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(HANSARD)

Friday, March 11, 2016

—

Speaker: The Honourable Geoff Regan

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HOUSE OF COMMONS

Friday, March 11, 2016

The House met at 10 a.m.

Prayer

ROUTINE PROCEEDINGS

• (1005)

[*English*]

COMMITTEES OF THE HOUSE

TRAVEL MOTION

Hon. Andrew Leslie (Orléans, Lib.): Mr. Speaker, I believe that if you were to seek it, you would find unanimous consent for the following motion related to travel arrangements for two standing committees.

[*Translation*]

That, in relation to the Pre-Study of the Trans-Pacific Partnership Agreement (TPP), ten members of the Standing Committee on International Trade be authorized to travel to Vancouver, British-Columbia; Calgary, Alberta; Saskatoon, Saskatchewan; and Winnipeg, Manitoba, in the Spring of 2016, and that the necessary staff accompany the Committee; and

that, in relation to its study on Canada and the Defence of North America, ten members of the Standing Committee on National Defence be authorized to travel to Colorado Springs, Colorado, United States of America, in the Spring of 2016, and that the necessary staff accompany the Committee.

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

Some hon. members: Agreed.

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

Some hon. members: Agreed.

(Motion agreed to)

GOVERNMENT ORDERS

[*Translation*]

INCOME TAX ACT

The House resumed from March 8 consideration of the motion that Bill C-2, an act to amend the Income Tax Act, be read the second time and referred to a committee.

Mr. Darrell Samson (Sackville—Preston—Chezzetcook, Lib.):

Mr. Speaker, I am rising for two reasons. The first is personal, and the second is to talk about Bill C-2

I would like to inform the House that this morning, my wife and I became new grandparents. Our first grandchild was born, and we are so proud. My daughter, Chantal, and her husband, Mathieu Hayley, are the proud parents of a beautiful little girl named Maëlle.

[*English*]

I am extremely proud and happy to rise on Bill C-2, the law that talks about benefits for the middle class. That is what was so important about our election campaign. This was a promise that we made throughout our campaign platform, and this will make good on it.

I was very happy to hear our Prime Minister indicate that this would be the first priority of our government in this 42nd Parliament. This was a platform promise that we felt was essential because over the last 10 years the middle class has been struggling. That has been extremely difficult for many people across Canada, in many communities.

This idea is not something that came from within. This is something we heard throughout the campaign, because we were listening to and consulting with Canadians during door-to-door visits. We heard clearly that the middle class were in need of some type of tax relief for them, as they were struggling. Many people were telling me that they were working extremely hard and yet did not seem to be getting ahead because the cost of living was rising, because of the challenges of paying for personal family needs, for day care, etc. After 10 years of what I would call a low-growth economy, Canadians were looking for real change.

Government Orders

Our Minister of Finance has been hard at work as well, consulting with Canadians for the upcoming budget. He has consulted from coast to coast to coast. He was in Nova Scotia and had great attendance by youth at the university, and as well at the chamber of commerce. This allowed many Canadians to be engaged in this process of sharing some innovative and creative ideas. This is another sign of what I call a government that is open, transparent, and accessible. Our minister displayed that throughout that process, and I am very pleased with that.

[Translation]

The reality is that people have to pay the mortgage, as well as for groceries and other essentials, like child care and so on. It is very difficult for the middle class. This formula is not good for the economy, that is for sure. The bill we are debating today will allow us to shift the tax burden, so that those who have a little more will get a little less and those who have a little less will get a little more.

● (1010)

[English]

In my riding, over 30% of the citizens will gain from this tax reduction. Over nine million Canadians will also be taking advantage of this tax reduction. This means that a family of four will have about \$540 more in their pockets for spending on things that are essential for the family.

[Translation]

It is also important to note that this is only part of the plan. Our plan is much more horizontal, if you will; in other words, many other initiatives that were set out in our platform will be rolled out over the next four years. What we want is to support the middle class. Our government will also be investing in infrastructure and transportation, which is absolutely crucial to stimulating the economy.

[English]

In my riding, which is Sackville—Preston—Chezzetcook, public transit and transportation are extremely important. One has to understand that there are both urban and rural parts of my riding, and I am working closely with my colleague from Dartmouth—Cole Harbour on the construction of the long-awaited Sackville-Burnside expressway. It is essential and must move forward as soon as possible.

In addition, our government is committed to creating a Canada child benefit. This will help families with day care, a fairer system, one that would see Canadians who have a little more get a little less, and those who have less getting more. That is a fairer system. There are nine out of ten Canadians who would benefit from this. Over 315,000 children will be pulled out of poverty. That is the type of plan that will be effective for Canadians. That means about \$2,500 more per year for families, tax-free. Add that to the \$540, and it is over \$3,000 per year per family. That is a very important aspect of taxes for Canadians. There will be more money in their pockets.

Our government has focused on fairness. We want to support the middle class by ensuring they have money in their pockets and that they are able to prosper.

[Translation]

I would like to make one final point regarding Bill C-2. We made some changes to tax-free savings accounts. The Conservatives had increased the contribution limit to \$10,000. We dropped it back down to \$5,500, given that 93% of Canadians were not taking advantage of the increase, because they could not afford to. The only people who will not benefit from this measure are the wealthy, not the middle class. In fact, the \$10,000 limit was giving more money to those who already had the most, and the Canadian government was having to pay millions of dollars more over five years, and billions more in the long term. This will mean less spending, but it will go to those who need it most.

[English]

For the last 10 years, like I said, the middle class has been ignored. This government is putting the middle class at the forefront. This government will ensure that our policies reflect what is important for middle-class Canadians.

Mr. Ziad Abouttaif (Edmonton Manning, CPC): Mr. Speaker, I have a question for the member opposite. We have been hearing about the middle class all along, and my understanding is that 75% of Canadians are middle class. However, what we heard just now is that only 30% of Canadians will benefit from this new tax system. What happened to the other 45%? I would ask the member opposite to advise us, please.

Mr. Darrell Samson: Mr. Speaker, when I made reference to 30%, I was talking about 30% of the people in my riding who will benefit from that tax cut.

What is important to keep in mind is that nine out of ten Canadians will benefit across Canada. That is what is extremely important, that nine out of ten Canadians and over 315,000 children will be pulled out of poverty. Those are the types of programs and laws that this party wants to bring forward.

● (1015)

[Translation]

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, what the member just said is totally false. It is not true that nine out of 10 people are going to benefit from the tax cut.

