise to make when he landed in Winnipeg, because everywhere he went, he wanted to promise something. Some bright staffer said, "Let us give a middle-class tax cut." Nobody really knows what the middle class is, and I will come back to that in a minute.

One of the staffers pipes up and says, "That will cost us a lot of money. How are we going to make up that revenue?" The leader says, "Well, we will just put this little tax on the rich, and in addition we will roll back that promise of the TFSA from \$10,000 to \$5,000 which should make this revenue neutral."

Of course, we have seen in the House that it is not revenue neutral. It was a broken promise. It was an ill-thought-out promise, and now we are going to be paying for it.

What my constituents want to see is logical planning going forward. They do not want to see programs that were designed on the back of a napkin, and that is what we have seen too much of with the current government.

I want to talk about this new terminology of the so-called middle class, a term that has been glommed onto by the Prime Minister and the Minister of Finance. When the finance minister appeared before the House of Commons finance committee, I asked him to explain what his definition of middle class is. He did not answer, and I do not believe the Liberals know what they are referring to when they talk about the middle class.

I asked the finance minister, "If I am not middle class, what am I?" Am I lower class, upper class? What am I, if I am not middle class? I call on the government to start to define some of the terminology that it uses, because in this country we do not have a class system. We have a system whereby we can work and improve our standard of living. I am frankly one who is offended by continuing to hear this term "middle class" thrown around as though there is a particular level of Canadians who might be better than other Canadians. That is one of the problems that I have with these bills that have been thrown out and designed to appeal to a segment of the voting population.

We all know that the TFSA is a program that has been incredibly successful. On this side of the House, we have tried to impress that

some 11 million Canadians have in one way or another contributed to the TFSA. I would dare to say that if the government left the commitment to move to a \$10,000 level alone and even looked at increasing it further down the road, many more Canadians would be contributing to a TFSA, and we would not have some of these unfunded pension liabilities that we are starting to face with our baby boom population.

I would appeal to those members who are so disposed to think about this. We have a vote coming up fairly soon, and I would appeal to a couple of my colleagues from Calgary, the member for Calgary Skyview and the member for Calgary Centre, who is the Minister of Veterans Affairs. I know they have taken a lot of heat over the past couple of weeks because they chose to be whipped and vote against supporting the energy east pipeline.

● (1805)

When the vote comes and the Speaker asks the House who would oppose this motion, this is a great opportunity for the member for Calgary Skyview to stand to vote with his constituents, not to vote the way the whip nods his head up and down or sideways.

We also have the Minister of Veterans Affairs and Associate Minister of National Defence, with whom I have had many a discussion. I know his constituency very well. I know many people who live in his riding. I know for a fact that they support what we did with the TFSA increase.

This is a great opportunity for the Minister of Veterans Affairs and Associate Minister of National Defence to raise his hand and say that he probably made a mistake in not supporting the energy east motion put forward by the Conservatives and that there is an opportunity to amend that vote with his constituents. I throw that challenge out to my colleagues from Calgary and I hope they take up that challenge when we vote later tonight, or whenever the vote is called.

I would like to come back to the whole idea of savings. It has been well-documented that we are in a situation where far too many people are over-leveraged and far too few people are saving for the future. As government, as legislators, we need to ensure we have models in place that if a third of Canadians want to save for their future and not rely upon some unfunded pension that may or may not be there, as our baby boomer population starts to increase in age and if we nurture the TFSA well, there is clearly no reason why it could not continue to succeed. This was a positive first step, with the increase to \$10,000. I would strongly encourage some of those members on the other side who have said that they support the TFSAs to take this opportunity to show their leader and Minister of Finance that we need to ensure we have in place programs that will allow Canadians to make some of their own decisions.

One of the concerns I have as we ratchet back the TSFA program is that we will find ourselves increasing the amount that small business will have to pay into the Canada pension plan. It will give retirees less opportunity, less ability, to manage their retirements funds. That is a wrong-headed approach under this plan.

With those few words, I would encourage some members of the government to send a message to their finance minister that this is wrong legislation. I will not be supporting it.



*Government Orders*

•(1810)

**Mr. Martin Shields (Bow River, CPC):** Mr. Speaker, I appreciate the comments made of my colleague from Calgary. One of the things I do know is that he does stay connected. He really does know his constituency, and he has talked to a lot of people in Calgary. When he refers to positive feedback, my question for him would be with respect to the demographics in the sense of the responses he has received.

Would he expand upon that and say what kind of response, demographically, he has received on that issue?

**Mr. Ron Liepert:** Mr. Speaker, I have a fair representation of those who are on retirement pension plans, as all members have. When I was door knocking, one of the things I found was that people who were retired and on a pension plan today were not that concerned about their own particular situation, but they were very concerned about their grandchildren. Time and again I heard that they were concerned that their grandchildren probably were not doing enough to save for themselves and that the typical pension plan they were comfortably retired on today would not be there when their grandchildren needed it.

There was a broad range of responses, which further exemplifies the fact that we need several options for people to save for their future, not just one defined Canada pension plan.

**Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** I have a comment and then a question, Mr. Speaker.

The member made reference to the pipeline issue and how members of the Liberal caucus had voted. I had been here for five years when the Conservatives had a majority government and they did not build an inch of pipeline. As a prairie member of Parliament, the Conservatives failed miserably at getting our natural resources to tidewater. We support a process that will ultimately see natural resources enhanced in the prairie provinces.

Being a Conservative, how does the member justify voting no for a tax decrease? Once the bill passes, nine million-plus Canadians will benefit by a tax cut. It is as simple as that. No matter what they want to say, the Conservatives will be voting against a tax cut. How do you justify that to thousands of workers in your riding who will benefit by this tax cut, all in the name of wanting to vote because it is Liberal legislation?

•(1815)

**The Assistant Deputy Speaker (Mr. Anthony Rota):** I remind hon. members that they are speaking through the Speaker.

The hon. member for Calgary Signal Hill.

**Mr. Ron Liepert:** Mr. Speaker, one of the ironies of this whole debate is that we have proven on this side of the House that this so-called tax cut the member refers to ends up being a saving of \$1 a day. However, the government is taking away the ability for Canadians to make some of their own choices around saving for the future.

I would like to ensure the member has his facts correct. During the term of the Conservative government, multiple pipelines were constructed and the northern gateway pipeline was approved.

I want to challenge the government now. Will the Liberals uphold the ruling of the National Energy Board, which has approved the northern gateway pipeline, or will they stick to their Prime Minister's word, which is that we will not have any tankers on the west coast?

I challenge that member to encourage his colleagues to support the northern gateway pipeline when that particular pipeline is ready to go.

**Mr. Dave MacKenzie (Oxford, CPC):** Mr. Speaker, this is an interesting time, when we talk about Bill C-2. I come from a very strong rural riding, but it is also a riding that is one of the few in Canada that has two auto plants not related to each other. Therefore, I have a broad cross-section of Canadians. When people ask what is middle income, nobody seems to know, but one consensus is that it is always somebody who makes \$10,000 more than I do. The difficulty, when we start to talk about what we are doing for middle-income people, is that there is no real definition of it.

