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Monday, October 24, 2016

—

Speaker: The Honourable Geoff Regan

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HOUSE OF COMMONS

Monday, October 24, 2016

The House met at 11 a.m.

Prayer

PRIVATE MEMBERS' BUSINESS

•(1105)

[*English*]

ABANDONED VESSELS

The House resumed from June 6 consideration of the motion, and of the amendment.

Mr. Gord Johns (Courtenay—Alberni, NDP): Mr. Speaker, I am pleased to have the opportunity today to rise to speak on Motion No. 40 regarding abandoned and derelict vessels, which is a very important issue in my riding of Courtenay—Alberni.

I want to thank the member for South Shore—St. Margarets for bringing this motion to the House. I have had the chance to work with her and her staff on this issue. In fact, I have been to her riding and have seen derelict vessels first-hand. My children's grandparents live in her riding, and she knows them very well. We have something in common, which is a Canadian issue and a coastal issue.

I stand in support of this motion, but I feel there is a need for actual legislation on this issue. I want to make that clear at the beginning. Bills have been introduced in the House, in this and previous Parliaments, calling for legislation on derelict vessels. My colleague from Nanaimo—Ladysmith has introduced a bill that would strengthen the requirements of the Canada Shipping Act to make the Coast Guard the responsible authority for abandoned and derelict vessels. In the last Parliament, Bill C-638 was introduced by the former MP for Nanaimo—Cowichan, Jean Crowder, and it was defeated in the House. Both of the bills proposed creative solutions to deal with abandoned and derelict vessels in a concrete way.

I want to talk about how we got here and maybe about a bit of the history. I have something in common with my colleague from South Shore—St. Margarets. We are coastal people and come from fishing communities, where people rely on fish for their sustenance and way of life. For many years, fishing was an occupation that kept coastal communities afloat. It fed families and was a way of life. Over time, through the mismanagement of resources, lack of investments in science and boots on the ground, there was overfishing and lack of leadership. We saw the decline of Atlantic cod, Atlantic salmon, and

Pacific salmon. We have seen a 25-year decline in Chinook, and the lowest return of sockeye salmon in the Fraser River this year.

This led to a buyback program over the last few decades on the British Columbia coast, and I will speak specifically about British Columbia on this issue now. Basically, fishermen got pennies on the dollar for their licences, and their boats were deemed worthless. At one time, boats could be bought for \$500 or \$1,000. Most fishermen were not able to take care of their boats. They did not have a lot of money from the buyback and could not maintain their boats. Also, at the same time, Canada was divesting docks through Transport Canada and there were increased costs for the moorage of boats. A lot of boats were being moored offshore, so to speak. Due to many of the boats not being taken care of, there has been a huge decline in the maintenance of ships.

We are in a crisis situation. Our boats are getting older and older. It is an aging fleet. People are not taking care of them, and now they are sinking. Over the last 15 years, it has become a huge problem. There is not one coastal community or municipality that does not have derelict boats that are sinking. It has become a huge problem.

Also, in British Columbia, in particular, housing is a huge issue, and real estate prices have gone through the roof. A lot of people are actually moving onto boats for short-term and long-term accommodation. Some do it as a way of life, but a lot of people are buying boats and living on them. The boats of fishermen who have passed on are sitting in the harbour and no one knows who owns them, or the people who have bought boats and are living on them temporarily move on and leave them. No one is painting the bottoms of the boats or maintaining them, and they are leaking.

The ocean is very important for tourism, the economy, the health of communities, the environment, and the ecosystems that we rely on. It affects coastal people's self-worth. When a boat goes down, people are confused about whose responsibility it is.

•(1110)

If it is a navigation issue or a safety issue, it is Transport Canada. If it is going to impact our fishing industry, it is the Department of Fisheries and Oceans. If it is an environmental issue, it is the Department of Environment. If it ends up on the land, on the foreshore, then it is the Province of British Columbia. First nations, local communities, are desperate for some leadership on these issues.

Private Members' Business

I will talk a little about what is happening in my community of Courtenay—Alberni. Just six months ago, we had a call about three boats that had sunk in Deep Bay. They were tied to a flotilla of derelict boats. When the divers went down to see if any of the three boats would have an impact on the local environment, there were two other boats down there that they did not even know about. There were five boats sitting on the bottom of the ocean, and this is not uncommon where I live.

They were tied to a boat that was listing, the *Silver King*, a 200-ton boat that had bunker fuel in it. I went out on a boat with director Bill Veenhof, from the Regional District of Nanaimo; Michael Recalma, from the Qualicum First Nation; and Vancouver Island Deep Bay marine institution staff; as well as a local business owner who employs 60 people.

Deep Bay is a small community on Vancouver Island. Baynes Sound, where it is located, provides 50% of the shellfish in British Columbia. If the *Silver King* went down, immediately the businesses and the research facility would have been shut down for a minimum of one year. The impact is significant to the local economy, the environment, and the community there.

We were grateful, and I want to thank the government for taking action. For 10 years, we have been trying to get rid of the *Silver King*. I want to thank the government for removing it. The *Silver King* was removed, and then we identified that the *Sir Wilfrid Laurier*, another boat, was sinking. It took a long time, but the government came along and helped us remove that boat too.

We cannot do this on a boat-by-boat approach. We know that that is not working. In fact, right now there is a boat, the *Bluebird IV*, which is submerged in water, but because it is not a navigation hazard or a hazard to the environment, no one is taking responsibility for it.

We know that we have to do better at creating a plan. I always try to tell people on land to imagine an analogy. There are a bunch of dead vehicles, but they are not on the Trans-Canada Highway, so they are not Canada's problem. They are not on regional district land, so they are not the regional district's problem or the province's problem. What if no one would take responsibility? They are not leaking oil, but are rusty, and are not having on the impact on the environment, so who cares?

We know what will happen. Eventually, they will be an environmental problem. They are going to bring down the self-esteem of the community. We need to do better than that.

I have outlined some of the concerns around that, and the problems we have had. We know that Transport Canada did an inventory of vessels in 2014 and found there were 600 vessels in Canada that pose a threat. There were 245 in British Columbia that are deemed a risk. More than 59% of vessels on the Canadian Register of Vessels are more than 30 years old.

I think about how we are going to go forward and how important this is. We live in a beautiful place. As coastal people, we rely on our ecosystems. When I go to communities in my riding and I see a mast sticking out of the water, or I see a boat that is half full of water, I think about the self-esteem of the community. I know that devalues communities. I think about the children. I think about how children

feel when they see boats sinking or sitting on the shore, with no one cleaning them up. They feel that nobody cares and that Ottawa is pretty far away.

It is time for action, and I will support this motion. I hope the government will adopt my colleague's bill. Let us take some action to protect the environment, protect our economy, create safer oceans, and bring back our pride as coastal people, as Canadians. Let us do the right thing.

[*Translation*]

Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.): Mr. Speaker, I am pleased to support the motion moved by my colleague from South Shore—St. Margarets about dealing with abandoned vessels.

In the Montérégie region of Quebec, there is an abandoned carrier, the *Kathryn Spirit*. The ship has been moored on the shore of Lake Saint-Louis, which is a section of the Saint Lawrence between Vaudreuil-Dorion, the Island of Montreal, and Châteauguay, since 2011.

I have recently received over 130 emails from my constituents, who are concerned about the environmental hazard posed by the *Kathryn Spirit*. I would like to thank the hon. member for Salaberry—Suroît for raising this matter in the House a number of times before I arrived here.

The process that resulted in the decision to dismantle the *Kathryn Spirit* was complex because the wreck contained a significant quantity of pollutants. Fortunately, the vessel is not currently an environmental hazard because most of those substances were removed in 2013.

The Canadian Coast Guard has been keeping a close eye on the *Kathryn Spirit*, which is not currently a threat to the environment or to people, but residents are nevertheless concerned, and it makes them feel unsafe.

This motion is an excellent initiative, because it prohibits the abandonment of vessels while encouraging responsible vessel ownership. It recognizes the importance of proper management of abandoned naval vessels. It clarifies and expands the roles and responsibilities of the Government of Canada and vessel owners with respect to abandoned vessels. It calls on the government to tighten the regulations on vessel owners and ownership. Finally, it introduces preventive measures that will help reduce the risks of abandoned vessels.

I would like to run through the timeline of the *Kathryn Spirit* to illustrate how the spirit of this motion could have mitigated the complexity and the delays in this case and how it could prevent similar situations from happening in the future, especially considering the environmental risks associated with abandoned vessels.

Private Members' Business

In 2011 Groupe St-Pierre, a scrap dealer, brought the cargo ship *Kathryn Spirit* into Lake Saint-Louis. The ship was then moored to a wharf in Beauharnois and was supposed to be dismantled. Because of the ship's pollutants, the community opposed the demolition and the project was cancelled. In 2012, Groupe St-Pierre sold the *Kathryn Spirit* to a Mexican company that planned to tow it to Mexico. However, the plan was delayed. That is when people first began raising concerns about the future of the *Kathryn Spirit*.

In 2013, the Coast Guard assessed the state of the *Kathryn Spirit* and found no pollution in the water. Nonetheless, it ordered the owner to remove the pollutants. The Coast Guard continued to regularly inspect the ship to determine the risks of pollution.

In fall 2015, the Mexican company in question declared bankruptcy. It indicated that it was abandoning the ship in Lake Saint-Louis. That is when the *Kathryn Spirit* became the government's responsibility. Since then, the Coast Guard has continued monitoring the ship to ensure that it was not accessible to the public and that no pollutants were leaking. Nevertheless, a solution had to be found.

When our government came into power, Transport Canada, led by our minister, was immediately seized of this file. In January, the Minister of Fisheries, Oceans and the Canadian Coast Guard invited representatives from the Town of Beauharnois and the City of Montreal to an information session. Our government then assumed its responsibilities by putting together a working group made up of federal, provincial, and municipal representatives to find a permanent and safe solution.

The working group managed to present three options in May: leave the ship in place, dismantle the ship, or tow it to another location. These options are not as simple as they seem, since there are risks associated with each one.

• (1115)

Then, the working group, with the input of experts, recommended that the ship be dismantled in situ in dry dock, given the risk that the cargo could spill.

As a result, our government contracted a company to build a dike around the wreck. This work, which should be complete by January 2017, will make it possible to then begin safely dismantling the wreck in the spring at the latest. After five years of waiting, the people who live in the area of Lake Saint-Louis can finally see a light at the end of the tunnel.

I thank the parliamentary secretary, my colleague for Acadie—Bathurst, the Minister of Fisheries, Oceans and the Canadian Coast Guard, and the Minister of Transport for their hard work on this file.

However, the *Kathryn Spirit* is not an isolated case. According to Transport Canada, there are over 600 abandoned and derelict vessels along Canada's coastlines, in our navigable waterways, and docked at ports across the country.

I fully support my hon. colleague's motion because it seeks to clarify the responsibilities of the Government of Canada when it comes to abandoned wrecks and their owners based on its jurisdiction over marine transportation, navigation, territorial seas, and marine pollution. That is very important. The motion is also in

keeping with our government's leadership in and commitment to protecting Canada's marine and coastal areas.

Adopting this motion would not directly impact the case of the *Kathryn Spirit*, because our government has already taken steps to resolve the problem. However, as my hon. colleague just said, we must not tackle these problems on a boat-by-boat basis.

However, the motion will do much to solve this problem in that it will prevent future cases by recognizing the requirement for the prohibition against the abandonment of a vessel through potential amendments to any relevant legislation; incorporating an educational component within the government's strategy to address the issue of abandoned vessels; improving vessel owner identification by possibly widening the scope of the Canadian Register of Vessels; and consider measures to ensure owners are held liable.

Had these measures been in effect before the *Kathryn Spirit* was abandoned, the government could have taken charge of the situation more quickly, and Canadians would not have had to endure the same circumstances.

In closing, this motion will also ensure that the authorities can take steps that will effectively remedy the difficulties caused by the other boats abandoned in Canada while preventing others from being abandoned in the future.

• (1120)

[English]

If we do not go ahead with this motion—and I think we are seeing support on both sides of the House—we would be exposing ourselves to other risks and other cases of abandoned vessels that would not only pose a menace to our communities and to our environment but to our country as a whole.

Mr. Robert Sopuck (Dauphin—Swan River—Neepawa, CPC):

Mr. Speaker, I am pleased to rise today to speak in support of Motion No. 40, and I will encourage all of my colleagues to support this motion as well. I had the pleasure of working with the sponsor of the motion, the member for South Shore—St. Margarets, on the fisheries and oceans committee. I am very glad to see she is putting forward a motion that is of importance to her constituents and that would have a national impact as well. That is why we are all here, and I would like to applaud her for moving quickly to try to get the government to take action on this very important issue.

Even for those of us who do not live on one of our coasts, it is easy to envision why abandoned vessels are a problem for coastal communities. These vessels could be anything from end-of-life freighters and large boats to small recreational craft. There is obviously serious and imminent environmental damage that can be caused from these vessels, especially those that are reaching the end of their life cycle. This can be from an immediate leak, a slow trail of debris, or of course the wreckage.

These abandoned vessels can also cause serious interference with navigation by other vessels. Any of these risks can require a variety of federal departments to act. From Transport Canada and our Coast Guard to the Department of Fisheries and Oceans or Environment Canada, there significant implications for the federal government in dealing with these abandoned vessels.

Private Members' Business

From my reading, what Motion No. 40 proposes to do is straightforward and yet very important. It proposes that the government explore legislative options prohibiting the abandonment of a vessel, urges an educational component on responsible vessel ownership from beginning to end, recommends approving vessel registration, and it calls upon the government to assist in the removal of abandoned vessels where their presence creates an economic burden for a community. The value of the fisheries in Canada cannot be overstated. My NDP colleague was very eloquent in talking about the value of fisheries in his area. The fisheries committee, for example, right now is doing two major studies: one on the northern cod and one on Atlantic salmon, two species of great economic, social, and cultural importance, but which are also somewhat at risk in terms of low numbers. Anything we can do to prevent pollution in the ocean will only help our fisheries.

Thankfully, my constituents tend to not have to deal with this problem. I suspect that the most obvious problem for those who live in our coastal communities, aside from environmental concerns, is the negative visual impact these derelict vessels have on coastlines. Furthermore, the technical expertise and costs required to properly remove the vessels are significant and overwhelming. Even worse is how difficult it is to track down the owners and hold them responsible for their poor decision-making or disregard for the consequences of abandoning a vessel. Whether it be private shoreline property owners, municipalities, or provincial or federal governments, the costs are real and very difficult to manage.

That said, I am supportive of the proposed amendment by a government member to add a line to the motion that would urge the government to “consider measures to ensure owners are strictly liable for remediating abandoned vessels”. This is a very fair point; it is the polluter pay principle in action. In no way should taxpayers be solely on the hook for derelict and abandoned vessels. This is a serious issue for many communities, and taxpayers must not be paying potentially hundreds of millions of dollars to clean up these messes. The federal government can assist as required, but not bear the brunt of these costs. Therefore, I hope the government takes this motion seriously and works to ensure that taxpayers are not paying the entire bill at the end of the day.

I must also make mention of the work by the former Conservative member of Parliament for West Vancouver—Sunshine Coast—Sea to Sky Country, my colleague John Weston, who introduced a private member's bill prior to the election that aimed to address a number of the issues related to derelict and abandoned vessels. During the election campaign, our party promised to support the provisions of that legislation, and we had also planned to set aside funds to cover one-third of the cost of removing priority derelict vessels. Just as the Conservative Party recognized this as a serious problem, I sincerely hope that the Liberal government moves to take action on this issue to resolve a very serious problem for coastal communities.

• (1125)

That said, with respect to the motion before us I do believe that the proposed amendment to add a line regarding owner liability is valuable. It leads me to believe that the government does intend to act, and that is a very good thing. I believe that the additional language regarding the onus of responsibility being on the owners of

the vessel strengthens the motion significantly when considered in combination with the existing paragraph (d), that the government should “improve vessel owner identification by considering ratifying the International Maritime Organization’s International Convention on the Removal of Wrecks, 2007, and by considering widening the scope of the Canadian Register of Vessels”.

There is clearly a serious problem if we are struggling to identify the owners of these abandoned vessels in order to take action against them. We must seek to strengthen our laws and regulations with respect to these derelict vessels to ensure that we can more easily attain proper identification of the vessel and its owners, and ensure that they are the ones who are responsible for the removal of the vessel, financially and otherwise.

In conclusion, I appreciate the work by the member for South Shore—St. Margarets in bringing this bill forward. I urge all colleagues to support it. Furthermore, I urge the government to take real action on this and introduce binding legislation that can help communities in need deal with this problem. Unfortunately, the problem will not go away on its own and must be dealt with swiftly. I urge the government to consider this and move quickly, following passage of this motion.

• (1130)

Mr. Alistair MacGregor (Cowichan—Malahat—Langford, NDP): Mr. Speaker, as a proud representative of a coastal community on Vancouver Island, I am pleased to stand today to speak to the motion. I would like to thank the member for South Shore—St. Margarets for bringing it forward.

This motion is a good step in the right direction, as it certainly encourages the government to create a mechanism to assist in removing abandoned vessels. As we all know, the NDP has worked on this issue for many years now. My colleague from Nanaimo—Ladysmith has tabled Bill C-219, which I think will take the real action needed to solve this problem.

There are so many different stakeholders involved in this issue. Many members of the House are involved, but it is of real significance to members who are lucky enough to represent coastal communities, and even to members who have large lakes or rivers in their ridings, because wherever there is a standing body of water that is navigable by a vessel, that body of water is in danger of having abandoned vessels left in it.

I worked on this issue for many years in my riding when I was a constituency assistant to Jean Crowder, the former member of Parliament for Nanaimo—Cowichan, and it is something that does not seem to go away, so I am really glad to see the House taking this issue much more seriously than in previous years.

My riding of Cowichan—Malahat—Langford is home to a long stretch of Vancouver Island's coastline, both on the east coast and on the west coast. There are places where there are many abandoned, derelict, half-sunken, listing boats that can easily go down in a storm. In fact, in 2014, we had the story of the SS *Beaver II*, which basically rolled over and sank in Cowichan Bay. It had been identified as a hazard for many months previously, and lo and behold, the thing sank, not to much surprise.

Private Members' Business

Before that, residents of Cowichan Bay had to deal with the *Dominion*, a trawler that was basically towed to Cowichan Bay and left there for five full years. It was left there so long that thieves stole fuel from it and started doing damage to the boat. It was listing. It became such a concern and there was such a concerted effort from the community that we finally had the Coast Guard come and take the vessel away.

It is an old problem. It is one that seems to be getting worse. There are a growing number of abandoned vessels on Canada's coasts. Boats are getting older every year, so this is a problem that gets worse over time. The longer we leave this problem, the higher the cost of taking care of the problem will be and the greater the number of vessels we will have to deal with.

Transport Canada has conducted some surveys on the breadth of the issue. It has a list of over 600 abandoned vessels of various types and sizes, but I am sure that the actual number is much higher now, and it is expected to go up.

Furthermore, not every municipality has had the chance to respond. In British Columbia, the last report listed 245 vessels, but that was only from the municipalities that bothered to respond.

A number of proposals came forward in the House in previous years. In 2010, Keith Martin, the Liberal member of Parliament from Vancouver Island, moved a motion for the government to strengthen legislation to deal with derelict vessels and also to impose penalties to recover the cost of cleanup from registered owners.

In the 41st Parliament, Jean Crowder moved two bills. One of them had to come back on the Order Paper because of prorogation, and unfortunately, it was defeated by the Conservative government at the time. I would certainly hope that our Conservative colleagues are having a bit of a change of heart in looking at this issue, because I think it is a non-partisan issue. It is about taking real action on behalf of all coastal communities.

I want to point out to my Liberal colleagues that a number of them still sit in the House today who voted in favour of that bill, Bill C-638. Of note, the current Minister of Fisheries and Oceans, the Minister of Transport, the Minister of Indigenous and Northern Affairs, and the Prime Minister are all on record as having voted for that legislation, and I will expect to see their votes stand up in this Parliament when we get to Bill C-219.

In 2015, in the dying days of the 41st Parliament, we had a half-hearted attempt by a Conservative backbencher, Conservative MP John Weston, to bring in a bill. It had a legal fine of about \$100,000 and jail time for those who abandoned, but it was too little too late, in my opinion.

• (1135)

We have had action from the NDP, the Conservatives, and the Liberals on this issue. It is certainly one that all parties are very well aware of.

I will be voting in favour of the motion, but I want to make sure that the House is aware of the contrast between this motion and the bill from my colleague for Nanaimo—Ladysmith, Bill C-219. The Liberal motion points to the need for a legislative solution, but unfortunately, it does not compel the government to act.

Motions are great, but we have to look at the very first line, which says, "That, in the opinion of the House". The government of the day is not bound to follow this motion. It is not a binding motion. I will take note of all the MPs who support it, and it will be great to contrast that with Bill C-219 later to see if the action will be there to back up the words.

The motion compels the federal government to act only if there is an imminent danger. The issue is the fact that the federal government is the only body that can designate someone to intervene before a vessel becomes a hazard. This means that the responsibility falls on us to protect our coastlines. I appreciate the wording of the motion, but I think we need to have further action, and that is why I really want to see action on Bill C-219 later.

It is good to see that there is a six-month timeline in the motion. Hopefully, we will see the government stick to that. I think vessel owners certainly need to be educated about identifying the problems that can come if vessels are abandoned, and so on.

The motion did have an amendment. Several amendments were proposed. One was from my colleague for Nanaimo—Ladysmith, and of course, the Liberals ended up amending their own motion.

The troubling amendment is this:

replacing the words "create a mechanism" with the words "identify mechanisms"

I think this shows that the government is actually a bit scared to take action on this file, because if we go from "creating a mechanism", which is an action word, to "identifying a mechanism", we are kind of giving the government a route out, and that, to me, is troubling.

The other removal by the Liberal Party was that consideration be given to "acceding to the Nairobi International Convention for the Removal of Wrecks, 2007".

This is something that was recommended by Transport Canada in 2010.

We want to see the government take some meaningful steps on this problem. The motion from my colleague for Nanaimo—Ladysmith was that we see, within six months, the dismantling of any abandoned ships or wrecks that lie in waters that are a source of drinking water, threaten the environment, or obstruct navigation. I think that would have made the motion a lot stronger. Unfortunately, it was not passed, but again, we will have time to revisit this issue, hopefully by next year, with Bill C-219.

The problem at the heart of this issue has always been that we live in a land of jurisdictions, as every MP knows. Not only do we have three federal agencies that are responsible for this, Environment Canada, Transport Canada, and the Department of Fisheries and Oceans, but we also have conflict with the province, and sometimes with municipalities, first nations' territories, and even port authorities. I have seen issues in my own riding where there has been just a bunch of finger pointing. We just go around in circles. That is why taking action at the federal level and showing true leadership is so urgently needed.

Private Members' Business

We absolutely need to pass this motion, but more importantly, we need to compare what the Liberal government is prepared to do, when it comes to real legislation on this matter and their votes at the time, with what they did in the past.

We need to create more recycling facilities and support more salvage businesses. We certainly cannot, as my friend, the member for Courtenay—Alberni said, do this with a ship-by-ship approach. It is an urgent problem. If we do not deal with it immediately with concrete action, we are going to be affecting first nations' traditional waters. We will have more oil and sewage spills. Sensitive ecosystems will be affected as well as migratory bird and fish habitat. Of course, it will also affect tourism, which is so important to communities like mine. We get so many American tourists, and the last thing they want to see is an abandoned vessel that has been left on the beach or is listing off to one side.

• (1140)

If we do not take action, municipalities are going to continue to bear the burden.

The main issue with the motion is that it would be non-binding on the government. We hope that will change with a vote on Bill C-219 at a later point.

I would like to thank my colleague from South Shore—St. Margarets for bringing forward this important motion. She certainly has my support on it.

Ms. Pam Goldsmith-Jones (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.): Mr. Speaker, I am pleased to rise in the House today to speak to Motion No. 40, which raises the issue of derelict and abandoned vessels, as put forth by my hon. colleague from South Shore—St. Margarets.

Protection of Canada's shorelines, harbours, bays, inlets, and lakes from coast to coast to coast is a public trust. Speaking for my constituents of West Vancouver—Sunshine Coast—Sea to Sky Country, and for the multiple organizations and citizens in British Columbia who are deeply concerned about this issue, our understanding of the challenge on the west coast extends beyond derelict and abandoned vessels to include derelict and abandoned barges and docks, as well.

Responsibility for the environment and for the safety and enjoyment of our waterways belongs with all of us. When the owner or occupant of a derelict or abandoned vessel, barge, or dock is unknown or impossible to find or entirely unaccountable, then responsibility ultimately falls on the federal government.

In the past, there has been little oversight and also little recognition that derelict and abandoned vessels, barges, and docks are also used for housing, storage, and docking facilities. In my riding alone, Islands Trust, the District of Squamish, the Sunshine Coast Regional District, the town of Gibsons, the village of Lions Bay, Bowen Island, the District of Sechelt, and local citizens have been proactive for years in documenting the problem, researching solutions, and even taking action on their own.

The Harbour Authority Association of British Columbia provided a March 2011 report to the Pacific Regional Canadian Marine Advisory Council arising from requests to address the growing

concern within the boundaries schedule of small craft fishing harbours. Following consultations with all 54 harbour authorities, it reported that “all indications are that the extent of this problem is being under-reported”. We all know that this is true.

Our harbour authorities know the problem and need our help. Up until now, multiple jurisdictions have not worked together very well, except in ad hoc situations, and usually when a crisis is occurring.

West Vancouver—Sunshine Coast—Sea to Sky Country is a coastal community. The West Vancouver shoreline stretches along about 24 kilometres of waterfront. The fjord that is Howe Sound extends up to Squamish and includes an archipelago of pristine small islands. The peninsula known as the Sunshine Coast, accessible only by boat or small plane, also includes a significant inland waterway known as the Sechelt Inlet.

Here are three short stories so that we can picture what is happening on the water.

Some time on December 3, 2015, a 15-metre boat, missing its mast and adrift for some time, ran aground at Granthams Landing near Gibsons, B.C., home of the *Beachcombers*, for those who are fans. The vessel had no name and no registration number attached to it. The vessel, according to the locally elected regional director, presented a clear and present danger to the wharf and waterfront properties. In his words, residents “don’t realize how much of a problem it is until you’ve got a bowsprit that’s poking right at the window of your cabin. Then it becomes real.”

On that night, a neighbour put the word out through Facebook and contacted the RCMP and the Coast Guard, but the hands of government officials were tied. The authorities lacked the jurisdiction to do anything at all. Winter's high winds, big tides, and storm surges added to the challenge, which fell squarely on the locals. Community volunteers worked through the night. Twenty people, led by a local tugboat operator, set up a generator, pumped water out of the hull, and towed the boat to a temporary moorage site, where the residents are keeping an eye on it for now. Since then, about one tonne of garbage has been hauled off the vessel by volunteers.

In Squamish a few months ago, a barge that is essentially a floating toxic waste site, began to list. The mayor of Squamish called me at home on a Saturday to say that barrels and barrels of toxic waste were about to plunge into the Mamquam Blind Channel. She had contacted the Coast Guard, who, in fairness, can only respond when a disaster is imminent. It lacks the jurisdiction to do anything to prevent these incidents. I must compliment the staff at Fisheries, Oceans and Canadian Coast Guard, who acted swiftly and managed to avoid a serious toxic spill, but it depends on the mayor being home and me being home.

Finally, I would like to read from a recent letter I received from a resident on the shores of Porpoise Bay, in Sechelt, concerned about unseaworthy vessels being used as full-time housing or as moorage for other boats.

Private Members' Business

She writes, “In the past five years, an alarming number of people have chosen to anchor their vessels in Porpoise Bay, just beyond MacKenzie’s Marina. Some are used as full-time residences, others have been anchored for years and are not being maintained. In fact, last summer one sank and the Coast Guard had to assist in containing the gas and oil spills from the sunken vessel.”

She gave further examples of a floating home buoyed by the shell of a catamaran with four boats tied up to it, and the charred remains of a tugboat with three boats tied up to it. These vessels are a threat to the environment, to enjoyment of the bay, and to navigation.

• (1145)

We have the opportunity now to take action. The issue has been well researched by the Harbour Authority Association of British Columbia, the Canadian Coast Guard, the Islands Trust, the Union of British Columbia Municipalities, the Federation of Canadian Municipalities, all local governments and regional districts in my riding, the Artificial Reef Association, the Government of British Columbia, Port Metro Vancouver, and, of course, Transport Canada have conducted numerous studies and convened numerous committees.

Common themes are that the public right of navigation does not discriminate against unseaworthy vessels and protects squatters or unsafely moored vessels from legal action. Current laws and authority only support action after an incident, rather than taking a preventative approach.

This is a very brief introduction to a complex problem. I would like to thank all the volunteers who have acted quickly to avoid the harm caused by derelict and abandoned vessels, barges, and docks, and who have helped to keep this issue in the forefront.

Motion No. 40 is an important step forward, and the Minister of Transport is taking the lead on this issue. Let us be the Parliament that addresses derelicts and abandoned vessels, barges, and docks for the safety and enjoyment of our communities and for the protection of our natural environment.

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Mr. Speaker, it is a pleasure for me to rise to address this issue as a member of Parliament who does not come from a coastal community, but nonetheless sees the importance of this motion and the impact it would have, not just on coastal communities but throughout the country.

We are dealing with a motion that I support because it moves in a positive direction. At the same time, a motion does not have the same authority as legislation. The motion seeks to set us in a direction on this issue. I will mention later a previous actual bill that was proposed by former MP John Weston. We need to see legislation as well as a motion as this will express the will of the House with respect to the direction we want to go. However, it is important that we move forward legislatively to address this important issue for reasons I will go into and for reasons I know many of my colleagues have discussed quite well.

Derelict and abandoned vessels was not an issue I heard about at the doors in Sherwood Park—Fort Saskatchewan. I heard about a lot of different issues. Having listened to the debate, having dug into this topic, it is very clear that this does have an impact on my

constituents in a number of different ways. One way is the cost. Members have spoken about the cost implications of the large number of derelict and abandoned vessels, and the cost implications of not currently having an effective framework in place for responding to this problem.

There is the cost implication, which affects all taxpayers in all parts of the country. Even if the cost falls on provincial governments, on municipalities, there is obviously an interconnectedness in the transfer of resources between different levels of government. There is only one taxpayer at the end of the day. This is important for the impact it would have on my constituents as well as people in other parts of the country.

There is the environmental impact. All of us are invested in having and maintaining the vibrancy of our coastlines from an environmental perspective. These are places that my constituents visit on a regular basis and appreciate the opportunity to do so. They appreciate the benefits that come with tourism and environmental beauty in those places.

There is also the impact on commerce for my constituency, the importance of our coastlines, of our ports for imports and exports. This has a consequential impact for them as well, even for people who do not live in coastal communities.

That is why I am pleased to see this and to speak in favour of this and to encourage members of the House as well to consider the next steps that come out of the motion. Hopefully we will be able to move forward, even in this Parliament, with some kind of legislative response in the future.

Just by way of context, we have a situation right now where it is estimated that there are close to 400 abandoned vessels. Again, as somebody who does not come from a coastal community, this would seem surprising that people simply would abandon their property in the middle of nature. Certainly that would not happen with a truck or RV. Nobody would think that was a normal or acceptable thing to do, yet we have the issue of abandoned vessels that are causing problems along our coastline.

Right now, municipalities in many cases lack the means to do it, financial or otherwise, and the Coast Guard will only remove vessels if there is an assessment that there is some kind of imminent environmental risk in place.

This leaves us where we are, which is with this very large number of abandoned vessels. In cases where removal is required, there is a significant cost associated with it. My colleague from South Shore—St. Margarets, in her initial speech on this, referred to a vessel that cost \$12 million to remove. The vessel’s name was the MV *Miner*. That is an enormous sum of money. If we can have a framework in place that deals with this proactively, it actually prevents the problem from existing and prevents the need to respond to it later. That is a lot of money saved. The costs for dealing with vessels will vary widely, depending on the size, the kind of vessel and these sorts of things, but costs can be up into the millions of dollars, as we have heard.

Private Members' Business

Clearly we have a reason as a House to try to address proactively to confront the problem of existing abandoned vessels, but also to try to put in place an effective framework that will prevent us from having to expend these kinds of dollars in the future. That is the context and that is what we are trying to confront today.

•(1150)

The motion has a number of different aspects to it.

It calls on the government to address the issue of existing abandoned vessels and it puts in place a timeline to do so, and that is important. It is valuable when we have motions in place to say by when and to define the process so it is not just a purely an aspirational statement.

It then calls for prohibition of abandonment and realistic penalties to put in place mechanisms to ensure people do not abandon vessels in the future.

Associated with that, we have the educational component. It is important, if we are to put in new place new rules, for those who own vessels and may be affected by this new framework to be aware of the framework and to be prepared to respond to it. The educational component goes with those new prohibitions and penalties.

The fourth important issue, which ties into this issue of effective enforcement, is improved vessel owner identification. Therefore, if there is an abandoned vessel, there is a good mechanism for ensuring that the person who is responsible for that abandonment can be identified, or at least the owner of the vessel can be, to start the process to ensure there is some real accountability in place.

Finally, there is a mechanism in place for government assistance to address this issue over the long term.

There are a number of different components to the motion, all of which have an important place as part of the discussion to say we have to address the issue of existing abandoned vessels, but also proactively. That proactive part not only is important for the environment. Dealing with the existing vessels addresses the current environmental challenges, but proactively in the future hopefully we can not only prevent the potential environmental problems, but also deal with the cost factor, preventing the taxpayer from being on the hook for some of these costs, whether it be municipal, provincial, or federal taxpayers.

Having spoken in favour of the motion, as much as possible, it is important for us to move forward with legislation, not just with motions. Motions express the will of the House, the aspirations, the opinions of the House, but they are not binding on the government. The government is not required to respond or to implement. Although the motion imagines a legislative framework and lays it out, legislation is needed to bind the actions of government and certainly of people outside of the government.

It is unfortunate but we do have cases where the House passes motions, but the government then chooses not to act on them, or the government in some way reinterprets them to say that the motion did not really mean this, that it meant something else. This is always the challenge when we have discussions of motions in the House.

As I mentioned, a former member of Parliament, John Weston from B.C., had Bill C-695, which did not contain all the different components in this motion. Perhaps one advantage of a motion is that we can, no pun intended, cast the net wider, but legislation has that added force.

Bill C-695 prohibited vessel abandonment and it introduced penalties to do so. It dealt with that proactive potential future abandonment of vessels issue, and that was good legislation. I would certainly support that legislation if it were brought back before the House. Maybe another member, or maybe even the government, will see fit to bring forward Bill C-695 from the previous Parliament and the great work done on that by Conservative member John Weston.

Overall, this is a positive motion. We like the direction in which it goes. It is a step in the right direction. It does not get us all the way to the finish line, but it is an important step. I congratulate the member for bringing it forward and I look forward to supporting it at second reading.

•(1155)

Mrs. Bernadette Jordan (South Shore—St. Margarets, Lib.): Mr. Speaker, I would like to thank my hon. colleagues for the thoughtful points they have raised and for bringing their perspectives on this issue from different regions of the country.

Vessel abandonment is a serious and persistent problem in coastal communities all across Canada. Back in June, I made the case during the first hour of debate for taking action on abandoned and derelict vessels due to how these vessels can affect the livelihoods of Canadians, the opportunities for tourism, safety, environmental quality, and navigation, and how there are not many legislative, regulatory, or even practical ways that small coastal communities, or for that matter large coastal communities, can deal with them.

The Port of Shelburne in my riding is a perfect example where everything legally possible has been done to have the abandoned vessel the *Farley Mowat* removed. However, it is still taking up one-quarter of the port's workspace. I hope that this conversation, and subsequent actions by the government, will address this shortfall, and that parliamentarians, in two, five, or 20 years, will not still be having this same conversation.

People in coastal communities have waited long enough for action. This is not a new issue. I have heard about this problem my whole life, growing up in Nova Scotia, working in different communities on the south shore, raising kids in Bridgewater, during my time campaigning, and now as the member of Parliament for South Shore—St. Margarets. I am thrilled that I've had the ability to raise the profile of this issue and hopefully have a positive response from the House of Commons on Motion No. 40.

If supported by my colleagues in the House, I have confidence that the government, led in this case by the hon. Minister of Transport, will take many of the steps suggested in Motion No. 40 to prevent vessel abandonment in the future, and to find ways to support communities dealing with the burden of an abandoned vessel. I am sure many of us in the House, and many at home, would love to see this problem go away once this vote happens.

Government Orders

Unfortunately, there are not any quick solutions. There is no silver bullet. If the federal government spent hundreds of millions of dollars immediately removing the over 600 abandoned and derelict vessels from Canadian ports, beaches, and shores, it would send a signal to irresponsible vessel owners that abandonment is the most cost-effective disposal option. We cannot do that. We cannot give irresponsible vessel owners a “get out of jail free” card simply by making the taxpayers responsible for cleaning up someone else's mess.

I have proposed that the government develop a comprehensive long-term plan that will, first and foremost, try to prevent vessels from being abandoned in the future. We need solutions that give government and law enforcement more tools in their tool belts to take action on vessel owners who are not being responsible. Expanding the scope of the large vessel register to improve owner identification, ratifying the International Maritime Organisation's International Convention on the Removal of Wrecks, and making the abandonment of a vessel an offence, are all steps that can help prevent abandonment from happening and encourage responsible vessel ownership.

We know that most Canadian vessel owners are already being safe and responsible. We know that a very small fraction of owners have not been responsible, for a variety of reasons, and that this has caused an immense burden and headache for communities across Canada. We need some way to address this as well. The only way the federal government can get involved is when the vessel is creating an immediate environmental hazard or is blocking a navigable waterway. Failing these, the onus dealing with the abandoned vessel falls to the unlucky province, community, port, or landowner where the vessel was abandoned. They bear that burden through the inability to sell the land, expenses related to monitoring and inspecting the vessel or the site, lost revenue from docking fees, lost revenue from the effect on tourism, as well as public outcry.