We just learned, and the parliamentary budget officer has confirmed this, that only 30% or so of the population will benefit from this tax credit. A person who earns \$45,000 or \$50,000 will get a small reduction. A person who earns less than \$45,000 will get nothing at all. A person who earns \$200,000 will get the maximum \$800 reduction.

How does this member define middle class? People like us, members of Parliament, will get the maximum reduction, but someone earning \$40,000 or \$45,000 will get absolutely nothing from the tax cut.

Mr. Darrell Samson: Mr. Speaker, I appreciate the question. However, I must say that this is another reason why the NDP did not succeed in the election on October 19.

Government Orders

The NDP only looks at what happens on an individual basis. As I said in my speech, they do not see that the Liberal government strategy is horizontal. We are providing tax relief, but we are also making major investments in the child benefit to help young families. This benefit will put another \$2,500 in the pockets of middle-class families. Our government has a comprehensive vision for its full four-year term.

Ms. Julie Dabrusin (Toronto—Danforth, Lib.): Mr. Speaker, I want to extend my best wishes to my colleague on the birth of his granddaughter.

My colleague explained very well how these changes will help middle-class families. However, can he tell us what his constituents are saying about all this?

[*English*]

Mr. Darrell Samson: Mr. Speaker, it is funny. As the Liberals were laying out their strong platform, it was becoming more and more evident throughout the campaign, and the closer we got to October 19, that Canadians had made up their minds that this platform would ensure the middle class, young families, youth, seniors, all Canadians, would have opportunities to improve and would have many more opportunities in this country to prosper.

That is what good government is. That is why I am proud to be a Liberal member in this governing party.

Ms. Cheryl Hardcastle (Windsor—Tecumseh, NDP): Mr. Speaker, it is a pleasure to speak to Bill C-2 today. I will begin by saying that, while the NDP members have issues with some elements of the bill, we are pleased to acknowledge that there are parts of the bill that we believe would be beneficial to Canadians. We have decided to support the bill going forward to committee, where some of these can be more meaningfully considered. There are some clarifications and some rationalizations that I am going to take advantage of during my time here today.

Let us talk about some of the more positive aspects of Bill C-2

Bill C-2 would include tangible measures to collect a fair tax from the rich. Specifically, it would increase, by 4%, the top income tax rate on incomes over \$200,000.

As the hon. member for Regina—Lewvan pointed out when the bill was first debated, this increase is entirely consistent with what the NDP has achieved at the provincial level.

In Nova Scotia, the NDP government increased, by 4%, the top rate on incomes over \$150,000.

In a minority legislature in Ontario, the NDP amended a budget to add two points of income tax on incomes over \$500,000.

The NDP government in Alberta has, quite correctly, gone from a flat tax to a progressive income tax system.

As part of our election platform in Saskatchewan, the NDP is proposing an additional percentage point of tax on incomes over \$175,000.

The other positive aspect of this legislation is to restore the TFSA contribution limit to \$5,500 per year. I think it is important to note that the previous Conservative government's proposal to increase that limit to \$10,000 would only affect people who have extra money

left over after 18% of their income has been contributed to RRSPs and after the \$5,500 that can still be contributed to the TFSAs.

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

Let us face it. Given the unemployment rate, the skyrocketing cost of food and rent or housing, and there are far too many people who will not see benefit from the bill. Consider a family of four living off minimum wage with a total monthly income, including benefits and credits, of \$2,882. By the way, I get this information from the local Windsor anti-poverty organization, Pathway to Potential. Of this fixed monthly income, 62% goes to rent and food, leaving only \$1,082.70 for remaining expenses, such as utilities, phone, transportation, medical costs, and dental costs. People face precarious situations when their rent exceeds 30% of their monthly income. When income is low and rent is high, there is not enough money left for food. This helps explain why so many are forced to use food banks. In 2015, 80,865 individuals were served by Windsor and Essex County food banks, and 41,942 of this number were children.

I think it is safe to say that, when we have a situation this urgent, this dire, we should be drafting legislation to help these people. Yet, these are precisely the ones who are left out of the bill. When families must choose between paying rent and feeding their children, they are not going to have a spare \$10,000 to hide away in a tax-free savings account.

Let us consider students. In the Windsor area, we have St. Clair College and the University of Windsor. The reality is that most people who go to school are just getting by or taking out loans to get by, let alone putting money in a tax-free savings account. Perhaps some of them are doing so with the help of family members, but the ordinary Canadians I represent do not have that luxury.

● (1020)

As I alluded to earlier, in the service sector, many people are moving to part-time or precarious work and basically just getting by.

Unfortunately, with this bill, we know from third-party experts and economists that 60% of this plan for a reduction in taxes for Canadians would not be enjoyed by the middle class or those with low incomes. Therefore, it is a sizeable section of Canadians who would be left out. Because of the way the scheme works, the wealthiest would benefit the most. That is a real problem, which New Democrats want to address at committee. It is an issue we have raised before.

Government Orders

Who would benefit from this bill? It would not be the office workers who are making an annual salary of less than \$40,000 a year, or the hair stylists who basically earn around \$28,000 annually in Canada. They would get zero. It is the same with social workers who make an annual salary totalling around \$44,000, and with our friends in the retail sector who earn \$21,424 on average.

Cashiers would get nothing back. That is a classic example. All of the people working in department stores, retail shops, drive-throughs, fast-food chains, and all of these types of businesses would receive zero from the plan. They are the people we should be rewarding with a tax reduction. These are the people who do not have the equity to easily afford some of the tax deductions that wealthier Canadians get. They do not earn income at the level to take advantage of some of the policies that have been put in place in the past couple of decades.

Waiters and waitresses earn less than \$22,000 on average. They would get zero. That is another group of individuals who, I would argue, would not benefit from this reduction. They would get nothing at all. Nannies are another example. Chefs and assistant chefs would get nothing.

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

It gets worse. Bill C-2 also includes a so-called middle-class tax cut that would not actually help the middle class. I think the Liberals might be a bit confused between cutting the middle-class tax bracket and changing taxes in such a way as to help people with middle incomes. What the bill proposes is a tax cut that applies to incomes above \$45,000 a year, which is more than the median Canadian income. To receive the maximum benefit, someone would need to have an income of more than \$90,000 per year. To put that into perspective, someone working as a nanny for the Prime Minister would receive nothing from the middle-class tax cut. However, the Prime Minister himself, and indeed all members in this House, would get the maximum benefit of about \$700. However, we do not need the money.