We talk about what the Conservative Party did, and I think you, Mr. Speaker, might have been here when we reduced the HST from 7% to 6% to 5%. I think members would agree that everybody benefited from that.

This change being brought forward was to be revenue neutral. Revenue neutral would mean that they would take from Peter and give to Paul, but it would not cost Mary anything in the middle. As it turns out, the Liberals abandoned the promise and according to the PBO, Bill C-2's changes would cost Canadians \$8.9 billion over the next six years.

I think members recognize that when governments accumulate debt, and when we are in a position that we are in now when the economy is not that bad—it is fragile but it is still growing—it does not mean we will pay it. It is not like a mortgage when we buy a house and intend to pay it off in a certain length of time. Government debt always ends up being paid by the next generation or generations. When I look at it, I recognize that we are putting this debt not only on my grandchildren but on their heirs. The debts that we build up in our time here are very important.

By taking the debt and doing what they would do for a small benefit to some people, and it would be so small that they would not be able to retain it, the Liberals have not shown us what the real advantage would be to the economy, other than we know we would add \$8.9 billion to debt. This does not make sense.

Those good people in Oxford who are the farm people, the people who work in the auto assembly plants, the firemen, the policemen and the teachers, are they the middle-class people? I do not know, but they are concerned that these debts will be added on to their children and grandchildren. We need some transparency that goes along with this.

When we said that we would reduce the HST from 7% to 6% to 5%, everybody knew what that meant. It meant that everybody was going to save on their tax dollars. We recognized that tax dollars were not for the government; they were for the people. It is not for the government to decide that the tax money should be taken from pockets of people and to spend it willy-nilly. It is to do things for the government.

*Government Orders*

Unfortunately, in this case, we are past that point. We are looking at adding billions of dollars, and I am not sure whether anybody has calculated exactly what that will be. Some economists have said it will be \$150 billion over the Liberals' term in office. That is a lot of money.

We just went through the worst downturn in the Canadian economy since the Great Depression, and we know that cost money. The deficit went up and the debt went up. However, we handed over a surplus. We should be looking at starting to pay it down, as we did in our first three years in government. Canadians are starting to see the sunny ways turn into dark cloudy days, and we are handing that big debt to our children to pay.

The tax-free savings account is one area that has been focused on a great deal. I know, when I talk to people in my riding about the tax-free savings account, they see no benefit in reducing the contribution limit. We have not heard why it is so important to reduce the contribution limit, other than if the Conservatives did it, it must be bad so we will go back to where it was. I hear from young people who say that they want to save that money to buy a house. There is a difference between RRSPs and tax-free savings accounts. When people want to buy a home out of an RRSP, it just means they have another debt. They can take their money out, but it has to be paid back or they have to pay the tax on it.

• (1820)

These young people, who are smart enough, and there are many of them, recognize that they can put the money into a tax-free savings account. It will not grow by leaps and bounds, but it will grow. They can take the money out to purchase a home. They do not have to put the money back in, but they do have an opportunity to put that same amount back into the tax-free savings account. It is a totally different scenario, so many are looking at that.

Many middle-aged people are looking at the TFSA as an opportunity to build for their retirement. They are not anxious to take part in the new scheme in Ontario, for instance. The Ontario government wants to have its own pension plan, something like the CPP, but we do not know exactly what it is. These middle-aged people are not interested in that. They want to save for themselves, to put that money away for when they retire.

To think that it would make sense to cut back the TFSA is illogical. It does not cost anything. The government's losses in revenues from that would be minimal. It is just a slap in the face of those people who felt the need to put the money away.

As we know, the vast majority of people who put their money in a tax-free savings account would perhaps be deemed to be in the lower half of the income brackets. They are not high-income people. This is a penalty on people who can least afford it, people who would like to save for their future, who do not want to be part of a nanny state. They want their own money they have saved for their retirement. In many cases, it also includes young people who want to save for their education or to go back to school. They may want to buy a house or a car. They may want to start a business.

Therefore, when we look at it, we wonder why the government would want to cut this back. What is the harm in leaving it where it

is? It is a big harm to the people who wish to save, but no harm to the coffers of the federal government.

To turn around and have the tax break we are talking about today, which we know will be minimal—I heard a number today of \$1 a day—what is the benefit in that? One cannot even buy a coffee with that, although there is one chain that is giving away free coffee now, but it is rather difficult to see how that \$1 or \$2 a day would make a great deal of difference to the average Canadian. It is different from when the HST was reduced. We knew what it would do for the auto industry, the recreational industry, and the equipment industry, all of those.

We have not heard what this is going to do. No one can say “We'll see an increase in productivity”, or “We'll see an increase in opportunities for manufacturers.” It just is not there.

However, what we do know from the PBO, and I am sure everyone on that side agrees with the PBO now, is that it will cost \$8.9 billion over the next six years. That is just a number that gets added to the growing deficit that we hear about.

We heard during the election campaign that we would have a \$10 billion deficit. That \$10 billion deficit was one of the 300 promises made. Now that \$10 billion deficit seems to have grown to \$30 billion. When we put \$30 billion here and there, I know it is just a number and that budgets will balance themselves eventually, but somehow they get balanced by our young people, our families, our grandchildren. It is just not fair that we push this on to them. We have been doing it for far too long as a nation and a province.

I am from the province of Ontario, so when we put our debt here, along with the Province of Ontario's debt, we can just imagine the kind of money that our young people will have fished out of their pockets to pay for what we have not paid for. It just does not make sense in the big picture of society.

I am really puzzled as to why we would want to support taking away just one little thing, the tax-free savings account. It just does not make any sense.

I can see, Mr. Speaker, that you are getting anxious to stand up, so I do not want to take away your time when you stand up and tell us we are finished.

I know that on this side, we do not understand why the government would deny people the opportunity to save their own money. That is really what it is: they are saving their own money.

• (1825)

**Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC):** Mr. Speaker, I appreciate the comments made by my friend and colleague.

The one thing I would like him to comment on is the inconsistency that we have consistently heard, if putting it that way makes sense, from the Liberals opposite in government. They have stated on many occasions that the TFSAs only benefit the wealthy and the affluent.

*Government Orders*

We have heard that before. We heard it when we made cuts to the GST from 7% to 6% to 5%. They said that it would only help the really wealthy because only they could afford these big ticket item purchases, when in fact it was just the opposite. The GST reduction primarily helped lower-income people, because almost their entire income is used to purchase goods and services. If we can cut the tax on the goods and services that the lower-income people have to purchase by 20%, that is a huge savings.

Could my colleague please comment, then, if there is any correlation between lower-income people and middle-income people benefiting from a TFSA, or is it, as the Liberals suggest, only for the wealthy?

**Mr. Dave MacKenzie:** Mr. Speaker, there is no difference. When the money is taken out of someone's pocket and we build up a debt, it is just not beneficial to anyone.