In cases where other avenues have been exhausted, where the presence of an abandoned vessel is creating an economic burden on community, Motion No. 40 asks that the government identify options to assist in its removal. This is an important last resort option. Our coastlines are a source of pride and economic opportunity, and our policies should safeguard them and the livelihoods of those who depend on them. Derelict and abandoned vessels are an economic burden and limit the potential of our waterways and harbours.

To that end, I ask my colleagues in the House to support Motion No. 40.

● (1200)

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.
(Amendment agreed to)

The Assistant Deputy Speaker (Mr. Anthony Rota): The next question is on the main motion, as amended. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Assistant Deputy Speaker (Mr. Anthony Rota): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Assistant Deputy Speaker (Mr. Anthony Rota): All those opposed will please say nay.

An hon. member: Nay.

The Assistant Deputy Speaker (Mr. Anthony Rota): In my opinion the yeas have it.

And five or more members having risen:

The Assistant Deputy Speaker (Mr. Anthony Rota): Pursuant to Standing Order 93, the recorded division stands deferred until Wednesday, October 26, 2016, before the time provided for private members' business.

GOVERNMENT ORDERS

● (1205)
[English]

CANADA PENSION PLAN

The House resumed from October 21 consideration of the motion that Bill C-26, An Act to amend the Canada Pension Plan, the Canada Pension Plan Investment Board Act and the Income Tax Act, be read the second time and referred to a committee.

The Assistant Deputy Speaker (Mr. Anthony Rota): There are five minutes remaining for questions and comments for the hon. member for Foothills.

The hon. member for Winnipeg North.

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, one of the things that we know is very different, between the former Harper Conservative government and what this particular Prime Minister and the Government of Canada are trying to do here, is the issue of Canada's pension plan.

The former government did not recognize and did not listen to what Canadians really and truly wanted. It was completely out of touch with Canadians and did not recognize the importance of pension programs, in particular with respect to the CPP.

What we are debating today is a piece of legislation that, if passed, will be somewhat historic in the sense that we are going to see increases to CPP, working in collaboration with the many different provinces from every region of the country. At the end of the day, the biggest benefactor is going to be the worker, and the worker who is going to be retiring in the future.

Why is the Conservative Party still so out of touch with what Canadians really want when it comes to the issue of retirement? Why will the Conservative Party not support the bill?

Government Orders

Mr. John Barlow (Foothills, CPC): Mr. Speaker, I find it quite ironic that the member is saying we are the ones who are out of touch. Who did the Liberals actually consult before imposing yet another tax increase on Canadians? They did not consult anybody before the carbon tax. They did not consult anyone before changing the mortgage rules. They did not consult anyone before increasing the CPP tax hike.

I have certainly heard from constituents across my riding and from people across the country. Certainly during the election, while knocking on doors, I did not have a single person tell me that they really wanted to have their taxes increased on CPP and to have a carbon tax, and that was what they were looking for.

We had the tax-free savings account, which Canadians really appreciated. That is what I heard when I was knocking on doors, that people really appreciated the increase in the tax-free savings account, something the government, once again without consulting Canadians, decided to claw back and take away, imposing its own tax increase on Canadians.

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Mr. Speaker, I certainly appreciate the quick footedness of my colleague. I would like to ask him a question.

The Canadian pension plan, depending on which accounting method is used, has a shortfall deficit of between \$8 billion and \$24 billion. The changes the government has put forward will do nothing to alter that. Does the member think that the government is simply moving ahead ideologically and not looking at actual improvements to help keep the system on a stable and solid basis for Canadians?

• (1210)

Mr. John Barlow: Mr. Speaker, I want to thank my colleague for that question and all the hard work he has done, and to congratulate him on his new post as deputy critic for finance.

These changes are not going to do anything for Canadians right now. For seniors, baby boomers moving into seniors, this is something they will not feel for years, if not decades down the line. All this is going to do is increase the already exploding deficit that we have.

The impact in the short term is going to be that business owners are going to have to cut back hours and will not be hiring people. In a very low-growth time, this is something that is going to cost business owners and Canadians more than \$2,000 a year. When we are seeing growth predicted at maybe 1% or 1.5% over the year, we need to encourage business owners to hire and grow. This is absolutely the opposite. This will discourage them from growing and hiring.

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Mr. Speaker, I will be splitting my time with the member for Winnipeg South.

Our government is committed to strengthening the backbone of the economy, the middle class, and those working hard to join it. It is with this commitment that our government has delivered on a number of platform promises that were made to hard-working Canadians.

I am proud to stand and speak to Bill C-26, an act to amend the Canada Pension Plan, the Canada Pension Plan Investment Board Act and the Income Tax Act. This legislation would strengthen Canada's pension system and was a key promise we made to ensure a secure and dignified retirement for all Canadians. I congratulate the Minister of Finance, who delivered on this commitment by working in close collaboration and common purpose with our provincial and territorial partners.

It must be noted that provincial leaders of every major political party, Liberal, New Democratic, and Conservative, worked diligently on coming to this historic agreement that would benefit generations of Canadians, including my two young children, Natalia and Eliana.

What is at stake is simple. We must strengthen our pension system to reflect the realities that exist today and ensure a dignified and secure retirement for all Canadians.

To start our discussion on the proposed legislation, I believe it is best to review Canada's retirement system as it stands today and why a strengthened CPP is required to address trends that are leaving so many Canadians unprepared for their post-work years. Today's multi-pillared system includes old age security and the guaranteed income supplement, which are paid out of general government revenues and act as a basic income floor for low and middle-income Canadians. The CPP and QPP are funded through mandatory employer-employee contributions, and, in the 1990s, the CPP shifted from a pay-as-you-go system to a pre-funded platform. Finally, we have private workplace pensions and discretionary individual savings, including tax-free savings accounts and registered retirement savings plans.

Despite this multi-pillared approach to the retirement system, a number of trends are emerging that are leaving millions of Canadians unprepared for retirement and potentially facing a material drop in their standard of living.

Extensive analysis conducted by the finance department found that around one-quarter of families nearing retirement, approximately 1.1 million families, are facing a drop in their standard of living. Furthermore, it is estimated that as many as five million Canadians do not have access to a workplace savings arrangement, and many of these middle-class Canadians are at a greater risk of under-saving for retirement. We must act to ensure that all Canadians have a secure and dignified retirement.

In addition, younger Canadians today face circumstances not faced by prior generations in terms of saving for their retirement. Canadians now entering the workforce will face the prospect of changing jobs several times in their lifetime, and a portable pension plan that facilitates job mobility is now a necessity in this changing job market.

Government Orders

Since the 1970s, we have seen a material decline in the overall participation in private sector registered pension plans, as well as an ongoing shift from defined benefit to defined contribution plans. Statistics Canada estimates that total private sector workplace registered pension plan coverage has declined from 35% to levels now approaching 20%. Frankly, fewer private sector companies are offering workplace pension plans, and many companies have closed or wound up their defined benefit pension plans.

Defined contribution plans are not in their exact nature true pension plans, as they expose individuals to investment risk and swings in the beneficiary's pension plan assets, and a subsequent shortfall in pension savings. Also, a low interest rate environment, which influences the present value of liabilities and has placed cash flow demands on companies to maintain solvency ratios, combined with, frankly, unfavourable accounting rules on pensions, has hastened the move by many companies away from defined benefit pensions.

Our government, in collaboration with the provinces, has taken a carefully targeted approach with this legislation to address the issues I have laid out while striking the important balance between short-term economic considerations and long-term economic gains.

What does an enhanced or stronger CPP mean for Canadians? Quite simply, it means a secure and dignified retirement for millions of Canadians. It means that individuals retiring can worry less about making ends meet and more about spending time with their loved ones, including grandchildren.

• (1215)

Once fully in place, this CPP enhancement would increase the maximum CPP retirement benefit of approximately \$13,000 by up to 50%. In today's dollar terms, the proposed enhanced CPP represents an increase of nearly \$7,000, to a maximum benefit of nearly \$20,000.

The enhancement in this legislation would do two things to make this happen for contributors. First, it will increase the share of annual earnings received during retirement from one-quarter to one-third. This means that individuals making \$50,000 today over their working lifetime would receive approximately \$16,000 per year in retirement instead of the roughly \$12,000 today. Second, it would increase by 14% the maximum income range, to approximately \$82,700, so that those who earn more would receive more in retirement.

Enacting these changes with Bill C-26 would result, as estimated by the Department of Finance, in a reduction of families at risk of not having adequate retirement savings by one-quarter, from approximately 24% to 18%, when we consider all pillars of the retirement income system.

To ensure that these things are affordable, we would phase them in over seven years, starting in 2019 through to 2025, so the impact is minimal and gradual. As noted by David Dodge, former governor of the Bank of Canada, "The fundamental challenge [facing decision-makers] is how to provide for adequate retirement income for the future population of elderly people without imposing an undue burden of taxation on the working population and the business sector."

We have struck this right balance. For example, an individual with earnings of \$50,000 will contribute about \$6 more a month in 2019, and by the end of the seven-year phase-in period, contributions for that individual would be about \$40 per month. Additionally, and this is very important, we would ensure that low-income Canadians would not be financially burdened as a result of the extra contributions. We would enhance the working income tax benefit to roughly offset incremental CPP contributions with little to no change in disposable income, while still securing higher retirement income for low-income Canadians.

A strong CPP will be good for Canadians, and will also be beneficial to the Canadian economy overall. As estimated by the Department of Finance, greater CPP benefits would increase spending by retirees, providing for a boost to economic output. It is estimated that GDP would increase slightly, from 0.05% to 0.09%, and employment levels are projected to be permanently higher, by approximately 6,000 to 11,000 jobs, based on 2015 levels of employment. In addition, higher aggregate saving rates through enhancing CPP would increase the amount of capital available for investment.

The Canada pension plan is a solid program, and actuarially sound. It is fully funded for future generations. The most recent report noted that 5.3 million Canadians received approximately \$38.7 billion in payments while contributions totalled nearly \$45 billion. It cannot be understated just what advantages the CPP offers. The CPP as a retirement vehicle for Canadians is, in my view, a model for the world. These advantages include that CPP provides a secure, predictable, and stable benefit. Canadians will not outlive their savings, and benefits are not subject to shocks. CPP benefits are fully indexed to prices, so inflation will not reduce the value of a pension. CPP is fully portable, and it fills the gap of a decline in workplace pensions. Overall, CPP is an efficient way to save.

Finally, the CPP Investment Board operates at arm's length from the government, with a mandate to invest CPP funds in the best interests of plan members. It is a model that is independent, transparent, and accountable. It is well regarded around the world for its impressive record of investment performance and management excellence, with a 10-year annualized rate of return of 6.8%.

In closing, Bill C-26 is the next step forward in ensuring that all Canadians retire in a secure and dignified manner. I ask my colleagues to join with me in advancing this important piece of legislation that was brought forward in a collaborative approach between the provinces and the federal government.

• (1220)

Mr. Mark Warawa (Langley—Aldergrove, CPC): Mr. Speaker, I want to thank the member for his comments. I listened intently.

A tax is a tax is a tax, and this is a new tax on the Canadian economy that would hurt business, hurt jobs, and would actually take money out of the pockets of Canadians.

Government Orders

I would like the member to comment on this quote: “Whatever the reason might be to expand CPP, it is not to eliminate poverty.” That quote is from a book written in partnership by the finance minister. In his speech, the member said that this is to help low-income Canadians, yet the finance minister said it has nothing to do with that. Again, a tax is a tax is a tax. If the member would comment, does he agree with the finance minister or disagree with him?

Mr. Francesco Sorbara: Mr. Speaker, we increased the guaranteed income supplement by approximately \$947 in budget 2016, and that is going to help approximately one million Canadians who are the most vulnerable of the vulnerable. In addition, with the enhancement of the CPP, the working income tax benefits will be worked in such a manner that low-income Canadians will be left better off with the imposition of the enhanced CPP than they were prior, and that will assist them in moving out of poverty.

Mr. Gord Johns (Courtenay—Alberni, NDP): Mr. Speaker, I think about seniors in my riding who are struggling to make ends meet. What comes to mind is that I met a woman during the campaign who had to make a choice between buying food or buying medicine. These are the challenges that pensioners are facing right now. I met another woman who had gone to the food bank for the first time. I also went to the Port Alberni homeless shelter recently, and they said they had seen a skyrocketing number of seniors there.

Could the member elaborate on how this enhancement is supporting those people? We look at the most recent figures available, which show that 30% of single elderly women live in poverty. That number has tripled in the last 20 years. Only 4.5% of female CPP recipients receive the maximum benefit compared to 18% of men. How will this CPP enhancement plan lift vulnerable elderly women out of poverty?

Mr. Francesco Sorbara: Mr. Speaker, I am well aware of the pressures faced by seniors in my riding, as well as his, so I do note his comments with a large amount of empathy. Our government is committed to helping all Canadians. We did that with the enhanced guaranteed income supplement. That was the first step, with immediate relief provided to the most vulnerable seniors.

The enhanced CPP allows future generations and current workers to save more for their retirement so that they are not put in a position where they are unable to afford the basic necessities. I applaud our finance minister for his leadership on this file, for working together with all the provinces, of whichever political stripe, and coming to an agreement so quickly into our mandate. I think we should be applauded for that and the work he is doing.

Mr. Gary Anandasangaree (Scarborough—Rouge Park, Lib.): Mr. Speaker, I know my friend has been involved in the investment banking sector for a long time, and he has a great deal of small businesses in his riding. I am wondering what kind of feedback he has had from small business owners with respect to the benefits of the expanded CPP to small business, as well as to all Canadians.

• (1225)

Mr. Francesco Sorbara: Mr. Speaker, I would like to thank my hon. colleague and good friend for his question. Small businesses want to have consumers who spend. We want to see aggregate demand in our economy. The Canada pension plan, through its payments to beneficiaries who are hard-working Canadians, and which was over \$45 billion last year, will allow for aggregate

demand to increase. People will have more funds to invest. It acts as an automatic shock stabilizer for our economy, and it allows Canadians to go to the small businesses in his community and my community to spend their dollars and support local and small businesses. The reaction has actually been quite favourable. They understand that people need a secure and dignified retirement.

Mr. Gary Anandasangaree (Scarborough—Rouge Park, Lib.): Mr. Speaker, I am proud to speak this afternoon about Bill C-26, an act to amend the Canada Pension Plan, the Canada Pension Plan Investment Board Act and the Income Tax Act. I am proud to stand today in fulfillment of one of the key election promises that Liberals made about a year ago. These changes would make life better for a new generation of retirees.

In today's dollar terms, passage of this bill would mean that the maximum CPP benefit would go from \$13,110 to nearly \$20,000 per annum. This would represent the single largest change in the CPP in a generation. A change of this magnitude requires the consent of seven out of the 10 provinces, and we have that.

This proposal is a long time coming. On June 10, 2010, the former minister of finance for Ontario, Dwight Duncan, wrote to the then minister of finance seeking expansion of the CPP. I would like to quote his letter, which states, “Ontario supports a pan-Canadian approach to the reform that will provide tomorrow's seniors with better, lower-cost tools to maintain their standard of living in retirement.” Notwithstanding repeated requests for action, the previous government simply failed to advance this issue federally.

The Province of Ontario decided to go ahead on its own, with the Ontario retirement pension plan. As the program was rolled out and ready for implementation, our Minister of Finance took charge and developed a newly expanded CPP program.

This is a historical development for our country. While it is not the solution for all of our pension and retirement woes, it certainly is a great leap forward. The next generation of Canadians needs to live with independence, dignity, and pride in retirement.

I would like to take this opportunity to commend and thank our Minister of Finance and all of his provincial counterparts for reaching this historic agreement on retirement security for Canadians.

Government Orders

Under Bill C-26, contributions would gradually increase, starting in 2019, to a total of an additional 1% of earnings for employees and 1% of earnings for employers by 2023. For self-employed persons, contributions would also slowly rise to a total of 2% of earnings by 2023. Employee contributions would be tax deductible. For the first time since 1965, income from the CPP would increase from 25% to 33% of a person's pre-retirement income, to a maximum income threshold of \$82,700.

In addition to the changes to the CPP, our government has already implemented two key changes that would help retirees. First, we increased the guaranteed income supplement for single seniors by 10%, to a maximum annual top-up benefit of \$947. We know that Canadians work hard and deserve to retire in a timely manner, and, as such, we rolled back the eligibility for old age security from 67 to 65 years old. Even then, for many, the thought of retirement itself is highly stressful because many will not be able to maintain their pre-retirement standard of living.

I want to take a moment to review the current options for retirement income. There are essentially two types of retirement funds available for Canadians. One is provided and administered by governments and the other by individuals and corporations. Most Canadians have an element of both. The public scheme includes the guaranteed income supplement, old age security, and the Canada pension plan.

I will focus on the second option, which comprises a range of registered employer programs, often set up by employers for the benefit of their employees and a host of private investment options, such as RRSPs, TFSAs, and other investment instruments.

For the generation before us, retirement was part of the life cycle. If you had a well-paying, secure job, you took retirement for granted. Workplace pensions were the norm, but with changes to the global economy, fewer and fewer Canadians now work in jobs that have registered pension plans. In fact, since 1993, the percentage of Canadians with workplace pension plans has dropped from 30% to just over 23% today. This downward trend is likely to continue.

Additionally, the trend has been away from defined benefit plans, like the CPP, which guarantees set payments, to defined contribution plans that provide pensioners with much less security. Now many Canadians are on their own for their retirement. They have to use RRSPs, TFSAs, and private investments through multiple investment vehicles, and that is if they are lucky.

• (1230)

The private options have several limitations. First, the current challenge in the job market is not the same as it once was. It is much more difficult for people in their twenties to find a job, let alone one with a good pension plan. In 2012, the unemployment rate for youth in Ontario was a staggering 16.9% and in some communities, including mine, it was much higher than that. If the youth in our communities have to work in low-paying jobs in which they cannot earn a good living until they are in their late twenties or even in their thirties, how can we expect them to start saving for their retirement?

Second, even if an individual has investments, they have faced a very vulnerable market in recent years. Members will recall the financial meltdown in 2008. As a lawyer at that time, I met many

families who were exceptionally stressed about their future. They were worried about losing as much as 40% of their portfolios. Many, in fact, have still not recovered from that loss.

Third, there is the issue of historically low interest rates. Today, we have many retirees who saved up, were diligent, and are now facing a decade of historically low interest rates. I searched the popular portals for the best possible advertised interest rates today. The current maximum payout is 2% per annum. They are the lucky ones. For a family that worked hard and was able to save \$500,000 and placed it into a bond or a GIC, the maximum payout is \$10,000 per year. The chances are that historical low interest rates will be around for a while, so those with modest or even good savings will not be able to meet their needs.

I think it goes without saying that one of the major benefits of the CPP is the exceptional management provided by the CPP Investment Board. Even in these most volatile times, the CPPIB is one of the best run investment firms in the world. They have managed Canadian retirement funds for 50 years with prudence, and yet in the last five years alone they have yielded an annualized return of 10.6%.

I know that my friends opposite feel that the changes to the CPP will be an additional burden on our employers and may limit job creation. Up until last year, I ran a law firm with about 20 employees at the peak of my practice. I prided myself in making payroll each and every pay period. For most small businesses this is often the test. I ran the firm for 10 years, and during this time my employees were the reason for my success. Without employees, I would not have been able to succeed, and I can assure hon. members that all small business succeed because of who they have working for them.

Most small business cannot afford to set up private defined benefit systems or extended health coverage. Most of us rely on our publicly funded and administered programs, which are the envy of the world. Between student loans, the high costs of housing and transportation, and the day-to-day expenses of running a household, there simply is not enough money to save for retirement.

That's why an expanded CPP system is good for small business. They can continue to retain good staff, be good employers, and be assured that a well managed investment board is the custodian of their and our future retirement. I contend that the peace of mind and security of a better retirement will ensure a more productive workforce.

Government Orders

After a lifetime of working, we must do more to ensure that people are able to retire with dignity. We cannot leave this to the marketplace alone. Governments, especially, the federal government, must lead in filling these gaps.

Today 24% of families nearing retirement age are at risk of not having enough savings to maintain their standard of living when they retire. With Canadians living longer than ever, many Canadians also risk outliving their retirement savings. By enhancing the CPP, we will reduce the number of Canadians without sufficient retirement savings.

In closing, I would like to applaud the Minister of Finance and departmental officials for introducing a bill that is so well thought out. It is a piece of legislation that is truly good for Canada. When people look back on this Parliament, the enhancements made to the CPP will certainly be one of its legacies. By taking the steps now to improve retirement security for Canadians, we can ensure that more Canadians can retire with peace of mind.

● (1235)

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Mr. Speaker, I listened to my friend's speech with interest.

I have to say this, though: there is an alternative to increasing mandatory premiums. That alternative would be either to give individuals the option of contributing more to their CPP and then receiving more in retirement, or to maintain, and indeed enhance, the existing saving vehicles that give people the incentives and opportunity to save more of their own money and receive a tax benefit for doing so.

The government has chosen the mandatory route, as opposed to offering more choice to individuals. It has chosen increasing mandatory premiums rather than giving individuals flexibility.

We all want to see people have a secure retirement, but can the member help me understand why we should be taking away choice from individuals in that process and not simply empowering them with the means to save for their own retirement and the incentive to do so?

Mr. Gary Anandasangaree: Mr. Speaker, I thank my friend for the question and for always engaging on a diverse range of issues.

The CPP is a universal system, one that is available to everyone who works. We know that the management of the program itself is essential. The CPPIB, as I mentioned, has been around for 50 years. It has an enviable record of success and prudence, even in the most volatile of situations. Members will recall the 2008 financial crisis, from which the CPPIB actually came out on top. It was very stringent in its management and ensured that the funds that Canadians depended on for their retirement were secure. This is the type of investment that is required for a collective retirement future.

Of course, there are many other options available to people, and I have mentioned RRSPs, TFSA's, and other investment vehicles, which are always available to people. However, I think the studies typically show that they are not often maximized. Therefore, when it comes to a publicly run system, I think the CPP will be in the best interest of Canadians in the longer term, and will certainly be

augmented by many other private options, such as RRSPs and TFSA's.

Mr. Gord Johns (Courtenay—Alberni, NDP): Mr. Speaker, the Port Alberni Shelter Society has been having a very difficult time getting money and support from Ottawa. We are seeing a skyrocketing number of seniors and new pensioners showing up day after day.

What proposals is the government considering for reversing the increasing poverty among seniors in Port Alberni and across Canada while Canadians wait for these enhancements to take place? If the member could address that, it would be greatly appreciated.

Mr. Gary Anandasangaree: Mr. Speaker, I really do not have to go that far to find an example. My mother, a single mother who has worked for over 30 years in this country, is not that well off in retirement.

The increase in the guaranteed income supplement introduced in the budget has helped, but there is certainly a lot more that we need to do with respect to housing. It is a commitment that we as a government have. I believe that \$20 billion is going forward for housing. Ideally, that will go toward senior housing as well.

The issue of income security for seniors is top of mind for us. It is one of the first things we did as part of our commitment to increase the guaranteed income supplement. Rolling back the age of eligibility for old age security from 67 to 65 will help seniors in the future. Certainly, the increased CPP from Bill C-26 will also assist.

Therefore, a combination of these programs will definitely assist, but I do share my friend's concerns.

[*Translation*]

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Mr. Speaker, it is an emotional thing for me to speak to this bill in the House because it is the first time I am rising as the official opposition finance critic.

Last week, I had the pleasure of asking the government a number of questions, but I did not get any answers.

● (1240)

[*English*]

On this matter, let me pay my respects to the hon. leader of the official opposition for her confidence in giving me this crucially important role in the caucus and this democracy.

When we are talking about finance, we are talking about the heart of the country, because everything depends on our capacity or lack of it to pay for policies.

Also, I am very pleased to succeed, as well as I can, the MP for Milton who served so well as critic. We all know how well she served as a senior cabinet minister in the Harper government.

[*Translation*]

Bill C-26 does have one thing going for it: it shows just how far apart philosophically the current government and my party are.

Government Orders

[English]

That difference is crystal clear to us, because this proposed policy and bill show the Liberal vision for public money. For the Liberals, it is a good way to pick up money from the wallets of hard-working people. It is a good way to pick-up money from entrepreneurs and those who create jobs and wealth. However, Conservatives prefer to leave the choices and give the tools to citizens to have money in their pockets, to have money to put to other purposes, and especially to put money aside for their retirement.

[Translation]

The good thing about Bill C-26 is that it clearly illustrates the difference between our Conservative vision and that of the Liberals. The Liberal Party thinks it is a good idea to take more money from people and from entrepreneurs, but we think it is better to give people the tools to save money and put some aside for retirement.

What is this bill about? Basically, it would increase workers' contributions from 9.9% to 11.9%, and it would be 40 years before those workers see any tangible benefit.

That is what this bill would do. I summarized it pretty briefly, but since this is about pensions, and since anyone filing a tax return knows how tricky things can get when the time comes to pin down exactly what kind of room to manoeuvre the government has and what the rules are, I will talk about the specific rules in the bill.

At the moment, Canada pension plan premiums are set at 9.9% of pensionable earnings per employee, that is, between \$3,500 and \$54,900 annually, up to a maximum contribution of \$4,959.90 a year, to be shared equally by employee and employer. I will come back to this a little later. It does not stop there, because over the next 40 years, CPP benefits will rise from 25% to 33% of income replacement in retirement in eligible cases. In order to fund those benefits, as I mentioned earlier, the government is going to raise pension plan premium rates from 9.9% to 11.9% beginning in 2019. In addition, the maximum yearly rate for pensionable earnings will rise to \$82,700 in 2015, and earnings between the current and future annual maximums will be subject to a contribution rate of 8%. As a result, premiums, which are divided between employer and employee, will rise to \$2,200 per worker. Obviously, those are a lot of figures and data. Many factors are at play here, so it is important that we do this right.

Now that the table has been set and everyone has the figures, let us really get to the heart of the matter and look at why, from our point of view, this bill is a bad idea. Increasing the Canada pension plan will leave Canadians with less money in their pockets. As we have shown, it could mean as much as \$1,100 for some employees. That is the employee's share, but the employer's share will double that amount, for a total of \$2,200 per employee who works in a plant, office, or any business. Families with two working parents will have \$2,200 less in their budgets to raise their children and will have to make certain choices.

Another thing: entrepreneurs do not exactly have an affinity for this government, which imposed the carbon tax. The Liberals promised to lower the corporate tax rate from 11% to 9%, but they broke that promise. Our entrepreneurs are paying even more.

With the Canada pension plan bill, entrepreneurs will now have to spend more than \$1,000 per employee. If this amounted to anything then at least we could say that everyone is doing their part. The problem is that it will take 40 years before this truly comes into effect. This changes nothing in the immediate future and does nothing for seniors who really need help immediately.

That too is the crux of the matter. There is nothing wrong with having a long-term vision for the Canada pension plan. We all know that there will be far fewer workers in the job market five, 10, 15, or 20 years from now, or so the demographics suggest. We have to take the necessary measures.

However, the necessary measures being proposed by the current government seek to take even more money out of everyone's pockets. When we formed the government, we implemented positive and constructive initiatives that were based on individual choice. That is the big difference.

Whereas this government thinks it knows what is good for people, we think that people know what is good for them, and we give them the tools to save. The TFSA is one such tool, and I will come back to that later. These two visions are completely different. What is good about this bill is that at least the burden is appropriately shared.

Let us take the example of Mr. Smith or Ms. Smith, who is employed, or even my son-in-law, whom I saw on the weekend, and who is a nice guy by the way. Some households will pay up to \$2,200 more per year.

Those just getting started in life—as we refer to those who have just finished school—all have a bit of student debt, and that is not unusual. However, when they enter the job market, they want some help. They do not want to have less money in their pockets. They definitely do not want a government that imposes new rules and that will take \$1,100 out of workers' pockets. That is what the government will do.

This bill is not good for young people entering the job market who have to pay back student loans. It will also be harder for young families to save enough money to go on vacation and enjoy life with new babies and so on. It will definitely be harder for businesses to create jobs and give their workers raises because they will have to shell out an extra \$1,000 for each employee.

That is \$1,000 less that could have gone to pay raises, \$1,000 less per employee that could have been spent on training; and \$1,000 less per employee that could have been spent on productivity-boosting equipment. It is also \$1,000 less toward hiring people, creating jobs and wealth, making businesses even more productive, and enabling them to share all that talent and potential with the world given that our country basically relies on export. Companies will have \$1,000 less to invest in their future and the future of their employees.

Government Orders

Our vision, which I clearly described earlier, is to trust people. We are aware of that issue and so was our government. Our predecessors, former finance ministers Jim Flaherty and Joe Oliver, considered the situation and took steps to implement measures to allow people to save and make the choices they felt were necessary, rather than having the government impose a system on them. That is the big difference between our vision and that of the current government.

Obviously, that is why we decided to increase the guaranteed income supplement. This year, the government implemented that measure. That is a good thing. Well done. It does not happen every day, but I am pleased to say that the government followed the path that we laid out when it comes to the guaranteed income supplement for seniors. That was the right thing to do and the government implemented that measure in the budget.

I remember that we were doing a lot of interviews after the budget was tabled and a reporter told me point-blank that there must be something good in this budget. In that sort of situation, it is not always easy to come up with an answer and one has to think quickly. My thoughts immediately went to our seniors, because we knew that it would be a good thing to help them by increasing the guaranteed income supplement. That is what we did and the current government implemented that measure. Well done.

Another difference between our vision and that of the current government is that we invented what is called the tax-free savings account or TFSA. We are very proud of that. I remember quite clearly the moment that this measure was announced. I can still see my colleague from Bellechasse—Les Etchemins—Lévis, who by the way announced yesterday that he would be running for leadership of the Conservative Party. I wish him every success in that endeavour.

● (1245)

When he was minister, he said that people would really want that, especially people in Quebec. He was quite right, given that the tax-free savings account was one of our government's finest achievements to encourage people to save. This helped make progress on old age pension amounts. That is why we support incentives aimed at helping people save for their retirement.

The proposed measure means that the government will have to manage between \$2,000 and \$2,200 from the employer and employee. Can we really trust the Liberal government to manage our money? Need I remind everyone that this government was elected on a promise of small \$10-billion deficits, but then presented a budget that will create a \$30-billion deficit? TD Bank estimates that it could even reach \$34 billion. Last week the Prime Minister said he was not really sure how this was all going to turn out in the end. Business owners are being asked to shell out \$1,100 more per employee. I am not convinced that the Liberals are in the best position to properly manage public funds.

That is why we think that it is much better to trust people and allow them to make their own choices, critical choices for the future, than to take \$1,100 per worker per year directly out of the employers' pockets.

If the government ever moves forward with this bill, the increase in CPP contributions will hurt the economy. There will be an

estimated 0.4% to 0.7% reduction in employment, or 1,000 fewer jobs per year for 10 years. These estimates come from the Department of Finance Canada, not from a right-wing think tank.

The gross domestic product will drop by 0.3% to 0.5%, business investment and disposable income will drop by 0.3% to 0.6%, and long-term private savings will go down 7%.

That is not what we would call an economic stimulus for creating employment and wealth. It is hard to do worse than a reduction in employment, GDP, investments, disposable income, and private savings. All these economic development factors appear together in the same sentence and it is all bad news. It is hard to do worse when it comes to creating wealth and employment.

The Fraser Institute found that a 1% point increase in the CPP contribution rate reduces private savings by nearly 1%.

When Canadians workers who get up in the morning, work hard, and want value for their money realize on Thursday that they will now have \$1,000 less a year in their pockets because of the government and its changes to the CPP, they will certainly not be inclined to save. We are not the ones saying it. It is the Fraser Institute.

The less people save, the more at risk they become. That is the difference between our vision and the Liberal government's. The Liberal government is telling people what is good for them. We trust people because we believe that they know what is best for themselves.

Let us talk about entrepreneurs. According to the Canadian Federation of Independent Business, 70% of small business owners do not agree with the proposed CPP hike, which could have a direct impact on their business. The Canadian Federation of Independent Business, meaning the entrepreneurs who create jobs and wealth and know how to manage a company, are telling us that this is not a good idea.

Furthermore, 90% of small businesses believe it is important that public consultations be held before finalizing any agreement. Where, how, with whom, and how many times were public consultations held? We did not really get much of an answer.

A C.D. Howe Institute report indicates that the Liberals' plan will not benefit low-income earners. This independent economic institute says that their contributions will increase, but the net increase in retirement benefits will be low because the higher CPP benefits will be offset by a clawback of GIS benefits.

In other words, what the government takes with one hand, it may not necessarily give back with the other. That is the problem. That is why we established the guaranteed income supplement, and it has been a big help to those in a difficult situation. That was a positive move.

The Liberals are so much in agreement that they adopted our approach. Well done. However, Bill C-26 will take more out of people's pockets, which will put them at greater risk.

Government Orders

●(1250)

That is why Canadians do not like this bill. According to Angus Reid, only 9% of Canadians have been following this debate. That is worth noting. We are not talking about something that might happen at some point. This will affect all Canadians and all workers, yet a mere 9% of them are aware of what is going on in the House right now.

According to a poll conducted for the Canadian Federation of Independent Business, the majority of Canadians know nothing about the funding structure of the Canada Pension Plan. It turns out that 70% of working Canadians oppose an expanded CPP. More than one-third of employed Canadians say they cannot afford the proposed hikes. More than 80% of Canadians want the government to hold more consultations before making a decision.

That is the reality we are dealing with today because this measure will affect all Canadian workers. We have to do something to ensure that people at least know what this is about. We need to take our time and debate this important issue thoroughly.

Let us look at the situation facing seniors. According to the McKinsey firm, 83% of Canadian households should maintain their current standard of living in retirement. According to Statistics Canada, the number of low income seniors has dropped from 29% in 1970 to 3.7% today. That is the lowest poverty rate in the world. This very interesting fact deserves to be recognized.

According to the C.D. Howe Institute, Canada's savings rate has climbed from 7.7% of one's salary in the 1990s to 14.1% today. Poverty among seniors is therefore declining, twice as many Canadians are saving, and the savings rate is double what it was 20 years ago. Those are all good things.

Poverty rates among seniors have dropped and Canadians are saving more. We believe in reasonable, positive incentives to encourage saving, rather than coercive measures that take money out of taxpayers' pockets.

That is why Dan Kelly, president and CEO of the Canadian Federation of Independent Business, said that it was extremely disappointing that the Minister of Finance is putting workers' wages, hours and jobs in jeopardy.

The chief economist at the Canadian Federation of Independent Business said that the agreement would have a serious adverse effect on workers and the Canadian economy. According to him, the announced changes, including higher contributions, could put salaries, working hours, and Canadian jobs in jeopardy. This is not good for the economy.

Yves-Thomas Dorval, from the Conseil du patronat du Québec, says he is concerned about the new direction of the Canada pension plan and its impact on the Canadian economy. He says that there is no universal solution for encouraging retirement savings. On the contrary, this could have an adverse effect on economic activity, employment, and salaries.

As far as seniors are concerned, Charles Lammam from the Fraser Institute wrote that instead of spending political energy debating CPP expansion by falsely believing that many middle- or upper-income Canadians are not saving enough for their retirement, the

focus of public debate needs to shift to finding better ways to help financially vulnerable seniors.

That is why our party opposes this bill. We do not think it is a good idea to take even more money out of workers' pockets and to force businesses to give even more money to the government.

We think that the best way to encourage people to save for a decent retirement is to give them the tools they need to make the choices that affect them. They are the ones who are in the best position to know what is good for their retirement, not the government.

That is why our government implemented positive measures, such as the guaranteed income supplement and the TFSA, which allow people to make their own informed choices. Rather than imposing a new tax on Canadians, we helped them to save for their retirement.

All this government wants to do is meddle in people's lives even more and take money out of taxpayers' pockets. We trust Canadians' good judgment. That is why we oppose this bill.

●(1255)

[*English*]

Mr. Ken Hardie (Fleetwood—Port Kells, Lib.): Mr. Speaker, I congratulate the member for Louis-Saint-Laurent on his new position. From my vantage point, it is always entertaining to see him present. I may not agree very much with what he says, but his presentation is very good to hear.

In the big picture there seems to be a contradiction on the Conservative side. On the one hand, the Conservatives say that putting a price on carbon will take money out of the pockets of people, people who cannot afford it and that improving the CPP will take money out of the pockets of those same people. On the other hand, we should leave the tax-free savings account at \$10,000. That does not connect very well unfortunately. It would have been interesting to see how many people would have taken advantage of that huge lift in the tax-free savings account.

On top of that, household debt is high and 60% of Canadians in the private sector have no pension plan.

What does the member see the government facing in the future when all of the people who have not had the means, much less the choice, but certainly not the means to save as maybe the elite has for retirement, and simply cannot afford to live?

●(1300)

[*Translation*]

Mr. Gérard Deltell: Mr. Speaker, first, we created the guaranteed income supplement, which helped those very people. It was such a good idea that we increased the amount of that benefit and the current government followed our lead and did likewise. I encourage the member to use caution when talking about the elite, since a person does not need to be a millionaire to save money. Anyone who is able to manage their money properly is able to save.

Government Orders

I would also like to remind the member that, if the government encourages people to save, like we did with the TFSA, they will have choices. The government wants to force people to pay over \$1,000 a person per year into a program that they will not be able to access for another 40 years. We do not think that the Liberal approach is the right one, and we think that the government should instead continue with the incentives that we put in place.

[English]

Mr. Alistair MacGregor (Cowichan—Malahat—Langford, NDP): Mr. Speaker, I listened with interest to my hon. colleague's speech about the Canada pension plan and his views on it, particularly his comment about giving people more choice and the fact that the Conservatives stood for putting more money in the pockets of people. I would argue that when we look at the poverty situation among seniors, many of them do not have a choice. The level of poverty that I have witnessed in my community among seniors shows that they really have no choice. It is a day-to-day fight for them.

Studies that came out earlier this year showed that only 15% to 20% of middle-income Canadians without a workplace pension plan had saved enough money for retirement.

I also want to take issue with the Conservatives calling this a tax. This is not a tax. This would be a deferred wage for retirement years. I do not know of any tax that I pay where I would get money back later on. This is not a tax. People would be contributing to their retirement security to provide them with a meaningful income.

Furthermore, putting more money in the pockets of seniors is a good thing for small communities because seniors spend money in their communities. They often own their own homes and many of their housing assets. Putting more income in their pockets is good for local communities.