What are the alternatives? We in the NDP have proposed to reduce the first tax bracket, which applies to everyone. We also propose a boost to the working income tax benefit, which is better targeted to lower incomes. It would be extremely easy to design and implement a middle-class tax cut that would actually go to the middle class. However, in all of the discussion we have heard with respect to this bill, I have not heard a coherent explanation from the Liberals as to why they are pushing ahead with a tax cut that would only go to incomes above \$45,000, rather than enacting a tax cut that would include all taxpayers.

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

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

• (1025)

The Speaker: Questions and comments. The hon. member for Fleetwood—Port Kells.

Mr. Ken Hardie (Fleetwood—Port Kells, Lib.): Mr. Speaker, the member opposite is focused only on the tax cut. Would she agree that cutting taxes for people who are earning below \$45,000 a year would have limitations, because in general the lower one's income the less one pays in taxes?

A tax cut by itself might have only a limited benefit for those people. The complete plan, including the Canada child benefit, would tilt the balance of the benefits to the people with lower incomes. It seems that if a tax cut really would not deliver a great deal of benefit to people in the lower income bracket, then we must look at another mechanism to help those people, as well as the people in the middle income.

Could the member flesh out some of her ideas and the alternative ways we could help people who earn lower income and would not benefit from any kind of tax cut?

• (1030)

Ms. Cheryl Hardcastle: Mr. Speaker, I just want to reiterate that the Liberals were vehement during the election campaign about relieving the middle class. What we are saying is that they have to identify who the middle class really is. In Canada today the median income is \$31,000. What is the definition of middle class if it is not that?

It is not realistic to look at someone who has a lower income with limited discretionary funding and is making choices that someone in the higher income class does not even have to worry about. We have to apply a bit of empathy here, to see where the effect would be, so that we would be targeting the middle class. That was aggressively pursued by the Liberals during the campaign.

Was that all rhetoric, or can we really have some meaningful action? The median income in Canada is \$31,000. Like it or not, that is the reality.

Ms. Marilyn Gladu (Sarnia—Lambton, CPC): Mr. Speaker, I definitely agree that Bill C-2 would do nothing for seniors on a fixed income and those with lower wages who are counting on maybe CPP, OAS, and GIS to get through.

Does the member think a \$600-a-year middle-class income tax break would really make a big difference to those making up to \$200,000 a year?

Ms. Cheryl Hardcastle: Mr. Speaker, I explained that in my speech. I expressed a bit of frustration with the shortcomings of this legislation.

Government Orders

What we are seeing with Bill C-2 is a token response to the Liberal platform and to what Canadians saw. There was something in that platform that resonated with Canadians. That is why they were elected, the Liberals claim, so they should do something with it. It is a token response. As a matter of fact, it is insulting to people living in that median income range, because \$600 can go a long way toward nutrition and bills.

Not providing that well-being for all Canadians puts a burden on all of us as a country. One would think the Liberals would want to maximize this tool. That is why it is a bit frustrating.

Mr. Wayne Long (Saint John—Rothesay, Lib.): Mr. Speaker, as per usual, the NDP is long on thought and short on detail. Those members started first in the election campaign and fell quickly to third, because Canadians did not buy what they were saying. Canadians did not buy their platform or their policies. As parliamentary budget officer Kevin Page said, the NDP policy was like Swiss cheese because it had so many holes.

My question to the member opposite is this. Why did you support the UCCB that gave the same amount of money to millionaires and people who need it? Why did you support that policy?

The Speaker: I would remind the hon. member to always direct his comments to the Chair. Again, we do not use the word “you” in here, unless you are talking about the Speaker, and I get a little nervous when that happens.

The hon. member for Windsor—Tecumseh, a short answer.

Ms. Cheryl Hardcastle: Mr. Speaker, the NDP has proposed a number of realistic measures to provide assistance for a national child care benefit, guaranteed income supplement, and a national affordable day care plan. To suggest that we have not done our due diligence and our homework, we came out with a fully costed plan. We can argue where some of the resonations were during the campaign, but it certainly was not with the stats and facts, because we have those here.

The Liberals are missing an opportunity if they do not accept those facts and move forward with the well-being of middle-class Canadians, as was aggressively put forward in their platform.

• (1035)

[*Translation*]

Mr. Gabriel Ste-Marie (Joliette, BQ): Mr. Speaker, what I like best about Bill C-2 is the tax hike for the richest 1%. In my opinion, the income gap is too wide and that is the most glaring problem in our current capitalist society, together with the extreme pressure that our economic system is placing on the environment.

Over the past 30 or 40 years, income inequality has grown steadily and has now reached unacceptable levels. Paying a CEO ten times what his employees are paid can be justified. However, when the CEO is paid 200, 300, or even 400 times as much, that is a sign that there is something seriously wrong with our society, and that the state has failed to do one of its main jobs, namely to ensure an acceptable redistribution of wealth.

The government is sending a strong message with Bill C-2 and it is headed in the right direction. It has been a long time since Ottawa increased taxes for the rich. Lowering the TFSA limit is a measure in

the same vein and I will applaud if it actually shows up in the budget.

On the other hand, my enthusiasm for the tax cut for the so-called middle class is somewhat lukewarm. In my opinion, it misses the mark. This tax cut will benefit the wealthiest one-third of taxpayers. People who earn an average or median income will not benefit at all. The government is saying that anyone who earns \$45,000 or more will benefit. However, if gross income is used in the calculation, people actually have to earn \$51,000 to save money on their taxes. The reason for this is that other tax deductions reduce the gross income to a net income of \$45,000, which is taxable. As a result, a worker who earns \$51,000 a year will not save any money on taxes under Bill C-2.

By way of example, I would like to inform the parliamentary secretary that 80% of the people in his region of Mauricie report an income of less than \$50,000. Only 4% of the people in his region, including himself, will see their taxes reduced by the maximum amount. People who earn \$52,000 will not even save \$20 with this measure. It is far from a solution. Those who earn \$100,000 a year will save \$680, and those who earn a gross income of \$240,000 will not have to pay a penny more in taxes.

In short, the tax transfer in Bill C-2 will help the rich save money on their taxes by making the richest 1% pay more. In other words, the Bentley owners will have to pay to help BMW owners. Bill C-2 will not help Focus, Civic, or Corolla owners and will do even less for Accent owners, even though they are the ones who need help the most.

Nevertheless, this bill sends a strong message to the richest 1%. This is a step in the right direction. The proposed change is obviously symbolic and is not enough to correct the inequalities that exist. We need to go further.