**The Assistant Deputy Speaker (Mr. Anthony Rota):** Is the House ready for the question?

**Some hon. members:** Question.

**The Assistant Deputy Speaker (Mr. Anthony Rota):** The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Assistant Deputy Speaker (Mr. Anthony Rota):** All those in favour of the amendment will please say yea.

**Some hon. members:** Yea.

**The Assistant Deputy Speaker (Mr. Anthony Rota):** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Assistant Deputy Speaker (Mr. Anthony Rota):** In my opinion the nays have it.

*And five or more members having risen:*

**The Assistant Deputy Speaker (Mr. Anthony Rota):** Call in the members.

• (1830)

**Hon. Andrew Leslie:** Mr. Speaker, I request that the vote be deferred to Tuesday, March 8 at the end of the time provided for oral questions.

**The Assistant Deputy Speaker (Mr. Anthony Rota):** The recorded division on the motion stands deferred.

\* \* \*

[Translation]

**BUSINESS OF SUPPLY**

OPPOSITION MOTION—EMPLOYMENT INSURANCE

The House resumed from February 25 consideration of the motion.

**The Assistant Deputy Speaker (Mr. Anthony Rota):** It being 6:30 p.m., the House will now proceed to the taking of the deferred recorded division on the motion of the member for Jonquière relating to the business of supply.

Call in the members.

• (1855)

(The House divided on the motion, which was negated on the following division:)

(Division No. 15)

**YEAS**

Members

Ashton  
Benson  
Blaney (North Island—Powell River)  
Boulerice  
Brosseau  
Caron  
Christopherson  
Donnelly  
Duncan (Edmonton Strathcona)  
Duvall  
Garrison  
Hughes  
Jolibois  
Kwan  
MacGregor  
Marcil  
Mathysen  
Moore  
Nantel  
Quach  
Rankin  
Ste-Marie  
Stewart  
Trudel

Aubin  
Blaikie  
Boudrias  
Boutin-Sweet  
Cannings  
Choquette  
Davies  
Dubé  
Dusseault  
Fortin  
Hardesty  
Johns  
Julian  
Laverdière  
Malcolmson  
Masse (Windsor West)  
May (Saanich—Gulf Islands)  
Mulcair  
Plamondon  
Ramsey  
Sansoucy  
Stetski  
Thériault  
Weir— 48

**NAYS**

Members

Aboulttaif  
Albrecht  
Alghabra  
Allison  
Amos  
Anderson  
Arseneault  
Ayoub  
Bagnell  
Barlow  
Beech  
Bennett  
Berthold  
Bibeau  
Blair  
Boissonnault  
Boucher  
Breton  
Brown  
Calkins  
Casey (Cumberland—Colchester)  
Chagger  
Chan  
Clarke  
Cooper  
Cuzner  
Damoff  
Deltell  
Dhillon  
Dion  
Doherty  
Drouin  
Duclos  
Duncan (Etobicoke North)  
Easter

Albas  
Aldag  
Alleslev  
Ambrose  
Anandasangaree  
Arnold  
Arya  
Badawey  
Bains  
Baylis  
Bélanger  
Bernier  
Bezan  
Bittle  
Block  
Bossio  
Brassard  
Brisson  
Caesar-Chavannes  
Carrie  
Casey (Charlottetown)  
Champagne  
Chong  
Clement  
Cormier  
Dabrusin  
DeCoursey  
Dhaliwal  
Di Iorio  
Diotte  
Dreeshen  
Dubourg  
Duguid  
Dzerowicz  
Eglinski

*Government Orders*

Ehsassi	El-Khoury
Ellis	Erskine-Smith
Eyking	Eyolfson
Falk	Fergus
Fillmore	Finley
Finnigan	Fisher
Fonseca	Foote
Fragiskatos	Fraser (West Nova)
Fraser (Central Nova)	Fry
Fuhr	Gallant
Garneau	Généreux
Genuis	Gerretsen
Gladu	Goldsmith-Jones
Goodale	Gourde
Graham	Grewal
Hajdu	Harder
Hardie	Harper
Harvey	Hehr
Hoback	Housefather
Hussen	Hutchings
Iacono	Jeneroux
Joly	Jones
Jordan	Jowhari
Kang	Kelly
Kenney	Kent
Khalid	Khera
Kitchen	Kmiec
Lake	Lametti
Lamoureux	Lapointe
Lauzon (Stormont—Dundas—South Glengarry)	Lauzon (Argenteuil—La Petite-Nation)
Lebel	LeBlanc
Lebouthillier	Lemieux
Leslie	Levitt
Liepert	Lighthouse
Lobb	Lockhart
Long	Longfield
Ludwig	Lukiwski
MacAulay (Cardigan)	MacKenzie
MacKinnon (Gatineau)	Maguire
Maloney	Massé (Avignon—La Mitis—Matane—Matapédia)
May (Cambridge)	McCallum
McCauley (Edmonton West)	McColeman
McCrimmon	McDonald
McGuinity	McKay
McKinnon (Coquitlam—Port Coquitlam)	McLeod (Kamloops—Thompson—Cariboo)
McLeod (Northwest Territories)	Mendès
Medicino	Mihychuk
Miller (Ville-Marie—Le Sud-Ouest—Île-des-Sœurs)	
Monsef	Morrissey
Morneau	Nassif
Murray	Nault
Nater	Nuttall
Nicholson	O'Connell
Obhrai	Oliver
Oliphant	O'Toole
O'Regan	Paradis
Ouellette	Peschisolido
Paul-Hus	Petipas Taylor
Peterson	Picard
Philpott	Poissant
Poilievre	Ratansi
Qualtrough	Rempel
Reid	Rioux
Richards	Robillard
Ritz	Romanado
Rodriguez	Rudd
Rota	Rusnak
Ruimy	Saini
Sahota	Samson
Sajjan	Sarai
Sangha	Scarpaleggia
Saroya	Schiefke
Scheer	Schulte
Schmale	Sgro
Serré	Sheehan
Shanahan	Shiple
Shields	Sidhu (Brampton South)
Sidhu (Mission—Matsqui—Fraser Canyon)	Sidhu
Sikand	Simms
Sohi	Sopuck
Sorbara	Sorenson
Spengemann	Stanton
Strahl	Stubbs
Sweet	Tabbara

Tan	Tassi
Tilson	Trost
Van Kesteren	Van Loan
Vandal	Vandenbeld
Vaughan	Vecchio
Viersen	Virani
Wagantall	Warawa
Warkentin	Watts
Waugh	Webber
Wilkinson	Wilson-Raybould
Wong	Wrzesnewskyj
Young	Yurdiga
Zahid	Zimmer— 262

PAIRED

Nil

**The Speaker:** I declare the motion defeated.

\* \* \*

● (1900)

[English]

**CANADA LABOUR CODE**

The House resumed from February 26 consideration of the motion that Bill C-4, An Act to amend the Canada Labour Code, the Parliamentary Employment and Staff Relations Act, the Public Service Labour Relations Act and the Income Tax Act, be read the second time and referred to a committee, and of the amendment.