In the previous Parliament, the Conservative members supported the pooled registered pension plans, but most of those benefits would overwhelmingly go to upper middle-class Canadians. Would the member now admit that those plans failed to improve the lives of middle and lower-income Canadians and that it is smart policy to educate Canadians about saving more? Current statistics show that this is not the case.

Mr. Gérard Deltell: Mr. Speaker, I do not want to start a fight on words. Is it a tax or is it not a tax? What I do know is that the government will take money out of the pockets of people. Maybe it is not clearly a tax, but the government will put its hand in the pockets of the people and that is not good for the wealth of the people.

That is why our government established the tax-free savings account, in which people have the chance to put money aside for their retirement. That is great. It is so great that the Liberal government should keep this program. This is not so bad.

I want to give some numbers to my colleague who said that older citizens had some difficulties. We all know some people who have difficulties.

[Translation]

According to Statistics Canada, the percentage of low-income seniors was 29% in 1970 and today it is 3.7%. It is Statistics Canada, not the Conservatives, who are saying this. Clearly, this is a significant improvement. The best way to prevent poverty in old age is to give people the tools they need to save money and to let them make their own choices based on their means. They know how to manage their money, not the government, and especially not this government, which wants to take money out of their pockets. That is also why our government created the TFSA, which is an excellent tool, and why we want the government to keep it.

• (1305)

Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC): Mr. Speaker, I would like to thank my colleague for his presentation, and I congratulate him on being named the finance critic.

I am a business owner. I have 25 employees. I have an associate who, with my daughter, is involved in running the business. This kind of measure will definitely impact my business and thousands of others across Canada.

Can my colleague tell us about the implications of such a measure for a company that has an average of 20 to 25 employees? Potentially, what would this mean in terms of staff reductions caused by the new costs of this measure?

Mr. Gérard Deltell: Mr. Speaker, that is the problem. With this bill, the government is picking the pockets of not only workers, but also employers. I would actually like to salute all business owners, who are the real job creators and wealth creators.

A 25-person company like the one my colleague owns and operates would be taking a hit of at least \$1,000 to \$1,100 per employee. In other words, in the case of a 25-person company, that is \$27,000 less.

For a small business with 25 employees, \$27,000 would be enough to hire someone part time, provide training to the workers, or purchase equipment to increase productivity so the company can sell more product outside Canada. It could then generate even more wealth, for that is what our businesses do. I do not want to keep repeating the same argument, but when business owners are forced to shell out another \$1,000 for each employee, that is \$1,000 less for development, hiring, and pay raises. It is therefore anything but positive, constructive, and good for our economy.

[English]

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, why does the member believe the Conservative Party is right on this issue? Provincial governments came together in Vancouver and reached what I would call a historical agreement. This bill is in the best interests of the workers and Canadians, as a whole, are very supportive of it.

Government Orders

We have governments from all regions of the country, we have the national government demonstrating strong leadership on the pension front, and then we have the Conservatives who seem to be out of touch, once again, with Canadians.

Could the member explain why are all the other governments wrong, but the Conservative Party, which is out of touch, seems somehow to be correct in its mind?

Mr. Gérard Deltell: Mr. Speaker, I appreciate the fact that my hon. colleague asked me a question. I really appreciate that he is always there and that he always has something to say, even if all we say is not good.

I cannot believe my hon. colleague from Winnipeg talked about the Vancouver meeting, the Vancouver accord. May I remind him that the Vancouver accord was based on the principle of the Paris accord. Does he not remember that the Vancouver accord was based on the fact that every province should support the decision all together, working together, and have the consultation in every province on the environmental issue?

What happened three weeks ago? The Prime Minister, in the House of Commons, dictated a new way for the carbon tax. This is why he scratched down the Vancouver accord, this famous meeting about which he talked. We have seen three ministers slam the door because his government cannot recognize, cannot appreciate, and cannot work with all the provinces.

Mr. Terry Duguid (Parliamentary Secretary to the Minister of Families, Children and Social Development, Lib.): Mr. Speaker, I will be splitting my time with the member for Brampton East.

Let me start by saying I am so honoured to rise in the House today to speak to Bill C-26, an act to amend the Canada Pension Plan, the Canada Pension Plan Investment Board Act, and the Income Tax Act.

To begin, here are a few basic facts about this program that has served so well for decades. It is a mandatory, contributory, social insurance program that provides partial income replacement for workers in Canada and their families in the event of retirement, disability, or death.

It began operation in 1966, and is overseen by federal and provincial finance ministers. Half a century ago, it took vision, diplomacy, and negotiation to reach this historic agreement. The then minister of national health and welfare, the hon. Judy LaMarsh, was the champion of this program, a senior member of the Lester B. Pearson government that brought us so many of our modern-day social programs.

The CPP covers employed and self-employed Canadians. Quebec has the separate but comparable Quebec pension plan. Contributions are collected on earnings above the year's basic exemption, \$3,500, and up to the year's maximum pensionable earnings or \$54,900 in 2016.

This is not the first time the CPP needed modernization. In the 1990s, as life expectancies began to lengthen and unfunded liabilities increased, the need to make important adjustments became clear. This change also required significant co-operation. Then federal finance minister, the Right Hon. Paul Martin, helped by his

Winnipeg parliamentary secretary, David Walker, worked with provincial counterparts to do what was in the best interests of Canadians, and the CPP was significantly improved.

Today, again, we face the need for change. The proposed enhancement makes a couple of important changes. We will increase the amount of retirement pension from one-quarter to one-third of pensionable earnings, as well as the survivors' and disability pensions, and the post-retirement benefit, subject to the amount of additional contributions made and the number of years over which those contributions are made. We will increase the maximum level of pensionable earnings by 14% as of 2025. We will provide for the making of additional contributions beginning in 2019 and phased in gradually over seven years.

What is the reason for this change? Why have we brought forward the need to modernize and enhance the CPP?

First, a significant minority of Canadians approaching retirement age are not saving enough. Many middle-class families without workplace pensions are at risk of facing financial insecurity in retirement. Only 15% to 20% of middle-income Canadians are retiring with enough savings, according to a study from the Broadbent Institute. These individuals, now age 55 to 64, will face a dramatic drop in their standard of living, and many will fall into poverty.

Furthermore, most working Canadians today do not have a workplace pension. This suggests that in the not-so-distant future, more retiring Canadians will be at risk of falling into poverty as well. The bottom line is that the average CPP benefit is simply not enough to ensure Canadians the secure and dignified retirement they deserve. The previous government did not act, even though the writing on the wall was clear.

Second, the economy of today continues to undergo significant transformation, rendering a far different landscape than the one for which the original CPP was designed, most notably, the decline of workplace pension plans, as I have already mentioned, low interest rates on savings plans, and the changing nature of work. The latter refers to increasingly contract-based job markets.

We must recognize these changes and ensure that our social insurance programs address the ever-changing needs of Canadians. On June 20, 2016, Canada's finance ministers reached a historic agreement to make meaningful changes to the CPP. These will allow Canadians to retire with more money in their pockets. The bill would make the necessary legislative changes to implement this historic agreement.

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•(1310)

The enhancement would be fully funded, which is a requirement of the existing CPP legislation. As a result, the enhanced portion of the retirement pension would accumulate gradually as additional contributions are made. The full replacement rate of one-third of lifetime pensionable earnings would be reached after 40 years of additional CPP contributions. It is important to note that the proposed enhancement represents a separate addition to the CPP. Benefits under the current or base CPP would continue to be paid as before, based on a contribution rate of 9.9% on earnings. The new or additional CPP benefit amounts, based on two new contribution rates of 2% and 8%, effectively serve as a top-up to base CPP benefit amounts.

Importantly, the bill would be phased in slowly over seven years with the fully adjusted contribution requirements not coming into force until 2025. This would allow businesses the flexibility and long-term planning required. Total benefit amounts would be calculated using the same formula as under the base CPP.

These changes are long overdue and were promised in our election platform, thus representing the fulfilment of the needs of Canadians to secure their retirements and to provide greater financial security to vulnerable members of our society.

It is important to note that Canadians back this change. According to a recent Forum Research poll, over 65% of Canadians support making changes to the CPP.

I look forward to continued debate on the proposed legislation and to working with members on all sides of the House to ensure its passage. Given the buy-in from provincial ministers across the country, nine out of 10 provinces, this truly represents a non-partisan, national consensus, one which I hope all my hon. colleagues can get behind and support.

•(1315)

Mr. Ted Falk (Provencher, CPC): Mr. Speaker, I too am a small business owner, like my colleague from Quebec stated he was earlier. I have a partner who is running my business in my absence. I wonder if the member across the way could explain to Canadians how taking money out of the pockets of employees is going to help them to have a better standard of living today to better meet the needs of their children and their families.

Also, for every dollar that employees would be required to commit, the employer is going to have to contribute an equal amount. The Liberals already did not reduce the small business tax like they promised they would do. How would taking money out of the employers' pockets with additional CPP contributions help a business to grow and continue to create jobs and create wealth?

Mr. Terry Duguid: Mr. Speaker, I heard the answer from my colleague from the NDP across the way. It was very persuasive to me, and we are very persuaded on this side of the House. We are going to have a seven-year phase-in to allow for adjustments by businesses. As my hon. colleague from the NDP said, this is not a tax. This is an investment in our communities. It is an investment in the future of individuals.

It is interesting that the Liberal Party has always been at the forefront of investing in people and in our communities. The Canada

pension plan was resisted by the Conservative Party back in 1966. I was just reading the records of the 1990 debate. Mr. Harper, in his previous incarnation as a Reform Party member, along with Preston Manning, opposed changes to modernize the Canada pension plan back then, and indeed, the Conservatives are opposing it today.

The hon. finance critic was talking about the GIS. The Conservative Party raised the age for OAS and the GIS to 67, and we have returned it to 65. That would have left many seniors in poverty.

Ms. Rachel Blaney (North Island—Powell River, NDP): Mr. Speaker, I rise to say that I am going to support the bill today, but I have a lot of serious concerns.

The people of North Island—Powell River have a lot of seniors living in extreme poverty. I have talked to constituents who face challenges, asking themselves whether they should pay for their medication or eat this month, or pay for their medication or have heat this winter. Those are real concerns, so this is a good solution, potentially, for the future for someone like my 16-year-old son. However, is this the best solution for today?

Also, can we hear a little more about how we are going to invest in seniors today, and are we going to make sure that we do not see a clawback of the GIS in the future?

•(1320)

Mr. Terry Duguid: Mr. Speaker, I thank my hon. colleague for the question. It gives me the opportunity to talk about what this government has done for seniors.

As I was saying at the end of my last response to my Manitoba colleague's question, we've returned the age for the collection of the OAS and GIS back to 65 from 67. That is going to put an average of \$13,000 in the pockets of each and every senior, many of whom would have been finding themselves in poverty or on social services rolls. We have increased the GIS top-up for almost a million seniors.

Also, we will be investing \$200 million in seniors' housing over the next two years. We are working very hard on a national poverty reduction strategy, and I can say that seniors will be very much at the heart of that strategy.

Mr. Raj Grewal (Brampton East, Lib.): Mr. Speaker, it is good to be back in Ottawa after a week of travelling with the finance committee. Today's debate is a very pressing one. The changes that our government are proposing to enhance the Canada pension plan are important to every working Canadian. Not only are they important, but they are much needed.

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We know that today, one in four families nearing retirement, which is 1.1 million families, risk not saving enough for retirement. In particular, middle-class families without workplace pension plans are at greater risk of under-saving for retirement. A third of these families are at severe risk. To address this, a historic agreement was reached with the provinces in June to make meaningful changes to the CPP that would allow Canadians to retire with more money in their pockets. These enhancements would be phased in over a seven-year period, starting in 2019. Once fully in place, the CPP enhancements would increase the maximum retirement benefit by about 50%.

Enhanced benefits would accumulate gradually as individuals pay into the enhanced CPP. To fund these enhanced benefits, annual CPP contributions would increase modestly over seven years, starting in 2019. I want to remind my colleagues in the House that contribution rates in Canada are much lower than those in other countries with public pension plans. In fact, the CPP contribution rate is about half of the average rate among 25 countries in the OECD that have public pension plans. This remains true even with the CPP enhancement.

What would this mean to Canadians? What would it mean to young workers in their twenties? Recently, I spoke to 20-year-old Canadians and they asked what they would get out of this CPP enhancement. Workers nearing retirement asked me if this would change their pension benefits. Low-income workers worry that any extra contributions will come straight off their paycheques. These are very good questions.

For young workers in their early twenties just starting out their careers, this will be a great benefit for when they retire. By paying into the enhanced CPP, they will have more to retire on. The modest increase in contributions would be phased in over seven years, so people working with constant earnings of \$50,000 would contribute an additional \$70 per year, or \$6 per month, in 2019. By the end of the phase-in period, those same people would be contributing \$475 per year, or \$40 extra per month.

By strengthening the Canada pension plan, workers will receive more money from their pensions, one-quarter of their eligible earnings to one-third of their eligible earnings. If people make \$50,000 a year during their working lives, they will receive about \$16,000 each year in retirement instead of \$12,000 today. That is \$4,000 more right into their pockets. In addition, the enhancement will increase the point at which a person stops making contributions by about 14% in 2025.

I know that some are concerned about the increased contributions and what they will mean to their bottom lines and, most importantly, their paycheques. We thought about this and designed a gradual phase-in, so that contributions would increase modestly over seven years.

We also thought about employers in designing the enhanced CPP. We specifically designed a slow phase-in of the annual CPP contributions, with the express purpose of minimizing the impact and giving employees and employers time to adjust to these new changes.

The great news is that young workers will see the largest increase in their retirements benefits. In fact, we know that young people in

general find it difficult to save. Many are working in jobs that do not have company pension plans, which means they have to save for their retirement on their own. The fact is that a tax deduction, instead of a tax credit, would be provided to the employee contribution portion of the enhanced CPP. This would avoid new CPP contributions increasing the cost of savings.

Workers in the middle of their careers or nearing retirement will still benefit from our enhanced CPP, as the increased contributions that are made in 2019 will later go toward an enhanced retirement pension plan.

• (1325)

What about low-income workers who are worried about the effect of increased CPP contributions on their paycheques? How will the enhanced CPP help them? I want to assure my colleagues and low-income workers all across this country that an enhanced CPP would benefit all workers, including those with low incomes.

In order to make sure that low-income workers are not burdened financially as a result of these extra contributions, the government will also enhance the working income tax benefit. The proposed enhancement to the working income tax benefit is designed to provide additional benefits that roughly offset the incremental CPP contributions for eligible low-income workers. Therefore, with this enhancement, there will be no impact on disposable income, and when they retire they will also get a larger retirement benefit payment. The bottom line is that people who are working in Canada, paying into the CPP and planning to retire after 2019, will have more money in their pockets from the CPP retirement pension benefit.

Day in and day out, in my riding of Brampton East, I speak to constituents who call me personally about the issues they and their families face. I often hear that young Canadians are having a hard time finding permanent employment and are worried about their financial future, their financial outlook, and saving for retirement. I hear from young families and established families alike, who are thinking of retirement and realizing they do not have adequate savings. This concerns me, and many of us in this House.

The Canadian Association of Retired Persons estimates that roughly 600,000 seniors are living in poverty in Canada. That is more than the population of all of the city of Brampton. Frankly, it is unacceptable. Our government is doing its part to ensure that no seniors will be living in poverty in the future. We started by reversing the eligibility age of old age security to 65 and boosting the guaranteed income supplement, the GIS, by 10%, to provide almost \$1,000 per year more per GIS recipient. That is aimed especially at helping low-income seniors who live alone. However, that is not enough. Associations like CARP have been calling for a CPP expansion for years, and it is about time that we delivered.

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We feel that this is a win-win. I urge my honourable colleagues to support an enhanced CPP, which will further help Canadians contribute to a safe and secure retirement.

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Mr. Speaker, I always appreciate the member for Brampton East's contributions to the House. He talked about the aged 20-somethings. We have heard from Dan Kelly of the CFIB that because of these kinds of increases, employers have already said that they would reduce hours or not hire. That would hurt the 20-somethings the most. Even if they are working, they would not be able to pay as much toward their student loans. They will not have as large a tax-free savings account because of the government's action, and they will not be able to put that money aside for a house. His government has also made it more difficult for young people to get into the market by pushing down the amount they can qualify for. They will have less money to pay for their student loans and less money to put down for a down payment. We know that home ownership is an important investment. It helps to provide not just housing but financial security for seniors. Why is his government not thinking of the 20-somethings?

• (1330)

Mr. Raj Grewal: Mr. Speaker, I thank my hon. colleague for his question. As a colleague and a friend on the finance committee, I always appreciate our conversations outside of this chamber. However, I want to reassure Canadians, especially, the aged 20-something Canadians, that our government has done more in the first year of our mandate than the last government did in the last 10 years of its mandate on how the 20-somethings succeed in this world.

I stand in this House as somebody who still has student loans to pay, because I was in my twenties not too long ago. Our government has enhanced the Canada student loans program, which will help more young Canadians go to school and be less in debt when they graduate. The Canada pension plan enhancement is important for young Canadians, who will benefit the most in future years, as we modestly increase this over a seven-year phase-in to increase their contributions, so that they can retire safely and securely.

I encourage my hon. colleagues across the way to support this bill.

[*Translation*]

Mr. François Choquette (Drummond, NDP): Mr. Speaker, it is extremely important to ensure that our seniors have a reasonable pension. We all know that many seniors are living in poverty. Many seniors in Drummond receive less than \$1,000 per month. That is no way to show respect for our seniors, who built this country and raised families.

Speaking of people who raised families, the latest available figures show that 30% of female seniors living alone live in poverty. That number has tripled in the past 20 years. That is why I want to know how my colleague would help end poverty for vulnerable senior women.

[*English*]

Mr. Raj Grewal: Mr. Speaker, our government has made a commitment to seniors. Our government has reversed the increase in the age of eligibility on old age security back to age 65. Our government has increased the guaranteed income supplement

specifically to help single seniors pay their bills. Our government is investing in Canadians. Our government has reduced taxes for Canadians. Our government is helping seniors provide for themselves and, most importantly, the Canada pension plan enhancements are going to reduce the number of seniors living in poverty in years to come.

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Mr. Speaker, it is an honour to join this debate.

I have been listening with some degree of incredulity to the arguments coming from the government side and have to start with a quote, which I believe is from William Pitt, who said that “The facts of life have turned out to be Tory.”

Hearing my Liberal friends talk, they say that people are not saving enough and that if we only took more money away from them, put it somewhere else, and then gave it back to them later, that would solve the problem. There is clearly a misunderstanding on the government side about the fact that this money has to come from somewhere and that the cost of that is going to unfold.

The government members talk about a phased-in plan. However, without appreciating whether it is phased-in over two or seven years, as intended, or longer than that, the cost will still be there for individuals and small businesses. We will still very much see that negative impact.

To start, I will just review where we are in this regard.

The core of the bill would increase the amount that individuals and employers have to pay as part of their CPP deductions. This will eventually, but not for current seniors, lead to higher payouts down the line. Therefore, we are not talking about improving the situation for those currently in retirement; but in the long run, we are talking about a system that would require individuals and businesses to pay in more and pay out more in the future.

In terms of the magnitude of this change, the premiums will increase from 9.9% to 11.9% eventually; the maximum level of pensionable earnings will go up from just under \$55,000 to \$82,700 by the year 2025; and premiums will rise by up to \$2,200 per worker, with the amount collected being split between employers and employees. These are very significant numbers. The costs are significant and will have a significant impact on the economy.

We think on this side of the House that it is a bad idea, and I am going to outline in my speech what I see as five principle reasons why this is not a good idea. The arguments are as follows. First, people can save their own money more effectively. Second, that existing savings vehicles that were cut by the government in fact provide the additional incentives and flexibility to be more useful to people involved. Third, I am going to talk about the economic costs of this plan. Fourth, I will talk about better ways to get help for seniors. Finally, if I have time, I am going to talk about the relationship between liberty and virtue as it relates to this policy.

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First is the point that people are able to save more money themselves. I raised this point with one of the government members who had talked about how effective the CPP has been, which I would generally agree with, in generating returns. However, what he neglected to respond to is the fact that there are other ways this could have been done. In fact, the government could have explored a voluntary option in which people could choose to contribute more to the CPP and collect more in the future.

Of course, the Liberals could have stuck with, or chosen to enhance, the existing saving vehicles. I will talk more about that in my next point, but the Liberals have chosen not to do that, and I think they have to defend that policy. It is not enough to say that they would like people to have more for retirement. They have to actually defend the policy in terms of why it should be mandatory and not voluntary for the individuals involved.

On this side of the House, we have a general preference for giving individuals as much freedom, liberty, and ability to manage their own resources as possible, for the simple reason that people are generally in the best position to judge what constitutes their own interest, what they are going to need for retirement, what they are going to need in the present, and what kinds of investments will be best for them in the short and long terms. We prefer to believe that individuals are in the best position to judge what is going to be conducive to their own happiness rather than some external actor, in this case the state. The government is less likely to know what is good for me than I am. I think that makes a lot of sense.

This flows from the principle of subsidiarity, that those who are closest to a situation, who are closest to the practice of something, are in the best position to decide what is in their own interest. This is why we favour choice in this case. We favour giving individuals the ability to control their own retirement.

I would note parenthetically that there is some irony in the government's position, in that it clearly is not capable of showing any kind of temperance in the use of public finances, with its deficit that has ballooned beyond all proportion and beyond what it promised in the election, and yet expresses concern that individuals are not saving enough.

• (1335)

This particularly underlines the point that the government and perhaps governments in general are in a less well-placed position to decide about savings for the future than individuals are, and that we should give the power and the ability to individuals to make decisions about their own future.

Second, I would like to discuss existing savings vehicles, because the government has made a choice to cut back on existing savings vehicles and move in the direction of mandatory contributions rather than emphasizing individual choice.

We have in place right now in Canada two primary savings vehicles for individuals: tax-free savings accounts and RRSPs. TFSAs and RRSPs function somewhat differently, of course. With RRSPs an individual saves the tax up front. They pay the tax after they withdraw money from the RRSP at some point in the future, whereas with TFSAs they pay the tax up front, but then they do not pay tax on the interest and they do not pay tax on the money when

they withdraw it. These are two different kinds of savings vehicles that may be advantageous to different people in different situations.

Our previous Conservative government introduced tax-free savings accounts and then expanded them. We increased the contribution limit to \$10,000 a year. The present government cut back the tax-free savings account. It did not replace it with any other kind of savings vehicle. It reduced the capacity of individuals to be involved in private savings and it has moved in the mandatory direction found in the bill.

The Liberals' argument for cutting back on the tax-free savings account was that only rich people have resources to save. Here is the reality: over 65% of tax-free savings account holders make under \$60,000 a year. In fact, almost half of TFSA holders make less than \$40,000 per year, and over half of those who max out their tax-free savings account make less than \$60,000 per year.

Based on the data we have, it seems that TFSAs are in fact a preferred savings vehicle for those with modest incomes. When we recognize the different mechanics of TFSAs and RRSPs, it is pretty clear why that is, because RRSPs allow us to save on taxes in advance but pay them afterwards. Those who have very high incomes but project that will have relatively lower incomes in the future are more likely to use RRSPs, whereas if an individual expects to have a similar income at their point of retirement or at the point at which they are withdrawing from their TFSA, then they are more likely to get the benefit from a TFSA.

If an individual has a very large income up front, because of the income differential between what they are earning in the present and what they believe they will earn in the future, those with higher incomes are more likely to use RRSPs, relatively speaking. Again, what is in an individual's interest will depend very much on personal circumstances and the variety of different factors that inform their tax situation.

Generally the numbers suggest that TFSAs are not a savings vehicle exclusive to the rich. In fact, they are more likely to be used by those with of modest or lower incomes. That is an important point.

There are a variety of ways the government could consider further expanding the use of voluntary savings vehicles. It could go back to the original amount, the \$10,000 a year that we had in place at the time of the election.

I recently met with the Canadian Real Estate Association, which I think has a good proposal for expanding the home buyers plan. A lot of people could withdraw more money from their RRSPs to make an initial investment in buying a home. These kinds of changes to these voluntary savings plans could encourage and increase their use.

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We have these existing savings vehicles that I think work very well and create good economic incentives and opportunities for people to make these sorts of investments, and yet the government has made a particular choice to move away from these vehicles, to cut the ability of individuals to invest in them, and has instead moved in this mandatory direction. We think that does not show a proper appreciation for the value of individual liberty and freedom with respect to people's own funds. It also misses the practical opportunities that come with these existing savings vehicles that are working very well.

We favour the incentives of voluntary opportunities that come with things like TFSA's and RRSP's, and we see the value in continuing their use and expanding their effectiveness.

Third, I would like to discuss the specific economic problems that come with the plan that the government has proposed, in which we levy a higher payroll deduction on individuals. I would call it a payroll tax. Some members say it is not a tax because the person will get some of it back in the future. Hopefully, that is true of all taxes, that we enjoy some benefit from all taxes. However, this is money that the government requires be deducted and whether or not we call it a tax, it certainly behaves like a tax in an economic sense insofar as it introduces a certain disincentive.

• (1340)

If I am an employer, with the introduction of this new tax, it will become more expensive for me to hire someone. That will create a marginally greater disincentive to hire that person. In fact, there was a survey done by the Canadian Federation of Independent Business, which has been very vocal on this issue. They represent small business owners. Here is what it found when it did a survey on the ORRP, the precursor within Ontario to the CPP increase. It found that 69% said they would freeze or cut salaries and 53% of businesses indicated they would have to reduce positions to address the increased costs of hiring. That is a really significant impact. More people will likely be unemployed and people will have their wages cut.

I would ask the members of the government, is it worth it? When we have the alternative of voluntary savings, there is no disincentive to employers or individuals working at their voluntary savings, which they control themselves, but that disincentive does exist with the mandatory savings. So, we are getting nothing instead of something.

I want to read a quote specifically from the president of the Canadian Federation of Independent Business about this plan. He said:

It is tremendously disappointing to see that finance ministers are putting Canadian wages, hours and jobs in jeopardy and willfully moving to make an already shaky economy even worse.

That is what the Canadian Federation of Independent Business is hearing from its members. That is what it is hearing the impact of this change would be.

The members across the way need to think about the fact there are better alternatives in place with voluntary savings, and that the plan they are proposing will have real substantial costs for business.

My fourth point is that there are better ways to help our seniors.

When we were in government, we pursued tax reductions to make life more affordable for seniors. We said, instead of the government taking more of their money and making decisions about their future, we should be giving tax reductions back to seniors.

Here is what we did when we were in government. We increased the age credit amount by \$2,000; we doubled the pension income credit; we introduced pension income splitting; we enhanced and increased funding for the new horizons for seniors program; we launched the Canadian employers for caregivers action plan; we expanded the targeted initiative for older workers; and we undertook measures to protect the seniors who were using financial services.

The government talks about the GIS. Importantly, when we were in government, we increased the amount that the GIS recipients can earn through employment without any reduction in their GIS benefits, increasing the amount from \$500 to \$3,500. We increased the age limit for the RRSP to RRIF conversion to 71 years of age from 69 years age. We also established the tax-free savings accounts; and we introduced the largest GIS increase in over 25 years, which gave eligible low-income seniors additional benefits of up to \$600 for single seniors and \$840 for couples.

There are things we can do through the tax system, through tax reductions. However, we can see a difference in philosophy here. The government wants to take control away from seniors and manage more of their money for them. We want to give those resources back to seniors.

The final point I want to make is about the relationship between liberty and virtue, and I think it is an important one, perhaps one of the most under-discussed aspects of this issue.

The government wants to increase state involvement and, therefore, reduce individuals' involvement in retirement planning by expanding the mandatory CPP deduction. However, the underlying objective is replacing private savings with state collection and distribution. This has a negative impact on the development and practice of those virtues that make for a strong society.

As I have argued before, we should generally seek to give to individuals the greatest possible amount of liberty, because individuals can best judge their own interests and are best positioned to be the most responsible managers of their own affairs. At a practical level, individuals generally know their own affairs better than anyone else.

I think there is a deeper and perhaps more profound argument for liberty, both in general and in this specific case—a more important argument than practical effectiveness.

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Liberty, in general, can play a critical role in the development and practice of the virtues. A virtue is a positive quality of character, perhaps the most famous being the four cardinal virtues highlighted by various ancient thinkers: prudence, courage, justice, and temperance. Though there may be disagreement about the origins of these concepts, and though they are rarely explicitly discussed in this place, I think we would all accept their importance. A society characterized by wisdom, courage, justice, and self-control is naturally a better society. It is one in which people have the means to more effectively pursue their own happiness and the happiness of others and one in which strong and good communities can fulfill functions that the government otherwise would have to.

• (1345)

Virtues are like muscles. A person who has never had to exercise self-control, for example, will be less likely to know how to exercise it when a situation arises when it is necessary. The more a virtue muscle is used, the stronger it gets.

I generally doubt the ability of government to make all wise decisions. Even if I had more faith in the wisdom of the state, I would still wish for a society with as much liberty as possible, because a society in which the state removes all possible temptation, occasions for injustice, need for courage, etc., is certainly a worse society, because it is one devoid of the practice of virtue, practise that will always be necessary in one situation or another, practise that is necessary to make perfect.

It is clear from some of the comments made by advocates of an extended pension plan that many of those motivating this change actually want to create a society in which private savings for retirement are not necessary, one in which the practice of putting money aside for the future is not necessary, or at least is less necessary, because the government is doing it for them. This removes one of the most vital ways in which many people learn and practise the virtues of prudence and temperance. The process of denying ourselves things we want in order to save for the future is certainly challenging, but recognizing the need for saving and learning to do it helps one become a better person: more wise, more temperate, and more self-controlled. The qualities of character or virtue one learns by saving money are important and useful. They help us develop prudence and temperance in other areas of life.

Any government policy that purports to remove the need for people to develop certain virtues, I would argue, is deeply injurious to the social good. By robbing people of the means to save through this payroll tax, and by communicating to people that they no longer need to save, the current government would take away tools that I see as vital for the creation of a good society.

I do not want people to have savings decisions made for them. I want people to be able to make decisions to save on their own; yes, to receive some support to do so, to receive the agency, and to receive support if they are not able to or choose not to but also to receive the incentives and the information to make prudent decisions with respect to their own money and to live, by the way, in an economy that allows them the opportunity to live well into retirement if they do so.

I do not think we are yet at a point where everyone has the opportunity or the ability to save as much as he or she needs to

pursue a good retirement. That is why we need a stronger economy. That is why we need to continue to create opportunities for small business. That is why the tax-cut changes we made that make life more affordable for seniors are very important. Those things are critical for helping all seniors.

I will say this, as well. An economic system with more liberty more properly reflects the dignity of individuals, because individuals are capable of making prudent decisions about their own financial future and should be given the ability by government to do so. They should not have that pulled away from them.

I will say to the government that perhaps instead of removing space for the individual practise of virtue, the government can apply prudence and temperance in its own financial management. Indeed, the hallmark of a good society is one in which the government is more focused on practising the virtues itself than on micromanaging the lives of others. Again, a good society requires virtue, and liberty provides critical opportunities for the development and practice of virtue.

Just to review, here are the points I have made today.

First, I have made the point that people can save money for themselves. It is perverse to hear the Liberals say, "People are not saving enough for retirement, so we will take more of their money away and then give it back to them later". What they should be doing instead is looking for ways to give people back more of their own money, and indeed, giving them the incentives and the opportunities to save more of their own resources.

Second, I talked about the existing savings vehicles that are in place and that were cut by the current Liberal government. Those include existing savings vehicles like RRSPs and especially tax-free savings accounts, which we saw cut back on, which are used effectively. The government should be looking for ways of expanding them. Again, I mentioned a proposal for the expansion of the home buyers' plan. We can use those existing savings vehicles to very good effect.

Third, I talked about the economic problems associated with the government's proposal. In fact, what they are talking about is going to cost jobs, hurt wages, and hurt small business. It will have a negative impact on the Canadian economy overall.

I talked about there being better ways to help seniors by cutting taxes.

Finally, I talked about how having a voluntary, as opposed to mandatory, system of savings is positive from the perspective of creating a good and virtuous society.

I look forward to questions.

Statements by Members

•(1350)

The Assistant Deputy Speaker (Mr. Anthony Rota): Before going to questions and comments, I just want to remind everyone that we are going through debate, and it is nice to see everyone getting along, being very cordial, but the hum kind of gets up, and it makes it very difficult to get those questions out there.

Questions and comments, the hon. member for Spadina—Fort York.

Mr. Adam Vaughan (Parliamentary Secretary to the Prime Minister (Intergovernmental Affairs), Lib.): Mr. Speaker, I listened to the member opposite, and my fear is that his parents may have read way too much Ayn Rand to him as a child as a bedtime story. Failing that, perhaps he is on economic steroids and a drug test might be in order.

I heard a description of the CPP as a tax, which it is not, and then I heard that low-income families and low-income wage earners are going to be taxed at an unfair rate and will not be able to save as a result.

I realize that the member may have been paying into CPP for only a short period of time, but is he aware that the CPP is scaled to income and that low-income Canadians who do not have the capacity to save benefit the most from this program, particularly when they retire? Under our government, there is a 10% increase for single seniors, the poorest group of seniors. They are going to get that money immediately as a result of the steps we have taken to make sure that people can retire with dignity in this country.

Mr. Garnett Genuis: Mr. Speaker, I was worried for a moment that my friend was channelling his inner Donald Trump, but fortunately, he stopped after the drug test suggestion and did not go any further. It was interesting that he drew from some of my comments about virtue ethics that I have an interest in Ayn Rand. He might want to reflect on the philosophical differences between those two traditions.

More to the point, what I emphasized in my remarks was the choice we have between the mandatory and voluntary routes. We favour the voluntary route. What I said specifically about low-income Canadians is that the cuts the government made to the tax-free savings account have a disproportionate negative impact on low-income Canadians. I shared some of those numbers very clearly. Those who are of modest incomes are more likely to use tax-free savings accounts because of the differential impact of RRSPs, on the one hand, and TFSA's on the other. One of the stats I quoted was that more than half of those who maxed out their tax-free savings accounts are making less than \$60,000 a year. I see the member shaking his head. I encourage him to go to fin.gc.ca. The numbers are there.

•(1355)

Ms. Cheryl Hardcastle (Windsor—Tecumseh, NDP): Mr. Speaker, I listened to the comments the hon. member made, and I am having a hard time not having an emotional reaction, because it is very insensitive and an affront to suggest that seniors have made a choice to struggle in retirement. As a matter of fact, we have a regulatory regime that requires that certain payments be taken out of our paycheques, and we need to have the protection of deferred wages legislated. I will tell him why.

Some of the future seniors who will be struggling are making choices right now to remove money from those same savings accounts to help their children with student loans, because it is brutal, when it comes to collecting those student loans, when people are in the workforce. The way the member has portrayed the situation is very unrealistic.

Does the member understand that the GIS fund is actually taxpayer funded and that the more seniors who do not need an income supplement, the better it is for taxpayers?

Mr. Garnett Genuis: Mr. Speaker, I certainly appreciate my colleague's contributions in this House. With greatest respect, I would ask her to check the record in terms of my speech, because I at no point said that people make a choice to struggle or anything remotely similar to that.

The point that is perplexing to me is that members from the government and the NDP say that people are struggling to save for their retirement, so let us take more of their money away and do it for them. I do not think that respects the autonomy of individuals, whether they are doing well or whether they are not. I do not think it respects their autonomy or their own capacity to plan for their own future.

I think we are better off using tax-free savings accounts, again, a savings vehicle that is more likely to be used by those who are of modest means. We are better off doing what our government did, which was increase the guaranteed income supplement. We made some of these changes to try to address the issue of affordability for seniors, and I listed the many substantial changes the previous government made to make life more affordable for seniors.

What is at issue is the lack of respect for the autonomy of those individuals by individuals in other parties. They think that if individuals are not saving enough, the solution is for the government to take more of their money away. I do not think that is a solution. If individuals are not doing well, we should not be taking more of their money away. In fact, we should be looking for ways to pass resources back to them. That is exactly what we are better off doing. That was the proposal we had. That is what we had in place with the expanded form of the tax-free savings account.

The Speaker: The time for questions and comments will resume after question period. There will be four minutes remaining.

STATEMENTS BY MEMBERS

[English]

WOMEN'S COMMUNITY LEADERSHIP

Mr. Dan Ruimy (Pitt Meadows—Maple Ridge, Lib.): Mr. Speaker, October is Women's History Month, and I want to acknowledge some exceptional women in my riding of Pitt Meadows—Maple Ridge, women who exemplify strength, dignity, and compassion, women who are not afraid to tackle tough problems head on and do what is right for our community.

Statements by Members

Our community is lucky to have women such as Susan Carr, vice-chair of School District 42 and Chief Susan Miller of the Katzie First Nation, both of whom work tirelessly to advocate for our community.

Part of being a good leader is not shying away from difficult issues. With our population poised to double within the next 15 years, my riding is facing many challenges. The mayor of Maple Ridge, Nicole Read, is not one to back down from the challenge and confronts these difficult realities. These are controversial issues that require a huge undertaking and the solutions will not please everyone, but Mayor Read knows that these issues must be addressed.

Mayor Read and her team happen to be in Ottawa right now and I ask my hon. colleagues to join me in welcoming her today.

* * *

• (1400)

VICTOR KOPECKY

Mr. Robert Sopuck (Dauphin—Swan River—Neepawa, CPC): Mr. Speaker, I rise today to pay tribute to the life of Victor Kopecky of Swan River, Manitoba, who sadly passed away on July 27.

Victor was a farmer, a constituent of mine, and a proud Conservative. He was passionate about politics and was always ready to volunteer on campaigns. When I began my political career, Victor was one of my early supporters and I will always treasure his loyalty, friendship, and good advice.

We were both very proud of our shared Czech ancestry. We also shared a love of the outdoors and Victor was always ready to volunteer for conservation projects in the Swan River Valley. A deeply spiritual man as well, Victor was passionate about his country and protecting a legacy of faith and freedom for his children and grandchildren.

Victor is survived by the love of his life Edna, wife of 46 years, and children Kevin and Janell plus grandchildren Sabrina, Noah, Hannah, and Sarah.

People like Victor are all too rare in our society and the legacy he leaves will live on. Victor was a credit to his family, his community, and his country.