The government should also target the problem of tax avoidance and tax havens as a priority. While the middle class and the poor are struggling and coping with austerity policies, receiving fewer services, and paying more for existing services, white collar criminals are ducking their social obligations. What good is it to increase their taxes by 1% if they are diverting their income? The KPMG scandal is the most recent example of this. The issue of tax havens is the elephant in the room. Canada's has one of the worst records among OECD countries. It is time for that to change.

Government Orders

This government can take action right now to deal with Barbados because we moved a motion to deal with this very issue. Barbados is Canada's tax haven. That is where Canadian banks and financial institutions, as well as wealthy Canadians, send their money. We can tackle Barbados as a tax haven right now. We do not need agreement from other countries to take action. I hope this will be done. It is a matter of fairness and justice.

The government of the Quebec nation is currently looking at the issue of tax havens. It will quickly see that it has little latitude on this matter and that it is largely dependent on the decisions that are made and voted on here in Parliament.

● (1040)

Since Quebec is not a country, it is subject to the tax treaties and laws negotiated, voted on, and ratified by Ottawa.

Quebec suffers when this government gives amnesty to white collar criminals. Quebec suffers yet again when Ottawa allows banks to move money to their branches in Barbados.

This lax attitude causes serious shortfalls for Canada and also for Quebec. When white collar criminals shirk their responsibilities, the rest of the public loses services, pays more in taxes and fees, and sees its debt balloon. This must change. We must do much more than what is in Bill C-2.

Mr. Erin Weir (Regina—Lewvan, NDP): Mr. Speaker, the hon. member for Joliette said that we must stop corporations from using tax havens.

Another big problem is that the Liberals and Conservatives cut the corporate tax rate in half.

Will the hon. member for Joliette also lend his support to the proposal to increase the corporate tax rate?

Mr. Gabriel Ste-Marie: Mr. Speaker, I thank my colleague for the question.

Yesterday, the Bloc Québécois expressed what it would like to see in the budget, and we also presented our expectations to the Minister of Finance.

We held more than a hundred consultations throughout Quebec to meet with different players, and one of the recommendations that came out of the consultations is to increase the tax rate for Canadian banks.

In 2007, the Canadian bank tax rate was 28%. It is currently 15%. We are proposing that it be gradually increased to 20%. Canadian banks do not compete with foreign banks. We are in a market protected by the Bank of Canada, thanks to the regulatory system. The banks are making immense profits, while we are up to our eyeballs in austerity measures and the middle class and the less fortunate are struggling. The banks have to do their part.

Our priority is to increase how much the banks have to contribute.

[*English*]

Mr. Arnold Viersen (Peace River—Westlock, CPC): Mr. Speaker, I appreciate the comments of my colleague about driving Civics, Hondas, and Corollas. I drove a Neon in the past, an entry-

level vehicle. Being a mechanic, I have also worked on a lot of those types of vehicles.

One of the things I would like to point out for my colleague is this. Generally, early on in life, we start out driving these kinds of vehicles, but we work hard, we get an education, and we move on. I no longer drive a Neon. I now drive a Dodge Durango. Through my education, I got a mechanic's ticket, then I went off to university and got a business degree, and now I am standing here.

I am on a trajectory with my life. I have worked hard and made money. That has given me the ability to enjoy these kinds of things in life.

There are incentives. When we tax people, there are incentives one way or the other. Does the member not see that there is a negative incentive when people are taxed greater, at higher tax brackets?

[*Translation*]

Mr. Gabriel Ste-Marie: Mr. Speaker, I thank my colleague for his question. I am pleased to learn that he is a mechanic because he probably found that very helpful as the owner of a Neon.

I am well aware that higher taxes on the very wealthy can have a negative impact, and that is something we always have to take into account in developing fiscal policy.

However, my analysis of the situation suggests that there is a problem because the wealthiest individuals do not absorb enough of the tax burden. They were given too much.

I think that increasing their contribution will not have a negative effect on stimulating the economy. On the contrary, it will help the economy. There is an impact, but it is limited. The same applies to the difference between generations. It exists, but it is hardly the only factor that explains the wealth gap.

● (1045)

[*English*]

Mr. Lloyd Longfield (Guelph, Lib.): Mr. Speaker, does the hon. member see the gap in income as a problem in Canada that might be addressed by increasing the tax on people earning more than \$200,000 and decreasing the tax on people making between \$45,000 and \$90,000?

[*Translation*]

Mr. Gabriel Ste-Marie: Mr. Speaker, I thank my colleague for his question.

We support Bill C-2. Yes, it will have an impact, but we feel it should have gone much farther.

Let me go over the numbers. This measure will apply to incomes between \$45,000 and \$90,000 or more, but the gross income must be \$51,000, which means there is no direct tax measure for two-thirds of taxpayers. This measure will do nothing for the least wealthy two-thirds of the population. The middle class will derive no direct benefit from this program.

Government Orders

[English]

Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC): Mr. Speaker, it is a pleasure and an honour to participate in the debate on the government's Bill C-2, also known as the Liberal giveth and the Liberal taketh away bill, because that is exactly what the bill would do.

Bill C-2 would give some modest tax relief to some Canadians, but it would also take away from all Canadians the ability to contribute \$5,000 more to their tax-free savings accounts. That is real money we are talking about here. For a young person perhaps just starting out, aged 25, that could be 45 years or more that he could be contributing an additional \$5,000 to his tax-free savings account, but which would now be denied to him because of Bill C-2.

I will explain in greater detail what Bill C-2 would do.

For a Canadian earning between \$45,000 and \$100,000 a year, he or she would receive some modest tax relief. If a Canadian is earning less than \$45,000, there is no tax relief. If a Canadian is earning more than \$200,000, he or she will be paying more taxes rather than less. However, every single Canadian eligible to open up a TFSA, that is to say every Canadian of the age of 18 or over who has a valid social insurance number, has the opportunity to open a tax-free savings account.

A tax-free savings account is a relatively new savings vehicle introduced by our previous Conservative government several years ago. It has proved to be incredibly popular. To date, over 11 million Canadians have TFSAs, and that number is growing steadily and quickly day after day.

When we first introduced the TFSA, we set a contribution limit of \$5,000. Again, that is to say that all Canadians who opened a TFSA could contribute \$5,000 as a maximum each and every year. The money in that account, as it grew over the years, could be withdrawn at any time tax-free. It was so popular, in fact, that most Canadians felt it was a far better savings vehicle than the RRSPs themselves, because, as everyone knows, with RRSPs one gets a tax break when putting money in, but has to pay taxes when taking the money out. TFSAs are just the opposite. One can put after-tax money into an account, and in that account, whether one had stocks, bonds, mutual funds or any other investment, that money could grow tax-free during the life span it was in the TFSA, and when a Canadian took that money out, it could be taken out tax-free.