**The Speaker:** The next question is on the amendment to the motion of the second reading of Bill C-4.

● (1905)

(The House divided on the amendment, which was negated on the following division:)

*(Division No. 16)***YEAS**

Members

Aboultaif	Albas
Albrecht	Allison
Ambrose	Anderson
Arnold	Barlow
Bernier	Berthold
Bezan	Blaney (Bellechasse—Les Etchemins—Lévis)
Block	Boucher
Brassard	Brown
Calkins	Carrie
Chong	Clarke
Clement	Cooper
Deltell	Diotte
Doherty	Dreeschen
Egliniski	Falk
Finley	Gallant
Généreux	Genuis
Gladu	Gourde
Harder	Harper
Hoback	Jeneroux
Kelly	Kenney
Kent	Kitchen
Kmiec	Lake
Lauzon (Stormont—Dundas—South Glengarry)	Lebel
Liepert	Lobb
Lukiwski	MacKenzie
Maguire	McCauley (Edmonton West)
McColeman	McLeod (Kamloops—Thompson—Cariboo)
Nater	Nicholson
Nuttall	Obhrai
O'Toole	Paul-Hus
Poilievre	Reid
Rempel	Richards
Ritz	Saroya
Scheer	Schmale

*Government Orders*

Shields  
Sopuck  
Stanton  
Stubbs  
Tilson  
Van Kesteren  
Vecchio  
Wagantall  
Warkentin  
Waugh  
Wong  
Zimmer — 91

Shipley  
Sorenson  
Strahl  
Sweet  
Trost  
Van Loan  
Viersen  
Warawa  
Watts  
Webber  
Yurdiga

May (Saanich—Gulf Islands)  
McCrimmon  
McGuinity  
McKinnon (Coquitlam—Port Coquitlam)  
Mendès  
Mihychuk  
Soeurs)  
Monsef  
Morneau  
Mulcair  
Nantel  
Nault  
Oliphant  
O'Regan  
Paradis  
Peterson  
Philpott  
Plamondon  
Quach  
Ramsey  
Ratansi  
Robillard  
Romanado  
Rudd  
Rusnak  
Saini  
Samson  
Sansoucy  
Scarpaleggia  
Schulte  
Sgro  
Sheehan  
Sidhu (Brampton South)  
Simms  
Sorbara  
Ste-Marie  
Stewart  
Tan  
Thériault  
Vandal  
Vaughan  
Weir  
Wilson-Raybould  
Young

McCallum  
McDonald  
McKay  
McLeod (Northwest Territories)  
Mendicino  
Miller (Ville-Marie—Le Sud-Ouest—Île-des-  
Moore  
Morrissey  
Murray  
Nassif  
O'Connell  
Oliver  
Ouellette  
Peschisolido  
Petitpas Taylor  
Picard  
Poissant  
Qualtrough  
Rankin  
Rioux  
Rodriguez  
Rota  
Ruimy  
Sahota  
Sajjan  
Sangha  
Sarai  
Schieffe  
Séré  
Shanahan  
Sidhu (Mission—Matsqui—Fraser Canyon)  
Sikand  
Sohi  
Spengemann  
Stetski  
Tabbara  
Tassi  
Trudel  
Vandenbeld  
Virani  
Wilkinson  
Wrzesnewskyj  
Zahid — 220

**NAYS**

Members

Aldag  
Alleslev  
Anandasangaree  
Arya  
Aubin  
Badawey  
Bains  
Beech  
Bennett  
Bibeau  
Blaikie  
Blaney (North Island—Powell River)  
Bossio  
Boulerice  
Breton  
Brosseau  
Cannings  
Casey (Cumberland—Colchester)  
Chagger  
Chan  
Christopherson  
Cuzner  
Damoff  
DeCoursey  
Dhillon  
Dion  
Drouin  
Dubourg  
Duguid  
Duncan (Edmonton Strathcona)  
Duvall  
Easter  
El-Khoury  
Erskine-Smith  
Eyolfson  
Fillmore  
Fisher  
Foote  
Fragiskatos  
Fraser (Central Nova)  
Fuhr  
Garrison  
Goldsmith-Jones  
Graham  
Hajdu  
Hardie  
Hehr  
Hughes  
Hutchings  
Johns  
Joly  
Jordan  
Julian  
Khalid  
Kwan  
Lamoureux  
Lauzon (Argenteuil—La Petite-Nation)  
LeBlanc  
Lemieux  
Levitt  
Lockhart  
Longfield  
MacAulay (Cardigan)  
MacKinnon (Gatineau)  
Maloney  
Masse (Windsor West)  
Mathysen

Alghabra  
Amos  
Arseneault  
Ashton  
Ayoub  
Bagnell  
Baylis  
Bélanger  
Benson  
Bittle  
Blair  
Boissonnault  
Boudrias  
Boutin-Sweet  
Brison  
Caesar-Chavannes  
Caron  
Casey (Charlottetown)  
Champagne  
Choquette  
Cormier  
Dabrusin  
Davies  
Dhaliwal  
Di Iorio  
Donnelly  
Dubé  
Duclos  
Duncan (Etobicoke North)  
Dusseau  
Dzerowicz  
Ehsassi  
Ellis  
Eyking  
Fergus  
Finnigan  
Fonseca  
Fortin  
Fraser (West Nova)  
Fry  
Gameau  
Gerretsen  
Goodale  
Grewal  
Harcastle  
Harvey  
Housefather  
Hussen  
Iacono  
Jolibois  
Jones  
Jowhari  
Kang  
Khera  
Lametti  
Lapointe  
Laverdière  
Lebouthillier  
Leslie  
Lightbound  
Long  
Ludwig  
MacGregor  
Malcolmson  
Marcil  
Massé (Avignon—La Mitis—Matane—Matapédia)  
May (Cambridge)

Nil

**PAIRED**

**The Speaker:** I declare the amendment defeated.

[*Translation*]

The next question is on the main motion.

● (1915)

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 17*)

**YEAS**

Members

Aldag  
Alleslev  
Anandasangaree  
Arya  
Aubin  
Badawey  
Bains  
Beech  
Bennett  
Bibeau  
Blaikie  
Blaney (North Island—Powell River)  
Bossio  
Boulerice  
Breton  
Brosseau  
Cannings  
Casey (Cumberland—Colchester)  
Chagger

Alghabra  
Amos  
Arseneault  
Ashton  
Ayoub  
Bagnell  
Baylis  
Bélanger  
Benson  
Bittle  
Blair  
Boissonnault  
Boudrias  
Boutin-Sweet  
Brison  
Caesar-Chavannes  
Caron  
Casey (Charlottetown)  
Champagne