* * *

GRAND RIVER FILM FESTIVAL

Mr. Bryan May (Cambridge, Lib.): Mr. Speaker, I rise today to congratulate the Grand River Film Festival on the launch of its 10th annual event in my riding of Cambridge.

Starting today, October 24, and lasting until October 29, the Grand River Film Festival provides the residents of Waterloo Region and visitors from all over southwestern Ontario with an opportunity to view bold, reflective, and inspiring films from across Canada and around the world. This year film enthusiasts have the opportunity to enjoy 13 films at seven different venues across the region, five of which are located in Cambridge.

A festival like this cannot happen without countless volunteers and sponsors contributing their time and resources to make it a success. I speak for all movie buffs when I say thanks.

I encourage the people of my riding to take advantage of this exciting event, and I congratulate the organizers on their 10th year. I wish them a very successful festival.

* * *

1956 HUNGARIAN REVOLUTION

Mr. Don Davies (Vancouver Kingsway, NDP): Mr. Speaker, on behalf of Canada's New Democrats, I rise to commemorate the 60th anniversary of the Hungarian revolution.

After World War II, the great nation of Hungary was occupied by the Soviet Union, but in October 1956, Hungarian patriots rose in rebellion for freedom. They were successful, installed democracy, and restored civil liberties. However, just weeks later Russian tanks rolled into Budapest. Fighting valiantly, over 4,000 Hungarians were killed, thousands arrested, and 200,000 fled to freedom in the west, including Canada.

As a proud member of Hungarian heritage, I have been touched by these events. My Hungarian grandparents helped settle many of the refugees, and my godmother married one of those patriots, Andras Pincus.

Today, we pay tribute to all Hungarians who fought for freedom and to a strong, independent Hungary. Today, we honour their words.

[*Member spoke in Hungarian as follows:*]

Esküszünk, Esküszünk, hogy rabok tovább. Nem leszünk! Isten, áldd meg a magyart.

* * *

YOUNG LEADERS

Mr. Marc Serré (Nickel Belt, Lib.): Mr. Speaker, I am very proud of the efforts of high school students in Nickel Belt and Greater Sudbury.

[*Translation*]

Students from École secondaire catholique Champlain in Chelmsford organized a fundraiser and food drive for the homeless. Over 100 students participated in the "Homeless for a night" event, raising \$4,000. Students from École secondaire catholique Franco-Cité in Sturgeon Falls collected 19,000 pounds of non-perishable food.

[*English*]

The students against poverty drive organized by the Confederation Secondary School in Val Caron raised over \$3,000 to help put together a student food bank and breakfast club. I thank the youth for their efforts and for inspiring others.

[*Translation*]

It is clear that these young people are the leaders of today and that they care about the environment, fighting poverty, the economy, and the well-being of seniors.

Statements by Members

[English]

We have a very promising future ahead of us with these young leaders of today.

* * *

● (1405)

BING THOM

Ms. Dianne L. Watts (South Surrey—White Rock, CPC): Mr. Speaker, I rise today to pay tribute on behalf of my constituents in the riding of South Surrey—White Rock and all of those who knew Bing Thom as a friend, father, husband, and extraordinary architect.

Bing was greatly admired not only in my community but across Canada and around the world. He was an exceptional individual and a dear friend. He, unfortunately, passed away suddenly while on a trip to Hong Kong this month. Bing's architectural work helped shaped cities around the world, from Seville, Spain, to Washington, D.C., to Hong Kong and my own home city of Surrey.

As a former mayor, it was a privilege to be part of his work and his process, but it was an even greater privilege to be able to call him a friend. His creative energy, contagious smile, and dedication to the community made him an extraordinary man. I would like to extend my condolences to his wife Bonnie and all of his family and friends in this time of grieving.

I thank Bing for his incredible heart and artistic foresight. He will be dearly missed.

* * *

ACHIEVEMENT IN MARKSMANSHIP

Mrs. Bernadette Jordan (South Shore—St. Margarets, Lib.): Mr. Speaker, we recognized International Day of the Girl on October 11 as part of Women's History Month. This got me thinking about a young woman from South Shore—St. Margarets who has broken local ground in marksmanship, a historically male-dominated field.

MacKenzie Corkum, a grade 12 student, joined the Bridgewater Army Cadets a few years ago and has shown her skills in Nova Scotia and at the national level. She recently completed a camp at the Connaught National Army Cadet Summer Training Centre in Ottawa, where she was awarded the Bronze Cross for shooting the three highest possible scores. She is the first cadet in the history of the 2688 Bridgewater Kinsmen Army Cadets to make the national rifle team, which will be competing in summer 2017 in England.

Please join me in sending best wishes to this talented young woman and all team members from the Royal Canadian Army Cadets national rifle team, as they make their mark internationally in marksmanship.

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SRI LANKA

Ms. Yasmin Ratansi (Don Valley East, Lib.): Mr. Speaker, I rise today to highlight the continued efforts of our government to strengthen Canada-Sri Lanka relations. Canada and Sri Lanka have enjoyed diplomatic relations since 1950 and we continue to build on this relationship.

For example, our Minister of Foreign Affairs recently visited Sri Lanka. This was to support and promote constitutional reform, economic development, as well as transitional justice and reconciliation. This was a follow-up to the commitment that Sri Lanka made in the United Nations Human Rights Council resolution, which was co-sponsored by Canada.

Sri Lanka is a fragile democracy and our government continues to support the timely reform process, strengthened democracy, and peaceful pluralism for all Sri Lankans.

* * *

ERADICATION OF POLIO

Mr. Mark Strahl (Chilliwack—Hope, CPC): Mr. Speaker, today is World Polio Day, a day to celebrate the work that Rotary International has done to help eliminate polio and to work toward the final goal of eradicating it.

Thirty years ago, Rotarians launched the first initiative to tackle global polio eradication. Since then, Rotarians have contributed more than \$1.6 billion and countless volunteer hours to immunize more than 2.5 billion children in 122 countries. Today, the number of confirmed polio cases globally has fallen by more than 99.9%. There are only three countries where polio has not been eliminated, Afghanistan, Nigeria, and Pakistan, but there is more work to be done. Canadians can help in this fight by donating to Rotary and can learn more by visiting the website, endpolio.org.

Thanks to the work of Rotarians in Canada and right across the globe, we are close to eradicating polio. Let us work together to finish the job.

* * *

HISPANIC DAY ON THE HILL

Ms. Julie Dzerowicz (Davenport, Lib.): *Señor Presidente, buenas tardes.*

It is my pleasure to announce that the first-ever Hispanic day on the Hill will be celebrated this Wednesday, October 26. The diversity of our great country is a gift that we must cherish and cultivate every day. Indeed, it is what makes Canada great.

Prime Minister Justin Trudeau says that we are stronger because of our differences and not in spite of them, but because we have so many—

The Speaker: Order, please.

The hon. member should know that you are not allowed to name hon. members in your comments. The hon. member has 30 seconds to finish her statement.

● (1410)

Ms. Julie Dzerowicz: Mr. Speaker, as a daughter of a Mexican immigrant and the member of Parliament for Davenport, the Hispanic community is very close to my heart.

Davenport has a vibrant, growing Spanish-speaking community, whether from Mexico, Argentina, Ecuador, Colombia, Cuba, El Salvador, or any other Spanish-speaking country. I am proud to celebrate their culture and contributions, both to my riding and right across Canada.

Statements by Members

I happily, warmly extend the offer to all colleagues here today to join us in celebrations this Wednesday. [English]

[Member spoke in Spanish as follows:]

Señor Presidente, ¡vivan los hispanos en Canadá, y viva el Canadá!

* * *

[Translation]

THÉRÈSE-DE BLAINVILLE

Mr. Ramez Ayoub (Thérèse-De Blainville, Lib.): Mr. Speaker, today is a special day. Here in the House of Commons we are working for all Canadians and of course for the people of our ridings.

We are used to commuting between our riding and Ottawa, but it is rare for our constituents to travel here. Today, however, is an exception for more than 50 elected municipal officials and social and economic leaders from my riding, Thérèse-De Blainville. I organized a special day for them to learn more about the institution of Parliament and to meet with ministers, members, and senior officials from various departments.

I am sure that the people of Thérèse-De Blainville will benefit from this experience today.

I want us to work together in order to make a difference to the well-being of the riding of Thérèse-De Blainville.

I want to thank every one of you for participating and agreeing to take part in this day. Welcome to Ottawa.

* * *

DOWNTOWN LAC-MÉGANTIC

Mr. Luc Berthold (Mégantic—L'Érable, CPC): Mr. Speaker, next Saturday, October 29, will be a very important day for the citizens of Lac-Mégantic. More than three years after the railway disaster, Lac-Mégantic is now ready to reopen its downtown district, which has been closed since July 6, 2013.

Everyone in the region is invited to attend a dance and participate in several family activities. Everyone is also invited to go down to the heritage railway station, where they can meet with stakeholders and find out about future projects for the downtown area.

I tip my hat to the entire team of the Lafontaine et fils division of Groupe EXCA which, since May 25, has built sustainable public parking, restored the Parc des Vétérans, decontaminated the old municipal garage, and rebuilt the downtown road infrastructure.

I will be there for this very important moment in the townspeople's healing process.

On behalf of the people of Lac-Mégantic, I officially invite the Minister of Transport to join us next Saturday. We hope that the minister will turn words into action and confirm the construction of a rail bypass.

1956 HUNGARIAN REVOLUTION

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): Mr. Speaker, yesterday marked the 60th anniversary of the 1956 Hungarian revolution.

Courageous Hungarians took to the streets throughout their country, demanding freedom and democracy. By October 31, it appeared the revolution had succeeded with the Kremlin announcing peaceful negotiations. Then, at 5:20 a.m. on November 4, a grim Hungarian Prime Minister Nagy announced a major attack by Soviet forces.

Hungary was viciously crushed by the Kremlin's tanks as an impotent west watched. Mass arrests followed on the orders of Kremlin leader Khrushchev and his Hungarian puppet, Kádár. Thousands were slaughtered. A mass migration of 200,000 surged across the borders into free Europe. In response, Canada provided sanctuary to more than 37,000 Hungarian refugees in less than a year.

Today, let us celebrate that indomitable spirit of the Hungarian Canadians who kept the dream of Hungarian independence alive, and who have contributed so greatly to our country.

* * *

PHOENIX PAY SYSTEM

Mr. Murray Rankin (Victoria, NDP): Mr. Speaker, last week I heard from a Victoria man who serves in our Coast Guard. After long weeks at sea, his backlog of overtime, unpaid because of the government's new Phoenix pay system, had reached \$15,000 and prevented him from buying a house.

For him and his shipmates, financial stress worsens the isolation at sea. However, he is far from alone. In fact, some 400 members of our Coast Guard are waiting for thousands of dollars in overtime pay.

Wednesday was payday at the Coast Guard station, and my constituent heard promises that the problems were over. Instead, he was not paid at all.

These workers want to serve Canada but they cannot afford to volunteer. I ask the government to please reach out immediately to Coast Guard workers in B.C. and offer them straight answers about when this burden will finally be lifted from their shoulders.

* * *

● (1415)

1956 HUNGARIAN REVOLUTION

Mr. Tom Kmiec (Calgary Shepard, CPC): Mr. Speaker, yesterday marked the 60th anniversary of the 1956 Hungarian Revolution. It was a time of economic hardship, violent purges, and Draconian communist order.

What started as a student march became a spontaneous uprising which took the communist authorities by surprise, prompting the Soviet Union to invade Hungary. It marked the first attempt by a country, a nation in the eastern bloc to revolt against Soviet oppression and achieve national freedom.

Oral Questions

In a matter of weeks of violent fighting, the Soviets put a brutal end to the Hungarian Revolution, with 2,500 Hungarians giving their lives in the cause of freedom. In the wake of the uprising, 200,000 refugees escaped Hungary of which more than 37,000 were admitted to Canada.

It was the late Jim Prentice, who in 2010 announced the designation of the Refugees of the 1956 Hungarian Revolution as a national historic event in Canada.

Canada and Hungary share a common love for freedom, and today make common cause in the promotion of liberty and democracy.

* * *

BIRTHDAY CONGRATULATIONS

Mr. Randeep Sarai (Surrey Centre, Lib.): Mr. Speaker, in 1983, Inspector Baltej Singh Dhillon came to Canada from Malaysia and settled in Surrey.

A few years later, he volunteered with the RCMP as a block watch student and soon after he applied to join the RCMP, but was to choose between service to his country or wearing his turban. He was confused. Faith or career?

Little did he know that it would spark a nationwide debate. We were fearful that Canadians might lose the very symbols that helped define Canadiana, defined who we were, who we wanted to be, and what we were to the world.

Instead, the fact that he was allowed to wear a turban and be a Mountie became Canada's identity and brand. He never felt he was a trailblazer. Nor did he feel as though he was anyone special. For him he was "Baltej Dhillon, regimental number 42848."

On behalf of myself and all those in the House, I wish Baltej a happy 50th birthday.

ORAL QUESTIONS

[Translation]

INTERNATIONAL TRADE

Hon. Denis Lebel (Lac-Saint-Jean, CPC): Mr. Speaker, last week, we watched the Minister of International Trade leave the negotiating table for the economic agreement with Europe. She threw up her hands in despair and abandoned the negotiations. The government is unable to sign major trade agreements such as the trans-Pacific partnership and the softwood lumber agreement.

This is Canada's largest trade deal since NAFTA. Will the Prime Minister ensure that Canada signs the agreement with Europe before it is too late?

Hon. Chrystia Freeland (Minister of International Trade, Lib.): Mr. Speaker, Canada has done its job. We negotiated a progressive agreement that will create jobs and growth for middle-class Canadians. It was a hard but necessary task.

The former communications director of the member for Abbotsford said, "For Canada, leaving the table at this stage is the right move because it's up to the EU to negotiate within and come back to Canada with a proposed solution".

We remain committed to signing—

The Speaker: The hon. member for Lac-Saint-Jean.

[English]

Hon. Denis Lebel (Lac-Saint-Jean, CPC): Mr. Speaker, last week, we watched the Minister of International Trade throw her hands up in despair and leave the negotiating table of the economic agreement with Europe. It is the same government that has been unable to sign major trade agreements like the softwood lumber agreement and the TPP.

Will the Prime Minister sign Canada's largest trade deal since NAFTA before it is too late?

Hon. Chrystia Freeland (Minister of International Trade, Lib.): Mr. Speaker, I would like to remind the member opposite that we have signed the TPP.

As for CETA, that deal was stalled under the previous government, and we got it back on track. It is now supported by 27 and a half out of Europe's 28-member states.

The President of the European Parliament said that it was "Quite clear that the problems on the table are European problems"

Canada has done its job. It is now up to the EU.

[Translation]

Hon. Denis Lebel (Lac-Saint-Jean, CPC): Mr. Speaker, the government is simply incapable of signing major trade deals. The former government was off to a good start, and that effort would have resulted in a signed deal. We are now moving backwards.

Since the Minister of International Trade seems to have thrown in the towel, will the Prime Minister pack his bags, go and meet with the leaders of the European Community, and sign this historic agreement for the future and the welfare of all provinces of Canada?

• (1420)

[English]

Hon. Chrystia Freeland (Minister of International Trade, Lib.): Mr. Speaker, the only thing the Conservatives gift-wrapped for us was a decade of slow growth and cynicism.

CETA was stalled under the previous government. It is our progressive changes to the investment chapter that got this agreement back on track. Our hard work with many member states, including France, Germany, Italy, and Austria, has produced results. Now 27 and a half of the 28 EU countries support this agreement. However, as the Europeans themselves admit, the ball is now in their court.

Hon. Gerry Ritz (Battlefords—Lloydminster, CPC): Mr. Speaker, the deal was gift-wrapped and left on the doorstep for the Liberals to carry in.

Oral Questions

The trade minister, at the beginning of her mandate, said, “It’s not my job to persuade anybody that TPP is good”. I guess the same now goes for CETA, as the world witnessed last Friday Canada’s trade minister’s meltdown as she was throwing in the towel and fleeing the scene of important implementation talks with the EU.

The deal was done and signed in principle, but her Liberal need to placate every opponent of free trade across Europe has caused this mess. If she cannot get a deal with Wallonia, what makes her think she is up to the job of getting a deal with China?

Hon. Chrystia Freeland (Minister of International Trade, Lib.): Mr. Speaker, Canada has done its job. We have negotiated a progressive agreement that will create jobs and growth for middle-class Canadians. For Canada, walking away was absolutely necessary. It is up to Europe to solve its problems and come back to Canada with a solution.

As for my visible emotion, I do take this deal very personally. I am all in for Canada when I am at the negotiating table. I was disappointed and sad, but also tough and strong. I think those are the qualities that Canadians expect in their minister.

Some hon. members: Oh, oh!

The Speaker: Order, please. Let us try to have it a little quieter. Let us start off the week on a good note where we listen to each other and we make sure that only those who have the floor are speaking.

The hon. member for Battlefords—Lloydminster.

Hon. Gerry Ritz (Battlefords—Lloydminster, CPC): Mr. Speaker, Canada had done its job up until October 19, 2015. Now the Minister of International Trade has turned her back on not just the EU, but have given up on Canadian jobs when she walked out last Friday. She has failed to deliver now on two vitally important agreements, softwood lumber and now CETA.

Since the Minister of International Trade is incapable or unwilling to do her job and ratify this vital trade deal, will the Prime Minister grab some adult supervision, get on a plane, and go back over to Brussels and get this job done?

Hon. Chrystia Freeland (Minister of International Trade, Lib.): Mr. Speaker, our government has delivered for Canadians on trade time after time. I cannot say the same for the previous government, however.

The only thing the Conservatives delivered when it came to Europe were \$100,000 parties, paid for by taxpayers, celebrating a deal that was not even done. CETA was stalled under the previous government, but our progressive changes to the investment chapter got it back on track.

Our government has worked hard. We have done our job. Now it is up to Europe.

Mr. Murray Rankin (Victoria, NDP): Mr. Speaker, the minister’s attempt to bully Europe into submission on CETA is not working, and it is unbecoming. Wallonia is not caving into the pressure, and the fact is that millions of Europeans and Canadians share concerns with the agreement and its potential impact on drug prices, dairy producers, and environmental regulations.

This delay is an opportunity to improve the deal. Will the government drop the manufactured deadlines and sit down at the table to fix the problems with this deal?

Hon. Chrystia Freeland (Minister of International Trade, Lib.): Mr. Speaker, Canada has done its job. In fact, even the minister-president of Wallonia, Paul Magnette, recognizes that. He said, “Amongst Europeans, discussions were very difficult. That’s perhaps the unfortunate paradox in this story. With Canada, things are simpler. We are close to the Canadians. I’m very happy that the part with Canada was concluded and thus the discussions we had together were very useful”.

We have done our job. It is up to Europe now.

[*Translation*]

Mr. Murray Rankin (Victoria, NDP): Mr. Speaker, Wallonia is not alone in its concern. The region is defending the interests of millions of people who are concerned about the consequences of the investor-state dispute settlement mechanisms.

The Liberals would have heard the same concerns from Canadians had they held the consultations they promised. Canadians want the agreement to take their interests into account.

Will the minister put Canadians’ interests ahead of the Prime Minister’s media calendar and improve the agreement?

• (1425)

Hon. Chrystia Freeland (Minister of International Trade, Lib.): Mr. Speaker, we negotiated a progressive agreement that will create jobs and growth for the middle class. The provinces, including Quebec, support this agreement.

Last week, the German Vice Chancellor, a social democrat, said, quote, that it provides us with a great opportunity to set fair and good rules for progressive globalization.

Manuel Valls, France’s socialist prime minister, said, “It is a good agreement, an exemplary one”.

Is there any agreement the NDP would support?

* * *

LABOUR

Ms. Niki Ashton (Churchill—Keewatinook Aski, NDP): Mr. Speaker, last weekend, the Minister of Finance told Canadians that they would have to get used to job churn. He said that a few days after the Bank of Canada downgraded its economic outlook for our country.

Job churn is a reality for many Canadians. They deserve a government that shows leadership, not one that tells them to “get used to it”. That is unacceptable.

Oral Questions

Will the minister do something about the increasing prevalence of precarious work for Canadians?

[English]

Hon. MaryAnn Mihychuk (Minister of Employment, Workforce Development and Labour, Lib.): Mr. Speaker, it is my pleasure to indicate to the House that it is modern changes because of technology changes, and extremely rapidly, that will make it a new world of work. To address that concern, our government has announced the expert panel on youth employment and made massive investments on skills and training for all Canadians.

Ms. Niki Ashton (Churchill—Keewatinook Aski, NDP): Mr. Speaker, with a non-answer like that, the minister and the government may come to figure out that their jobs are precarious too.

Millennials in Canada are facing a precarious future. Today, I would like to invite the Minister of Finance and the minister for youth, the Prime Minister, to a national forum that we are hosting on the rise of precarious work in the millennial generation this Wednesday on Parliament Hill.

Young Canadians expect more from their national leaders when it comes to dealing with the insecurity they face. Therefore, today I ask the Minister of Finance if he will step up and show leadership to fight against the rise in precarious work for young and all Canadians.

Hon. MaryAnn Mihychuk (Minister of Employment, Workforce Development and Labour, Lib.): Mr. Speaker, I am very proud to indicate that not only have we formed a youth expert panel, but we have invested in skills and training to the tune of \$175 million to each and every province and territory in Canada. We have provided more money for the Canada job fund. We have increased innovation. We have built a STEM sector, and continue to do so. We are investing in WIL training, work-integrated learning.

We are working with Canadians to make a successful future for all of us.

* * *

INTERNATIONAL TRADE

Hon. Candice Bergen (Portage—Lisgar, CPC): Mr. Speaker, that is a lot of spending and no jobs as a result.

The Canada–EU trade agreement is the most important agreement negotiated since NAFTA. The benefits to workers, families, and businesses in every region of the country would be enormous. However, the trade minister has failed to secure these benefits for Canadians, and the Prime Minister is too busy hosting Liberal fundraisers with his millionaire friends to even notice.

When will the Prime Minister start doing the jobs that Canadians expect, take the trade deal seriously, and personally get involved in sealing this deal?

Hon. Chrystia Freeland (Minister of International Trade, Lib.): Mr. Speaker, Canada has done its job. In contrast with the previous government, we negotiated a progressive agreement that will create jobs and growth for middle-class Canadians. Walking out on Friday was tough, and it was absolutely necessary. In fact, the member for Abbotsford's own former director of communications said, "For Canada, leaving the table at this stage is the right move because it's up to the EU to negotiate within and come back to

Canada with a proposed solution." We remain committed to signing when the EU is ready.

Hon. Candice Bergen (Portage—Lisgar, CPC): Mr. Speaker, Conservatives negotiated this comprehensive trade deal which would create much-needed jobs in Canada, but the Liberals are failing to get the ball across the finish line. Is it the Liberals' strategy to actually look weak and inept? If it is, they are actually succeeding at that. Or, do the Liberals secretly not want this deal to succeed? Do they want the deal to fail?

• (1430)

Hon. Chrystia Freeland (Minister of International Trade, Lib.): Mr. Speaker, the only thing that the Conservatives delivered was 10 years of slow growth and cynicism about politics in Canada. They did not deliver CETA. CETA was stalled when we formed government. We got it back on track. We got the deal through the legal scrub. It is now supported by twenty-seven and a half out of Europe's 28-member states. As the president of the European parliament said, "it's quite clear that the problems on the table are European problems". Canada has done its job. Europe has to do its job now.

* * *

EMPLOYMENT

Hon. Pierre Poilievre (Carleton, CPC): Mr. Speaker, last week, our millionaire Minister of Finance was speaking to an elite group of wealthy Liberals. But his message was for truckers. "Your services are no longer required", he told them. He said that these quarter of a million hard-working Canadians will soon be out of a job.

Trucking is not glamorous like inheriting a fortune from dad, but it is honest work, and it delivers the goods to Canadians. It will also be among the hardest hit by new Liberal gas taxes and payroll taxes. Why is the current elitist Liberal government driving truckers out of work?

Hon. MaryAnn Mihychuk (Minister of Employment, Workforce Development and Labour, Lib.): Mr. Speaker, I want to clear the record. This is a government that is investing in infrastructure, investing in training, and investing in job creation. This is from coast to coast to coast, providing opportunities for truck drivers, scientists, and those who are in the workforce today and tomorrow.

Hon. Pierre Poilievre (Carleton, CPC): Mr. Speaker, it is not just truckers that the millionaire minister finds obsolete. He told the same elite group of wealthy Liberals that workers across Canada will become human ping-pong balls, bouncing from one unstable job to another.

Oral Questions

The solution is staring him right in the face. Scotiabank revealed last week that the vast majority of job growth is actually coming from businesses with fewer than 100 employees. Why will the finance minister not get off the backs of these job creators and restore Conservative tax cuts for small businesses, so that they can continue to create jobs for hard-working Canadians?

Hon. MaryAnn Mihychuk (Minister of Employment, Workforce Development and Labour, Lib.): Mr. Speaker, I am very pleased to remind the House that not only—

Some hon. members: Oh, oh!

The Speaker: Order, please. Members were perhaps not happy with the question, but they should listen to the answer. If they feel the need to pipe in, obviously they are not satisfied. Let us listen to the answers. No interruptions are allowed.

The hon. Minister of Employment.

Hon. MaryAnn Mihychuk: Mr. Speaker, I want to point out to the House, and to all Canadians, that this is a government that is investing in skills development and helping small businesses, the foundation of job creation, by providing breaks on employment insurance rates, which drop from \$183 to \$163, a significant change in the premiums which will help every single SME in the country.

* * *

[Translation]

FINANCE

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Mr. Speaker, when this government was elected just a year ago, it promised to run a deficit of no more than \$10 billion, saying that this would stimulate the economy and economic growth.

A year later, the deficit is not \$10 billion, but rather \$30 billion, or even worse, and economic growth does not seem to be taking hold, what with the parliamentary budget officer today and the Bank of Canada earlier this week downgrading economic growth.

What does the Minister of Finance plan to do to regain control of public finances and to generate the economic growth that Canada needs?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, that is a good question because I know that it is very important to have an investment program in our country.

We decided that it is very important to make investments in the future in order to get growth levels higher than they have been in the past few decades. That is precisely the goal of our program.

Thanks to our investments in infrastructure and in the future of our country, we are going to ensure that our children and grandchildren are better off.

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Mr. Speaker, three weeks ago, without consulting anyone, the Minister of Finance announced, or rather, imposed, new mortgage lending rules.

Today the *Hill Times* reported that Liberal members are not happy about it. I am not sure who would be prepared to admit it publicly. We know that the member for Surrey Centre is not happy. Well done, sir. Other members spoke anonymously and said:

[English]

“These are major changes affecting...Canadians overall, and no consultation. I don't know what to say.”

• (1435)

[Translation]

What do you have to say to this member, who does not know what to say?

The Speaker: I would remind the hon. member to always address his comments to the Chair.

[English]

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, I am pleased to address this House on this very important issue.

We know that the long-term stability of the housing market is of critical importance to all Canadians. To those Canadians who are struggling to buy a house, those Canadians who have a house, they want to know that this investment is sound for the long term.

We took measures that we know will help ensure that over the long term, people's most important investment is stable and secure. That is better for our economy, better for Canadians, and that is better for those people who want to buy a house for their family.

* * *

INDIGENOUS AFFAIRS

Mr. Romeo Saganash (Abitibi—Baie-James—Nunavik—Eeyou, NDP): Mr. Speaker, while severe concerns are being raised about mercury poisoning from the Muskrat Falls dam, the response from the member for St. John's East was, not to worry, just eat less fish.

The answer is shameful and goes against the Prime Minister's own commitment to indigenous peoples.

The Nunatsiavut government is asking that the project be delayed until these issues are addressed. Is the government prepared to listen? Does the government propose to uphold its constitutional duty to the Inuit of Labrador?

Mr. Jonathan Wilkinson (Parliamentary Secretary to the Minister of Environment and Climate Change, Lib.): Mr. Speaker, I understand that the Government of Newfoundland and Labrador is working with the proponent, with indigenous peoples, and stakeholders with respect to this project.

We expect the province will meet its responsibilities to ensure the health and safety of Canadians. We are encouraged that Premier Ball will be meeting with local indigenous peoples.

Our government will continue to make our scientific expertise available to inform discussions between Newfoundland and Labrador and indigenous governments related to the Lower Churchill project.

Oral Questions

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, the Wenjack and Downie families have shown Canadians what true reconciliation looks like, and the Prime Minister promised solemnly to stop fighting residential school survivors in court.

However, the Minister of Justice is in court fighting against a ruling in favour of a childhood rape victim at the Spanish residential school.

This week she filed documents actually stating that her lawyers did nothing wrong when they misrepresented evidence regarding a notorious pedophile and had the case thrown out.

Will she explain why she is breaking the Prime Minister's vow and why she is fighting these survivors in court?

Ms. Yvonne Jones (Parliamentary Secretary to the Minister of Indigenous and Northern Affairs, Lib.): Mr. Speaker, the Truth and Reconciliation Commission's call to action has provided Canadians with a renewed path for reconciliation with indigenous people. A whole of government approach is being coordinated to collaborate and track all of those calls to action and implementation.

We want to ensure that we do the right thing as the government to support victims of residential schools. That is why we have continued to make this a priority, and we will continue to do so going forward.

* * *

[Translation]

ETHICS

Mr. Jacques Gourde (Lévis—Lotbinière, CPC): Mr. Speaker, now that we know that the Minister of Finance is participating in partisan fundraising events that cost \$1,500 per person, we believe that safeguards to protect personal donations and group donations are becoming hazy for Canadians. The safety line around ministerial conflicts of interest appears to be very thin.

Does the minister have any reassurances to offer the House on this matter?

Hon. Bardish Chagger (Leader of the Government in the House of Commons and Minister of Small Business and Tourism, Lib.): Mr. Speaker, all members and all parties engage in fundraising. We all have to follow the same rules. Those rules were put in place by the previous government.

I would remind my colleagues that on July 9, 2016, about three months ago, the House Leader of the Official Opposition joined the previous prime minister, Stephen Harper, at a barbecue fundraiser in Calgary that cost \$2,000 per table.

Mr. Jacques Gourde (Lévis—Lotbinière, CPC): Mr. Speaker, this is 2016, and with the return of the Liberal scandals and culture it seems like we are watching one of the old *Godfather* movies.

Do all Liberal ministers provide access to the highest bidder?

How can the Minister of Finance and the Prime Minister reassure the House that they comply with the code of ethics in terms of real or perceived conflicts of interest?

• (1440)

Hon. Bardish Chagger (Leader of the Government in the House of Commons and Minister of Small Business and Tourism, Lib.): Mr. Speaker, there are rules and we follow them. We follow the same rules as all members of the House. These rules were instituted by the previous government. If they worked for them when they were in government, why would they not work now?

[English]

Mr. Blaine Calkins (Red Deer—Lacombe, CPC): Mr. Speaker, Jim Spatz was appointed to the Halifax Port Authority on the recommendation of his good buddy, the President of the Treasury Board.

On October 13, Mr. Spatz attended a \$1,500 a ticket cash for access fundraiser. The Prime Minister's open and accountable government document says that public office holders, like Mr. Spatz, must not participate in political activity that is or is seen to be incompatible with their duties. Mr. Spatz has clearly violated the Prime Minister's ethics rules.

When will the Prime Minister start acting like a leader and enforcing his own rules?

Hon. Marc Garneau (Minister of Transport, Lib.): Mr. Speaker, as members know, earlier this year, this government put in place new appointment measures that were open and transparent in order to choose the best qualified people to serve in public office holder positions.

All government appointees must follow ethical and political activity guidelines for public office holders, as well as the Conflict of Interest Act. We expect all of our appointees to do this.

I would like to take this opportunity to thank Mr. Spatz for his service to the Halifax Port Authority.

Mr. Blaine Calkins (Red Deer—Lacombe, CPC): Mr. Speaker, the open and accountable government document means absolutely nothing. We are not talking about the Elections Canada rules.

I am asking about the rules that the Prime Minister instructed his ministers and himself to abide by. When the Minister of Finance accepted \$1,500 from Mr. Spatz, a public office holder, he clearly breached the Prime Minister's instructions.

Who is enforcing these rules? Or, is it just another case of the Liberals saying one thing and doing the other?

Hon. Marc Garneau (Minister of Transport, Lib.): Mr. Speaker, as I mentioned before, and perhaps the member will be listening this time, all appointees to the government must follow, very clearly, ethical and political activities guidelines, as well as the Conflict of Interest law.

Oral Questions

We expect all of our public appointees to follow these laws. They are in schedule E to the letters patent of the Halifax Port Authority. I would like to take this opportunity, once again, to thank Mr. Spatz for his service to the Halifax Port Authority.

* * *

PUBLIC SERVICE OF CANADA

Ms. Sheri Benson (Saskatoon West, NDP): Mr. Speaker, the Liberals promised a sunny approach to our public service, but these workers have been waiting for more than two years for a contract. Respect for public workers is more than a slogan; the government has to show up. But so far the Liberals have come to the bargaining table with the same old Conservative agenda. Will the government come to the table with the Conservative playbook, or will they finally show respect for our public sector workers?

Hon. Scott Brison (President of the Treasury Board, Lib.): Mr. Speaker, we have immense respect for our professional public service in Canada. In fact, we have reversed much of the regressive Conservative measures and legislation against labour, including against our public service. We are negotiating in good faith at the bargaining table and we will continue to do so. Unlike the Conservatives, we are not going to negotiate on the floor of the House of Commons or through the media. We will negotiate in good faith at the bargaining table with our public service.

* * *

PUBLIC SAFETY

Mr. Daniel Blaikie (Elmwood—Transcona, NDP): Mr. Speaker, when it comes to RCMP members, the Liberal government has been taking the Conservative approach as well. The men and women of the RCMP put themselves on the line every day for Canadians, but on average they are making 11% less than their counterparts across the country. That is why back in 2015, the RCMP commissioner submitted a request for an RCMP pay raise to the Treasury Board Secretariat for approval. It has now been over a year since the Liberals were elected and RCMP members are still waiting for action on that raise.

To the President of the Treasury Board, why are RCMP members still waiting for the respect and pay they deserve?

● (1445)

Hon. Ralph Goodale (Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, the pay issues with respect to the RCMP are important. This is an iconic police force. We want them to serve Canadians with professionalism and distinction and we will take their requests fully into consideration as the government makes its decisions with respect to future salary arrangements.

* * *

IMMIGRATION, REFUGEES AND CITIZENSHIP

Mr. Michael Levitt (York Centre, Lib.): Mr. Speaker, I know that all members of the House share my grave concern for the Yazidi people and the genocide being committed against them by Daesh in Syria and Iraq. Men, women, and children are being murdered, raped, and enslaved. An entire people is being destroyed. The victims of these atrocities need our help.

Would the Minister of Immigration, Refugees and Citizenship please update the House on the action he is taking to provide asylum to the victims of the atrocities, including genocide, being perpetrated by Daesh against Yazidis and other peoples in Syria and Iraq?

Hon. John McCallum (Minister of Immigration, Refugees and Citizenship, Lib.): Mr. Speaker, I thank my colleague for his commitment on this issue. We have already welcomed more than 30,000 Syrian refugees and it has always been our intent to welcome additional Yazidis as well. I know there is no one more in favour of welcoming Yazidis than the members on this side of the House. So it is my pleasure to say that I will be recommending that Liberals vote in favour of the opposition motion.

Hon. Michelle Rempel (Calgary Nose Hill, CPC): Mr. Speaker, I am very pleased to hear this development. I am pleased to hear that the pleas of Nadia Murad and the women who are being raped at the hands of ISIS are finally being taken into consideration by the government that has wasted time in bringing them here.

Words are one thing, but how many people, how many Yazidis, will the government bring to Canada and how quickly will it do it?

Hon. John McCallum (Minister of Immigration, Refugees and Citizenship, Lib.): Mr. Speaker, we certainly did not waste time when we brought 25,000 Syrian refugees to Canada in the space of four months. The hon. member should know it is not easy to bring the Yazidis here from the places where they are, but my department has sent an expedition out to the terrain and we are committed to bring them in within, as the motion says, 120 days or less.

Hon. Michelle Rempel (Calgary Nose Hill, CPC): Mr. Speaker, in this case it is easy to make priorities. We should be bringing Yazidi women here. What Nadia Murad wants to hear before she leaves Canada is a clear commitment on numbers and how many people the minister will bring here. Germany brought over 1,000 sex slaves survivors to their country. Can the minister commit to her and to her people a specific number within the four-month period of how many Yazidi survivors will come to Canada under the government's protection?

Hon. John McCallum (Minister of Immigration, Refugees and Citizenship, Lib.): Mr. Speaker, we committed to the words of the Conservative motion. I would have thought that might be enough for one day for the member. We are working very hard. We have just come back from a mission in the region to determine how many and from where and over what time period we will be welcoming more Yazidis to Canada. We have committed to do this and it will be done.

Hon. Peter Kent (Thornhill, CPC): Mr. Speaker, the Minister of Immigration tried to excuse the Liberals' refusal to rescue Yazidi refugees in Iraq by saying that his officials could not get to them because of the battle to liberate Mosul. We hope that many Yazidi prisoners will escape as ISIS retreats. There are already thousands of Yazidi women and girls in the relative, if inadequate, safety of western Iraq.

Oral Questions

Words are not enough. When will the Liberals fulfill Canada's genocide convention obligations and act?

Hon. John McCallum (Minister of Immigration, Refugees and Citizenship, Lib.): Mr. Speaker, Liberals will be voting in favour of the motion and it is my hope that this will no longer be a partisan issue given the gravity of the situation. It is my hope that the House will vote unanimously in favour of bringing Yazidis to Canada. We are looking into all of the options. We will do so as quickly as possible.

We agree with the Conservative Party that this is a matter of high priority and we are working on it as we speak.

● (1450)

Hon. Peter Kent (Thornhill, CPC): Mr. Speaker, many thousands of Yazidis in Iraq, particularly women and girls, are not recognized by the United Nations as refugees. As internally displaced persons, they are stuck in a terrible limbo, enduring discrimination and segregation in Muslim-run UN camps.

German Chancellor Merkel has called for coalition forces to create a safe zone for Yazidis.