What a wonderful vehicle for Canadians who wanted to save for the future. When someone is approaching retirement age, they are quite rightly concerned about their retirement years, their so-called golden years. Will they have enough money to sustain themselves comfortably in their retirement? The TFSA went a long way to ensuring that all Canadians could do exactly that. However, Bill C-2 would deny Canadians the ability to put an additional \$5,000 into their account.

As I mentioned earlier, when we first opened the TFSAs, the contribution limit was \$5,000. We increased that a few years later to \$5,500, and then a few years after that we put the limit up to \$10,500 a year. Out of the 11 million current TFSA holders, over two-thirds of those contribute the maximum, and of those maximum contributors, about 60% have modest to low incomes. Therefore,

this was a great tax savings vehicle for all Canadians, particularly those of modest and middle incomes.

The argument presented by the government as to why it reduced the level from \$10,500 to \$5,500 is that this was a vehicle simply for the rich. However, the statistics prove that simply is not the case. I suspect that the real reason the Liberals have chosen to reduce the ability of Canadians to put an additional \$5,000 into a tax-free savings account is simply that the current Liberal government needs more tax revenue.

Why does the government need more tax revenue? It is because the Liberals are going to be spending like drunken sailors, and we have already seen evidence of that. We know now that the first year's budget, which we will be seeing on March 22, is anticipated to come in at about a \$30 billion deficit. Most bank economists and people who have been analyzing the promises made by this Liberal government are anticipating that this figure of a \$30 billion deficit will grow over the years.

• (1050)

I know that the government's Keynesian theories about putting money into the economy to stimulate it and create jobs simply do not work. Keynesian theory has never worked and will not work today, but the reality is that because of the government's wild intent to go into deficit, all Canadians ultimately will have to pay the price. Why? It is because deficits in real terms are borrowed money. Borrowed money means that someone has to pay that money back. If it is not me, it will be my children and my grandchildren.

This is not new. This is something that the Liberals have done throughout the history of their years in government. This is in their political DNA. In fact, the majority of Canada's debt as we know it today was incurred by the current Prime Minister's father, Pierre Elliott Trudeau. Figures will show that in the last year of the former Trudeau's government, the Government of Canada was spending \$1.03 for every \$1 that it took in in revenue. It does not take an economist or a rocket scientist to figure out that a few years of that means that the tax load and tax burden on Canadians will have to increase, because there is no way any government can sustain that type of spending.

It seems that the apple has not fallen far from the tree, because this Prime Minister seems to be taking the same approach as his father, going into massive deficits when the government does not have to do so.

Keynesian theory is for when we are in a recession, and then, perhaps short-term stimulus spending or short-term deficits could create jobs and help the economy recover. That is only a theory, and as I mentioned earlier, I believe it has not been well thought out. It certainly has not been proven to be accurate in all of those jurisdictions worldwide that have attempted this type of economics, but one thing is certain, in a jurisdiction that is not in recession, the government should not put money into the economy as stimulus because it has no need to do so.

Statements by Members

There is one way the government could get additional tax revenue without raising taxes, and that is to look for private sector investment, private sector projects that might be able to create jobs and create tax revenue for the government. There is such a project in front of the government today. It is called the energy east pipeline, a shovel-ready project that would create literally thousands of jobs and bring in billions of dollars of tax revenue to the government, and yet, what has the government done? Has it embraced the energy east pipeline project? No, it has not.

In fact, there are several members of the Liberal government, mainly sitting on the backbench, who have won seats in ridings from provinces that would most benefit from the energy east pipeline, including Alberta, Saskatchewan, and New Brunswick, yet not one member has stood up in this place and defended the pipeline. Not one of those members has stood in this place and said, "I endorse energy east". Quite frankly, that is shameful, because their home provinces know the benefits that the pipeline could bring to Alberta, Saskatchewan, and New Brunswick.

Quite frankly, that does not matter to the government. The government is anti-oil and anti-pipeline, as we have seen time and time again. Instead, it has penalized average working Canadians. It has penalized Canadians by not allowing them to put more money into a tax-free vehicle, and when I ask, when did it become a bad thing to allow Canadians to save more of their money tax-free, I have an answer. It occurred on October 19 of last year, when the government decided to penalize hard-working Canadians and prevent them from saving their money tax-free.

Bill C-2 is a bad bill, and I will vehemently oppose it, as everyone on this side of the House will as well.

•(1055)

Mr. Wayne Long (Saint John—Rothesay, Lib.): Mr. Speaker, where do I start my defence against that? Some 6.7% of Canadians maxed out their TFSAs, yet the party opposite deemed it proper to double the contribution amount. What will that do?

The rhetoric from the party and the member opposite, quite frankly, is unbelievable. Canadians made a decision on October 19 to throw out a party that was tired and outdated. The Conservative Party was asked to take a back seat, and people moved forward with a Liberal government.

Would the member not agree that Canadians made the right choice on October 19?

Mr. Tom Lukiwski: Mr. Speaker, not only will I not agree with that, but I think the people of New Brunswick would agree they made the wrong choice on October 19.

We have a member who finally stood up in the House to make comment on a government bill. Was it to support energy east? No, it was not. I would ask the member to go back and take a poll of the constituents in his riding to see how many constituents who voted for him on October 19 now wish they had never done so, because they have a member of Parliament who does not stand up for the interests of his province. He does not stand up for energy east.

One thing is clear. On October 19, Canadians made a choice, but increasingly they have discovered in the first 120 days that they made the wrong choice.

STATEMENTS BY MEMBERS

[*Translation*]

BLUE MACHINE SWIM CLUB

Mrs. Alexandra Mendès (Brossard—Saint-Lambert, Lib.): Mr. Speaker, I would like to take a moment to commend the remarkable success of a swim club in Saint-Lambert that is known for its athletes' outstanding performance.

[*English*]

Blue Machine, founded in 1952, has been offering young people of Saint-Lambert and surrounding cities an ideal environment to develop swimming expertise while learning that competing is also about respect, confidence, enthusiasm, determination, and perseverance.

[*Translation*]

The Blue Machine competed in two championships in February, two provincial AAA championships in Gatineau, and the eastern Canadian open in Montreal.