*Adjournment Proceedings*

Chan	Choquette	Stetski	Stewart
Christopherson	Cormier	Tabbara	Tan
Cuzner	Dabrusin	Tassi	Thériault
Damoff	Davies	Trudel	Vandal
DeCoursey	Dhaliwal	Vandenbeld	Vaughan
Dhillon	Di Iorio	Virani	Weir
Dion	Donnelly	Wilkinson	Wilson-Raybould
Drouin	Dubé	Wrzesnewskyj	Young
Dubourg	Duclos	Zahid — 219	
Duguid	Duncan (Etobicoke North)		
Duncan (Edmonton Strathcona)	Dusseau		
Dzerowicz	Easter		
Ehsassi	El-Khoury		
Ellis	Erskine-Smith		
Eyking	Eyolfson	Aboultaif	Albas
Fergus	Fillmore	Albrecht	Allison
Finnigan	Fisher	Ambrose	Anderson
Fonseca	Foote	Arnold	Barlow
Fortin	Fragiskatos	Bernier	Berthold
Fraser (West Nova)	Fraser (Central Nova)	Bezan	Blaney (Bellechasse—Les Etchemins—Lévis)
Fry	Fuhr	Block	Boucher
Garneau	Garrison	Brassard	Brown
Gerretsen	Goldsmith-Jones	Calkins	Carrie
Goodale	Graham	Chong	Clarke
Grewal	Hajdu	Clement	Cooper
Hardcastle	Hardie	Deltell	Diotte
Harvey	Hehr	Doherty	Dreeschen
Housefather	Hughes	Eglinski	Falk
Hussen	Hutchings	Finley	Gallant
Iacono	Johns	Généreux	Genuis
Jolibois	Joly	Gourde	Harder
Jones	Jordan	Harper	Hoback
Jowhari	Julian	Jeneroux	Kelly
Kang	Khalid	Kenney	Kent
Khera	Kwan	Kitchen	Kimiec
Lametti	Lamoureux	Lake	Lauzon (Stormont—Dundas—South Glengarry)
Lapointe	Lauzon (Argenteuil—La Petite-Nation)	Lebel	Liepert
Laverdière	LeBlanc	Lobb	Lukiwski
Lebouthillier	Lemieux	MacKenzie	Maguire
Leslie	Levitt	McCauley (Edmonton West)	McColeman
Lightbound	Lockhart	McLeod (Kamloops—Thompson—Cariboo)	Nater
Long	Longfield	Nicholson	Nuttall
Ludwig	MacAulay (Cardigan)	Obhrai	O'Toole
MacGregor	MacKinnon (Gatineau)	Paul-Hus	Poilievre
Malcolmson	Maloney	Reid	Rempel
Marcel	Masse (Windsor West)	Richards	Ritz
Massé (Avignon—La Mitis—Matane—Matapédia)		Saroya	Scheer
Mathysen		Schmale	Shields
May (Cambridge)	May (Saanich—Gulf Islands)	Shipley	Sopuck
McCallum	McCrimmon	Sorenson	Stanton
McDonald	McGuinty	Strahl	Stubbs
McKay	McKinnon (Coquitlam—Port Coquitlam)	Sweet	Tilson
McLeod (Northwest Territories)	Mendès	Trost	Van Kesteren
Mendicino	Mihychuk	Van Loan	Vecchio
Miller (Ville-Marie—Le Sud-Ouest—Île-des-Sœurs)		Viersen	Wagantall
Monsef		Warawa	Warkentin
Moore	Morneau	Watts	Waugh
Morrissey	Mulcair	Webber	Wong
Murray	Nantel	Yurdiga	Zimmer — 90
Nassif	Nault		
O'Connell	Olipphant		
Oliver	O'Regan		
Ouellette	Paradis		
Peschisolido	Peterson		
Petitpas Taylor	Philpott		
Picard	Plamondon		
Poissant	Quach		
Qualtrough	Ramsey		
Rankin	Ratansi		
Rioux	Robillard		
Rodriguez	Romanado		
Rota	Rudd		
Ruimy	Rusnak		
Sahota	Saini		
Sajjan	Samson		
Sangha	Sansoucy		
Sarai	Scarpaleggia		
Schiefke	Schulte		
Serré	Sgro		
Shanahan	Sheehan		
Sidhu (Mission—Matsqui—Fraser Canyon)	Sidhu (Brampton South)		
Sikand	Simms		
Sohi	Sorbara		
Spengemann	Ste-Marie		

**NAYS**

## Members

Albas  
Allison  
Anderson  
Barlow  
Berthold  
Blaney (Bellechasse—Les Etchemins—Lévis)  
Boucher  
Brown  
Carrie  
Clarke  
Cooper  
Diotte  
Dreeschen  
Falk  
Gallant  
Genuis  
Harder  
Hoback  
Kelly  
Kent  
Kimiec  
Lauzon (Stormont—Dundas—South Glengarry)  
Liepert  
Lukiwski  
Maguire  
McColeman  
Nater  
Nuttall  
O'Toole  
Poilievre  
Rempel  
Ritz  
Scheer  
Shields  
Sopuck  
Stanton  
Stubbs  
Tilson  
Van Kesteren  
Vecchio  
Wagantall  
Warkentin  
Waugh  
Wong  
Zimmer — 90

**PAIRED**

Nil

**The Speaker:** I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities.

(Bill read the second time and referred to a committee)

**ADJOURNMENT PROCEEDINGS**

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

*Adjournment Proceedings*

• (1920)  
[English]

## REGIONAL DEVELOPMENT

**Mr. Erin Weir (Regina—Lewvan, NDP):** Mr. Speaker, on February 16, I asked about the scandal engulfing Saskatchewan's Global Transportation Hub. In responding, the Minister of Infrastructure and Communities deferred to local decision-making. I believe he may not have been fully aware of the gravity of this scandal. The Global Transportation Hub is a provincial crown corporation that operates a logistics facility just west of Regina. It has received millions of dollars in federal funding.

On February 26, 2013, an Alberta businessman, Robert Tappauf, bought two parcels of land that the provincial Ministry of Highways would need to build a bypass near the Global Transportation Hub. He paid \$45,000 and \$55,000 per acre for the two parcels. Later that same day, Tappauf sold these parcels for \$71,000 and \$84,000 per acre, turning a profit of \$6 million.

Anthony Marquart, the Regina developer who bought the land from Tappauf, sold it one year later to the Global Transportation Hub for \$103,00 per acre, turning a profit of \$5 million. The next month, the Global Transportation Hub sold most of the land back to the Ministry of Highways for between \$50,000 and \$65,000 per acre, very close to the price originally paid by Tappauf.

Appraisers, lawyers, and other experts are asking why the Global Transportation Hub bought the land for about twice what it was worth, only to sell it back for half of the price to the Ministry of Highways, which could have expropriated the land in any case. How did Tappauf and Marquart anticipate that Global Transportation Hub would overpay for this land?

It turns out that both of these businessmen donated thousands of dollars to the governing Saskatchewan Party. Tappauf also leases 2,000 acres of farmland to Bill Boyd, the provincial cabinet minister directly responsible for the Global Transportation Hub. Are we to believe that no information was exchanged between Boyd and Tappauf? Are we to believe that all of this was simply coincidental?

This scandal should be of great concern to this House because the federal government has provided millions of dollars to the Global Transportation Hub. Presumably, the goal was to invest this money in improving local infrastructure, not to create a slush fund for Saskatchewan Party cabinet ministers to transfer to their cronies through suspicious land deals. There is more than enough evidence in the public domain to warrant a federal investigation to safeguard federal tax dollars. There is more than enough evidence to warrant an RCMP investigation.