What about Canada? When will the Liberals address Canada's genocide convention obligations and actually act?

[Translation]

Hon. Marie-Claude Bibeau (Minister of International Development and La Francophonie, Lib.): Mr. Speaker, we unreservedly condemn the atrocities committed against the Yazidi people. We have already made a significant commitment of \$1.1 billion to the conflict in Syria and Iraq. Of that, \$150 million has already been allocated to Iraq and \$63 million have been disbursed to helping these people.

* * *

MINING INDUSTRY

Ms. Hélène Laverdière (Laurier—Sainte-Marie, NDP): Mr. Speaker, a report published today entitled *The "Canada Brand"* documents dozens of murders and hundreds of attacks against opponents of Canadian mining projects in Latin America.

The NDP has been talking about this for a long time. We need a massive reform of the corporate social responsibility strategy to ensure that no Canadian business is involved in such abuses.

Is the government prepared to make the necessary changes to this strategy, yes or no?

Hon. Chrystia Freeland (Minister of International Trade, Lib.): Mr. Speaker, I would like to thank the member for her question because this is an important issue.

We are in the process of analyzing the report. The Government of Canada expects that all Canadian companies operate fully within the law and in accordance with Canadian values. However, we recognize that there is always room for improvement.

I met with the CSR counsellor to determine how we can reinforce his role. I continue to meet with Canadian mining companies to determine how we can improve our—

The Speaker: Order, please.

The hon. member for Saint-Hyacinthe—Bagot.

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HEALTH

Ms. Brigitte Sansoucy (Saint-Hyacinthe—Bagot, NDP): Mr. Speaker, thalidomide has been causing tremendous harm since the 1960s. The House voted in favour of an NDP motion to compensate all thalidomide survivors.

However, many of these survivors are not entitled to the promised compensation because they are being asked to prove the impossible. Even people who have all the symptoms of this terrible condition still do not have access to compensation.

Does the government plan to ensure that all thalidomide survivors are compensated?

[English]

Hon. Jane Philpott (Minister of Health, Lib.): Mr. Speaker, our government is sympathetic to the thalidomide survivors and is committed to offering support to help them live the rest of their lives with dignity.

There is no definitive medical test for thalidomide, so an objective review process has been used to assess individuals to determine who is eligible for financial support based on this process. I am pleased to announce that 25 more individuals have been added to the thalidomide survivors' program. That brings the total number of individuals to 122. This demonstrates that the current review process is working. Additional new survivors may still be identified as some of the applications continue under review.

* * *

REGIONAL ECONOMIC DEVELOPMENT

Mr. Mark Strahl (Chilliwack—Hope, CPC): Mr. Speaker, Liberal MPs from Atlantic Canada were silent when the Prime Minister threatened Atlantic representation on the Supreme Court and said nothing when he appointed an MP from greater Toronto to represent Atlantic Canada at the cabinet table for ACOA. Now the agriculture minister has told us why. He says that Atlantic Canada is better served by having a central Canadian at the cabinet table.

Does the Prime Minister share the opinion that of the 32 Liberal Atlantic MPs, not one of them is qualified to serve as minister for ACOA?

Hon. Navdeep Bains (Minister of Innovation, Science and Economic Development, Lib.): Mr. Speaker, the problem is that for the last 10 years we had a Conservative government that pitted one region against another, one Canadian against another.

Now we have a government that believes not only in ACOA but in all the regional development agencies. We have elevated the importance of economic development as part of our overall economic growth agenda. It is about investing in our businesses, our communities, and our people. That is at the core of our economic development agenda.

I would like to thank the member for Cardigan for his kind remarks. It is an honour and privilege to serve with 32 members of Parliament from Atlantic Canada.

• (1455)

Mr. Mark Strahl (Chilliwack—Hope, CPC): Mr. Speaker, those are some excellent central Canadian talking points.

The Minister of Agriculture and Agri-Food has said that a minister from central Canada can best look out for Atlantic Canada's economic development agency at the cabinet table, not someone from Kings—Hants, not someone from Beauséjour, not someone from Bonavista—Burin—Trinity, and certainly not some from Cardigan, someone away from greater Toronto.

When will these silent Liberals stand up to the central Canadian PMO, stand up for the region, and start speaking for Atlantic Canada?

Hon. Navdeep Bains (Minister of Innovation, Science and Economic Development, Lib.): Mr. Speaker, according to the member's logic, he would want a minister from Atlantic Canada being responsible for Atlantic Canada. How did that work out for the members opposite? How many seats did they win in the last election campaign?

Do members know why? People are sick and tired of these partisan games of pitting one region against the other.

We are investing in Atlantic Canada, we are investing post-secondary institutions, we are investing in businesses, communities, and people. We are proud of our agenda. It is an honour for me to work with outstanding MPs from Atlantic Canada.

* * *

ETHICS

Mr. David Anderson (Cypress Hills—Grasslands, CPC): Mr. Speaker, the agriculture minister is silent on another issue as well. His chief of staff is a failed Liberal candidate who owns \$140 million worth of egg quota. Canadians shake their heads because the minister has blindly and blatantly ignored this obvious conflict of interest.

This week, his chief of staff faces allegations in court of perjury over the purchase of egg quota and egg grading. This is an issue of integrity.

When did the minister find out about this court case and why has he not removed her as chief of staff?

Hon. Lawrence MacAulay (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I am certainly pleased to serve in a cabinet that works for every region in the country. Without a doubt, it is an asset to serve in a cabinet that works for every region. They help me and I help them.

My chief of staff is an outstanding member of her community, a successful lawyer and businesswoman, and has been named the citizen of the year in her community. She has deep commitment to Canadian agriculture and Canadian service.

I am fortunate to have her. So is Canadian agriculture.

Oral Questions

AGRICULTURE AND AGRI-FOOD

Mr. T.J. Harvey (Tobique—Mactaquac, Lib.): Mr. Speaker, as we celebrate the 2016 Canadian harvest and the farmers who produce it, would the minister inform the House what steps our government is taking to invest in agriculture across this country, from coast to coast to coast?

Hon. Lawrence MacAulay (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I thank my colleague for all of his hard work on the agricultural file.

Our government has invested nearly \$70 million in agriculture research and infrastructure, gaining access to key markets around the world, a record \$60 billion in exports, and given \$27 million to help farmers reduce greenhouse gases.

We will continue to work with the Canadian Federation of Agriculture and our stakeholders to make sure that Canadian agriculture thrives in this country.

* * *

JUSTICE

Hon. Rob Nicholson (Niagara Falls, CPC): Mr. Speaker, Canadian police officers work hard and put their lives on the line every day to serve and protect Canadians. That is why they have earned a position at the table on the federal Judicial Advisory Council. Now, the Prime Minister has decided to revoke that membership.

Why is the Prime Minister showing such disrespect for the men and women who serve and protect Canadians, and will he reconsider this bad decision?

Hon. Jody Wilson-Raybould (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I appreciate being able to speak to the new appointments process for superior court justices across the country. We certainly recognize and respect law enforcement officers for the work they do.

The purpose of the new judicial advisory committee is to open up the process to be more public and more transparent and to ensure that we are making a concerted effort to ensure that there is diversity on the bench so Canadians can see themselves in terms of the judges they see.

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[Translation]

AEROSPACE INDUSTRY

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Mr. Speaker, last week, we learned that Bombardier will be cutting 2,000 Canadian jobs, including 1,500 in Quebec alone. That is a huge blow to our economy.

For the past 10 months, this government has been saying that it supports Bombardier, but what has it put on the table? Nothing. What do workers want? They want to keep their jobs.

Will the 40 Liberal members from Quebec get off their butts? Will they go and see the Minister of Innovation, Science and Economic Development and get him to finally unveil his plan for Bombardier?

Oral Questions

Hon. Navdeep Bains (Minister of Innovation, Science and Economic Development, Lib.): Mr. Speaker, I disagree with my colleague. Our government understands the importance of the aerospace industry. That is why we made a commitment to Bombardier. I am very confident that we can find the right solution for Bombardier, the aerospace industry, and all Canadians.

* * *

• (1500)

TAXATION

Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.): Mr. Speaker, like all Canadians, I am very concerned about allegations that wealthy Canadian taxpayers avoid paying their fair share of taxes, particularly in the real estate sector.

Can the Minister of National Revenue tell the House what this government has been doing to prevent tax avoidance in connection with real estate transactions?

Hon. Diane Lebouthillier (Minister of National Revenue, Lib.): Mr. Speaker, I would like to thank my colleague from Châteauguay—Lacolle for her question.

Canadians engaging in tax avoidance is unacceptable. Our government has redoubled its efforts to stop them. Over the past year, the Canada Revenue Agency has conducted real estate audits in British Columbia and Ontario and collected \$240 million in unpaid taxes and over \$12 million in penalties.

I can also report that the agency stepped up its efforts in the Vancouver area. We now have 70 auditors looking into real estate transactions in British Columbia and Ontario.

Our government is working hard to defend the interests of middle-class Canadians—

The Speaker: The hon. member for Edmonton West.

* * *

[English]

PUBLIC SERVICES AND PROCUREMENT

Mr. Kelly McCauley (Edmonton West, CPC): Mr. Speaker, the Minister of Public Services told us in committee last month that the backlog of 82,000 government employees affected by the Liberal Phoenix pay fiasco would be cleared by October 31. We are now being told by the minister that they will fail to meet this deadline.

It is unacceptable that some employees are waiting months and months to get paid. Why does the minister keep making promises she knows she cannot keep, and when will she call in someone who will actually get the job done?

Ms. Leona Alleslev (Parliamentary Secretary to the Minister of Public Services and Procurement, Lib.): Mr. Speaker, the ongoing public service pay problems are completely unacceptable. Many employees across the public service are facing financial hardship because of the current pay issues.

Department employees are working tirelessly to meet the deadline, but we are tracking behind our project's schedule. Resolving these cases is our priority.

[Translation]

INTERNATIONAL TRADE

Mr. Rhéal Fortin (Rivière-du-Nord, BQ): Mr. Speaker, the free trade agreement with Europe is important to Quebec. Our role is to be the bridge between North America and Europe. However, the government's intransigence is standing in the way. Now the Walloons are worried about certain provisions of the agreement that could allow multinationals to impede the sovereignty of states. Those fears warrant further attention.

Instead of slamming the door, could the Minister of International Trade not remain open and continue the negotiations until a deal can be reached?

Hon. Chrystia Freeland (Minister of International Trade, Lib.): Mr. Speaker, the deal had stalled under the previous government and we got it back on track. It is now supported by 27.5 of the 28 member states of Europe. As the President of the European Parliament said, "...it's quite clear that the problems on the table are European problems".

Canada has done its job, and now it is up to Europe to do its part.

* * *

HEALTH

Mr. Rhéal Fortin (Rivière-du-Nord, BQ): Mr. Speaker, it took closed doors for the Minister of Health to be transparent. It seems that Ottawa is refusing to increase health transfers because the Minister of Finance does not see any political advantage to doing so.

When it comes to helping the sick, there are no ribbon-cutting ceremonies or Canadian flag cheques in the mail. It does not please the Minister of Finance. That is pretty weak.

Can the Minister of Finance get serious and stop holding the sick hostage because they do not score enough political points for his taste?

Hon. Jane Philpott (Minister of Health, Lib.): Mr. Speaker, last week, I met with my counterparts and I reiterated our commitment to providing stable, predictable funding for health care.

Canadians expect us to work together to improve our health care system. They also expect health investments to truly go to health.

We will continue to collaborate on building a system that meets the needs of Canadians.

Mr. Luc Thériault (Montcalm, BQ): Mr. Speaker, the Liberals invest in health once they have calculated how much they stand to gain politically. According to the Minister of Health, the only thing the Minister of Finance wants to know is how much can be gained politically by the health transfers. It is so cynical it feels like an episode of *House of Cards*.

Does the Minister of Finance realize that his little political calculations could jeopardize the health of those who are ill in Quebec?

Routine Proceedings

●(1505)

Hon. Jane Philpott (Minister of Health, Lib.): Mr. Speaker, I will never play games when it comes to health. Health is a very important issue to Canadians.

When I met with my counterparts last week, we talked about how to improve the health care system. We are interested in investing in health, but health investments need to go directly to health.

The Speaker: That concludes question period for today.

ROUTINE PROCEEDINGS

[Translation]

GLOBAL AFFAIRS

Ms. Pam Goldsmith-Jones (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.): Mr. Speaker, on behalf of the Minister of Foreign Affairs and pursuant to Standing Order 32(2), I have the honour to table, in both official languages, the treaties entitled Film Coproduction Treaty between the Government of Canada and the Government of the People's Republic of China, done at Beijing on August 31, 2016; and the Canada-New Zealand Audiovisual Coproduction Treaty, done at Toronto on September 11, 2016.

An explanatory memorandum is included with each treaty.

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[English]

CRIMINAL CODE

Mr. Michael Cooper (St. Albert—Edmonton, CPC) moved that Bill S-217, An Act to amend the Criminal Code (detention in custody), be read the first time.

He said: Mr. Speaker, I am very pleased to rise in this House to introduce Bill S-217, an act to amend the Criminal Code (detention in custody), also known as Wynn's law, which last week passed the Senate by a very wide margin.

In December 2015, Constable David Wynn was shot and killed in St. Albert by an individual who was out on bail, notwithstanding that the individual had more than 50 prior criminal convictions, multiple outstanding charges, and numerous failures to appear, yet none of that information was brought to the attention of the justice of the peace at the bail application hearing.

Bill S-217 seeks to close this glaring loophole in the bail application process by requiring the crown to read evidence of past criminal convictions, outstanding charges, and failures to appear. There is no doubt in my mind that had Wynn's law been the law, Constable Wynn's killer would have remained behind bars where he belonged, and Constable Wynn would be alive today.

I urge this House to join the Senate in the speedy passage of this important legislation.

(Motion agreed to and bill read the first time)

●(1510)

PETITIONS

TAXATION

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, I am pleased to present a petition signed by over 25 campers who stayed at Gordon's Park Eco Resort on Manitoulin Island, Ontario, which is located in the beautiful riding of Algoma—Manitoulin—Kapuskasung.

The petitioners call on the government to ensure that campgrounds with fewer than five full-time year-round employees continue to be recognized and taxed as small businesses.

THE ENVIRONMENT

Mr. Alistair MacGregor (Cowichan—Malahat—Langford, NDP): Mr. Speaker, I rise again on behalf of the hard-working, resilient people of Shawnigan Lake who are again petitioning the government about a contaminated soil dump in their watershed. I know it is primarily a provincial issue, but the petitioners would sure like some help from the federal government, so I am pleased to present this petition on their behalf.

FISHERIES

Mr. Fin Donnelly (Port Moody—Coquitlam, NDP): Mr. Speaker, I am pleased to present a petition in support of my private member's bill to strengthen the Fisheries Act, Bill C-228.

The petitioners know that moving from harmful open-net pens to safe closed containment systems will ensure a healthy west coast wild salmon population.

The petitioners are calling on the Government of Canada to pass my Bill C-228 when it comes to a vote later this year.

ANIMAL WELFARE

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, I rise to present two petitions. They are e-petitions.

The first one deals with support for a bill that is making its way here from the Senate, Bill S-203, on banning holding whales and dolphins in captivity.

DECRIMINALIZATION OF MARIJUANA

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, the second petition is extensive.

The petitioners have done a tremendous amount of work in setting out a range of actions for the legalization and normalization of cannabis, including, for those convicted of cannabis offences, on a case-by-case basis, giving pardons and repealing section 462.2 of the Criminal Code.

I submit this petition. I can only cover some of the surface of its many recommendations.

Government Orders

CROSS BORDER SHOPPING

Ms. Sonia Sidhu (Brampton South, Lib.): Mr. Speaker, I stand to present a petition I sponsored with respect to e-commerce and online shopping. The petition is signed by 15,257 Canadians. It was brought forward to help the debate on the level of duties when importing small goods into Canada.

Because Canadians are buying more things online, I sponsored this petition to help us discuss the current rate of duty and tax penalties across the border when shopping online, such as buying from Amazon, which has just expanded a facility in my riding this past week.

I thank all of the Canadians who signed the petition and are engaged in this debate through this process.

FALUN GONG

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I would like to table a petition signed by many.

The petitioners state that Falun Gong is a traditional Chinese spiritual discipline that consists of meditation, exercise and moral teachings based on the principles of truthfulness, compassion and tolerance. In July 1999, the Chinese Communist Party launched an intensive nationwide persecution campaign to eradicate Falun Gong. Hundreds of thousands of Falun Gong practitioners have been detained in forced labour camps, brainwashing centres, and prisons, where torture and abuse are routine and thousands have died as a result.

The petitioners call upon Parliament and parliamentarians to do what they can in a public way to say that this is bad thing and that we have to deal with it.

• (1515)

ELECTORAL REFORM

Mr. Mark Warawa (Langley—Aldergrove, CPC): Mr. Speaker, I am honoured to present two petitions.

The first petition is with respect to electoral reform and states that the Liberal Prime Minister has committed to changing to an electoral system that would be self-serving.

The petitioners call upon Parliament to hold a referendum before any changes are made to our Canadian electoral system.

PALLIATIVE CARE

Mr. Mark Warawa (Langley—Aldergrove, CPC): Mr. Speaker, the second petition deals with palliative care. It states that in the last Parliament a motion was passed unanimously calling upon the government to create a national strategy on palliative care.

The petitioners call upon this Parliament to establish a national strategy on palliative care.

FALUN GONG

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I stand to present two petitions, one signed by 27 Yukoners and the other by 160 other Canadians.

Both petitions state that Falun Gong is a spiritual discipline that consists of meditation and moral teachings based on the principles of

truthfulness, compassion and tolerance. Canadian lawyer David Matas and the former secretary of state for Asia-Pacific, David Kilgour, conducted an investigation in 2006, which suggested that tens of thousands of Falun Gong prisoners of conscience were killed and their organs seized involuntarily for sale at a high price.

The petitioners ask the Canadian Parliament to amend Canadian legislation to combat forced organ harvesting, and publicly call for an end to the persecution of the Falun Gong.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

REQUEST FOR EMERGENCY DEBATE

COMPREHENSIVE ECONOMIC TRADE AGREEMENT

The Speaker: Order, please. I have notice of a request for an emergency debate from the hon. member for Battlefords—Lloydminster.

Hon. Gerry Ritz (Battlefords—Lloydminster, CPC): Mr. Speaker, I am seeking leave for the adjournment of the House for the purpose of discussing an important matter requiring urgent consideration pursuant to Standing Order 52, namely, last Friday's breakdown of implementation talks of the comprehensive economic trade agreement, CETA, between Canada and the European Union by the Liberal government.

Canada has been negotiating this key trade agreement in good faith for the past years with the European Union. By walking away from these implementation talks, instead of remaining at the table, the government's actions has put any future trade talks at risks. It is imperative that the government and ministers remain at this negotiating table because by failing to continue thousands of jobs are now at risk.

Given this action that occurred last Friday, I therefore formally request an emergency debate on this matter.

The Speaker: I thank the hon. member for raising this matter. These issues are certainly important, however, I do not find that they meet their exigencies of the Standing Order.

GOVERNMENT ORDERS

[English]

CANADA PENSION PLAN

The House resumed consideration of the motion that Bill C-26, An Act to amend the Canada Pension Plan, the Canada Pension Plan Investment Board Act and the Income Tax Act, be read the second time and referred to a committee.

Government Orders

The Speaker: There are four minutes remaining in questions and comments after the speech for the hon. member for Sherwood Park—Fort Saskatchewan.

The hon. member for Laurentides—Labelle.

Mr. David de Burgh Graham (Laurentides—Labelle, Lib.): Mr. Speaker, I could not help but notice that during the member for Sherwood Park—Fort Saskatchewan's patrician lecture on virtue, he seemed to believe that people who did not have the income to put money aside had something to be ashamed of, that people who did not have the revenue to take advantage of the voluntary deferred revenue programs such as RRSPs or TFSA's lacked virtue, that to have virtue one required at least some wealth, and that those who did not have any disposable income should be judged by how they spent that same disposable income.

I am happy the member has never had to choose between his housing and his retirement, between his food and his medication, between his education and his immediate need for income. Those problems may not be his reality, but I can assure him that this represents the daily life of many virtuous Canadians.

Could the member for Sherwood Park—Fort Saskatchewan confirm that he believes that someone who simply does not have the revenue to put money aside has no virtue?

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Mr. Speaker, it is really shameful that when we try to engage in a substantive discussion of issues, the member across the way would so flagrantly misstate what I said in questions. I do not know if I should add anything to that. The record is very clear in what I talked about.

I talked about a choice between giving people the means to voluntarily control their own circumstances and the benefits of that situation and a situation in which the government tried to take away the means for people to control their own circumstances. I advanced the argument that giving people more control over their circumstances was good, not only because they would be able to leverage their greater knowledge of their circumstances for their own good, but also because it would provide them with the opportunity to practise and to deepen virtue.

That is not in any way a function specifically of a person's wealth. It is a question of whether these decisions are made by individuals or by governments. I specifically said that for those who were struggling, the better alternative was for the government to cut taxes to give more resources to those who needed it.

I am sorry to say this, but the member should really be ashamed for asking a question that way, which so deeply misstates the speech. He would be better off to listen and to pose questions that reflect what was actually discussed.

• (1520)

Mr. Jamie Schmale (Haliburton—Kawartha Lakes—Brock, CPC): Mr. Speaker, I appreciate the words of my friend from Sherwood Park—Fort Saskatchewan.

What we have heard on the other side is that government knows best; that is big government telling people to give it their money, that it knows best. When we give Canadians options, they will make choices that best reflect their situation. However, taking away

methods for Canadians to save and taxing them more are not good policies.

I wonder if my friend from Sherwood Park—Fort Saskatchewan could also comment on this. What happens if people pass away before they collect CPP, they get zero. That is a big issue, especially when they want to pass on an inheritance or their savings to others. Maybe the member could comment on that.

Mr. Garnett Genuis: Mr. Speaker, those are all very good points from my colleague.

This is one of the advantages of the voluntary savings vehicles about which I talked. It remains an individual's money. Individuals have no disincentive to put money aside and save it because they know that money will be theirs for them to use in the future or to pass on to someone else.

That is another very good reason why the voluntary approach is a better approach for society, as opposed to the government knows best, government takes it away and gets to spend it, approach.

[*Translation*]

Hon. Jean-Yves Duclos (Minister of Families, Children and Social Development, Lib.): Mr. Speaker, I would like to share my time with my colleague from Mississauga East—Cooksville.

[*English*]

I am delighted to be here for this very important, and I would call it historic, debate. The changes our government is proposing to enhance the Canada pension plan are important to every working Canadian and would have a lasting impact for generations to come.

Not only are the changes important, they are needed. We know that today one in four families nearing retirement, that is 1.1 million families, risk not saving enough for retirement. This is even higher for middle-class families. A third of middle-class families without workplace pension plans are at a risk of not saving enough for retirement. It is estimated that the proposed enhancement debated today, once fully in place, would reduce the share of families at risk of not having adequate retirement savings from 24% to 18%. This is close to 300,000 Canadians who would be lifted out of post-retirement income insecurity.

[*Translation*]

For families at risk, it is estimated that the average gap between retirement income and income required to replace 60% of working income will decrease by more than half, declining from \$8,300 to \$3,700, which represents a substantial increase in income security for the remaining 18% of retirees.

This enhancement will be gradually implemented over seven years, beginning in 2019. Retirement benefits, which will gradually increase as people contribute to the enhanced CPP, will be funded by a slight increase in annual contributions over seven years. The slight and progressive increase in CPP contributions will minimize the impact on employers and employees and give them time to adjust.

Government Orders

I want to remind the House that contribution rates in Canada are much lower than those in other countries with public pension plans. In fact, the CPP contribution rate is about half of the average rate among 25 countries in the Organisation for Economic Co-operation and Development, or OECD, that have similar public pension plans.

Even with the CPP enhancement, this rate would be just over half the average OECD rate. Accordingly, a person who earns \$50,000 a year would contribute approximately \$70 more per year, or \$6 per month, in 2019. By the end of the phase-in period, those same people would be contributing \$475 per year, or \$40 extra per month to benefit from the enhanced CPP.

• (1525)

[*English*]

By strengthening the Canada pension plan, workers would receive more money from their retirement pension. The amount would increase from one-quarter of their eligible earnings to one-third. This means a person making \$50,000 a year over a 40-year career would receive \$16,000 each year in retirement instead of the current \$12,000. That is \$4,000 more each year right in the pockets of workers.

A more modest earner, one averaging about \$35,000 a year, would receive almost \$3,000 more a year above the \$8,500 currently provided by today's CPP.

In addition, the enhancement would increase the point at which a person would stop making contributions by about 14% in 2025. This increase in eligible earnings would further increase the retirement benefits that all of these Canadians would receive.

[*Translation*]

This enhancement will give more Canadians access to a public pension plan. It will also give low-income workers more incentive to work because they will receive higher benefits. Low-income workers will benefit in the short term because they will have more disposable income, and in the long term because they will have a better retirement. A total of 6,000 low-income workers will be lifted out of poverty in the short term.

[*English*]

Additional great news is that our younger workers would see the largest increase in their retirement benefits. Younger Canadians often find it difficult to save in safe, reliable, and efficient ways. Many are working in jobs that do not have a company pension.

Workers in the middle of their careers or nearing retirement would also benefit from enhanced CPP as the increased contributions made in 2019 and beyond would go toward an enhanced retirement pension.

[*Translation*]

However, the Canadians who will benefit the most from this enhancement are those who do not currently have access to a private pension plan. The advantages of public plans are considerable because they effectively protect against financial and longevity risks, they are transferable between businesses and provinces, and they are administered at a low cost to businesses and workers.

The enhancement of the CPP is therefore an inclusive policy that is good for the middle class for several very important reasons. This enhancement offers all Canadians the opportunity to benefit more fully from a public plan. It increases low-income Canadians' incentive to work. It reduces poverty among low-income workers, and it improves the income security of our seniors.

We believe that all Canadian workers will benefit from this enhancement, particularly the middle-class and those working hard to join it.

I invite my colleagues to enthusiastically support this historic opportunity to enhance the Canada pension plan, a measure for our country and all Canadians.

[*English*]

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

Mr. Speaker, when we look at the whole package in dealing with seniors, today we are talking about CPP and this historic agreement of the minister and this government with other provincial jurisdictions, which is good for CPP and good for future pensioners. We also saw through the cabinet issue dealing with the guaranteed income supplement that there is a substantial increase, especially for Canada's poorest of seniors. We will see some single seniors receiving upwards of \$900 more a year as a direct result. Then we have the OAS, the third pillar to our pension program, where this government has made the decision to return it back to the age of 65. The Harper government increased the age to 67. We have returned it back to 65.

Would the minister not be of the same opinion that we have a government that is in touch with what Canadians want and expect when it comes to pensions?

• (1530)

Hon. Jean-Yves Duclos: Mr. Speaker I would like to congratulate my colleague for making it very clear that we are not only concerned about the present circumstances of our middle-class families, but we are looking to the future to make sure that families and our citizens and our workers, when they retire, have the income security that they not only deserve but also want.

It is a great fortune for us in the House to stand here today at this time to celebrate this historic change in the CPP. We will remember this because the impact of that magnificent change will be felt and celebrated for many years to come.

Mr. Gord Johns (Courtenay—Alberni, NDP): Mr. Speaker, in my riding in Courtenay—Alberni, we have a disproportionate number of elderly women who are living in poverty, women who are going to the food banks for the first time, pensioners who are struggling to make ends meet. They cannot even afford to buy medicine. Some of them are going to homeless shelters. The most recent figures available show that 30% of single elderly women live in poverty. That number has tripled in the last 20 years under Conservative and Liberal governments. Only 4.5% of female CPP recipients receive the maximum benefit compared with 18% for men.

Government Orders

How will this CPP enhancement plan help lift vulnerable elderly women out of poverty? In our communities where we are having this homeless problem, we are not getting the support we need for homeless shelters. We need that, so if the member could answer the question it would be greatly appreciated by the people in my community.

Hon. Jean-Yves Duclos: Mr. Speaker, I appreciate and welcome this opportunity to say that this enhanced CPP is also going to lead to an enhanced disability and survivors benefit. We know how difficult some of our senior women find it when they become widows, when they find themselves both in economic and social insecurity. This enhancement to the CPP will serve to support the income and social security of all members of a family and both members of a couple.

This is good news for workers. It is also very good news for all members of a family who depend on one worker's earnings and savings.

Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.): Mr. Speaker, I appreciate the time today to speak on a topic that is very important to many Canadians.

During last year's general election, I knocked on many doors and visited with many residents, and many asked about the enhancement of the CPP. After years of hard work, Canadians have earned a secure retirement, but because of continued escalations in the cost of living, many wonder if that secure, dependable retirement will be possible in the future. As the costs of bills rise, fixed incomes stay stagnant. To address this disparity, we made a commitment to Canadians to strengthen the Canada pension plan to assist in securing a strong, secure, and stable retirement.

In order to make meaningful changes to the CPP, we need a significant change in the approach from the previous government of the past 10 years. The more than one-quarter of Canadian families approaching retirement and 1.1 million families who are facing a drop in their standard of living will be able to retire with dignity and confidence as a result of the enhancement to their CPP provided for in Bill C-26. This first major reform of CPP benefit levels since the establishment of the CPP in 1966 is without a doubt timely in its design to address the futures of our children and grandchildren.

Seniors today are benefactors of prudent planners of the Pearson government in the mid-1960s and of the Paul Martin government in 1997, who realized that times and opportunities were changing. They accordingly made adjustments to retirement funding and investment therein for seniors.

The first CPP in 1966, the GIS in 1967, and the CPP Investment Board in 1997 were pivotal changes to simplistic tax-based earlier plans initiated in 1952 with the inception of Canada's first pension called old age security. Now it is time to adapt our pension to the fluctuating, unpredictable conditions that prevail in everyday life, conditions that will dominate the lives of those approaching retirement and the experiences of our young people.

Contemporary global economic and social conditions have been radically altered from those experienced and encountered by current retirees when they were in the workplace or raising young families. An evolution of financial and social conditions, even for my peers, has rendered some of their future economic planning ineffectual and erratic.

Our young people, as we often hear, frequently make due with contract jobs, short-term jobs, if they are lucky, or jobs below their education with sometimes no benefits. They face expensive, almost unattainable housing; an inability to save regularly or under-saving; no stable retirement plan beyond RRSPs, which they cannot afford to tend; and relatively low rates of interest on any savings.

Bill C-26 would help young people address those challenges and cope with the ever-changing, unstable conditions of life by shaping a firm, reliable pension plan with a reasonable enhancement of the current plan. It is something they can count on. An updated CPP is one way that the government can assist these young people in arranging for their senior years with a fully national plan.

Already this government returned the retirement age to 65, as the right place for a meaningful retreat from the workplace. Young Canadians just entering the workforce will see the largest increase in benefits. This is the right place for a meaningful phased-in enhancement, as these young adults and their descendants will be the most vulnerable to the labour market in the 21st century.

The provisions of the enhanced plan would increase how much Canadians will get from their pension, ultimately, from one-quarter of their earnings to fully one-third. This will be a good boost for many Canadians who do not have workplace pensions to look forward to.

The previous government, for over 10 years, refused to address the needs of our most vulnerable, but this government sees the enhancement as a priority and has set it up in a logical, progressive way.

Bill C-26 is easy to support in the way that it sets up the enhancement. With this gradual phased-in approach, contributions are shared by both the employee and the employer based on the yearly maximum pensionable earnings of the employee with the specified contribution rates. By 2025, the enhancement would be fully phased in, as the making of the additional contributions is provided for in the bill commencing in 2019.

● (1535)

The vision of this government in establishing the provisions of Bill C-26 is level-headed and logical, balancing modest increases of contributions by employees and employers with stable results and appropriate counterbalancing taxation deductions for all participants. In Bill C-26, this government understands economic vulnerability, especially of our children and grandchildren, to the consequences of societal change. Accordingly, it focuses its priorities on pension remediation with an equitable realistic approach.

Government Orders

So far I have addressed the Canada pension plan alterations, as well as concurrent tax changes represented in Bill C-26. The third aspect that is the subject of amendment in Bill C-26 is the Canada Pension Plan Investment Board Act. The amendments for the investment board are necessitated by the practicalities of the other two changes. Because of the alteration to the mode of acquisition of pension funds, the staging of additional contributions, it is necessary to supply suitable instruments and *modus operandi* to provide for the transferring of increased contributions and in the preparation of statements.

Bill C-26 links the board to the new additional Canada pension plan account. This alteration, however, is a reflection of the positive outcomes of the enhancement phase. The investment board, an arm's length independent entity accountable to Parliament, is responsible for the workability of the plan. The board is in charge of the investment, the monies, and the contribution phases of the enhanced plan, as well as the regular contributions.

With the enhanced plan, there would be more money to invest because more has been contributed. Accordingly, pensions would increase. The Department of Finance has declared that once fully in place, the CPP enhancement would increase the maximum retirement benefit by about 50%. For example, the current maximum is \$13,110. Compare that with the enhanced CPP with a maximum benefit total of nearly \$20,000. Whereas early quasi-pensions in the 1950s were funded by taxes, current ones rely on good, long-term investments of employee and employer contributions.

It is a big contrast from the \$40 a month or \$480 a year, even in 1952 dollars. Investment is how all Canadians can save for retirement today and sustain the CPP through the instruments the government initiates and modifies. Bill C-26 would confirm the adjustments to the role of this board that is so instrumental in helping Canadians have a decent retirement.

The enhancement of the CPP is vital and most helpful to our youth. It would also significantly reduce the share of families at risk of not saving enough for retirement. Canadians are assured of a dignified retirement.

The enhanced CPP would provide for the first substantive change to our national retirement scheme. The time has finally come to do something about retirement security. Yes, the time has come for the House to adopt this well-conceived and formulated bill. In all respects, I stand behind Bill C-26.

• (1540)

Mr. James Bezan (Selkirk—Interlake—Eastman, CPC): Mr. Speaker, I appreciate the opportunity to ask questions of the government today on CPP changes, something that is not at all evidence based. It is strictly a public policy to garner votes.

Why have the Liberals not been more up front with Canadians? It is going to be 40 years until the entire contributions of this change to CPP is realized by seniors. It will not even kick in until 2025, so today's seniors will not benefit from any of these changes. They are being sold this bill of goods by the Liberals without any opportunity to benefit from CPP enhancements.

The main issue that Conservatives have with the bill is the way it would impact small and medium-sized enterprises. The Canadian

Federation of Independent Business has said that this would force more and more businesses to make a decision as to whether they hire new people, maintain what they have, or lay off people to deal with the increased contributions they would have to make in this whole process.

I would ask the member to speak to how this would hurt small business and employment in a situation where the economy is stagnant under the current government. There needs to be an increase in job opportunities. First, will Liberals listen to small business and change the way they are going to go about getting employer contributions for the CPP?

Second, would they reinstate other savings mechanisms that were in place, like the tax-free savings account? The tax-free savings account limit was \$10,000, helping Canadians save money for their retirement, along with their RRSPs. It was well embraced by Canadians, especially seniors. Will they bring that back up to \$10,000 rather than reducing it to \$5,500?

Mr. Peter Fonseca: Mr. Speaker, I listened intently to the member's question.

What I have heard from the Conservative member has been a vigorous attack on our CPP and on the enhancement of the CPP. The member, in his question, spoke about seniors. Well, there are millions of seniors who are today benefiting because somebody made the right decision in 1966 to bring forward a CPP.

I would like to know if that member were in the House at that time, if he would have voted against the CPP. The CPP, I know in my community, is held as a Canadian value, one that provides support for millions of Canadians. This is the right time to enhance the CPP.

If the member cannot see that, how the labour market has changed and how that is affecting our young people, and today make the right decision, the same way they did in 1966, then the member does not have vision or foresight into our future.

I am proud of the decision we are making to enhance the CPP and of how it will better the lives of millions of Canadians.

• (1545)

Ms. Cheryl Hardcastle (Windsor—Tecumseh, NDP): Mr. Speaker, I would like to ask the hon. member across the way what he sees as some of the ways that we can reverse the increasing levels of poverty among seniors today.

As we know, the CPP enhancement, which we do support, will not be fulfilling its full intent for almost 50 years. What would the member envision would complement this momentum that we are starting here today?

Mr. Peter Fonseca: Mr. Speaker, we have to look at our most vulnerable citizens, our seniors, and provide support in a very comprehensive way. That is why our government came forward with an increase to the GIS.

I met a number of those soon-to-be retired seniors who were feeling a lot of anxiety when the previous government was looking to raise the retirement age from 65 to 67. We have repealed that. I thank the member for her support on that.

Government Orders

Now with the enhancement of the CPP, looking at this holistically, it is a virtuous circle. We have to be prepared, especially to help those who are most vulnerable. With the enhancement of the GIS, I am glad that many of those very vulnerable seniors are seeing at least a \$900 increase to their income.

[*Translation*]

Mr. François Choquette (Drummond, NDP): Mr. Speaker, I will be sharing my time with the excellent member for North Island—Powell River.

Today I am pleased to rise in the House to speak to Bill C-26, an act to amend the Canada pension plan and other acts.

Today is a very important day. Every day spent in the House of Commons is very important, but today is especially important because we are talking about our seniors and how to show them the proper respect. They are the ones who built our country. They are the ones who raised our families. They are the ones who created and protected our culture. It is very important to show them the respect they deserve.

Every year, I tour the seniors' residences in my riding and I am always saddened to hear seniors talk about how worried they are about their precarious financial situation. They tell me they worked their entire lives and now they are receiving the minimum, roughly \$1,000 a month. It is incredible to think that after working their entire lives, seniors are receiving barely \$1,000 a month. That is why it is very important to talk about it and to do something about this situation.

Therefore, I would like to congratulate the Liberal Party for finally understanding, as did the NDP, that the retirement age had to be brought back to 65. The Conservatives wanted to increase it to 67. As a result of the NDP's many efforts, the Liberal government understood that that was not the way to go. Therefore, it changed the retirement age back to 65, which is a good thing.