Once again, the Blue Machine ranked among the best teams, finishing fourth in Quebec at the AAA provincial championship, and ranking as the seventh Quebec team at the eastern Canadian open in Montreal.

I am very pleased to congratulate Félix Côté-Leduc, Nathanaël Vallerand and Lili Chicoine, as well as their coach, Nicolas Zizzeri, on their success.

* * *

[*English*]

PHYSICIAN-ASSISTED DYING

Mr. Arnold Viersen (Peace River—Westlock, CPC): Mr. Speaker, on February 25, 2016, the report of the Special Joint Committee on Physician-Assisted Dying was released. It provided a glimpse into the upcoming Liberal government's legislation on euthanasia.

The report contained alarming recommendations that went far beyond the Supreme Court of Canada's ruling, including a recommendation that euthanasia be available to children and individuals with mental illness, that all publicly funded health care institutions must provide the service, and that doctors who conscientiously object are forced to provide a referral. I am very concerned that these recommendations will significantly undermine the fundamental right to life in Canada and irreversibly harm the most vulnerable in our communities.

My riding contains first nations and Métis communities, and I share the concern expressed by the indigenous witnesses to the special committee that the government has not consulted any national indigenous organizations on euthanasia. The Government of Canada should be focusing on helping people through improved palliative care instead of helping vulnerable people end their lives.

Statements by Members

●(1100)

PICTOU COUNTY FUNDRAISER

Mr. Sean Fraser (Central Nova, Lib.): Mr. Speaker, I rise to inform the chamber of an investment so fruitful that I am sure all members of the House will lend their support. This investment is a community organization that we all know as Big Brothers Big Sisters. That is right: for every \$1 that is invested in this organization through the mentorship program, \$18 are pumped back into the economy through increased spending and increased labour market participation.

This is one of the many reasons that I am delighted to serve as the honorary chair for this year's Bowl for Kids Sake charity fundraiser in Pictou County. On April 9, I will enter my own bowling team into the event to raise funds, have fun, and promote the tireless work that this chapter completes.

I wish to thank all of the volunteers in Pictou County who are organizing this wonderful event and all of those who are considering making contributions to this year's campaign. Lastly, I encourage all members to host a little brother or sister on May 31, when they will be here on the Hill. This organization helps build our nation, and events like these give us a chance to return the favour.

* * *

WINDSOR-ESSEX COMMUNITY RECOGNITION NIGHT

Ms. Cheryl Hardcastle (Windsor—Tecumseh, NDP): Mr. Speaker, I rise today with great pride in my riding of Windsor—Tecumseh to celebrate its extraordinary compassion and ingenuity. That bell again rang true earlier this week when I attended the Windsor-Essex County United Way's community recognition night to honour a host of caring community members for their impact on Windsor and Essex County. I am awestruck by the creativity and the scope.

I salute the volunteers and the partners of the Ford City rejuvenation project for the vibrant transformation of this historic neighbourhood. I salute Bill and Rochelle Tepperman for their lifetime of leadership in social justice and service to others, Family Services Windsor-Essex, Windsor police, our CUPE and Unifor locals, Windsor firefighters, Transit Windsor Local 616, Laval International, and Costco Windsor. There are a host of individuals behind these organizations who collectively make a difference.

On behalf—

The Speaker: The hon. member for Pickering—Uxbridge.

* * *

HEART DISEASE AND STROKE

Ms. Jennifer O'Connell (Pickering—Uxbridge, Lib.): Mr. Speaker, as many of my hon. colleagues know, the Heart and Stroke Foundation was on the Hill Tuesday to talk to MPs about how we can better protect ourselves and our loved ones from heart disease and stroke. These conditions can be devastating not only to individuals but to their families.

Heart disease and stroke is the number one killer of women globally. In Canada, stroke kills 26% more women than men. There continues to be a troubling lack of awareness among Canadian

women of the symptoms and risk factors that can differ from men. Furthermore, nine in ten Canadian women have at least one significant risk factor for heart disease and stroke.

We all must commit to discussing the importance of healthy living so that we can make a real difference for all Canadians.

* * *

[Translation]

RÉGINALD GRAND'MAISON

Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC): Mr. Speaker, I would like to take this opportunity today to underscore the fact that the death of a great philanthropist in my riding on February 29 has left a great void. Dr. Réginald Grand'Maison proudly kept alive the collective memory of the south shore and Kamouraska. He was a dentist in La Pocatière who was involved in many organizations, including Richelieu International and many others, where he did a great job.

He was also active in politics at various times. In the last 15 years, Mr. Grand'Maison dedicated much of his time to writing. He published more than a dozen works on the history of the people of the south shore, the Acadian roots of many of them, including himself, the politicians of Kamouraska, and many other topics.

He also took an interest in the work of the priests who taught at Collège de Sainte-Anne-de-la-Pocatière, a renowned institution that he supported through the Fondation Bouchard, of which he was a member for 17 years, six of them as chair.

I would like to extend my sincere condolences to his family.

* * *

[English]

FEMALE ENTREPRENEUR

Mr. Omar Alghabra (Mississauga Centre, Lib.): Mr. Speaker, I want to share with members an initiative my office organized. In celebration of International Women's Day, I asked my constituents to nominate one woman who inspires them. We received an impressive list of accomplished women, but my team and I had to select one.

Ms. Sudduf Wyne was born in Pakistan and came to Canada at a young age. She first studied engineering and then did her MBA. In February 2015, as an entrepreneur, Sudduf opened a Muslim lifestyle store in Mississauga. While many told her she couldn't succeed or that she shouldn't dream so big, her store, the Salaam Shop, continues to attract customers from around the GTA.

Statements by Members

Ms. Wyne is a trailblazer business person who dedicates much of her time to mentoring female entrepreneurs and encouraging them to chase their passion. I am proud of Sudduf, who on a daily basis shatters stereotypes and lets her achievements speak for her. It is a wonderful reminder that for the sake of everyone, we need to continue working to have a fairer society for girls and women.

* * *

●(1105)

[Translation]

SHAWINIGAN CATARACTES

Mr. François-Philippe Champagne (Saint-Maurice—Champlain, Lib.): Mr. Speaker, the Canadian Hockey League playoffs start next week, and I would like to commend the Shawinigan Cataractes, who have had a remarkable season and who have already clinched their division in the Quebec Major Junior Hockey League. This team, from my riding of Saint-Maurice—Champlain, is the only team that has evolved in the same city since the league was founded in 1969.

I would like to congratulate the excellent team from Shawinigan on their fantastic season and their achievement so far. I wish the Cataractes good luck in their efforts to take back the Memorial Cup, the Canadian championship, which they won in 2012.