No one blames the Government of Canada for this scandal. However, the people of Saskatchewan, and indeed all Canadians, need specific assurances that the federal government will not turn a blind eye to this situation. We need to know that the federal government takes this scandal seriously and will take action to get to the bottom of it.

• (1925)

**Ms. Kate Young (Parliamentary Secretary to the Minister of Transport, Lib.):** Mr. Speaker, at the outset, allow me to clarify an important point.

The Government of Canada is providing funding of up to \$27 million to the Province of Saskatchewan for transportation infrastructure required to support the development of the Global Transportation Hub, a transportation and logistics centre, in west Regina.

This funding is provided under the gateways and border crossings fund and is strictly dedicated to support transportation infrastructure. The Government of Canada has no role in the development of the intermodal and logistic centre itself, and none of the \$27-million federal contribution is intended to fund the acquisition of land required for either the intermodal centre or for the associated transportation infrastructure funded under the gateways and border crossings fund.

The focus of the gateways and border crossings fund is on nationally significant transportation projects, such as this one, that support international trade and efficient and integrated supply chains. This program aims at developing and exploiting Canada's strategic gateways, trade corridors, and border crossings, including better integration of the national transportation system.

Funding of up to 50% of the total eligible costs of the project, up to \$27 million in federal contribution funds, has been committed to the Province of Saskatchewan to support the associated transportation infrastructure required to facilitate the movement of goods and people as a result of the development of the Global Transportation Hub on the west side of the city of Regina.

The Global Transportation Hub includes Canadian Pacific Railway's new expanded intermodal facility and Loblaw Companies Limited's new western Canadian distribution centre.

The transportation infrastructure components of the Global Transportation Hub project funded under the gateways and border crossings fund include significant improvements to intermodal access roads and construction of a short section of the west Regina bypass. It will address immediate transportation capacity issues and increase safety, while strategically building the related road infrastructure to support expanded international trade movements. These improvements will greatly increase the productivity of the supply chain across western Canada to the Asia-Pacific region.

Under the gateways and border crossings fund, and consistent with similar federal infrastructure transportation funding programs, costs associated with land acquisition are ineligible for federal reimbursement. These ineligible costs are, therefore, the sole responsibility of the Province of Saskatchewan.

*Adjournment Proceedings*

The Government of Canada is committed to working with our provincial partners to improve transportation infrastructure and promote long-term economic growth for Canadians. We are pleased to have invested in this important project that directly supports trade flow interprovincially and internationally.

• (1930)

**Mr. Erin Weir:** Mr. Speaker, I thank the parliamentary secretary for providing us with a bit of an overview of the Global Transportation Hub and of federal infrastructure programs.

The answer to my question seems to be that the federal funding was not intended to be used for land acquisition. However, what we are dealing with in this case is a situation where rules were clearly broken and proper procedures were not followed, so I wonder if the Government of Canada would be prepared to conduct an investigation to ensure that no federal funds were spent on land acquisition.

Again, here we have a situation in which it is obvious that impropriety may well have occurred; therefore, it is not good enough to suggest that the rules would have made these types of expenditures ineligible. I think it is important for the federal government, and quite possibly the RCMP, to investigate to make sure that these funds were not used for land acquisition.

**Ms. Kate Young:** Mr. Speaker, the Government of Canada is not involved in funding the provincial crown corporation known as the Global Transportation Hub in Regina or its associated land transactions. The government's involvement in the Global Transportation Hub has been solely focused upon financing the associated transportation infrastructure under the gateways and border crossings fund.

The Government of Canada has signed a contribution agreement with the Province of Saskatchewan to contribute up to \$27 million strictly to support transportation infrastructure that would greatly improve the flow of goods and enhance the integration of the national transportation system.

None of the \$27 million in federal funding has been allocated to purchase lands. Land acquisition costs are ineligible under the gateways and border crossings fund program and are the sole responsibility of the Province of Saskatchewan.

Federal contribution funds are strictly monitored to ensure that the funds are spent for the right purpose, and financial audits are regularly conducted to support this due diligence.

[*Translation*]

## SOCIAL DEVELOPMENT

**Ms. Marjolaine Boutin-Sweet (Hochelaga, NDP):** Mr. Speaker, in question period a few weeks ago, I pointed out that child homelessness has jumped 50% in the last decade. If children are on the street, parents must be on the street as well. If parents are on the street, poverty is often the issue.

In Montreal, two in five households spend more than 30% of their income on housing and one in five households spends more than 50%. Many families have to choose between paying their rent or buying groceries. Children go to school without eating breakfast and without a lunch. That is why we have social housing and why the homelessness partnering strategy was established. Unfortunately,

both are in danger. By the end of the year, 100,000 social housing agreements will expire. Consequently, 100,000 households will lose the rent subsidy that ensures they do not spend most of their income on housing. When rent increases from \$200 or \$300 to \$500 or \$600 from one month to the next, it leaves a big hole in the budget. Families who are already finding it difficult to make ends meet simply cannot absorb those increases. Where will they find other suitable housing for \$200 or even \$400? They are very likely to become homeless. This has already started happening. It is not surprising that child homelessness has increased. If parents are on the street, so are the children. The waiting list for subsidized housing in many cities is often close to 10 years.

Meanwhile, the Conservatives modified the homelessness partnering strategy in 2013. Some 65% of HPS funding is now allocated to the housing first initiative, which works only with people who are experiencing chronic or episodic homelessness. Yes, this group of people needs a great deal of support, and it has been shown that housing does help them find stability. The problem is that with 65% of the HPS budget dedicated to the housing first project, funding for all the other groups that provide a diverse range of services is being cut, and we are losing street outreach workers and pre-employment workers at drop-in centres. Rooms are being shut down at youth shelters because they are losing funding. Essentially, we are losing a lot of homelessness prevention resources. We are losing social housing, while at the same time, funding for homelessness prevention is being cut.

The Liberal government will introduce its budget in two weeks. Will that budget include a plan to fund social housing agreements and rent subsidies for the more than 350,000 vulnerable households? Will it include a plan to build new social housing and provide decent, affordable housing for the thousands of families on waiting lists? Will it include money for social housing stock that is in dire need of renovation? At 30, 40, or 50 years old or more, much of it needs new elevators, new windows, and new furnaces. Why risk losing the units we have? Will the budget include adequate funding for groups that work with those at risk of homelessness? Will the Liberals restore the general HPS strategy and let the regions decide how best to intervene to fight homelessness?

Speaking of adequate funding, will the HPS budget be indexed annually? Despite the rising cost of living, it has never been indexed.

The Liberals turned their backs on social housing in the 1990s. The Conservatives followed suit until last October. I sincerely hope that the new government understands that adequate housing is essential to a healthy society and that it will make the necessary investments. Funding for social housing and homelessness prevention is not an expense; it is an investment.

I look forward to the parliamentary secretary's response.



*Adjournment Proceedings*

• (1935)

[English]

**Mr. Terry Duguid (Parliamentary Secretary to the Minister of Families, Children and Social Development, Lib.):** Mr. Speaker, I am pleased to respond to the member for Hochelaga and I share her concern for low-income households.