Although it would have been possible to do better, we should mention that enhancing the Canada pension plan is an important first step in improving retirement security for young Canadians. We congratulate everyone who was involved in improving the CPP, especially the unions, who worked very hard to lay the foundation for this agreement. Nevertheless, steps must be taken now to help seniors and Canadians who will be retiring soon and who will not benefit from these measures. The government must examine this issue. It must build on the enthusiasm created by this agreement and take the steps required to improve the long-term security of today's workers when they retire.

We also need to start paying attention to something else, namely, retirement insecurity, which is beginning to reach crisis proportions in Canada. In fact, many Canadians have not saved enough to maintain their standard of living in retirement, and for various reasons. Sometimes their wages were too low, so they could not save. My constituents are asking me a lot of questions these days about the fact that people who work full time at minimum wage cannot make ends meet.

If you really think about it, that is a very serious problem. Some people work full time at minimum wage and are forced to turn to

charities in order to provide for their families. That is not normal, and that is why it is important to have a closer look at this issue.

Much of the problem can be attributed to the erosion of pension funds offered by employers, to the point where, at present, six out of ten Canadians have no pension plan from their employer. Of course, some can set money aside through RRSPs, but not everyone can do that. As I just mentioned, some people who work full time for minimum wage are having a hard time making ends meet and providing for their families, so they cannot invest in RRSPs, and these are people who are working—they are not lazy. Instead, they sometimes have to turn to charities for help. Unfortunately, this is a very real situation that needs our attention and must be dealt with.

● (1550)

As I said earlier, the maximum pension benefit is \$1,092 per month, or \$13,100 per year, which is really the bare minimum for survival. People who collect that much in a year do not live high off the hog. Far from it. They live below the poverty line and have trouble making ends meet.

As I said, seniors are people who devoted their lives to our country, to raising Canadian families, and to sharing our culture. When we see what is happening to them, it is clear that they are not getting the respect they deserve, unfortunately.

We would also like the government to further enhance the Canada pension plan to offer our seniors a more dignified retirement. That is really important. The NDP is also calling on the government to stop trying to convert public sector defined benefit pension plans into undefined pension plans. People work very hard and expect a decent retirement income, but they are being offered undefined pension plans, which can increase or decrease in value depending on the vagaries of the stock market.

That is a problem. Look at what happened in 2008. That did not seem to wake anyone up because the measures that should have been implemented to prevent such situations have still not been adopted. Unfortunately, this could happen again. That is why it is important to have secure pension plans to ensure our seniors' well-being, as well as our own well-being in the long term.

We also need a long-term vision for our seniors, not only when it comes to the Canada pension plan but also when it comes to health. Right now, the Liberals are maintaining the Conservatives' bad decision to cut \$36 billion in health transfers over the next 10 years.

As they say, as you get older, your body starts to give out. Seniors have more and more health problems. That is to be expected, but we need good health care services. The Liberals are not going to achieve that by making \$36 billion in cuts, like the Conservatives planned to do, quite the contrary. We need to think about seniors. We need to think about our family caregivers.

Government Orders

I always think of my mother and my sister, Suzanne Brodeur and Maryse Choquette, who do amazing work with the elderly in a seniors' residence. They are so devoted. I often say that an MP has to be devoted, but what those women do in the health care field is true devotion.

Housing is another factor. Thirteen thousand dollars a year does not cover much in the way of housing. That makes access to affordable housing extremely important. I know that the Drummondville municipal housing office is working hard to find more housing for seniors. Without accessible, affordable housing, how can seniors survive on such a low income?

According to the Federation of Canadian Municipalities:

Some cities are already showing a significant and growing need for seniors' social housing. Seniors are on social housing waiting lists and are at risk of becoming homeless.

Some seniors may even become homeless because we failed to take proper care of them.

I would like to congratulate the Liberal government on taking the first step toward making things better for seniors by lowering the pension eligibility age to 65 at the NDP's urging. I would also like to congratulate the government on enhancing the Canada pension plan, again at the NDP's urging. However, there is still a lot of work to do. The government needs to see the big picture and further enhance the Canada pension plan right away for everyone currently living below the poverty line. Housing and health care have to be part of the equation. The Liberals should cancel the \$36 billion health care cut immediately because it is totally unacceptable.

• (1555)

[English]

Mr. Colin Carrie (Oshawa, CPC): Mr. Speaker, I thank my colleague from Drummond for his good work. I have had an opportunity to work with him in the past in committee, and I know he is very passionate about these issues.

My question for him today is regarding the following. As the Liberals move forward with these changes to the CPP, he mentioned that they really are not doing anything for seniors.

One of the challenges I have in my community, a manufacturing community in Ontario, is that we are seeing some government policy changes that are really starting to affect our competitiveness. We have in Ontario the highest electricity rates in North America. We are seeing that affecting our manufacturers. We have lost 300,000 manufacturing jobs.

The Liberals are putting in a new carbon tax, which would make us less competitive, and now with the CPP implementation at this time, it really means that anyone who wants to do work in Ontario or this part of Canada is at a disadvantage versus those who sometimes are literally 10 miles across the border, whether in Michigan, New York, or other states.

What are his ideas for actually solving the problem of some of our seniors today, while keeping in mind the necessity of Canada remaining competitive in this global marketplace?

[Translation]

Mr. François Choquette: Mr. Speaker, I did indeed have the honour of working with my colleague on the Standing Committee on Environment and Sustainable Development.

I am always shocked to hear my Conservative colleagues say that a price on carbon is a tax on carbon. A price on carbon is an investment in a low-carbon economy. It is quite different.

Even though the Liberals' plan is far from perfect, everyone who wants the government to invest in the environment can agree on one thing: transitioning to a low-carbon economy cannot happen without pricing carbon.

That being said, as far as the Canada pension plan is concerned, it is true that the Liberals must absolutely think about all the SMEs. My riding, Drummond, is another riding that depends a great deal on SMEs.

The Liberals have introduced some tax deduction measures. I will not list them all, but they ensure that employers and employees alike do their part, put money aside for improving CPP. The adverse effects can be mitigated by the fact that this is considered a tax credit, as it currently is by the way. This is an investment in the Canada pension plan.

• (1600)

[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 over the years to table many petitions of what my constituents and, I would argue, all Canadians want to see, the stability and potential strengthening of our pensionable programs. I referring to the guaranteed income supplement, old age security, and what we are debating today, the CPP.

When we think specifically of the CPP, it is one of those fundamental free pensionable programs in which all Canadians feel fairly confident and want to see benefits from in a very tangible way. Could he provide some of his thoughts on that package of three programs, and how government needs to attempt to move forward with all three of them?

[Translation]

Mr. François Choquette: Mr. Speaker, indeed, it is extremely important that we continue to enhance the Canada pension plan, as I said in my speech. I agree with the Liberals on that, and I said this was a first step in the right direction.

However, we still need to remember to tackle certain important challenges. As my colleagues said earlier, women tend to be much poorer in retirement than men at this time. A lot of women receive smaller pensions than men. We need to come up with solutions to this urgent problem.

A broad range of measures is needed to do that. However, \$36 billion in health cuts and inadequate investment in affordable housing are not going to help matters any. A whole series of solutions are needed. I therefore congratulate the Liberal government for this first step, but there is still a lot of work to be done.

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[English]

Ms. Rachel Blaney (North Island—Powell River, NDP): Mr. Speaker, I am happy to rise today to speak on Bill C-26. I will be voting in favour of it.

I am very proud to represent the riding of North Island—Powell River, which is full of hard-working people from many sectors, largely the resource sectors. It is in a wonderful place of transition right now. I do know that all the hard-working people in my riding work hard towards a good retirement. That is a priority for all them.

In my riding, I take a lot of time to speak with seniors. Earlier this year, I was really proud to travel around Campbell River and go to several different seniors centres the day before Canada Day. I have to say that I really appreciated Carol Chapman and the Canada Day planning committee who worked so hard to allow dignitaries to go into these homes annually and to be with the seniors the day before, and really get an opportunity to speak and chat with them.

It was heartbreaking in some cases to talk to senior constituents of mine who have multiple challenges as they age, including concerns about how they are going to make ends meet and afford their medication. That is a reality in this country and my riding.

This bill will take 49 years to reach full implementation. My son just turned 16 in June, and he will be experiencing the full benefit of it. However, the reality now is that many seniors are living in poverty, and that number is growing in my riding. On a weekly basis, constituents are contacting my office to share their real challenges. The truth is that Bill C-26 will not address these issues. My office hears about seniors who are making choices between purchasing medication, buying food, paying for the heat, or figuring out how they are going to pay for transportation.

This is not a discussion that seniors should be having in a country like Canada. In the numerous town halls I have held on seniors issues in the riding, seniors say that what they really want to see is a national pharmacare program. These seniors were very clear that affordable medication would be a real change for them and would make a real difference.

There was also a clear demand for a national seniors strategy. I can see why. Nationally, we know what is happening. There is a Broadbent Institute study and analysis of the economic circumstances of Canadian seniors, and it tells us a startling story. The study found that 47% of Canadians aged 55 to 64 are without an employer pension plan. It also found that roughly half of Canadians aged 55 to 64 are without a workplace pension and have less than \$3,000 saved for retirement. The poverty rate of seniors has increased from a low point of 3.9% in 1995 to 11.1% in 2013, or to one in nine seniors.

One of the particular privileges of being a member of Parliament is that we get to speak to and be in our communities. I was heartbroken when one person who had worked with the homeless population for over 30 years made time to come to see me to tell me that in the last three years he had seen a startling change. For the first time, seniors were walking through the door, telling him stories of being at risk of homelessness. Seniors, people in their 70s, were couch-surfing.

How can that be in Canada? How can it be that seniors are now seeing homelessness as one of the options they have to face at a time when we should be taking care of them?

In my riding of North Island—Powell River, we are seeing these issues increase. For example, in Campbell River, where the overall population is projected to increase by about 16.3% by the year 2030, the population of people 75 years and older at the same time is expected to increase by 128%. In the Comox Valley, where seniors 80 years and older are currently 4.7% of the total population, there will be an increase to 7.4% by 2031. Most startling, in the regional district of Mount Waddington, the overall population is expected to decrease by 9.8% by 2030, while the population of seniors 75 years and older is expected to grow by 263%.

● (1605)

Powell River, with 23% of its population aged 65 and older, has the ninth largest population of seniors out of 10 locations across Canada. The issues of seniors in my riding are real and growing.

This bill is a start for my child, but it is not a solution for the people I serve. We know that only 11.5% of CPP recipients currently receive the maximum benefit, and for women it is only 4.5%. These numbers are telling us an important story why we need to see a CPP increase. As Susan Eng, the former executive vice-president of advocacy at CARP, said:

So why is a CPP increase needed again? Canadians are not saving enough for retirement and government can help. Those braying “Too bad for them!” need to realize that every pension dollar reduces the need for taxpayer-funded payments like Old Age Security, Guaranteed Income Supplements or even welfare.

The other reality is that young workers are facing a more precarious work environment than ever before. Many people are facing the reality of a patchwork approach to employment. Seasonal, part-time, and temporary work is precarious work, and people are putting these kinds of jobs together to try to support themselves and, in many cases, their family.

The reality is that only four out of 10 people have a workplace pension plan. I have had young families speak to me about the debate they are having whether to save for their children's education or for their own retirement. That is shameful in this country. The majority save for their children's education. They should not be having this debate.

Sadly, I also have constituents who have to go to the food bank weekly just to feed their family. They cannot afford food and have challenges paying for their housing and everyday costs. How will they put away money for retirement? A tax-free savings account will not make their life easier.

Government Orders

I spent many years in the non-profit sector. The people who work in that sector are tremendously passionate about the people and organizations and services they provide, but very few of them have workplace pensions. When we look at the return on investment we get from those non-profits, it seems the right thing to make sure that the people who work for them get a return on investment for their retirement.

Poverty is also not very good for business. In the world in which we live today, with so many financial challenges, there will continue to be challenges for many in the future, such as small businesses. People who have lower incomes spend money locally. This bill would mean less abject poverty in the future, and that would result in more local spending.

Bill C-26 is a start, but I still have many concerns. I want to know how the current government is going to address the erosion of workplace pensions in Canada. How will the current government address the increasing levels of poverty among seniors while we wait for these enhancements to take place? This bill would not address the 30% of single female seniors who are currently living in poverty. How do we lift them out of poverty now? Seniors deserve better. This is a step in the right direction, but it can be better. The people of Canada and the people of my riding deserve it.

• (1610)

Mr. David de Burgh Graham (Laurentides—Labelle, Lib.): Mr. Speaker, I appreciate the member's speech and her support for this bill. I agree there is always more that can be done, and I would like to give her this opportunity to tell us the following. In a perfect world, what would the perfect policy for seniors look like?

Ms. Rachel Blaney: Mr. Speaker, that is an important question. In response, I will just outline what was already in my speech.

What we need to do is to put forward a policy with a national framework around seniors. They are a growing population in our country and we need to make a plan. One of the realities is that we are not working with all of our partners provincially, territorially, and municipally. We need to get together and figure out how we are going to create these solutions.

These issues often arise most powerfully in municipalities and regional districts, and in towns and villages across our country. I am very impressed by what they do every day to make a difference, and I thank these communities for stepping up, but we need a national strategy in which all of the partners work together to make a difference for people who are suffering today.

[*Translation*]

Mr. Pierre Nantel (Longueuil—Saint-Hubert, NDP): Mr. Speaker, I would first like to congratulate my colleague on her very heartfelt speech about her community. It is obvious that those folks are lucky to have an MP who is so in tune with their primary concerns.

I do agree that this CPP enhancement is good news, but it is very troubling to know that, when you think about it, her son will be the one who could benefit from this change to the system. In my region of Longueuil—Saint-Hubert, the number of people on the wait list for affordable housing will soon top 2,000. The wait lists are extremely long.

Is my colleague really hopeful that this government will be willing to work on this issue in particular, given that housing is still the biggest single budget expense for most people, especially seniors?

[*English*]

Ms. Rachel Blaney: Mr. Speaker, I am always accused of being an optimist, and I think sometimes that is a positive life choice. I am hopeful. I am guardedly hopeful. This is the reality in the communities that we serve. Across this country, housing is a bigger and bigger challenge. Affordable housing is devastating.

I have talked in this context to many seniors who have to make terrible choices. Recently, I talked to a woman whose husband is in care, and 90% of his pension is going to pay for him to be in care. Her housing, her life, is totally at risk. She is only getting 10%, from a time when women stayed home for a longer period. We need to have that national strategy, so we can look at issues that are facing seniors and we can provide a rounded approach on how we move forward in the future.

• (1615)

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

Mr. Speaker, today we are talking about the CPP and the importance of investing for the future. The member made reference to a young person and how the benefit will be there, but she also put a great deal of emphasis on poverty, and seniors in poverty. Would she acknowledge that in the last budget we saw a substantial increase for the guaranteed income supplement? Well over 10,000 seniors in poverty will actually be lifted out of poverty. Would she acknowledge, when we deal with seniors' issues, that it is much more complex than just the one issue of the CPP? The CPP that we are debating today is one step forward, but we still need to improve where we can.

Ms. Rachel Blaney: Mr. Speaker, I want to clarify that the young person I was speaking of was actually my son. His name is Kai. He just turned 16 in June, and he is six foot three. That is who we are talking about.

I am always appreciative of people listening and trying to help people out of poverty, but there are some parts that are left out. When we look at what is happening in my community, a largely resource-based economy, with many seniors and people retiring in a beautiful location, what we really need is a pharmacare strategy. I am glad that some of those steps are being made, but they are not the solutions that are long reaching. If we look at medication and what families are struggling with every day, we really need to have a solution that is based on making medication more affordable.

[*Translation*]

Mr. David de Burgh Graham (Laurentides—Labelle, Lib.): Mr. Speaker, I will be sharing my time with my colleague from Newmarket—Aurora.

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The average age in my riding, Laurentides—Labelle, is among the highest in the country. According to the 2011 census, the average age was 49.5. It will surely be more than 50 according to the 2016 census. In some communities, homes are listed at less than \$40,000 and are not even selling at that price. Young people are leaving the region in droves and seniors are only staying in retirement. We have many challenges and we welcome many changes for seniors. As a government and as a party, we like to plan for the long term and not just for tomorrow.

Therefore, I am very pleased to speak to Bill C-26, an act to amend the Canada Pension Plan, the Canada Pension Plan Investment Board Act and the Income Tax Act. There are several reasons for that.

This bill is the promise of a better future. It also reflects the government's commitment to help Canadians achieve their dream of a more secure retirement. This is a long-term project. It is a project for the future and for young people who are currently preparing to enter the labour force. This next generation will also be assured of a dignified retirement. We are acting for a future that goes beyond any election cycle to help those who will come after us.

We are building on what was accomplished by the decision-makers of the 1960s who created the Canada pension plan, enhanced old age security by creating the guaranteed income supplement, and implemented measures that, in the long-term, would significantly reduce poverty among seniors. What is more, we are here in a true spirit of federalism because the agreement to enhance the Canada pension plan or CPP comes from a real spirit of co-operation with the provinces, who approved the approach.

Is the enhancement of the CPP necessary? Absolutely. It is essential, and I will explain why.

Middle-class Canadians work hard, but they still do not feel as though they are making any progress. One in four families who are approaching the age of retirement may not be able to save enough money to maintain their current lifestyle when they retire. That represents 1.1 million families. We had to take action.

We also have to accept the fact that fewer and fewer companies are offering defined benefit pension plans and that fewer Canadians have such a plan. It is a major challenge for Canadian families and it is time we dealt with this.

The agreement we reached with the provinces will increase the retirement income of Canadians who are in this difficult situation, and also promote economic growth and create jobs.

How will the CPP expansion work? There are two key things to keep in mind.

First, the CPP currently replaces a quarter of Canadians' average annual earnings. The new CPP will replace a third. Future retirees will therefore have more money in their pockets. Take Mila for example. She is a mother who has earned on average \$50,000 a year during her working life. Under the current plan, she will get \$12,000 when she retires. Under the new plan, Mila could get a little more than \$16,000.

Second, the maximum level of pensionable earnings will go up 14% by 2025. That means the maximum annual CPP benefit, which

is currently \$13,110, would go up to \$20,000 in today's dollars. Under the enhanced CPP, the maximum benefit will go up by almost 50%. It is clear that these changes to the CPP will make life better for retired Canadian workers and will help them achieve their goal of a strong, secure, and stable retirement.

How much will this cost? For most Canadians, the contribution rate will rise by just 1%. Take Kevin, for example, who earns about \$55,000. His contributions will increase by \$6 per month in 2019. Once the progressive implementation is complete in 2025, Kevin's contribution will have gone up by about \$43 per month. That minor increase will be largely offset by his higher retirement income. With the enhancement, Kevin will collect approximately \$17,500 per year in today's dollars in CPP benefits, which is about \$4,400 more than under the current plan.

I should also mention that contributions to the enhanced portion of the CPP for wage earners like Kevin will be tax deductible and that a tax credit will continue to apply to employees' current CPP contributions.

• (1620)

We can therefore proudly say that Canadians will have more money in retirement thanks to the new CPP. Furthermore, the budgets of low-income workers will not be affected, because the working income tax benefit will also be increased to offset the premium increases.

I would like to add that our government has decided to give everyone time to prepare for the new provisions. The changes will be implemented gradually over seven years, from 2019 to 2025. This is the responsible way to go, to make sure that businesses and workers have time to adapt.

We are taking into account the problems that exist at the provincial and national levels. We have engaged with each province to discuss their particular situation, and we will continue to do so. We took steps to ensure that we could implement these measures in a way that will not hurt businesses, because we want the owners of businesses of all sizes to be assured that the government will implement these changes to CPP without harming the functioning of the Canadian economy.

As I said in my introduction, the government is creating a better future for Canadians, especially the middle class. This will have a much broader impact on all Canadians, because it is important to have a long-term vision. Higher CPP benefits will lead to greater domestic demand, which will stimulate the Canadian economy. Since savings will grow, more money will be available for investment, also thanks to the new CPP.

As a result, we expect the gross domestic product to increase by 0.05% to 0.09%, which represents approximately 6,000 to 11,000 new jobs. Quite simply, an enhanced CPP means more savings and a better retirement.

Middle-class Canadians will then be able to focus on what matters most, such as spending quality time with their family and friends, rather than worrying about not being able to make ends meet. It is important that we plan for the future.

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Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC): Mr. Speaker, I heard my colleague opposite talking about the average age of people in his riding and the relatively low household income.

Obviously, his riding is not made up exclusively of retirees, even though the people who live there will retire someday. His riding is also home to entrepreneurs.

What does my colleague have to say to those entrepreneurs who will have to contribute to the plan, along with the people they hire? There is the potential for job losses in his own riding.

Mr. David de Burgh Graham: Mr. Speaker, I am not worried about job losses. I am proud of increasing pensions for the future.

Planning for the future is an important strategy. It goes hand-in-hand with the enhancement of the guaranteed income supplement. It is part of a larger plan to improve the situation of seniors. If we did not make those plans 50 years ago, where would we be today?

• (1625)

Mr. Pierre Nantel (Longueuil—Saint-Hubert, NDP): Mr. Speaker, I congratulate my colleague on his speech.

There is no question that everyone is happy that the government is moving in this direction and that it has made major financial plans over 50 years. We need to ensure that those plans remain viable in 50 years for the 16-year-olds who are about to begin working.

That being said, can my colleague talk to us about the vulnerability of seniors in his riding?

Mr. David de Burgh Graham: Mr. Speaker, there is no doubt that the seniors in my riding have a lot of concerns. I do not come from a wealthy riding. Even though Mont-Tremblant is located in the middle of my riding, there are 42 other towns that have less money, so everyone is concerned about improving the situation of seniors.

This will be the third program we improve, after making changes to two programs. If we had managed to get everything done, we could just walk out of here. However, there is still a lot of work to do, and I am not afraid to work to build a better future for our seniors.

Hon. Ginette Petitpas Taylor (Moncton—Riverview—Dieppe, Lib.): Mr. Speaker, I would like to thank my colleague for his speech.

Could he tell us more about the personal benefits to Canadians of the increase in additional contributions to the Canada pension plan?

Mr. David de Burgh Graham: Mr. Speaker, this measure will definitely help people in the future by providing them with more money. It is an extremely important program for everyone's long-term future. I mentioned the figures in my speech. It is a significant increase, and that is not the only thing we could do.

[English]

Mr. Martin Shields (Bow River, CPC): Mr. Speaker, I appreciate the comments of my colleague.

One of the things my own children want to make sure of is that I stay financially healthy so that I never live with them, so I understand how important this is. They say that they lived with me for 20 years, and that was enough.

You have mentioned one side of it, but again, the job creators of our communities are small businesses. I have had many small-business people talk to me about their concerns about this, because they are fighting on a fine line to stay in business, and they find this another piece that is going to create difficulty for them in staying in business.

In response to that, you have not mentioned anything about the small businesses and the costs there will be for them.

The Assistant Deputy Speaker (Mr. Anthony Rota): Before going on to the hon. member for Laurentides—Labelle, I just want to clarify. I am sure the member for Bow River did not mean that I did not mention anything. I just want to clarify that for everyone in the room.

The hon. member for Laurentides—Labelle.

Mr. David de Burgh Graham: Mr. Speaker, to be fair, you had not mentioned it either.

I think there is an opportunity for businesses to plan ahead. This would not even start for three more years and would not be at full scale until 2025. Businesses have an opportunity to prepare for this change. It is not a huge change, from that side of things.

The important thing is that we are planning for the future so that our seniors, later, are able to take care of themselves, like our ancestors, if we can call them that, planned for us today. I think it is very important that we do this work and do not slow down or slack off on it.

Mr. Kyle Peterson (Newmarket—Aurora, Lib.): Mr. Speaker, I want to thank my colleague from Laurentides—Labelle for his contribution today. He, like all members in the House, realizes how important Bill C-26 is to society and to ensure the growth of our economy well into the future.

Today many Canadians are worried that they will not have enough money for retirement. We all heard this when we were knocking on doors during the campaign. Middle-class Canadians I know who have worked hard their whole lives are working harder than ever but are still concerned that they will not be able to afford retirement. This is wrong. This is not a great policy for Canadians, and we should all make sure we make the necessary changes today so that retirement income exists in the future. That is what Bill C-26, in essence, is all about.

The facts tell the story. Fewer and fewer Canadians have workplace pensions to fall back on. The days of working for one company for 35 to 40 years, although a romantic notion, I am afraid are over. That is the reality we face. We can all harken back to *Mad Men*. I know everyone here enjoys Netflix, and I am sure everyone here has watched an episode or two of *Mad Men*. Those days of working for one company for an entire career are over.

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That may be good or it may be bad, but the consequence of that reality is that there are no company pensions to look forward to at the age of 65, when we punch out of work on the final day, say goodbye to all our friends from those 40 years, get our gold watch from the boss we probably never really got along with, and ride off home into the sunset to put our feet up on the footstool, have a cold beer, and ponder the next 20 years of our lives, wondering when the kids are going to call. That does not exist. That is not the reality for so many Canadians.

Perhaps it should be, and perhaps we wish it would be, but wishing and hoping does not put food on the tables of seniors. We need to make sure that we are responsible as a government and make decisions today that, yes, are difficult and challenging, but they are decisions that will help in the future, and not only seniors.

I think we all hope to be seniors. Some of my colleagues already are, but I hope to be one some day. I want to make sure that I live in a society, a country, and an economy where everyone can live with dignity and can afford to not only buy the necessities of life but to contribute to the economy.

This is right, not just for social reasons but for economic reasons.

For businesses to thrive in any economy, they need consumers. Consumers need to have money. Seniors who do not have money cannot consume and therefore, small businesses, big businesses, and medium-sized businesses are limited in the amount of profit they can make, because the market is smaller than it ought to be. This is why Bill C-26 is important. This is about the future of Canada and Canadians, but it is also about the economy of the future, and I am happy to be part of a government that has introduced Bill C-26.

We made a commitment to strengthen the Canada pension plan to help all Canadians achieve a strong, secure, and stable retirement. Those three words are important. Strong means that people do not have to worry from day to day. Strong means remaining active participants in Canada's economy. Strong means not relying on our children, grandchildren, or food banks for groceries or asking someone to help pay our rent, keep our hydro on, or pay our monthly bills. That is important, I am sure we can agree, to Canadians.

Canadians also need a secure retirement. Canadians are living longer, which means that retirement will be longer. We do not want Canadians to be in a position of dreading that their money will run out before they do. That is not ideal. That is not a secure environment and is not what anyone in the House would want.

• (1630)

We also want a stable retirement, which in my opinion means that Canadians can enjoy retirement. Canadians who have worked for 40 years, who have grown our economy, who have put children through college and university, who have bought houses, cars, automobiles, washers and dryers, clothes and groceries, all the things that sustain and grow the Canadian economy, deserve to live with stability and peace of mind in their waning years. The sad truth is that too many Canadians are not living under these circumstances today. That is what Bill C-26 is trying to address. We would be hard pressed to find anyone in this House who does not agree with at least the goal of Bill C-26, which is to ensure a stable, strong, secure retirement for Canadians and a strong economy well into the future for Canadians.

The other issue is that demographics are making this more urgent than ever. More than one-quarter of Canadian families nearing retirement today, which is 1.1 million people, will face a drop in their standard of living and will not be able to retire with the dignity they deserve. This demographic reality should make all of us realize that something needs to be done. In my opinion, Bill C-26 does exactly what needs to be done.

There is always change, but it needs to be done moderately and modestly. This bill achieves those goals. We want to make sure that these changes are affordable. We will phase them in slowly over seven years, from 2019 to 2025, so that the impact is small and gradual, which is an important component of this bill, one that ought not to be overlooked.

This deal will boost how much Canadians would get from their pensions, from one-quarter of their earnings now to fully one-third, which I think is an important facet of the new legislation that needs to be fully appreciated. It makes this bill strong social policy and strong fiscal and economic policy.

We know that this deal came about because of the agreement in principle reached among all the provinces, with the exception of Quebec, which we hope will be working toward something similar. This is important. It is an important element of today's debate that we could get an agreement in principle, with the number of provinces and our diversity and diverging points of view on so many policies. With many topics in Canadian life today, it is hard to find any consensus. I will not say that it was easy, but we have reached an agreement in principle now, and that needs to be given some weight when we consider how we will vote on Bill C-26.

Whether we live in B.C., Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, or any of the three territories, I think we can all agree that we deserve the right to retire with dignity. We deserve the right to retire with stability. This is inarguable. I think the best approach to get there is what we see in Bill C-26.

I would submit that anyone who cares about seniors today or tomorrow, who cares about Canada's economic integrity well into the future, and cares about Canada's economic integrity well into the future, would be hard pressed to vote against Bill C-26. Every Canadian deserves a secure and dignified retirement after a lifetime of hard work. Through this enhancement, we have taken a powerful step to make that happen. Let us not lose this chance, this historic opportunity, to make sure that all Canadians, today, tomorrow, and well into the future, retire with the dignity they deserve and have earned. To do anything else would be foolhardy.

• (1635)

Hon. Kevin Sorenson (Battle River—Crowfoot, CPC): Mr. Speaker, the member would get a 10 for a big finish.

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I appreciate my colleague's vote but in some ways he painted a very dire picture of what is happening in retirement. He talked about wanting to retire and said that we deserve the right to retire in dignity, which is what he wants to do. He wants to put up his feet and retire in dignity. The problem is that McKinsey and other people have done studies on this and I would like to tell the House some of the things that they have said. For example, 83% of Canadian households are on track to maintain their current living standards in retirement. According to Statistics Canada, the share of Canadian seniors living on low incomes dropped from 29% in the late 1970s to 3.7% today.

I agree with my colleague that we all want to live with dignity in retirement. However, I would suggest that by far the majority of Canadians are doing that. Canada is one of the best countries in the world for seniors to live, seniors with pensions and seniors with savings.

My fear with the legislation is that the government is using a big hammer for a small problem. The CPP, as important as it is, is only one strong pillar of our retirement. It is not the main pillar of our retirement. Savings such as tax-free savings accounts, RRSPs, and private pension plans are all part of a comprehensive strategy for retirement.

In a time when our economy is slow, would taxing small and medium-sized businesses and taking money out of the pockets of employers not hurt the economy?

• (1640)

Mr. Kyle Peterson: Mr. Speaker, I appreciate the member opposite listening to my contribution as intently as he did. I was not standing up to paint a dire and bleak picture of Canada. Of course, we are lucky to live in Canada. We should all feel blessed to live in Canada.

Whether we use the McKinsey numbers that say 83% of people are doing well in retirement or the numbers that I quoted, which say 1.1 million Canadian families, or 25% of the population, are worried about their retirement, I am talking about how we are going to deal with the 17% or 25% of Canadians who are not going to have a dignified retirement.

It is fine to say the majority of Canadians are doing well. It might be fine for the member opposite, but it is not fine for me when I look into the eyes of those people who ask me what they can do for their retirement. I agree that Canada is a great place to live. Many Canadians are living a great retirement but unfortunately many are not. That is what the legislation is trying to address. The number of have-nots is going to grow, based on demographics and based on where we are today and where the trends are going.

Our government is trying to make sure that 83% number gets bigger. Why can it not be 90%? Why can 100% of Canadians not live a dignified retirement, a stable and secure retirement? Why should that not be the will and the dream of everyone in the House? I for one think it should be. It is the better approach and it is the outcome Canadians deserve. We all agree that better is always possible and when it comes to pensions that perhaps is the place where we should prove it the most.

[*Translation*]

Ms. Marjolaine Boutin-Sweet (Hochelaga, NDP): Mr. Speaker, I agree that everyone should have the right to retire with dignity, and that the Canada pension plan should be enhanced. More and more people have precarious, temporary, or part-time jobs. Those people do not have a pension plan and that includes many young families.

I would like to know what this government is going to do for those people who cannot draw a pension.

[*English*]

Mr. Kyle Peterson: Mr. Speaker, the member for Hochelaga asked a good question. I share her concern about those who are not able to participate fully in Canada's economy as it is today. I agree that those people are going to have trouble. People are precariously employed when it comes to preparing for their retirement. The legislation would not necessarily address those people specifically, but it would help address the people who are perhaps being left behind by the current system and improve it.

I look forward to working with others, perhaps from my colleague's party, to help other people who might be getting left behind by the current system.

Hon. Kevin Sorenson (Battle River—Crowfoot, CPC): Mr. Speaker, it is indeed a pleasure to rise in this place to speak on behalf of my constituents of Battle River—Crowfoot against Bill C-26, known simply as the Liberal CPP tax hike. I think—

The Assistant Deputy Speaker (Mr. Anthony Rota): I have to interrupt the hon. member. There was a slip-up on my end. I have to read the deliberations that will take place tonight. I will interrupt for a minute and then we will go from there.

It is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Regina—Lewvan, Employment Insurance; the hon. member for Sherwood Park—Fort Saskatchewan, Foreign Affairs; and the hon. member for Abitibi—Témiscamingue, National Defence.

I thank the hon. member for Battle River—Crowfoot for his understanding. He may proceed.

• (1645)

Hon. Kevin Sorenson: Mr. Speaker, I was starting to wonder if it was something I had said or done, but thank you for allowing me to come back and say some more about the important debate we are having today.

I introduced it by saying that this is another tax increase. It is a payroll tax increase. We will go into that a little later. I want to talk about why we would say that.

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Perhaps the Liberals have read the reports. I mentioned previously in my question the McKinsey report finding that four-fifths of Canadians are on track for a good, adequate retirement income. The report also says this compares very favourably with other developed countries. However, the Liberal government has said, “We have one-fifth of the people that we can help, but let's hit everyone with the tax. Let's hit small business and every employee, and let's see the coffers go up in the CPP investment. We will just do what we can to increase taxes.”

This is at a time when our economy is faltering. The problem is timing. Is this a good time, over the next five years, to invoke new taxes and hit the pocketbooks of employers and employees? I would say it is not. In fact, every time we turn around there is another story in the papers about our finance minister meeting with economists, trying to figure out why our economy is not growing.

Is there a retirement crisis in the country?

The Canada pension plan is but one pillar of a very strong, strategic pension retirement strategy that every Canadian should have and that the government believes Canadians should have. The first pillar is a strong, solid CPP.

The second pillar is the OAS and GIS. This pillar is there for lower-income Canadians. In fact, our government enhanced the guaranteed income supplement. This government has said it is going to do the same. Those are areas where we can effect change for that other fifth, or that other 3.7% who are living not in poverty but below where we would like to see them living in their retirements. Is there a crisis with CPP? I think there is not.

The third pillar, I never hear the Liberals and New Democrats talking about. That pillar is personal private investment. It is things like RRSPs and tax-free savings accounts.

I was privileged to serve with Minister Flaherty and Minister Oliver on the pension file and dealing with CPP. Our government wanted to be certain that Canadians had a dignified, secure retirement, so we did things like bring forward the pooled registered pension plan, where those 60% of Canadians who do not have a pension plan could be part of a pooled pension plan that would be administered by the provinces.

We brought forward things like the tax-free savings account, making certain that Canadians could put \$5,000 a year in a TFSA and watch it grow. They could watch the power of compounding interest. Then we saw that 60% of Canadians earning under \$60,000 were topping up their tax-free savings account, so we doubled it. We took it to \$10,000. By far, a large majority of the people investing in the tax-free savings accounts were pensioners, seniors. They were putting their savings in there and watching the power of compounding interest work for them.

We also brought forward pension income splitting for seniors, and pension income splitting. All of these the Liberals said they would either cut back or eliminate. They are going to get rid of the way people save. Why is that? It is because the Liberal way is the big government way: let the government look after them in their retirement.

● (1650)

I have fears about what will happen, even now with some enhancement, if people stop saving.

In 2013, the total household net worth of Canadians was \$7.7 trillion, split almost equally among pension assets, CPP, QPP, RRSPs, employer pensions. Also included in that were real estate equity and other financial and non-financial assets. It was pretty diversified. Most Canadians had a good portfolio when it came to their retirement.

However, I have heard over and over today members say that people are scared about their retirement, that they are uncertain about their retirement. That may very well be the case, because who knows how long one will live? Who knows how much money is enough?

I know people who will actually do better in their retirement than they have done through many years of working if they sell their home and downsize. They will have a better income in their retirement, but they are still fearful. One does not know the amount of time or the amount of money needed.

This bill would take money out of the pockets of those Canadians over 40 years and it would leave them with very little. It is not like another pension plan where, when I pass away, all my savings from CPP go to my wife. That is not what happens. She gets a very small portion of the dollars I may have invested in it over 40 years. Then, when she passes away, how much out of this pension plan is passed on to our estate, to our children? Zero. It is not the greatest pension plan in the world when we compare that with just about everything else.

Is it a needed pillar? Absolutely. There are some who depend on it, and we absolutely want that pillar strong.

The Liberals feel they can solve the pension crisis when there is no pension crisis and they will do it by taking money from everyone and putting it into a fund. When I am gone, it goes back into the CPP and it stays there. It is certainly not the best investment for our retirement.

Currently, CPP premiums are set at 9.9% of an employee's pensionable earnings, between \$3,500 and \$54,900 per year, up to a maximum contribution of \$4,959.90 per year, split evenly between the employee and the employer. Eighty-three per cent of Canadians households are on track to maintain their current living standards according to the study by McKinsey, which I already referenced.

According to Statistics Canada, the share of Canadian seniors living on low income has dropped from 29% in the late 1970s to 3.7% today. It is among the lowest in the world. We should be encouraged. The member for Newmarket—Aurora says that if there is only one senior living in poverty, we need to do something to help. However, we can actually be proud of this.

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Do we have to help the 3.7%? Yes, but let us do it in a measured way. Let us do it in a way that will not hurt our economy more than what we have right now. When I was in cabinet, that was one of the other things we were encouraged by with Canadians.

Canada's savings rate has climbed from 7.7% of pay in 1990 to 14.1%, today. That is according to C.D. Howe. People are starting to realize that if we encourage them toward their own private portfolios, the tax-free savings account, the RRSPs, pool registered pension plans, they will invest in those things.

The Liberals cut back those measures. Why? I am thankful they did not cut the pension income splitting for seniors like they had said they would do. However, they do not believe that personal incentive and initiative should count, that big government will look after them. It is a typical socialist plan and strategy to have people sit back and let government look after them. However, Canadians are catching on and savings rates are going up. We need to ensure that the poorest Canadians are looked after with a strong OAS and GIS.