In closing, I hope all fans of our national support enjoy the games as the playoff series heat up.

* * *

[English]

NATURAL RESOURCES

Mr. Bob Zimmer (Prince George—Peace River—Northern Rockies, CPC): Mr. Speaker, the Pacific North West LNG project has gone through a highly rigorous environmental review process, as we all know, which it passed. Today is the final day for the public to comment. I highly encourage all Canadians to comment today on that project.

This LNG project would create thousands of high-paying jobs in B.C. and Canada, billions of dollars in tax revenue, and reduce global pollution. If the LNG projects in B.C. are completed, Asia would see a massive reduction of emissions, which would be a positive for our global environment. People around the globe would breathe cleaner air because of B.C. LNG.

I would like to take some time to recognize two local residents, Kristi Pimm De-Maid and Alan Yu, for their tireless work to show that northern British Columbians support LNG projects. Today I sincerely implore the minister for the environment and the Prime Minister to do the right thing for B.C., Canada, and the environment and approve B.C. LNG.

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STATUS OF WOMEN

Ms. Pam Damoff (Oakville North—Burlington, Lib.): Mr. Speaker, Canadians are talking about how our International Women's Day theme of women's empowerment leading to equality recognizes the need to empower women and girls as we work together to achieve gender equality.

Because achieving gender equality depends on ensuring that the diversity of women's voices is heard, the Minister of Status of Women has launched a call for proposals, with two key streams: one for projects to increase women's participation, which would strengthen the voices of indigenous women on issues of importance in their communities; and the second to promote the voices of women by amplifying their voices and enhancing their civic and political participation.

In my riding, we heard the voices of a diverse group at a Halton round table on empowering women and girls that I and my colleague, the MP for Burlington, hosted last week. When women are empowered, they are able to shape the institutions and decisions that affect their lives. Without empowerment, there can be no equality.

* * *

GUELPH

Mr. Lloyd Longfield (Guelph, Lib.): Mr. Speaker, I rise today to acknowledge the joint initiative between Bioenterprise Corporation and Innovation Guelph.

FedDev Ontario is providing Bioenterprise Corporation and Innovation Guelph with an investment of up to \$4.84 million to provide entrepreneurs and early-stage businesses with seed funding, access to specialized industry expertise, and business coaching.

Funding will be geared toward supporting entrepreneurs in agriculture and agri-food technologies, sustainable and environmental technologies, advanced manufacturing, and social innovation industries.

Our investment in Bioenterprise Corporation and Innovation Guelph shows the Government of Canada's support for entrepreneurs and our commitment to diversifying the southern Ontario economy by supporting these innovative businesses.

* * *

BOB MCINTYRE

Mr. John Brassard (Barrie—Innisfil, CPC): Mr. Speaker, I rise in the House today on a sombre note.

Bob McIntyre passed away yesterday at the age of 73. Well known for his charitable work and for serving as the first honorary colonel of 16 Wing at Base Borden, Bob was best known as Barrie's TV weatherman for the past four decades on CKVR, The New VR, 'A' Channel Barrie, and CTV Barrie.

Statements by Members

Bob's consistent, reliable voice reached into homes on a nightly basis, delivering the weather from Bob's garden outside the station. Bob was one of the most genuine people one would ever meet. He cared deeply for his community and for his colleagues. When CTV Barrie was laying off employees five months ago, Bob decided to retire in order to save the job of another employee who would have otherwise been let go.

My thoughts are with his wife Darlene and his loving family. In the spirit of his trademark, this one is for you, Bob.

* * *

• (1110)

[Translation]

50TH ANNIVERSARY OF BATHURST

Mr. Serge Cormier (Parliamentary Secretary to the Minister of Fisheries, Oceans and the Canadian Coast Guard, Lib.): Mr. Speaker, the City of Bathurst, which is located in my riding of Acadie—Bathurst in New Brunswick, is celebrating its 50th anniversary as an incorporated city. When the eastern and western regions of the community merged in January 1970, Bathurst became the seventh city in New Brunswick. The first mayor was Duncan L. Young and the current mayor is Stephen Brunet.

January 1 marked the beginning of a series of community events that will continue until December.

[English]

The city of Bathurst played an important role in the economic development of our region following the creation of Brunswick Mine as well as a pulp and wood mill. More than 12,000 people live in Bathurst.

[Translation]

Bathurst continues to prosper thanks to the solidarity and dedication of the people in the Chaleur region. Residents and businesses have taken the initiative to diversify the economy. I wish the City of Bathurst a happy 50th anniversary.

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INTERNATIONAL DAY OF LA FRANCOPHONIE

Mr. Robert Aubin (Trois-Rivières, NDP): Mr. Speaker, since the House will not be sitting next week, I would like to take this opportunity to emphasize the importance of celebrating International Day of La Francophonie on March 20.

What exactly is the Francophonie? Beginning with mothers and fathers who sing in French to soothe their children, it is a mother tongue or the home language and the cradle of a culture. As a consistent presence in communities through schools, public services, and organizations that protect and promote it, it plays a part in development and becomes the language in which people work and relate to one another. Internationally, it breathes life into a burgeoning cultural and economic phenomenon.

In keeping with the theme of this year's celebration, it is the duty and pleasure of francophones and francophiles the world over to use and share "the power of words".

If anyone is looking for a place and a way to celebrate this event, I invite them to join me in Trois-Rivières for the Mauricie region's Journées internationales de la francophonie from March 11 to 20.

Let us show our pride where the Francophonie's roots run deep.

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[English]

FINANCE

Mr. Ziad Aboultaif (Edmonton Manning, CPC): Mr. Speaker, the Prime Minister once stated that the budget will balance itself. Well, he was wrong about that.

After inheriting a budget surplus of \$1 billion from the Conservative government and after he promised a \$10 billion deficit, his self-balancing budget policy is projected to generate a whopping \$150 billion deficit over the next five years.

Since his original plan failed, he and his Minister of Finance locked themselves up in a room to rethink time and space. They emerged with a new Liberal budget.

However, anonymous Liberal sources have leaked an important aspect of the budget. They say that the Prime Minister now wants Canadians to believe that we need not worry about the deficit. Why is that? Because he believes the deficit will be big enough to look after itself.

* * *

JOSEPH BRADY SMITH

Hon. Lawrence MacAulay (Cardigan, Lib.): Mr. Speaker, I want to sincerely thank all members of the House for allowing me the great honour of making this statement today.