One of the most important roles of government is to support vulnerable Canadians, including those who are homeless or at risk of homelessness. We are committed to strengthening the middle class and lifting more Canadians out of poverty so they are able to join the middle class. No Canadian should have to go without a safe place to live and a safe place to raise their family.

Our government is committed to making it easier for Canadians to find an affordable place to call home. We will re-establish the federal government's role in supporting affordable housing. A key component of this government's strategy is a 10-year investment in social infrastructure for affordable housing and seniors housing.

We pledged during the election campaign to play a leadership role in supporting affordable housing. We will fulfill that commitment by working with all levels of government and housing stakeholders to develop a strategy that addresses an array of housing challenges.

We need to explore a range of targeted solutions rather than simply doing it the way things have been done for the past 10 years. We know that some housing providers will face financial difficulties when their operating agreements come to an end. As well, much of the existing housing stock requires major capital repairs and modifications.

We need to address these pressing needs in the short term while taking a more collaborative, whole-of-government approach to improving housing outcomes in the longer term. This strategy will include a 10-year investment in social infrastructure with a particular focus on affordable housing, seniors housing, and preserving affordability for low-income households living in social housing.

As called for by the CHF Canada, support will also be provided for the construction of new affordable housing as well as the repair of existing units. However, the strategy will go further than that. It will consider the entire housing continuum from homelessness and shelters to supportive and transitional housing, to social and affordable housing, to market rental and home ownership housing. It will also look at access to financing, repurposing federal lands, and opportunities to improve data collection.

Our goal is to build a stronger affordable housing sector, one that encourages innovation and facilitates access to housing so that Canadians can enjoy a better quality of life and better prospects for the future. I trust that the member for Hochelaga will want to support this good work.

Helping vulnerable Canadians find sound, suitable, and sustainable housing is a priority for our government and we will be announcing concrete measures in the near future.

[Translation]

**Ms. Marjolaine Boutin-Sweet:** Mr. Speaker, I thank the parliamentary secretary.

Just today, a UN committee published a report confirming that there is a housing crisis in Canada and calling on the government to take immediate action. It contains several of the requests that I just made. I got some answers to my questions. That is encouraging, but it is not over yet.

The UN also recommended that Canada implement national housing and poverty strategies, something that the NDP has been calling for for a long time.

If the Liberal government is truly committed to combatting poverty, the housing crisis, and homelessness, is it prepared to respond favourably to the UN's recommendations? Is it prepared to support the NDP's bills concerning these national strategies and the right to housing?

A promise to invest \$20 billion over 10 years in social infrastructure is rather vague. That is not very much when you consider everything that constitutes social infrastructure. We do not know exactly how much will be invested in housing.

• (1940)

[English]

**Mr. Terry Duguid:** Mr. Speaker, to repeat, our government feels that one of our most important roles is to help those Canadians who need it most, and those who are facing homelessness are among our most vulnerable.

We need to address the challenges that many face when it comes to finding stable affordable housing, which is why we will be investing, as the member said, almost \$20 billion over the next 10 years in social infrastructure, including affordable housing.

Through the homelessness partnering strategy, the government provides direct financial support to communities to address homelessness and will continue to make those investments. We will work together with provinces, territories, municipalities, and stakeholders to do more.

It is clear that this government cares about Canadians in difficult circumstances and is committed to finding solutions to the housing challenges they face.

[Translation]

**The Assistant Deputy Speaker (Mr. Anthony Rota):** The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 7:42 p.m.)



# CONTENTS

Monday, March 7, 2016

## GOVERNMENT ORDERS

### Income Tax Act

Bill C-2. Second reading.....	1471
Mr. Arya.....	1471
Mr. Albas.....	1472
Ms. Sansoucy.....	1472
Mr. Barlow.....	1472
Mr. Long.....	1472
Mr. Blaikie.....	1473
Mr. Gerretsen.....	1474
Mr. Albas.....	1474
Mrs. Wagantall.....	1475
Mr. Genuis.....	1476
Mr. Long.....	1476
Mr. Blaikie.....	1477
Mr. Masse (Windsor West).....	1477
Mr. Lamoureux.....	1478
Mr. Albas.....	1478
Mr. Genuis.....	1479
Mr. Housefather.....	1479
Mr. Weir.....	1480
Mr. Long.....	1480
Mr. Falk.....	1481
Mr. Plamondon.....	1481
Mr. Lamoureux.....	1482
Mr. Weir.....	1482
Mr. Housefather.....	1482
Mr. Barlow.....	1482
Mr. Long.....	1484
Mr. Weir.....	1484
Mr. Lukiwski.....	1484
Mr. Longfield.....	1486
Mr. Weir.....	1486
Mr. Kent.....	1486
Mr. Long.....	1488
Mr. Weir.....	1488
Mr. Weir.....	1488
Mr. Housefather.....	1489
Ms. Rempel.....	1490
Mr. Albas.....	1490
Mr. Lamoureux.....	1491
Mr. Genuis.....	1492
Ms. Raitt.....	1492
Mr. Long.....	1493
Mr. Carrie.....	1494
Mr. Scheer.....	1494

## STATEMENTS BY MEMBERS

### Indigenous Affairs

Ms. May (Saanich—Gulf Islands).....	1495
-------------------------------------	------