• (1655)

Finance Canada's analysis shows that the higher CPP premium will hurt the economy. I want to speak to that for a few moments. Right now our economy is hurting. In Alberta, right now we have a crisis not only in the gas and oil sector, but we have a crisis in agriculture where 40% of the crop is under snow. We saw a little of that many years ago in September, but when we come into November, there may be a writeoff of many crops that are under snow. Be aware of that.

Small businesses are being hurt by the low price of gas and oil. They know that many of the businesses are laying off employees and employers are scrambling with incentives to stay such as job sharing, and so on. They are frustrated that their incomes are dropping and that they cannot keep their employees busy. Then they hear the government is coming in with a new carbon tax, a tax on everything.

We heard where 100,000-head feedlots were shutting down and one of the reasons they were shutting down was because of the red tape, the carbon tax, all these extra taxes that the government was throwing at them. Now the Liberals have come with another scheme with the CPP. It will cost every employee more. It hurts the economy.

In many of the discussions we had with finance ministers from across the country they all said that we should wait until our economy was strong, that we should move forward with CPP enhancement when the economy was strong. Our finance minister meets every week with economists who keep trying to explain to him why our economy is slowing down and not meeting expectations. The Liberals' answer to that is another tax.

It is poor strategy in my opinion. It is a strategy that will not help seniors. I have seniors who call to tell me they think it is all right to have a CPP enhancement. I tell them that not one nickel will go to them, that it will help them 40 years down the road. It will not reach the full enhancement until 2025. No seniors today or no one close to approaching their senior years will benefit from the bill. It is a bill that will help someone who is 20-years-old today and it will only help marginally and it will hurt magnificently. It will hurt because it will hurt the economy.

A CPP tax hike will reduce employment by 0.04% to 0.07%. The Canadian Federation of Independent Business represents over 100,000 small businesses. It said that if Liberals moved ahead with CPP enhancement, many of those businesses, and I think it was 60% of them, would either cut hours or cut employment. A high percentage said that they would not hire any new workers. If they have another increase in expenses, if they see another input cost expense, they will not hire new employees and they will cut hours or cut employment.

If people want a strong, dignified, secure retirement, they had better have a very secure and dignified job today. If people do not have a job, there is no dignified retirement. That is the problem. We have a government that is driving this economy into the ground and more and more people are being laid off and unemployed.

• (1700)

Our problem is that we have a government that does not recognize what we need to do to have an economy that moves ahead strong.

Finance Canada's analysis indicated there would be 1,050 fewer jobs per year for 10 years. It would reduce the GDP by 0.03% to 0.05%. It would reduce business investment. It would reduce disposable income of the average employee. It would reduce private savings by 7% over the long run. Why? Because there are Canadians today who will say that because of a CPP enhancement, they do not have to put money into my RRSP, or top-up they tax-free savings account, or save. The CPP, OAS, and GIS will look after them. That is not the message we want to give to Canadians.

According to the CFIB, a full 70% of small business owners disagree that the enhancement would be modest. They see this as having a big impact on their businesses. I would remind the government that 90% of the jobs created in our country are created by small and medium-sized business. They say this is not a modest increase.

Ninety per cent of small businesses think it is important to have a public consultation before anything on this is finalized. That is according to the Canadian Federation of Independent Business. A paper released by the C.D. Howe Institute shows that the Liberals' CPP plan would not benefit low-income workers, that they would see their premiums go up. Yet their net increase in retirement benefits would remain low since higher CPP payments would be offset by clawbacks in GIS benefits.

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Canadians are unaware of the implications that this CPP enhancement would have. Angus Reid found that 9% were following the debate, and very few understood what was meant. The CFIB Ipsos survey found that the majority of Canadians did not know the design of CPP and how it worked. In fact, it found that many people believe that the government paid into CPP, whereas we know it does not. It perhaps pays into the GIS and OAS, but not into CPP. Many Canadians, we know, always like the idea of an enhancement until they realize the government is taking money from one pocket and putting into the other. It is stealing from Peter to pay Paul. Typically we do not have any complaints from Paul when that happens; it is usually Peter.

The government is determined to push Bill C-26 through. It is a majority government so obviously it can do that. The Liberals are going to go ahead without the consent of employees and employers. They are going ahead contrary to what the provincial finance ministers said, which was to wait until the economy was strong. There is more education needed for the average worker and for firms. There are many other alternatives, and I wish I had more time to speak on that.

Regarding the tax-free savings account, at one time many people asked why the government would even go there. They said that it could not work, that it would not work. We found out that 12 million people bought into it, 2 million people maxed out on it, and 70% of them made under \$75,000 and 60% under \$60,000. Low and middle-income Canadians were seeing the benefits of this. Why does the government not grab some of that and say that it can do these things, but it will also enhance the way Canadians can save?

We want a secure, dignified retirement for all Canadians. These are not the measures that will get us there.

Hon. Judy A. Sgro (Humber River—Black Creek, Lib.): Mr. Speaker, we have had many discussions over the last five or six years about what is the best way to enhance the Canada pension plan or to provide some secondary vehicles to encourage people to save for tomorrow. The same rhetoric I have heard for the last five years is the exact same thing. The member's government introduced the pooled pension plans, thinking that would be a positive alternative. Clearly it was not. We clearly saw that very few people took that up.

I understand the ideology difference but without the CPP, thousands of people today would be in real poverty. A small amount of money per month from the employer or from the individual builds up for a better pension for people tomorrow. How can the member possibly object to that?

• (1705)

Hon. Kevin Sorenson: Mr. Speaker, philosophically and ideologically, I object to higher taxes all the time. I stand here because I believe that we need to lower taxes on Canadians. We need to put more money back into their pockets. We need to give them the ability so that they can depend on a solid CPP, and that is what we have at this point. They can depend on the solid pillar of old age security and the guaranteed income supplement. However, we also have to be certain that we are allowing them to save as well.

Are the other two pillars stand-alone pillars? There is no three-legged chair that can stand on two legs. We have to make sure that they are all secure.

The member referenced pooled registered pension plans. Again, it is another idea thought up by the Conservative government, along with the tax-free savings account and income splitting for seniors and others, which depended on the buy-in of the provinces.

We had provincial buy-in. We had some provinces that were buying into it fairly quickly, and others were trying to manage the legislation. Ontario said that it would buy into the pooled registered pension plan. Now some of those provinces are wondering if they have to do that if we are going to start enhancing the CPP.

With pooled registered pension plans, unlike the CPP, when something happens to me, with my estate, my wife and children will see the benefits of my savings. With CPP, my wife will get very little of the survivor benefit, very little of what I had accumulated over 40 years. However, I do not hear governments objecting to the fact that all of this pooled money will come back to the big pension plan.

We need to keep money in the pockets of Canadians.

Ms. Cheryl Harcastle (Windsor—Tecumseh, NDP): Mr. Speaker, I am glad to have this opportunity to ask a question of the hon. member. I stress that what we are talking about here with CPP enhancement is not wealth management. Therefore, this pillar definitely is important.

It is nice to hear about how in certain circles that one moves in, everybody is doing okay so there is not a crisis in retirement. To have Canadians hear that is a disservice. We do know that reports like the McKinsey report, which I have done extensive research on, is calculated using the value of retirees' real estate as well. In an area like mine, where real estate values are not as high as, let us say, in the GTA, people do not have that nest egg.

However, guess what? Our pharmacare, which is nonexistent, is something that hangs in the air for us and is very oppressive. Our medicine costs are the same. When one has to go to the lab and get extra blood tests, those costs are the same. Nursing home costs are the same, no matter where one lives. However, the fluctuation in our values in retirement mean we are going to have a certain percentage of Canadians who are not able to maximize and leverage their real estate.

Therefore, it was disconcerting to hear all day today, this lack of understanding on what that pillar of CPP is supposed to be achieving, and what personal investment is supposed to achieve. There is a clear difference there. For us to be using the time here today to confuse Canadians about what this really is, is alarming to me.

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I would like to hear the member's plan for how the Conservatives would address the exponential increase in poverty among elderly women, especially single women, in the last 20 years.

• (1710)

Hon. Kevin Sorenson: Mr. Speaker, again, listen to what Statistics Canada said.

Statistics Canada said that in the late 1970s, 29% of Canadians were low income, seniors living on low income. That number of 29%, by 2014, had dropped to 3.7%. The member over here will say that we do not care about the 3.7%. He better believe that we do. That is why we brought forward measures specifically to those 3.7%, the GIS, TFSAs, OAS enhancements. They are the reason that we did those things.

I will commend the government today if it will continue to move towards enhancement of survivor benefits. We did some; I think there is perhaps more room for that measure to be done.

However, we again have a Liberal government, working together I believe with the NDP, who would say that we need a sledgehammer for a very small problem. I hear the NDP saying that oh, it is not a small problem, it is 3.7%. Typically Canadians are better off today than they were in the seventies. We have to continue to enhance it.

I am not saying that we should never make any adjustments, but I am saying that when our economy is like it is now, the last thing we should be looking for are ways to increase taxes on the average Canadian, the middle-class Canadian, the low-income Canadian. The last thing we should do is to say that the government is taking more. It is doing it with the carbon tax. It is doing it with payroll tax increases. It is continuously doing it with measures that mean that Canadians do not have disposable income. That is why we will continue to see household debt rising.

Mr. Colin Carrie (Oshawa, CPC): Mr. Speaker, my colleague has really defined the problem.

I have been listening to the speeches in the House today, and they are saying that retired single females are having a real problem. Well, my colleague explained really well that what the Liberals are trying to do is not going to help anybody who is suffering today.

The challenge I am hearing with the youth in my community who are looking for jobs is that they do not trust the government to look after their savings moving forward. With the way things are going right now, with the job losses, especially out west, and in manufacturing in my community, they want to know what the solution is for the government moving forward. Is it going to end up devaluing people's savings and investments in real estate?

I want to talk to my colleague about an issue that is being missed by the Liberals and the NDP. It is about competitiveness and how this incrementalism that is being put forward in government policy is affecting our competitiveness, especially in Oshawa and for manufacturing, whether it is the highest rates for electricity in North America that we suffer from in Ontario, or this carbon tax that the government is bringing in, or now with the increase in payroll taxes.

Could the member explain to the NDP and Liberal members why this is so harmful to attracting new business to our country, when countries that we compete with do not have these burdens?

Hon. Kevin Sorenson: Mr. Speaker, that is a very good question from my friend.

First of all, I want to say that one of the things our Conservative government did, among all of our consultations, was that we listened to what seniors said, and not just on one issue but on many. When they said they would like us to reduce the minimum withdrawal requirements from the RRIFs, another measure we gladly did, it meant they could stretch their portfolio over a much longer period of time, until they were 85, 90, 95 years old.

The member talked about competitiveness. We have a presidential election going on in the United States. If members could stand to watch any of it, they will have heard talk about jobs going to Mexico, jobs going everywhere else. Why is that happening in the States? Jobs will go to where they can be competitive, to where they can have an advantage.

We have seen it in the provinces. We have Premier Wynne here, who has a problem on her hands. She is watching manufacturing leaving because it is not as competitive anymore as with other provinces. This is a massive problem. Competition, competitiveness, productivity: all of this can hurt.

• (1715)

Hon. Pierre Poilievre (Carleton, CPC): Mr. Speaker, let me begin by thanking the leader of Her Majesty's loyal opposition for recently naming me the spokesperson for work and opportunity for the Conservative caucus. I will approach this issue and all issues by breaking them down into those two constituent parts, work and opportunity.

The reason that those two things are so important is because they will determine the well-being of our people. The best anti-poverty program is a good job. The greatest social safety net we have is a strong family and a strong community. I am here today to talk about how we can use the power of work and opportunity to lift people up, particularly people who are less fortunate. It is through that prism that I will comment on the government's proposed increase in Canada pension plan payroll taxes.

Let us start with the impact of that policy on work. What will be the impact on work? First, it will make it more expensive to work. Anybody who has a job and receives a wage will pay higher payroll taxes. According to one estimate, it will be as much as \$2,200 in extra payroll taxes, and that will be matched by the employer. It would be \$2,200 per household, and an equivalent amount for each contribution by the employee will then be paid by the employer.

That deals with the second half of the work dimension. Not only will it be more expensive to work, it would be more expensive to hire. When it becomes more expensive to hire, understandably less hiring happens. That is particularly the case for small businesses, whose ability to take on marginal costs like payroll taxes is lower than that of larger firms.

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This is particularly important because new evidence has emerged this month showing that small and medium-sized firms are vastly outpacing big business when it comes to hiring people. A report from Scotiabank said:

Annual payroll growth among small firms (fewer than 100 employees) averaged 1.4% from 2010-2015, significantly stronger than the 0.9% increase among large firms (500 or more employees), though lagging the 2.0% gain among mid-sized firms (100-499 employees). Small firms generated more than 500,000 net new jobs over this period, or 45% of national payroll gains.

In other words, small companies were responsible for half of the net new hiring that occurred between 2010 and 2015, and large businesses, the kind that the Liberal government likes to associate with, are not generating jobs in the same numbers as the small and medium-sized enterprises. This new payroll tax will make it more expensive for the small companies to hire people, and therefore they will do less hiring.

Anyone who has been out in their communities and talked to small electrician firms, small construction companies, local mom and pop shops, will say they are hearing of the increased burden of government that applies every time a small business tries to hire someone, whether it is restrictive labour laws, higher payroll taxes, provincial and municipal building code restrictions, or the endless volumes of paperwork that a small business must complete for the mere crime of creating jobs and providing goods and services in a community. All of these burdens make it more difficult for entrepreneurs to hire and grow their payroll, and this new payroll tax will make it harder still.

● (1720)

Let us be clear. The government has argued that the CPP payroll tax increase is not a tax at all. It argues that it is simply deferred income, that it goes in one end of the CPP machine, and that when the person retires, it comes out the other. That is not the case for small business. The entrepreneur will pay an increased premium, but he or she will get absolutely nothing in return for it. Their pension will not go up as a result of the increased payroll tax. Their costs will simply go up.

The reality is that they do not have spare change sitting around waiting to throw at the government, so they will have to make difficult decisions. The Canadian Federation of Independent Business has already said that many employers will either cut wages or jobs to make up the extra cost from new tax burden.

That is how this new tax will affect small business in particular, but what about businesses in the export market? Canada is a trading nation. Without exports, we do not have an economy.

I look at the struggling manufacturing sector in Ontario, already hammered with literally tens of billions of dollars in inflated electricity prices imposed by the provincial government to reward well-connected, so-called green energy firms. We look at the new carbon tax these firms will have to pay just to keep their factories operating, and now they will have to pay new contributions to CPP. Large manufacturing firms, particularly in the auto sector, have already warned that this triple whammy will make it more difficult to create jobs here in Canada.

We have a global supply chain where investment goes to where the returns are, and if the returns on hiring Canadians are lower

because the costs are higher, then these firms will just build and hire somewhere else. They have lots of options. Other places around the world are competing fiercely for opportunities and jobs for their people, and they are doing it by lowering taxes and streamlining red tape. The government is doing precisely the opposite of that, so we can expect that this new and expanded tax on jobs will mean fewer jobs and less work.

As the critic for work and opportunity, I think that is terrible. We need to expand job opportunities for people by lowering the cost of hiring. If we do that, then entrepreneurs, large and small, will come here and hire in record numbers. That is the agenda we should push.

Let me remind our colleagues across the way who say we need to have more contributions to the CPP, that if someone loses their job, the contribution they make to their CPP retirement is zero. They get absolutely nothing put away in a rainy day fund, in their retirement nest egg. If we want to ensure that people have enough money to retire, we have to make sure they have a chance to work so they can contribute to their savings in the present day rather than taxing them out of a job.

Let us move to the second part of my new duties as critic and spokesperson on the issue of opportunity for Canadians. What kind of opportunity will this proposal bring to the Canadian people? The government says that we need to increase the mandatory contributions to CPP because people cannot afford to save for their retirement. Let us think about that for a second: people cannot afford to save for their retirement, so we will force them to save.

If the government's position is that no one has any money to set aside at the end of the month, then how will they afford to pay this new tax? It has to come from somewhere. It is not magic. The amount that the government is proposing the average family contribute is \$2,000. If Canadians do not have \$2,000, what will they do when this new tax kicks in? They will not have a lot of options.

In fact, options are precisely what we should be providing them. We should live in a big, opportunity filled free enterprise economy where Canadians get to choose what is right for them. That is what free enterprise means, and that is why it is the greatest poverty fighting machine ever invented.

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• (1725)

Prior to the current government's taking office, we as a Conservative government introduced the tax-free savings accounts. The government does not actually understand the purpose or the use of those accounts. It has suggested that tax-free savings accounts are merely a tool for the rich. They are exactly the opposite. It has been proven that RRSPs tend to be weighted more in that direction. TFSA's are weighted to favour low-income people. That is because low-income people often do not have access to the biggest tax-free savings account that has ever existed in Canada, which is the capital gains tax exemption on a primary residence. We have long had a tax-free savings account for real estate so that we can grow the value of our property infinitely without paying any capital gains tax at all as long as it is our primary residence. What about low-income people who do not have a primary residence but who instead rent because they have never been able to afford a down payment? A tax-free savings account is precisely the equivalent for them. It gives them the ability to save tax free through equities and other savings instruments the way that more affluent Canadians already have saved tax free through the ownership of a principal residence.

Lower income people pay a lower marginal tax rate because they are in a lower tax bracket. As a result, an RRSP does not necessarily save them as much money when they contribute to it. Therefore, if their marginal tax rate is somewhere around 20%, an RRSP contribution does not defer nearly as much either in percentage or absolute terms as if they were a millionaire, like the finance minister, and pay a marginal tax rate of 48%. The millionaire would save 48% whereas the working class person would only save or defer 18% or 19% on an RRSP. With tax-free savings accounts, not only do the savings accrue over time but the accounts also exempt a low-income person from having eventual GIS and OAS benefits clawed back later in life because TFSA earnings are exempt from that clawback. Therefore, lower income people can retain the GIS and the OAS while they take gains out of their tax-free savings account.

The government will say that low-income people never contribute in the first place. Actually, the statistics from Finance Canada prove exactly the opposite. The average income of a TFSA contributor is \$42,000. Maybe the government does not consider that middle class. Its so-called middle-class tax cut did not give a penny to anyone earning below \$45,000 a year. I consider that middle class. At the very least, the people who earn \$42,000 a year are working hard to join the middle class, and TFSA's are one way to help them do it.

Of those who actually maxed out their tax-free savings account, the average income is about \$60,000 a year. Our friends across the way will say that it is impossible for someone earning only \$60,000 to max out a \$5,500 tax-free savings account. That is because the Liberal government does not understand when and how people contribute to those accounts. They do not always do it out of their income but out of big life events. When a spouse dies, an elderly survivor may want to put the inheritance in a place where it will not be taxed. That is why he or she would take that inheritance and put it into a tax-free savings account. If a senior gets too old and can no longer climb the stairs in his or her large multi-level house, if he or she disposes of the house and moves into an apartment, he or she has turned a hard, real asset into a liquid asset and can put that money into a tax-free savings account. That is why the people who have

maxed out TFSA's are not all rich. They are often people with low incomes who have had major life events that cause them to turn their assets into cash, and they want to turn that cash into tax-free income. We wanted to give them the opportunity to do that, which is why we created the tax-free savings account, and that is why we increased the amount people can contribute to it.

On the other hand, the government wants to force everyone to contribute through the CPP, arguing that this instrument is the only way people should be allowed to make contributions to their savings. However, we are increasingly finding data that shows that it is not the best savings instrument compared to the other alternatives out there in the marketplace.

• (1730)

In fact, a recent study by the Fraser Institute demonstrated that the 1.07% management cost of running the CPP is quite high. It is not low, as was argued earlier. It is actually quite high, and Canadians, increasingly, can access exchange traded funds with the click of a mouse on the Internet, from very reputable firms like Vanguard, iTrade, or others. These funds are massively diversified, with extremely low management costs, much lower than the CPP. In fact an investor can own the entire American stock market, the entire Canadian stock market, and even the entire worldwide stock market and be diversified into every single company that exists and is publicly traded on planet earth, with a management expense ratio lower than the current CPP's.

Warren Buffett was recently asked how he would encourage the average investor to prepare for their future. Given that most people do not have the time or expertise to pick one stock at a time, he suggested exchange traded funds because of their extremely low management expense ratios, because it costs so little to invest in them, and because they diversify so widely it protects the investor against major losses.

That is just one vehicle, but there are all sorts of other vehicles available to people if they so choose. I am not here to offer them financial advice. I think most of us in this place struggle just to plan our own financial futures. However, we do acknowledge the cornucopia of opportunity for people out there in the private sector, and that Canadians are smart and wise enough to make those decisions for themselves. They should not be robbed of those decisions by a government that thinks it knows best how they ought to prepare for their future. That is exactly what this government is doing by forcing people to invest more money in an expensively managed CPP savings account.

I conclude by turning the attention of the House to a column recently written by Kevin Libin in the *Financial Post*, who said:

So what if a new report by Morneau Shepell, the human resources firm once chaired by our current federal finance minister, finds that the new enhanced CPP doesn't significantly tackle all that much—and, in some ways, makes our retirement system even worse.

The article goes on to say:

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Even Bill Momeau, before he was a politician and still worked at the human resources firm that bears his family's name, co-authored a book with Vettese that repudiated—

The Deputy Speaker: Order, please.

I see the hon. member for Saanich—Gulf Island rising on a point of order. I started to detect this commotion. I did not hear. Perhaps the member could enlighten me.

Ms. Elizabeth May: Mr. Speaker, entirely inadvertently I am sure, the official opposition advocate for opportunity used the opportunity to use the personal name of the Minister of Finance. I think he will regret that. It's just a hunch.

The Deputy Speaker: I appreciate the intervention by the member for Saanich—Gulf Islands.

The hon. member for Carleton may recall, and for the benefit of the House actually, when the name of another member appears in a citation one cannot use the name, even if in doing so you are doing it indirectly through a citation. So even in a citation we essentially rule that out of order.

The member will then, I am sure, substitute and use the appropriate name, either the title, or the member's riding name.

The hon. member for Carleton.

Hon. Pierre Poilievre: Mr. Speaker, sorry, I am new here.

The quote states:

Even [the finance minister], before he was a politician and still worked at the human resources firm that bears his family's name, co-authored a book with Vettese that repudiated “fear-mongering media stories” and “overblown” worries that Canadians were under-saving.

Now, he'll force Canadians to save more for their retirement whether they want to or not, or whether they need to or not. Eventual changes to benefits from 25 per cent of covered earnings to a third, and a heightened ceiling on covered earnings from what would have been \$72,500 in 2025 to \$82,700, will result in some Canadian workers paying as much as 40 per cent more in CPP contributions by that date—up to an additional \$2,200 a year deducted from their take-home pay, according to Finance Canada's backgrounder.

The finance minister opposed precisely what he is now implementing and enforcing on Canadians.

At the end of the day, if Canadians want to contribute more to a large, diversified savings fund, there are hundreds of options available to these millions of Canadians. We as government should not impose our will upon them and their retirement savings plans. That is why we on the Conservative side instead favour voluntary options, low-tax plans, rather than high-tax schemes, to free people to make the best choices for their lives and their futures.

• (1735)

Mr. Adam Vaughan (Parliamentary Secretary to the Prime Minister (Intergovernmental Affairs), Lib.): Mr. Speaker, I listened with great interest to my colleague, who has a new job title. The first two letters are J and O. I would suggest he add some more components to his job title, with kids excepted and seniors with nothing. In other words, the joke is on him.

That was not the best joke in the House today. Handwriting is not my long suit.

I keep hearing the other side talk about the 17% who do not. They say that a job is the best social program. Is the member really

suggesting that kids go out and get a job if they need daycare? Is he really suggesting that seniors go back to work if they do not have the funds to retire? Is the job really the best social program for everyone, or are there some people who need support? If that support is needed, should that support not lift them out of poverty rather than keep them there?

Hon. Pierre Poilievre: Mr. Speaker, first of all, kids do not make contributions to CPP. I am not sure if that is something the hon. member proposes, nor do people who are out of work make contributions to CPP. If he is saying that this is a solution for long-term unemployed Canadians, he should check the rules of CPP, because those Canadians cannot contribute in the first place and therefore they accumulate no benefit under the existing system or any future one the government may propose.

Nothing in the member's proposal would expand retirement benefits for unemployed Canadians. Nothing. Let us just be clear on that.

My comments were that yes, I believe that the best anti-poverty program is a good job and the best social safety net is a strong family and a strong community.

As it relates to child care, we on this side believe that families are best able to make their own child care decisions. That is a debate we had long ago when we were discussing whether to have a daycare program or give direct benefits to parents. That is a debate the Conservative Party won, because the Liberal Party has now adopted our position on that with this new child benefit.

Mr. Gord Johns (Courtenay—Alberni, NDP): Mr. Speaker, poverty in Canada costs us between \$72 billion and \$84 billion a year in increased health care costs and an increased need to take care of those who are the most vulnerable. As elected officials, it is our job to look out for the most marginal, to try to reduce costs, and to look at a harm reduction strategy that will save taxpayers money.

When we look at the statistics the Conservative Party talks about when they talk about people living in poverty, they say that it is between 3% and 4%. When I look at statistics for seniors, 15% of single seniors are living in poverty, and 30% of single senior women are living in poverty. When we look at the most recent figures and talk about the 30% of single women living in poverty, that number has tripled in the last 20 years.

What plan does my colleague's party have to help lift the most vulnerable elderly women out of poverty? This is not just life circumstance. There is a lot of life circumstances for 30% of single elderly women to be living in poverty.

• (1740)

Hon. Pierre Poilievre: Mr. Speaker, one person living in poverty is one person too many, and we here should produce policies that free people to pursue opportunity and escape the terrible state that is an impoverished life. That is why I am so proud of the progress we have made in this area. Back in 1996, 15% of Canadians lived below the low income cut-off line. In the most recent year on record, 2014, that number dropped to 8.8%. That is a spectacular decline, and most of it, by the way, happened under the leadership of Prime Minister Harper.

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The reason it happened is that we rewarded hard work, particularly by cutting taxes for low-income people who were entering the labour force. We brought in about \$35 billion a year in tax relief, which the parliamentary budget officer said was overwhelmingly directed at low- and modest-income people. We brought in the working income tax credit, a benefit that helped people get over the welfare wall. We raised the personal exemption to take hundreds of thousands of people off the tax rolls. There were people who literally had their federal income tax burden lowered by 100% under the previous Conservative government. We need to continue to lower taxes and create opportunities to make work pay and give people expanded opportunities so that we can defeat poverty once and for all.

[*Translation*]

Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC): Mr. Speaker, I would like my colleague to tell us what he thinks will be the impact of this new tax on businesses, especially small businesses. I will say once more that I am a business person. I know that it is going to have a serious impact on me and, unfortunately, I have no say in it.

Hon. Pierre Poilievre: Mr. Speaker, for one thing, these changes will not benefit businesses. They will have to contribute more, but CEOs, company owners, and entrepreneurs will not be able to collect more in retirement. For businesses, there is no upside to the contribution.

Unfortunately, this measure will force some companies to implement hiring freezes, pay cuts, or, in worst-case scenarios, layoffs. That is what will happen. Businesses do not get money for nothing. They have to earn it by working.

Also, there is only so much money to go around. If the government imposes another tax, that will reduce the amount of money available to pay wages and hire Canadians. That will be the fallout of this tax hike.

[*English*]

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, it was not that long ago that Canadians found out that the age at which we could retire and qualify for CPP had been changed unilaterally by a prime minister speaking to us from a great height in Davos.

I am looking forward to seeing improvements to the CPP, but I know they are not enough.

I have one of the ridings with the highest proportion of seniors of any riding in this country. I hear from my constituents that they do, on a daily basis, make choices on whether they can afford their medications, which they do, particularly for ailing partners. Quite commonly, elderly Canadians are spouses of elderly Canadians with inadequate care for dementia. At the same time, I have many constituents who know that even though their partner served in the Canadian Armed Forces, because they remarried after the age of 60, they will get no pension.

There are real concerns in the lives of seniors. I think this is one opportunity to improve that circumstance.

I would ask the hon. member why his government did not do more to address these issues.

Hon. Pierre Poilievre: Mr. Speaker, as I just finished saying, our government did plenty. We saw a record decline in poverty, including seniors' poverty, during the leadership of our prime minister. In fact, it was the biggest decline, on record, of any prime minister. There was a bigger decline in poverty under Stephen Harper than there had been under the previous seven prime ministers combined.

My question is why she does not do more. She has been a great advocate of these schemes that take money from poor, low-income seniors and give it to wealthy insiders, like the Green Energy Act in Ontario, which the Auditor General of that province said took \$47 billion in overpayments to well-connected, multi-millionaire insiders, including one who is a former president of the Liberal Party, and that drove up electricity costs, particularly hammering the poor and seniors on fixed incomes.

I have literally had people come into my office saying, "I have no idea how I'm going to pay my energy bill, because my electricity bill keeps skyrocketing and my income does not".

Those kinds of policies, which have favoured the rich, have favoured the well-connected, and have favoured the insiders, have come from people like that member for the Green Party, who has supported them. It is outright hypocrisy that they continue to stand in their places and claim that they are so concerned about the well-being of the poor, when they are robbing low-income families blind to give to the most well-connected and undeserving millionaires in Canada.

• (1745)

The Deputy Speaker: Is the hon. member for Saanich—Gulf Islands rising on a point of order?

Ms. Elizabeth May: I rise on a question of privilege.

I cannot help it if other levels of government use the word "green". We can check, but the Green Party of Ontario did not support those policies, and I personally—

The Deputy Speaker: I take the hon. member's intervention. However, it is not a question of privilege. It is probably a matter of debate. From time to time the member will have the opportunity to weigh in on those points.

[*Translation*]

Before we resume debate, I wish to inform the House that five hours have passed since the beginning of the first round of speeches on this matter. As a result, speeches will now be limited to 10 minutes and questions and comments to five minutes.

[*English*]

Resuming debate. The hon. member for Central Okanagan—Similkameen—Nicola.

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Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Mr. Speaker, I am pleased to contribute to the debate today on Bill C-26, often referred to as “big CPP” by the many Canadian small business owners who abhor yet another payroll tax being imposed on them by the Liberal government. As a former small business owner, I can speak firsthand of the many reasons I strongly oppose this legislation.

Let us be honest that no matter how we slice or dice it, this legislation would increase the cost to an employer of hiring a worker. It would also increase the cost to employers of the workers they already employ. Let us also be honest and recognize that job numbers coming from Statistics Canada are not encouraging. Likewise, we know that projections from the Bank of Canada are being lowered for economic growth at the same time the Liberal government is imposing a top-down national carbon tax that will drive costs up on employers and small business owners alike. Likewise, we know that the Liberal government has also reneged on its promised small business tax cut.

Let me recap. In a relatively short period of time, small business owners in Canada have had the costs of their existing workers increased by the Liberal government. The government has also increased the cost of hiring new workers. It will be increasing their operating expenses as a result of a national carbon tax, and it has not followed through on its commitment to business tax cuts. It has done all of this at the same time that job numbers are looking bleak and our economic growth is being downgraded.

This may sound like a bleak picture, but the reality is that everything I have just stated is factually accurate and true. It is no wonder that investment has also declined. It is also no wonder that the Canadian Federation of Independent Business strongly opposes this additional payroll tax. It is no wonder that close to 20,000 of the federation's supporters signed a petition opposing these Liberal-imposed increase in costs in general. We must keep in mind that many Canadian small business owners now compete with other small business owners in the United States, where there is no national carbon tax and where the government is not drastically increasing the costs of small business owners.

The Prime Minister looks down on small business owners. He has stated directly that “a large percentage of small businesses are actually just ways for wealthier Canadians to save on their taxes”. As a former small business owner, I can tell the House that this comment by the Prime Minister is, to put it into parliamentary terms, a foul smelling, crusty batch of nature.

The reality is that small business owners are not wealthy Liberal elites and, by and large, these people do not pay \$1,500 a plate for private access to the finance minister. The fact is that many small business owners from time to time struggle just to meet their payroll, and some even work a second job. Typically, they do not have the luxurious benefits of the public sector. I mention this final point because we should never forget that it is from the private sector that we take so that we can afford to have the public sector. An expanded CPP would take money out of the private sector.

I just heard an argument that this money would ultimately return to the economy when workers retire. However, let us not overlook the fact that not everyone lives to age 65. For them, their families,

and their estates, an expanded CPP would do very little. Likewise, even for those who only live a few years beyond 65, that transportability of CPP to loved ones, kids as an example, would basically be negligible. People could pay these hugely increased costs their entire working career and potentially get very little to no benefit from them whatsoever.

However, that is okay for the big CPP pension board, because the cost to administer CPP has basically gone through the roof. As the national columnist Andrew Coyne has recently pointed out, staffing has increased at the CPP Investment Board from five in 1999 to around 1,200 today. Likewise, operating costs have gone from \$3 million in 2000 to \$803 million in 2015. External management fees have risen from \$36 million in 2006 to \$1.25 billion in 2015. These are just a few alarming indicators.

● (1750)

To be clear, I am not being partisan about this. These things have happened under both Liberal and Conservative governments alike. However, under a Liberal government obsessed with consultations and reviews, it is curious that this big CPP is being imposed on Canadians with zero consultation with groups like the Canadian Federation of Independent Business, and no review as to how administration and expenses are rising so dramatically for the CPP.

Of course, we have heard the finance minister and the Prime Minister tell us that Canadians are not saving enough for their retirement, which is why they believe having the government do it for them through this big CPP is the answer. When the Liberal government reversed the \$10,000 annual maximum contribution to the tax-free savings account, it did so arguing that down the road they were worried Canadians were in fact saving too much.

Now here is the thing with the tax-free savings account. Unlike the CPP, with the tax-free savings accounts, those funds, lifetime savings I might add, are fully transportable. This means that one's kids, spouse, and family all benefit from one's lifetime of savings instead of having that money sucked into the growing administration of a big Canada pension plan. To be clear, a tax-free savings account did not penalize employers who are job creators. Therefore, in reality, we have a Liberal government that one day says it is worried Canadians are saving too much so we better cut back that tax-free savings account, and then a few days later it says that Canadians are not saving enough so we better bring in big CPP.

It is not unlike what the current government has recently done with new mortgage qualification rules. People in Summerland and West Kelowna, in my riding, have phoned me and emailed me and said that this makes home ownership a goal that has been stretched down the line. This is a sad thing, because people work hard. They want to succeed in life, and home ownership is one of the ways we can do that.

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Let me be clear. A home is how one can build equity for retirement. If anything, the government should be focused on measures that increase the supply of housing to help increase affordability. More home owners mean more equity for those home owners down the road, and less need for an expensive payroll tax like big CPP.

One final point I would like to raise, going back to the government's argument that people are not saving enough and thus let us impose big CPP to do it for them, is whether it has ever occurred to the Liberals to ask why people are struggling to save. Well, I have an answer, and for a growing number of Canadians, the answer is too much taxation. Governments, at all levels, continue to add more and more taxation, leaving less take-home pay.

In the irony of ironies, the tax-free savings account which, let us not forget, is entirely funded by our net after-tax pay, has now been reduced by the Liberals. It is like the current Liberal government and the Prime Minister have created what I believe is a war on equity. At the same time, let us not forget that it is the same Liberal government that is adding massive amounts of new debt.

Yes, I know the finance minister loves to use the term "investing", but regardless of how we wordsmith it, that investing that has created this massive pile of new Liberal debt will down the road have to be paid. Each month we pay interest on our debt. In fact, the amount of the federal government interest on the debt we pay right now is close to what the Canada health transfer is to the provinces. While provinces all squabble for more health care transfers, we can all collectively look the other way, but that interest on debt is rising at alarming levels.

Therefore, down the road, we are going to see a problem, collectively. Either we are going to see more increases in taxes, reduced government services, or possibly a combination of both. That is maybe the real reason that the Liberal government supports big CPP, so that our future retired Canadians will have more capacity to absorb inevitable increased taxation as a result of today's Liberal debt being added to at near record levels.

The bottom line is that I would like to ask all members in this place a simple question. Where exactly will small business owners get the money to pay for these dramatic increases in labour costs?

The reality is that for small business to stay in business, we all know that income has to exceed expenses. In a small business, one's income comes from one's customers. When one's costs rise without a corresponding increase in sales, one goes out of business. That is the message that the government is sending to small business owners across this great country.

I would ask all members in the House to listen to the objections of the CFIB and oppose this damaging measure that would harm employment. Those who are unemployed do not contribute to CPP because they draw down from EI and other government-funded programs. Now is not the time to be expanding big CPP, and that is why I strongly oppose the bill.

• (1755)

Mr. David de Burgh Graham (Laurentides—Labelle, Lib.): Mr. Speaker, I have a simple question. The member referred to housing as a very good source of investment for retirement, and he is

not wrong. However, in Quebec, homes are owned by about 60% of the population, so 40% do not have that asset. To cash out on that asset, they have to cash out of the house, which means that they are either remortgaging it or selling it so that they then have nowhere to live but have a wonderful pile of money. TFSAs and RRSPs can only be contributed to if people have extra money to do so.

My question for the member is pretty simple. Does he believe the government has a role in helping people who do not have the money to invest themselves?

Mr. Dan Albas: Mr. Speaker, it is a very simple premise. Let us say people are working and earning low incomes. We would be taking money away for their consumption today. Maybe they want to hire a math tutor for their sons or daughters, or maybe they want to invest in going back to school, those kinds of things that make us wealthier and smarter down the road. They cannot access those. In fact, they have put that money into the future, where there will be other benefit programs like old age security and the guaranteed income supplement, which track with inflation. They are going to have more money down the road, but they have less money right now. That really cuts off their ability to do other things, like I said, in education or investments in themselves.

I have heard from young families in Summerland who are being told they cannot qualify for the larger homes that they have been saving for. This has been tough on young Canadians who want to start families and want the same benefits that many of us here have had.

Ms. Cheryl Hardcastle (Windsor—Tecumseh, NDP): Mr. Speaker, I am hoping that the hon. member can assure me that he understands that in order to pay for the increased benefits to CPP, the increases will have to be phased in gradually over a number of years. The reason we are doing that, as he stated, is that home ownership is threatened. It is threatened by precarious work, which I believe is one of the reasons the CPP enhancement is timely for the younger generation that is experiencing the precarious work reality.

I am wondering if he can reassure us that he understands the phase-in for this CPP enhancement.

• (1800)

Mr. Dan Albas: Mr. Speaker, the finance minister has talked about precarious work, so I am glad that we are also talking about it.

First, if people do not have jobs, they cannot contribute to CPP. I just confirmed that the parliamentary budget officer still projects that this year's budget, which was set by the government to raise 100,000 new jobs, will only raise 60,000. There are less small businesses willing to hire young people because of things like CPP and carbon taxes.

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I would love to be able to say that we are able to take these small amounts over time, which would be the logical thing, but that is not what is happening. What happens if there is another recession in five years when these things start to kick in full bore? Will the government actually rescind those things or will it be ideological? We just do not know. We do not know what the future is. I do not believe this is the best way to go forward, but I appreciate the member's point.

Mr. Bob Zimmer (Prince George—Peace River—Northern Rockies, CPC): Mr. Speaker, the one thing that both the member and I understand is small business. I was a small business owner myself. We are doing a study on poverty in the human resources committee, and we always expect a certain demographic to pay more, but there is a point at which that particular individual or business just cannot do it. Eventually something occurs and the inevitable happens.

The Conservative government proposed an 11%, 10% to 9% small business low corporate tax rate because those are job creators. The member spoke a bit about the negative potential of this, but what could possibly happen if small businesses are simply taxed too much?

Mr. Dan Albas: Like I said earlier, Mr. Speaker, if they cannot sell to their customers at competitive prices, the customers will go elsewhere. Eventually, if they cannot find new customers willing to pay what their costs are, they will go out of business.

We talked about precarious work. What happens when it becomes too precarious for small businesses to employ young people? What happens when it becomes so precarious for larger corporations that they say the province or country they are in is no longer competitive? I am worried that there will be Canadian oil sands companies operating in Mexico and other jurisdictions rather than here in Canada. Why? We are not cost competitive and that is a shame.

Ms. Cheryl Hardcastle (Windsor—Tecumseh, NDP): Mr. Speaker, I am proud to rise to speak to this important issue today.

New Democrats were first to fight on behalf of an enhanced Canada pension plan in this century, launching a multi-faceted plan that would have ensured retirement security for Canadians back in 2009. While we are supporting the current level of enhancements, we nevertheless understand that for many retirees it will be inadequate. That is why we will continue to fight on behalf of all present and future retirees so that they can retire with the dignity we believe they deserve.

Canadian retirement income, and in particular enhancement to CPP, is one of the defining issues of a generation. Juxtaposed with the precarious work issue, we know Canadians are facing a retirement income crisis that must be addressed. The enhanced CPP would benefit a new generation of workers entering the workforce, but it would not alleviate the retirement income crisis of those who approach retirement.

An expansion of the CPP is the right way to modernize the retirement income system for the 21st century. The CPP is universal, providing pension benefits to all workers earning more than \$3,500 throughout their working life. The pension benefits follow us from job to job and for periods of self-employment as well. These attributes are important, given that this is a generation of workers

who are more likely to change jobs many times over their working lives and less likely to have a workplace pension plan. Add to the mix the proliferation of low-paying, precarious jobs, along with increasingly high student loans, and we begin to see that there is a real structural impediment to saving for retirement.

Given the urgency of this situation, it has always been difficult to listen with a straight face to the Conservatives declare that the CPP enhancement is a tax. A tax that pays us back later, is it? I do not think so. Like all real pensions, the CPP is a deferred wage. It is income that will be received later, and tax will be paid on that income later, by the way. It is disingenuous to continue referring to this enhancement to the CPP as if it were a negative, as if it did not matter that people would be in a better position to retire with financial security in the future.

Also, increasing the CPP now is a great way to diminish future reliance on the taxpayer-funded guaranteed income supplement, so this enhancement would actually be good for the taxpayer. Increasing CPP is largely a no-brainer as the plan performs very well and its administration costs are kept low. Low operating costs mean more of the money Canadians contribute through their CPP premiums gets invested, which means higher returns, which means more money for retirement incomes. The high administration fees charged by the retirement plans sold by the financial industry eat into future savings. In fact, an extra fee of 1% can cut into lifetime savings by as much as 25%. The typical fee charged for mutual funds in Canada, of 2.3% for example, can slash returns in half.

The CPP was created to be a universal pension program, meaning it belongs to everyone. Everyone pays into it when he or she works and everyone gets a pension from the CPP when he or she retires, fair and simple. The CPP provides a lifetime benefit that maintains its value over time as it is indexed. There is no need for people to fear that they will outlive their retirement savings or that those savings will be reduced by inflation as they age.

Currently, the CPP covers earnings capped at \$54,900. For earnings up to the cap, the CPP aims to replace about 25% of the income. Therefore, the maximum pension comes in at about \$1,092 per month, or \$13,100 per year. Contributions are 4.9% for each the employer and the employee up to the same cap. The expanded CPP would be a new and separate tier. This tier would be added on top of the existing CPP. The new CPP tier would do two things, phased in over the next years to 2025.

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● (1805)

First, it would take the replacement rate up to 33.3% from the current 25%. Second, it would expand the upper earnings cap from today's \$54,900 to \$82,700.

To pay for the increase in benefits, contributions for employers and employees would increase. This increase would be phased in between 2019 and 2025. There would be two tiers for the increase between 2019 and 2025. For those earning less than the yearly pensionable maximum earnings, which is currently \$54,900 and would be adjusted each year, it would increase slowly to rise to an additional 1%. Those workers and employers would then be paying at a rate of 5.95%, up from 4.95%. In real numbers, this would mean that a person whose rate was set at the maximum would pay an additional \$43 a month, as would the employer.

The Liberals claim that the maximum benefit under the enhanced plan would rise by 50%. Well, this is creative mathematics, as they get that number by using a faulty comparison. In fact, the maximum benefit would rise by 33%. The maximum a person can receive is now \$13,110. That number is based on the maximum earnings that can be used to determine benefits, which is \$54,000. Under the new plan, that person will receive \$18,117, and that is in 2016 dollars, or a 33% increase.

The high cost of housing and drugs, the looming issue of the clawback of the GIS, and the indexing of pensions come immediately to mind as areas we need to act on quickly. Canadians from coast to coast to coast agree.

We are witnessing and experiencing the untenable pressure our seniors must bear. More must be done, because all of our seniors deserve to live with dignity. We need immediate action to help those seniors and seniors on the cusp of retirement who will not benefit from these changes.

Let us build on the momentum of this agreement and take the next steps to improve long-term retirement security for today's workers. Social justice advocates, including the labour movement, have done a tremendous job in laying the groundwork for this agreement. I am so proud of the work they do in my riding to advance our social conscience.

It is in that vein that I raise a profound concern about how the enhanced CPP contributions will be managed and invested. The Canadian Pension Plan Investment Board must diligently examine its areas of investment, including resource extraction in developing countries. The Norwegian pension plan investment board, for example, withdrew from all such portfolios because of human rights concerns.

As Canadians, we need to stand up to cavalier attitudes that suggest that this is how business is done. We must begin to think of the human consequences of our activities around the world, and where businesses behave in a predatory and exploitative fashion, I believe we should withdraw our investments in those areas forthwith. Canada has a social responsibility for our seniors and a responsibility to ensure the corporate social responsibility of Canadian companies in other countries, as well.

In closing, I would like to say again that the proposed changes to the CPP are welcome. They are expected by Canadians who have high expectations of our government. However, they are also an inadequate response to the retirement plight of working Canadians. For a government that prides itself on legislation that is fact based, it must go back and examine the facts.

In a society such as Canada's, where retirement security is built on the premise that employer-provided workplace pensions perform a significant portion of retirement security, along with personal savings and public pensions, it should be clear that the present system is broken and will not be fixed by the changes to the Canada pension plan alone that are being debated here today.

● (1810)

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I think it is important to reinforce that what we are really debating today is a historical moment in which the provinces came together under strong federal leadership to agree to increase the CPP for the betterment of working people today.

I appreciate the comments by the member that we have to think that when people retire, they have a nest egg. I am very appreciative of the fact that New Democrats are supporting this particular piece of legislation.

Could the hon. member comment on another major aspect of the measures taken by the Prime Minister and this government, the significant increase in the guaranteed income supplement? Many single seniors will receive \$900 more, lifting thousands of them out of poverty. Would she comment on that because the pension issue goes far beyond the CPP itself.

Ms. Cheryl Hardcastle: Mr. Speaker, I wholeheartedly agree with the member that CPP is just one part of a larger issue.

In terms of the GIS, I think this would be an opportune time for the government to ensure there will be no future clawbacks on the GIS when the CPP increases come in.

Let me go back to something the member described about the guaranteed income supplement. When we raise people out of poverty, let us picture it as a line. How far are we raising people out of poverty? How far do we raise them with GIS? Those same seniors are struggling to decide whether they should be paying a hydro bill or paying for medication.

We have lots of working seniors, the so-called healthy and lucky ones with workplace pensions, who are still struggling.

If we are serious about the structural change that needs to take place, the next thing to tackle for seniors is pharmacare.

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•(1815)

Mr. Ted Falk (Provencher, CPC): Mr. Speaker, I appreciate the concern of the member for Windsor—Tecumseh for the economic welfare of folks who are retiring and to make sure they have adequate funds to retire with comfortably. However, she is wrong when she says an increased CPP is not an additional payroll tax. If something is being forced upon an employer to remit to the federal government on behalf of an employee, which is what this increased CPP will do, it is an additional tax legislated by the House and forced upon employers.

I know the member has a great appreciation for people's ability to retire comfortably, but at what point are we pushing the real job creator or our country, our small to medium sized enterprises, too hard? At what point have they contributed enough?

Ms. Cheryl Hardcastle: Mr. Speaker, first I am very disconcerted to hear a respected member's alarmingly narrow definition of a tax, because this is not a tax.

I was raised in a small business family. I have a family that dutifully invested and was devastated during the recession. I also understand the regulatory environment we have today for garnishing wages. This CPP is exempt from that. Everything from student loans to GST to family support is garnished based on an individual's cash flow, what they are taking home, which is very important if people are to save for retirement.

In the hon. member's social circle it may not be an issue, but this is extremely relevant in my riding. Small businesses in my riding, the BIAs in Windsor—Tecumseh, have advocated and have talked about how they struggle, and about the stigma attached to their financial struggle when the narrative becomes, as I have heard over and over today from the other members, that they have made bad choices, that it is their fault. We cannot do that anymore.

We need a structural change, and the way to address it is to look intelligently and meaningfully at other changes that need to take place, but when it comes to the CPP, do not do a disservice to those same small businesses. Do not call it a tax.

Mr. Robert Kitchen (Souris—Moose Mountain, CPC): Mr. Speaker, thank you for the opportunity to speak to Bill C-26, the enhanced Canada pension plan that the government has introduced. While it might seem laudable that the government wants to improve the public pension that future generations may possibly collect, it is odd that it has chosen to increase the payments made by Canadians today so that potentially one-third of a person's retirement income 40 years from now will be provided for by the government.

This makes one question why the government feels compelled to increase pension benefits for future generations. By the current government's own actions today, through deficit financing, it will imperil the ability to save for the future because of the increases in taxes that its reckless deficit spending must entail. If we have to pay someone else's bills first, it is hard to save for ourselves. I have watched the government as it spends billions of taxpayer dollars today with little regard for where this money comes from, how it will be repaid, and what sort of damage this reckless spending will cause these very same retirees that the enhanced CPP is promising to help in the future.

By its own admission, the government wants to increase the monies it collects for workers today for the CPP because there is a belief that not enough Canadians have a pension plan at their work and/or that Canadians are not saving enough of their own resources for the future. Let us explore these beliefs.

Whether it is a defined benefits plan or a defined contribution plan, both of which are paid for by the employer and employee, nearly 50% of Canadian workers do not have an employer-provided pension plan at work. This may seem like a high number, and perhaps it is if we believe it is the obligation of the employer to provide a pension on top of a reasonable wage, vacation time, sick time, and a balanced work life—and the list goes on of what an employer ought to be responsible for. However, if nearly 50% of Canadian businesses are small businesses that employ between one and four people, it may seem a bit onerous on a small business to offer an additional pension plan to its one or four employees. Of these workers, 100% contribute to the CPP. Therefore, every worker in Canada does have a pension plan, yet some may have a much better plan than others. The argument that not enough Canadian workers have a pension plan at work is really an argument based on envy, that some have a better plan than others, and that it ought to be rectified by forcing small businesses to pay more for the future of their employees, some of whom may remain for one year and some for a lifetime.

I am confident that most Canadians agree that some form of a public pension plan is of benefit to society as a whole. I think the potential disagreement comes from just how much their pension should be worth, and by whom it should be run

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The math behind the enhanced CPP is based on raising the contribution rates and the ceiling at which those contribution rates apply to our public pension scheme to enhance the CPP of all Canadian workers. I am not certain this math is convincing. Current estimates show that the CPP at present provides a real rate of return of approximately 3.6% and that this will decrease to around 2.1% for those retiring in 2037, according to the Fraser Institute. Currently, the average Canadian worker contributes 4.9% of his or her income to the CPP. This will increase to 5.95% based on the proposed CPP enhancement. The employer provides the same contribution. This current total contribution is 9.9%, and will rise to 11.9% of one's earnings to a maximum amount. The average Canadian wage is \$48,200. Therefore, an expected contribution of \$4,800 per year is invested in a pension scheme for the average Canadian worker. At the age of 65, this same worker can expect to obtain a maximum pension from the CPP of approximately \$1,000 per month. However, because that worker's average wage is less than the pensionable maximum, he or she will only receive approximately 75% of that amount.

Today, the average CPP payout in Canada is \$642 per month. If this same worker earning the same average wage contributes his or her enhanced 5.95% CPP allotment into his or her retirement plan and earns the same rate of return of 3.6% for 45 years, the amount of time needed to obtain the maximum payout from CPP, he or she would be able to use these funds to pay his or herself the maximum amount of \$1,000 per month for at least 40 years and still have money left over at the end of this time of approximately \$220,000. If we add in the employer portion, then there is now an 11.9% contribution, and the maximum return is more than attainable.

• (1820)

We know that the return is not exact. The worker earning the average wage of \$48,000 per year, who should be able to generate \$1,000 per month return from their own 5.95% contribution over 45 years, now needs to factor in how the overall employee-employer contribution of nearly 12% will go to covering such things as administrative fees to manage the money, the maximum \$3,500 tax credit for the contribution rebate, and the extra funds that go to those who earn less than the average industrial wage.

The argument that not enough Canadian workers have a pension plan at work is in fact not correct and speculative at best. If the CPP is in fact a pension plan, then it really comes down to how that pension plan is being administered.

The second item I would like to address is the belief that some Canadians are not saving enough on their own, so by taking extra funds from their paycheque for an enhanced CPP contribution each month, the government is going to be doing them a favour. If I have limited resources and the government takes more of my resources in order to obligate me to settle for something second-rate, then of course I am not going to be able to save as much of my limited resources since they have already been taken by the government.

The C.D. Howe Institute examined four pillars for sources of income for retirement in exploring why the government wanted to enhance the CPP. The first source is government transfers, such as OAS and GIS. The second is the CPP. The third is employment pensions. The fourth is other assets, such as real estate, financial

assets, private business, life insurance, inheritances, and essentially, any asset not managed by the government. If the government is truly convinced that it is going to improve the lot of the middle class, then this fourth pillar needs to be paid more attention in a positive manner.

Unfortunately, the government has seen fit to, instead, meddle in this income source through reducing the tax-free savings account limit, trying to cool the housing market, failing to reduce small business taxes, imposing a carbon tax, and enhancing the CPP. This will unduly impact the overall burden on some business activity in Canada by increasing the contribution rate that employees, employers, and the self-employed will have to come up with to meet the government's solution to a problem that is beyond them.

Taking money from hard-working Canadians' paycheques will make it harder for families to save for such things as vacations, children's post-secondary education, and purchasing a home. Likewise, employers will have to choose between hiring that extra hand or requiring their employees to do more for less.

We know that sunny ways in Canada means that the government wants to manage all aspects of how we live as Canadians, from cradle to grave. We know that there is nothing the government does not want to poke its nose and legislation into.

The enhanced CPP proposal is simply another tax to address a problem that really is not a problem. If we look at how society functions and decide there are specific items that a government ought to be responsible for, such as promoting rule-based free trade, ensuring the security of our communities both internally and from activities abroad, or allowing for the free movement of goods and people internally in Canada, then determining how much someone receives in retirement or insinuating that one person's pension is better than another's, and that is somehow bad, seems to be the least of our concerns.

In conclusion, let me finish by quoting Hendrik Brakel of the Canadian Chamber of Commerce. On May 31, 2016, he stated:

...we're worried a big tax increase is headed for the middle class like an elbow to the chest....This comes at the worst possible time—an economy reeling from weak commodity prices and slower consumer spending will be lucky to eke out growth of 1.5% next year. It's difficult to stimulate the economy while pulling money out of the pockets of Canadians.

The government talks a big story and loves to use the catchphrase, "Helping the middle class and those who are struggling to join it". Between the carbon tax and the CPP tax, that elbow to the middle class has bounced off the chest and is now a hit to the head.

*Adjournment Proceedings***ADJOURNMENT PROCEEDINGS**

•(1825)

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

Mr. Speaker, in listening to the speeches today about the CPP, it has become very obvious that everyone will understand why the Conservatives lost touch with Canadians. Canadians want to see a strong and healthy pension program, whether it is the GIS, the OAS, or the CPP. The Conservative Party still believes there is no room for improvement to the CPP, even though the provincial governments and many different stakeholders came to the table. Strong national leadership led to a historical agreement.

Why are the Conservatives are so out of touch with what Canadians and other provincial jurisdictions have called for at this time when we should be celebrating a historical agreement which will help so many retirees in the future?

Mr. Robert Kitchen: Mr. Speaker, the Liberals are so keen on studying everything and talking to everybody, but the people they have not talked to is the CFIB. The CFIB has indicated that 70% of small business owners disagree with that notion. Therefore, I do not know how the member can say that they have engaged with everyone when small business represents such a big, important factor of this economy and generates a significant amount of employment and jobs. By creating those jobs, we have more people contributing to the CPP.

•(1830)

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Mr. Speaker, I congratulate my colleague on an excellent speech. It is interesting to hear my colleague across the way talk about this apparently being a historical agreement. I do not think it is even a historic agreement.

The government has tried to bring together other levels of government in a government knows best approach. What we are hearing from ordinary Canadians, from business owners, is that they do not want to have to pay more in tax. They want to keep more of their own money. That is the approach that we advocated. Could the member talk about why we are better off by giving people the mechanisms to save for themselves?

Mr. Robert Kitchen: Mr. Speaker, I thank the member for all the good work he has done.

Small business is the backbone of our country and small business includes our agricultural industry. Our farmers are out there working day in and day out. They have been fighting to succeed and get their products to the market. The Liberals put forward a carbon tax and now they want to put another tax on farmers. Farmers employ people and they will continue to pay the CPP for these individuals. There again, it is another tax that is being added to the farmers. How are they going to find the labourers and people to work for them?

The Deputy Speaker: Before we go ahead with the next segment, I would remind the hon. member for Souris—Moose Mountain that there are two and a half minutes remaining in the time for him for questions and comments when the House next returns to debate on the question.

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[English]

EMPLOYMENT INSURANCE

Mr. Erin Weir (Regina—Lewvan, NDP): Mr. Speaker, thank you for the opportunity to again ask why the federal government continues to exclude Regina from extended employment insurance benefits.

The federal budget extended EI for certain regions in response to the drop in oil prices, but it left out Edmonton, south Saskatchewan, and Regina. The NDP challenged these exclusions, and the government eventually added Edmonton and south Saskatchewan, but the government has still left out Regina.

Of eight EI regions across Alberta and Saskatchewan, seven are currently getting extended benefits. Regina is the only one that is not. This anomaly has real consequences for laid-off workers and their families.

I spent this past summer knocking on doors and talking to constituents in Regina—Lewvan. I met many people on employment insurance who were about to run out of benefits. If they lived in any other part of Saskatchewan, they would have received a benefit extension.

Last month, Statistics Canada provided data that confirmed what I heard on the doorstep. On September 22, Statistics Canada reported EI figures for July, the first month of extended benefits. As expected, the number of recipients jumped, with extended benefits kicking in. Between June and July, the number of people receiving benefits rose by 23% in Saskatoon, 26% in smaller Saskatchewan cities, and 29% in rural and northern areas. Similarly, the number of Albertans receiving benefits jumped by 24% in that month. However, the number of workers in Regina receiving benefits dropped by 8%.

Regina was the only part of Saskatchewan or Alberta excluded from extended EI benefits, and Regina was the only part of either province where the number of recipients fell. Is that a coincidence? I think not.

This summer, laid-off workers in Regina were running out of EI benefits as the extension kicked in elsewhere. We have to ask why the government has chosen to continue excluding Regina. We also have to ask about the deafening silence from Regina's other members of Parliament.

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The member for Regina—Qu'Appelle sent out a press release about the exclusion of south Saskatchewan, but has said nothing about the continued exclusion of Regina itself. As a candidate for the Conservative leadership, perhaps he cannot advocate for a better social safety net. The member for Regina—Wascana is the most senior cabinet minister in Saskatchewan or Alberta, yet our city is the only part of either province left out of the benefit extension. What has the member for Regina—Wascana done to advocate for laid-off workers in Regina?

It is not too late for the government to do the right thing by including all of Saskatchewan, along with all of Alberta, in extended employment insurance benefits.

• (1835)

Mr. Terry Duguid (Parliamentary Secretary to the Minister of Families, Children and Social Development, Lib.): Mr. Speaker, I welcome the opportunity to respond to the concerns raised by the member opposite.

[*Translation*]

I would like to reassure all members of the House that our government is giving Canadians the help they need.

[*English*]

The measures included in our budget improved the employment insurance program by making it more responsive to the needs of Canadian workers and employers. There were 12 EI economic regions that were first identified in budget 2016 as qualifying for the extended EI benefits due to the downturn in the commodity sector. This means that the duration of regular EI benefits has been extended by five weeks, up to a maximum of 50 weeks for eligible claimants in those 12 EI economic regions that have experienced sudden, sharp, and sustained increases in unemployment. Up to an additional 20 weeks of benefits will be available for long-tenured workers.

In the budget, we also committed to continue monitoring the economic situation across the country. We did exactly that. We fulfilled that commitment by announcing that three more EI economic regions, namely Edmonton, southern interior British Columbia, and southern Saskatchewan, met the criteria to also qualify for those extended benefits. The addition of these three new regions completes the assessment, and no more regions will be added.

[*Translation*]

Although the unemployment rate is worrisome, the employment insurance system is supporting those who need it.

[*English*]

Canada's economy is undergoing significant changes, which means that our EI system needs to adapt to these changes while continuing to help those workers most in need. In some cases, help is needed because they have lost their job through no fault of their own. For some others, it is because they have left the workforce to raise children or provide care for a loved one.

When Canadians find themselves out of work, they know they can count on the EI program, and that is why we eliminated provisions that disadvantaged workers newly entering or re-entering the workforce. An estimated 50,000 additional claimants will become

eligible for EI benefits as a result of this measure. Also, we reversed the changes that put pressure on unemployed workers to move away from their communities and take lower paying jobs.

However, it does not end there. EI consultations have been launched on maternity, paternal, and caregiver benefits as well as unpaid leaves under the Canada Labour Code. We are working toward developing more flexible parental benefits and more inclusive EI support for caregivers.

As members can see, our government is responding to the unemployment situation across the country.

[*Translation*]

We are taking the situation seriously and we are working diligently to improve things for Canadians.

[*English*]

We are strengthening employment insurance to ensure that it works for our economy and works for all Canadians. Our government has been clear and transparent from the very start about the methodology that was used to select regions, and the data used are publicly available.

• (1840)

Mr. Erin Weir: Mr. Speaker, I would thank the member across the way for his candour to the point of bluntly stating that no more regions will be added to extended employment insurance.

This is terrible news for workers in Regina who have been laid off due to the same downturn in oil prices that has afflicted all other parts of Saskatchewan and Alberta. What we did not hear from the member across the way was any sort of rationale or explanation for why Regina was left out when every other part of Saskatchewan and all of Alberta were included.

I would also ask the member across the way in his final minute to let the House know what if anything the member for Regina—Wascana did to advocate for workers in our city and to make the case for Regina being included in the benefits extension.

Mr. Terry Duguid: Mr. Speaker, just to reiterate, this issue is top of mind for our government. The flexibility built into the EI program allows it to respond efficiently to deteriorating economic conditions in local markets.

I want to assure my colleagues that we are not standing idly by while Canadians are losing their jobs. We will continue to strengthen and promote existing tools and services. As I mentioned, we have eliminated the requirements that restrict access for workers who were entering or re-entering the labour market. We have introduced more flexibility for those working while on claim. We are improving service by investing \$92 million in Service Canada.

Canadians deserve no less. We will continue to improve our EI program.

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The Deputy Speaker: Before we go to our next speaker, just a reminder to all hon. members that during our adjournment proceedings it is certainly permissible for members to take the seat of their choice in the chamber. Adjournment debate is less formal than the usual debates in the House and it sometimes improves the collegiality and exchange that takes place, much like in a take-note debate and such.

That was not a commentary at all on the previous exchange not being collegial; it was certainly. However, sometimes members are not aware. I know we are creatures of habit. We tend to always speak from the seat that we usually are appointed to, but members are welcome to take other seats if they wish, even on the other side of the chamber. I have seen members do that. It is perfectly fine.

Resuming debate, the hon. member for Sherwood Park—Fort Saskatchewan.

FOREIGN AFFAIRS

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Mr. Speaker, it is quite timely that I have the opportunity to again raise the issue of human rights in China and to talk about the Canadian response to it.

Certainly I have heard the government's talking points on this issue before, so I want to say very clearly at the outset that I think all of us in the House support constructive engagement with China. There is no debate about that fundamental principle. Indeed, the previous government engaged China, and at the same time, trade increased, but it also talked very tough when it came to fundamental issues of human rights.

When the Conservatives first took office, we raised the profile of abuses of human rights by the Chinese government. We were aggressive in our advocacy in consular cases and with respect to the rights of Falun Gong practitioners, Tibetans, Uighurs, Christians, and all Chinese people who are just as deserving of the full rights enumerated in the Universal Declaration of Human Rights as anyone else is.

While talking tough on human rights, Conservatives increased Canadian exports to China by nearly 22% in 2007 and by another 10% in 2008. In fact, exports grew the most during the period of the toughest talk on human rights. This data should clearly demonstrate that we do not have to choose between being true to our values and pursuing our economic interests. Indeed, we can do both.

We can also engage China in concert with our allies, supporting like-minded countries in the region as they stand up for a properly multilateral process for resolving issues in the South China Sea and a rule-of-law and human-rights-based approach to trade. It is not a choice between engaging China and engaging our allies. It is simply to say that we will be stronger in our engagement with China if we do so on the basis of collaboration with our allies.

The government has talked about standing up for our values, but unfortunately, it has missed every opportunity to actually do so. There are many examples I could give: the ongoing negotiations, it seems, of an extradition treaty; the fact that a Canadian journalist was berated by a Chinese minister while our foreign minister stood by; and the fact that even a spokesman for the Prime Minister's Office declined to criticize China's co-called justice system.

The realities of human rights abuses in China are clear and well known to all members. Experts say that China executes more people than any other country in the world, often for non-violent crimes, often for things that are not crimes at all. Despite denials by the Chinese premier when he was in Canada, we know that there is widespread use of torture.

I will read a quote from Alex Neve, of Amnesty International: "We stand by our assessment that there are a vast array of very serious human-rights concerns. Torture is widespread and rampant throughout the country and backed up by near total impunity".

We know that Chinese human rights abuses affect all Chinese citizens, but especially members of certain key communities, communities like Falun Gong practitioners, who are the victims of execution as well as of organ harvesting. There are significant concerns about the abuses the Falun Gong community faces.

I had the honour of being the vice-chair of the Canada-Tibet parliamentary friendship group. There are ongoing severe abuses of the Tibetan community, and there has been an issue of Canadian officials being unable to get access to the Tibet region when they have requested it.

There is the persecution facing the Uighur Muslim community in eastern China. In many cases, people within that community are not even being allowed to fast during Ramadan.

There are ongoing abuses of the Christian community. In general, we see efforts by the Chinese government to infiltrate different religious communities to try to control every aspect of their practices, not necessarily to outlaw them outright but to try to micromanage their practices and dictate things that would be against their values.

We need engagement that reflects Canadian interests and values. I am calling on the government to engage with China in that way.

● (1845)

Mr. Omar Alghabra (Parliamentary Secretary to the Minister of Foreign Affairs (Consular Affairs), Lib.): Mr. Speaker, it is a pleasure and an honour to rise again in the House to debate my hon. colleague on a matter of great importance to the House and to Canadians.

I say that I am debating my hon. colleague, but I will reiterate that we agree on the fact that Canadians expect their government to be a voice for the promotion of human rights around the world. I also agree with the hon. member that we need to have a constructive approach to dealing with China.

Members do not have to take my word for it. It is documented that the previous government had a hot-and-cold approach to dealing with China. There were times when it spoke fondly of the need to engage with China, and there were times when it was aggressive or disinterested in dealing with China.

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Our government has committed to renewing our relationship with China, not on an ideological basis but on a principled basis. We all know that China's economy is the second-largest economy in the world. It is our second-largest trading partner. We need to have a constructive and meaningful relationship with China.

We also need to be frank and honest with China. We need to be able to sit across the table from Chinese officials and voice our concerns. Our Prime Minister visited China recently, and he was not quiet about our desire to see China uphold its international obligations to universal human rights. He was not quiet about the fact that the Chinese constitution dictates that the Chinese government must protect the rights of minorities.

We know that the rights of minorities in China are not respected. We have spoken out for the rights of minorities, whether they are Uighur Muslims, whether they are Tibetan Buddhists, whether they are Falun Gong practitioners, whether they are Christians or any other minority. We know that there are practices by the Chinese government that do not respect those minorities' rights. We have called out the Chinese government to ensure that it upholds its international obligations.

The Minister of Foreign Affairs has spoken out, privately and publicly. The Prime Minister has spoken out, privately and publicly. We know we need to have a constructive relationship with China in order to ensure that we produce results. I am not talking about economic results. I am talking about results for minorities who live in China.

We know a fair China would be good for the world and it would be good for Canada. We have not shied away from raising these issues. In fact, last May our government announced the creation of the office of human rights, freedoms, and inclusion. We have tripled the previous government's budget and made sure that office, that voice, is loud, consistent, and reliable when it comes to the promotion of human rights around the world, including in China.

We have mandated all of our ambassadors, including those in China, to make sure that when they deal with foreign governments, human rights is an important and integral pillar of all aspects of all files. We are making sure that our ambassadors, our heads of missions, are promoting human rights in whatever file they are dealing with.

• (1850)

Mr. Garnett Genuis: Mr. Speaker, I really wish that were true. I really wish we were seeing principled engagement by the government.

Anybody can look at the media stories on this. They can look at, during our important discussions about extradition, the refusal to criticize the Chinese justice system. Canadians can look at how our foreign affairs minister stood by while a Chinese foreign minister attacked a journalist for asking legitimate questions on human rights.

They can look at the fact that the government is negotiating an extradition treaty with a country that executes more people than any other country in the world. It is not just about getting exceptions to the death penalty when it comes to extradition. It is also about having a credible system of justice. We have the case of Mr. Celil, a

Canadian citizen who has been in prison for over 10 years without consular access. This is the kind of regime we are dealing with.

The government needs to step it up and actually do something in terms of principled engagement. It needs to follow its words with actions.

Mr. Omar Alghabra: Mr. Speaker, I want to remind my hon. colleague that the case of Huseyin Celil is important to our government. He knows that he has been in detention there for 10 years. What did the previous government do? If it were that simple, why did the previous government not solve this case?

All I ask from the hon. member is some humility. I am not suggesting that there is no room for debate here.

Let us talk about extradition. Our foreign affairs minister was very clear that there is no negotiation ongoing right now. We learned today in *The Globe and Mail* that the previous government sent 300 individuals back to China for prosecution. Let us not fool ourselves. We do not want Canada to be a safe haven for criminals, but we also must ensure that when dealing with the Chinese government, it knows what Canadians expect and what the Canadian government expects. We expect human rights to be upheld both domestically and abroad.

[Translation]

NATIONAL DEFENCE

Ms. Christine Moore (Abitibi—Témiscamingue, NDP): Mr. Speaker, I am pleased to ask a question in relation to a question I asked previously on national defence and the process to replace the CF-18s.

When the Conservatives were in power, they were often criticized for charging ahead with the F-35s by sole-sourcing and not using an open and transparent process. Now we find out that this government is heading in the same direction. It is charging ahead with the Super Hornets without using an open and transparent process that would help us make the best choice for our armed forces.

The fact remains that we are no further ahead in replacing the CF-18s. The statement of operational requirements still has not been redone. That statement was tailored to the F-35 fact sheet. Someone took the F-35 fact sheet and wrote our statement of operational requirements based on what the F-35s could offer. That is no way to go about writing a statement of operational requirements.

With a proper statement of operational requirements, what is needed is put down on paper and we do not rely on the spec sheets. When a statement of operational requirements is done properly, no fighter aircraft will meet all its criteria. It is as simple as that. The requirements are not based on the spec sheets and therefore some elements will be present and others will not. A comprehensive assessment will be carried out to determine what type of aircraft best meets the requirements.

If we had an open and transparent process, if we had a real statement of operational requirements, we could bring the matter to a close by making the right decisions. There remain many unknowns. We still do not know why the Conservatives decided that we needed 69 aircraft.

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Since I was first elected in 2011, no one has been able to tell me why we need 69 aircraft. Why not 60 aircraft? Why not 75? No one can tell me how the number 69 was arrived at.

I think it is time for the Liberals to be more straightforward about replacing the CF-18s. We have heard almost nothing about other options. What happened to the Rafale? What happened to the Gripen? What happened to the Eurofighter Typhoon? We hear about the F-35 and the Super Hornet, but it is as though the other options no longer existed.

In my view, if you want to make good decisions, you have to really think about what lies ahead. The government is not thinking carefully and is charging ahead. Government after government, the defence ministers are sent out shopping at the military equivalent of Toys "R" Us. In the end, the minister's favourite toy is the one that is selected or that is preferred. However, this is not a question of taste. We are not shopping for a dress here. We are shopping for fighter jets, and this will be one of the most important military procurements in the history of Canada.

We cannot afford to have a process that is not open, transparent, and coherent. Unfortunately, the Liberals are doing exactly the same thing as the Conservatives: they are charging ahead, without even trying to understand what is on the table. They do not understand the enormity of the issue.

I would like to hear the parliamentary secretary's comments on that.

• (1855)

[*English*]

Hon. John McKay (Parliamentary Secretary to the Minister of National Defence, Lib.): Mr. Speaker, I am seriously contemplating moving to another spot. I wonder if I moved to a front bench if I automatically become a minister at the same time. Possibly if I move down there, I will become a prime minister. I appreciate the advice that we can talk from any seat.

The hon. member raises a perfectly legitimate question. I am glad she has done that, because the government has not let grass grow under its feet. We are very aware that this is one procurement mandate that we need to get done within this mandate, and I would say sooner rather than later. Therefore, I want to thank the hon. member for raising the issue.

Of course, the government is committed to a well-equipped and modern military, particularly with respect to the jets. The hon. member will appreciate, and she possibly more than most members in this House, that we inherited a bit of a procurement mess from the previous government. We had a risk-averse system, designed by risk-averse people, to purchase an inherently risky piece of equipment. Therefore, the utility of the previous government's activities was actually quite limited.

The first stage of the process was to get cabinet, in effect, to sign-off on what we need as a jet, and that was done in the early part of this year. The cabinet considered the various needs of the Canadian military for securing the appropriate jet to replace the F-18, and therefore provided the minister with the guidance that is necessary in order to get the right jet for the Canadian military.

The second step was initiated on July 6, and this is in direct response to the hon. member's concerns about whether all available aircraft are being considered. At that point, during July and August, the government consulted with and sought information from Eurofighter, Boeing, Dassault, Lockheed Martin, and the Saab Group. That is basically all of the jets that are on offer.

Therefore, all five companies were consulted. They were asked for up-to-date information. They were asked for their specs as far as what the jet could do, the payload it could carry, and all of the various statement of requirements that the member referred to. That information was put together over the course of the summer and is currently being analyzed, which is the third stage of the process. It is moving forward in an appropriate fashion.

Ultimately, that information, which is being collected, collated, and analyzed, will be reduced to a memorandum to cabinet. That will be the next and hopefully further stage of this procurement. It will ultimately result in a decision to cabinet.

May I assure the hon. member that the government is very seized with this particular procurement, and it is moving forward at a pace and in a manner that is lightning speed, in government speak. I would like to give the hon. member more detail, but may I say that this procurement, in particular, is moving in an open and transparent fashion as quickly as possible.

• (1900)

[*Translation*]

Ms. Christine Moore: Mr. Speaker, since my colleague was also a member of the Standing Committee on National Defence in the previous Parliament, he will understand what I am talking about. We had access to some secret defence documents, under certain conditions to prevent information from being leaked, of course. That helped us to better understand the issue.

Does the government intend to make detailed information, such as the statement of operational requirements, the analysis of the various aircraft, and everything that has been done by cabinet, available to the people who will sit on the committee that Bill C-22 proposes to create?

Will the opposition critics on this file have access to that information so that they can determine whether the best decision was made for the future of the Canadian Armed Forces?

[*English*]

Hon. John McKay: Mr. Speaker, the question is somewhat premature, in that the material has been assembled and analyzed, and reduced, if you will, to a memorandum to cabinet. That, in turn, will go forward in its own fashion and own time.

Subsequent to that, the material will presumably be made available in as open a fashion as possible. The government's position is generally that we are open by default, so there will be an open, transparent process, which the hon. member will be able to examine after a decision is made. I can assure the hon. member that at this stage no decision has been taken. A lot of the information necessary to make the decision has been gathered and is in the process of being presented, and hopefully the hon. member will raise this issue again.

*Adjournment Proceedings**[Translation]*

The Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands

adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 7:04 p.m.)

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