### Marc-Aurèle-Fortin

Mr. Robillard.....	1495
--------------------	------

### Youth

Mr. Saroya.....	1495
-----------------	------

### Toronto

Mr. Maloney.....	1495
------------------	------

### Blood Supply

Mr. Davies.....	1495
-----------------	------

### Search and Rescue Award

Mr. Wilkinson.....	1496
--------------------	------

### Alex Harvey

Mrs. Boucher.....	1496
-------------------	------

### Well Wishes

Mrs. McCrimmon.....	1496
---------------------	------

### Homeless Street Census

Mr. Ouellette.....	1496
--------------------	------

### Haliburton Highlands Awards Gala

Mr. Schmale.....	1496
------------------	------

### The Holocaust

Mr. Housefather.....	1497
----------------------	------

### International Women's Day

Ms. Sahota.....	1497
-----------------	------

### Retirement Congratulations

Ms. Raitt.....	1497
----------------	------

### Physician-Assisted Dying

Mr. Oliphant.....	1497
-------------------	------

### Richelieu-Yamaska FADOQ Regional Games

Ms. Sansoucy.....	1497
-------------------	------

### Visitors Visas

Mr. Poilievre.....	1498
--------------------	------

### The Environment

Ms. Murray.....	1498
-----------------	------

## ORAL QUESTIONS

### Veterans Affairs

Ms. Ambrose.....	1498
------------------	------

Mr. Hehr.....	1498
---------------	------

### Natural Resources

Ms. Ambrose.....	1498
------------------	------

Ms. McKenna.....	1498
------------------	------

### The Economy

Ms. Ambrose.....	1499
------------------	------

Mr. Brison.....	1499
-----------------	------

### Natural Resources

Mr. Lebel.....	1499
----------------	------

Ms. McKenna.....	1499
------------------	------

### Finance

Mr. Lebel.....	1499
----------------	------

Mr. Brison .....	1499	Mr. McCallum .....	1504
<b>Employment Insurance</b>		Mr. Van Loan .....	1504
Mr. Mulcair .....	1499	Mr. McCallum .....	1504
Ms. Mihychuk .....	1499	Mr. Van Loan .....	1504
Mr. Mulcair .....	1499	Mr. McCallum .....	1504
Ms. Mihychuk .....	1500	<b>Forestry Industry</b>	
<b>Forestry Industry</b>		Ms. Trudel .....	1504
Mr. Mulcair .....	1500	Mr. Lametti .....	1504
Mr. Lametti .....	1500	Mr. Cannings .....	1504
<b>The Environment</b>		Mr. Lametti .....	1504
Mr. Mulcair .....	1500	<b>Natural Resources</b>	
Ms. McKenna .....	1500	Mr. Barlow .....	1505
<b>Finance</b>		Ms. Rudd .....	1505
Ms. Raitt .....	1500	<b>Forestry Industry</b>	
Mr. Champagne .....	1500	Mr. Doherty .....	1505
Ms. Raitt .....	1500	Mr. Lametti .....	1505
Mr. Champagne .....	1500	Mr. Doherty .....	1505
<b>Small Business</b>		Mr. Lametti .....	1505
Mr. Deltell .....	1501	<b>Foreign Affairs</b>	
Ms. Chagger .....	1501	Mr. Hussen .....	1505
Mr. Deltell .....	1501	Mr. Dion .....	1505
Ms. Chagger .....	1501	<b>Public Safety</b>	
<b>Taxation</b>		Mr. Kent .....	1505
Mr. Poilievre .....	1501	Mr. Goodale .....	1505
Mr. Bains .....	1501	<b>CBC/Radio-Canada</b>	
Mr. Poilievre .....	1501	Mr. Nantel .....	1506
Mr. Champagne .....	1501	Ms. Joly .....	1506
<b>International Trade</b>		<b>The Francophonie</b>	
Ms. Ramsey .....	1502	Mr. Samson .....	1506
Mr. Lametti .....	1502	Ms. Joly .....	1506
Ms. Brosseau .....	1502	<b>Foreign Affairs</b>	
Ms. McKenna .....	1502	Mr. Genuis .....	1506
<b>Veterans Affairs</b>		Mr. Dion .....	1506
Mr. Clarke .....	1502	<b>Forestry Industry</b>	
Mr. Hehr .....	1502	Mr. Fortin .....	1506
Mr. Clarke .....	1502	Mr. Lametti .....	1506
Mr. Hehr .....	1502	Mr. Marcil .....	1506
Mr. Bezan .....	1502	Mr. Lametti .....	1506
Mr. Hehr .....	1503	<b>Rail Transportation</b>	
Mr. Paul-Hus .....	1503	Mr. Plamondon .....	1507
Mr. Hehr .....	1503	Mr. Garneau .....	1507
<b>Indigenous Affairs</b>		<b>Presence in Gallery</b>	
Ms. Jolibois .....	1503	The Speaker .....	1507
Mrs. Philpott .....	1503	<b>Points of Order</b>	
Ms. Ashton .....	1503	<b>Oral Questions</b>	
Ms. Bennett .....	1503	Mr. Deltell .....	1507
<b>Democratic Reform</b>		<b>ROUTINE PROCEEDINGS</b>	
Mr. Breton .....	1503	<b>Plans and Priorities, 2016-17</b>	
Mr. LeBlanc .....	1503	Mr. Brison .....	1507
<b>Immigration, Refugees and Citizenship</b>			
Ms. Rempel .....	1503		
Mr. McCallum .....	1504		
Ms. Rempel .....	1504		

<b>Committees of the House</b>	
<b>Procedure and House Affairs</b>	
Mr. Bagnell.....	1507
(Motion agreed to).....	1507
<b>Petitions</b>	
<b>Justice</b>	
Mrs. Wagantall.....	1507
<b>Democratic Reform</b>	
Mr. Stetski.....	1508
<b>Killer Whales</b>	
Ms. May (Saanich—Gulf Islands).....	1508
<b>Manufacturing Industry</b>	
Ms. May (Saanich—Gulf Islands).....	1508
<b>Pensions</b>	
Mr. Lamoureux.....	1508
<b>Questions on the Order Paper</b>	
Mr. Lamoureux.....	1508

### GOVERNMENT ORDERS

<b>Income Tax Act</b>	
Bill C-2. Second reading.....	1508
Mr. Scheer.....	1508
Mr. Chan.....	1509
Mr. Poilievre.....	1509
Ms. Sansoucy.....	1510
Mr. Lamoureux.....	1511
Mr. O'Toole.....	1511
Mr. Blaney (Bellechasse—Les Etchemins—Lévis).....	1511
Mr. Lamoureux.....	1513
Ms. Gladu.....	1513
Mr. Barlow.....	1513
Mr. Deltell.....	1513
Ms. Petitpas Taylor.....	1515
Ms. Sansoucy.....	1515
Mr. O'Toole.....	1515
Mr. Johns.....	1516
Mr. Vaughan.....	1517
Mr. Genuis.....	1517
Ms. Gladu.....	1518
Mrs. Wong.....	1518
Mr. Vaughan.....	1519
Ms. Gladu.....	1519
Mr. Genuis.....	1519

Ms. Mathysen.....	1519
Mr. Genuis.....	1521
Ms. May (Saanich—Gulf Islands).....	1521
Mr. Lamoureux.....	1521
Ms. May (Saanich—Gulf Islands).....	1521
Mr. Bagnell.....	1523
Mr. Blaney (Bellechasse—Les Etchemins—Lévis).....	1523
Mr. Brassard.....	1523
Mr. Lamoureux.....	1524
Mr. Reid.....	1525
Mr. Albrecht.....	1525
Mr. Bagnell.....	1526
Mr. Calkins.....	1527
Mr. Genuis.....	1527
Mr. Lamoureux.....	1529
Mr. Weir.....	1529
Mr. McCauley.....	1529
Ms. May (Saanich—Gulf Islands).....	1531
Mr. Lightbound.....	1531
Mr. Fraser (West Nova).....	1531
Mr. Liepert.....	1532
Mr. Shields.....	1533
Mr. Lamoureux.....	1533
Mr. MacKenzie.....	1533
Mr. Lukiwski.....	1534
Division on Amendment Deferred.....	1535

### Business of Supply

<b>Opposition Motion—Employment Insurance</b>	
Motion.....	1535
Motion negated.....	1536

### Canada Labour Code

Amendment negated.....	1537
Motion agreed to.....	1538
(Bill read the second time and referred to a committee).....	1538

### ADJOURNMENT PROCEEDINGS

<b>Regional Development</b>	
Mr. Weir.....	1539
Ms. Young.....	1539
<b>Social Development</b>	
Ms. Boutin-Sweet.....	1540
Mr. Duguid.....	1541

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