Recently, Prince Edward Island lost a true gentleman and a hero to anyone who has ever battled addictions. Reverend Joseph Brady Smith faced his own fierce battle with alcohol in his early days, before he found his true calling.

I too faced my own fierce battle with alcohol, and Father Brady was there to help me in my time of need. He ended up helping countless individuals and families throughout his life.

Father Brady turned his struggles into his life's work and received the Order of Prince Edward Island for his compassion and dedication.

Father Brady was certainly one of the greatest people I have ever known, and he will be dearly missed. It was an honour to call him a friend.

*Oral Questions***ORAL QUESTIONS**

●(1115)

*[English]***ETHICS**

Hon. Candice Bergen (Portage—Lisgar, CPC): Mr. Speaker, while the Prime Minister and his choice cabinet ministers are busy partying it up in D.C. with family, lobbyists, and big Liberal donors, we are seeing a job crisis in western Canada.

The Prime Minister seems too busy, trying to get a pat on the head from President Obama and his anti-oil activists, to bother standing up for Canadian jobs.

Why is the Prime Minister using a state visit as an opportunity to shine in the limelight and give special access to his lobbyist friends and their clients, instead of standing up for Canadians' priorities?

Hon. Scott Brison (President of the Treasury Board, Lib.): Mr. Speaker, former Conservative prime minister Brian Mulroney said that the most important foreign policy priority for a Canadian prime minister was to have a personal relationship with the president of the United States. This is a great week for Canada-U.S. relations.

The previous Conservative prime minister did not understand the importance of building those types of relationships and he failed to defend Canada's interests in Washington. That was bad for jobs. That was bad for growth.

Canadians are proud now that they have a prime minister who understands the importance of that relationship and who is defending Canada's interests proudly in Washington.

* * *

NATURAL RESOURCES

Hon. Candice Bergen (Portage—Lisgar, CPC): Mr. Speaker, the Prime Minister says that market access is important to the government, but it looks like lobbyists' access to officials in Ottawa and Washington is more important than any access.

In fact, the Liberal government is doing everything it can to put barriers in the way of Canadian oil exports. While Liberals are putting barriers in the way, the U.S. is lifting bans on exports. The Liberals are putting bans on exports.

Why are the Liberals saying one thing and doing the absolute opposite, and blocking the opportunity for Canadian oil to get to market?

Hon. Scott Brison (President of the Treasury Board, Lib.): Mr. Speaker, market access for Canadian energy is important. Our government understands that.

However, for 10 years, we had a Conservative government that failed to actually get any market access for Canadian energy, any pipeline to tidewater. There has been no success there because it failed to defend Canadian interests in Washington. It did not have the relationships. It failed to work with aboriginal and first nation leaders in Canada. It did not meet the premiers to work together on this. It called environmentalists "eco-terrorists".

We are not going to repeat the follies of the previous government. We are going to get it done.

Hon. Candice Bergen (Portage—Lisgar, CPC): Mr. Speaker, the fact is that under our government, 1.25 million barrels per day more of oil were getting to market than before 2009. Those are the facts.

While the Liberals are banning exports, putting roadblocks in the way of pipelines, and introducing a carbon tax, the U.S. government is doing the exact opposite. It is building pipelines, it is lifting bans, it is selling oil, and there is no carbon tax.

Why is the Liberal government doing everything it can to make Canadian oil uncompetitive and destroying the Canadian oil industry?

Hon. Scott Brison (President of the Treasury Board, Lib.): Mr. Speaker, again, this has been an exceptional week for Canada-U.S. relations.

The Conservatives, in their bitterness, are playing politics this week when, in fact, Canadians are proud to have a government, a prime minister, and ministers who are defending their interests in Washington.

The Conservatives should stop playing politics. They should unite with Canadians who are proud of our Prime Minister this week, who is doing such an exceptional job defending Canadian interests and values in Washington.

* * *

*[Translation]***THE ECONOMY**

Mr. Jacques Gourde (Lévis—Lotbinière, CPC): Mr. Speaker, unlike millions of Canadians, our Prime Minister has never had to work very hard to make ends meet. Although he promised to stimulate the economy, this morning we heard that the unemployment rate has gone up and thousands of Canadians are looking for work.

Is this government planning to do anything other than increase taxes to stimulate employment?

●(1120)

Hon. Scott Brison (President of the Treasury Board, Lib.): Mr. Speaker, we inherited a deficit and weak economic growth from the Conservatives. Therefore, investing in job creation and economic stimulus is a priority for us. That is exactly what we are going to do with our budget: invest in infrastructure and the middle class. That is what we are going to do.

Mr. Jacques Gourde (Lévis—Lotbinière, CPC): Mr. Speaker, this government is incapable of finding solutions that will create jobs. There is nothing for small business, nothing for private sector investment, nothing for softwood lumber, nothing for pipeline construction, nothing for agriculture, nothing for the aerospace industry, nothing for natural resources, and nothing for job creation in the manufacturing sector for Canadians.

We are dealing with a government that is more interested in grandstanding than working. Is there a captain on this Liberal *Titanic*?

Oral Questions

Hon. Scott Brison (President of the Treasury Board, Lib.): Mr. Speaker, my colleague should wait for the budget. In fact, he will be pleased with our investments in infrastructure, economic growth and the middle class. Our government's priority is to make strategic investments that will create economic growth. It will be good for the middle class and for all Canadians.

* * *

INDIGENOUS AFFAIRS

Ms. Marjolaine Boutin-Sweet (Hochelaga, NDP): Mr. Speaker, during the election campaign, the Liberal Party promised to invest \$2.6 billion in new money for first nations education. That investment took into account funding already earmarked by the previous Conservative government.

However, now we are learning that the cupboards are bare, and the \$1.25 billion promised by the Conservatives was just virtual money.

Will the government commit to reinvesting to make up for this shortfall in order to really help first nations youth?

[*English*]

Hon. Carolyn Bennett (Minister of Indigenous and Northern Affairs, Lib.): Mr. Speaker, it is extraordinarily important that we invest properly in the education of first nations children and to close that gap in their education outcomes, which lead to health and economic outcomes.

Sadly, I can confirm that the previous government removed the promised additional funding for first nations education that it had promised, which the previous minister confirmed in the House, in committee of the whole, that the money was still there in the fiscal framework.

I am saddened by that revelation, but we are committed to making the appropriate investments to close that gap.

[*Translation*]

Ms. Marjolaine Boutin-Sweet (Hochelaga, NDP): Mr. Speaker, we are talking about children and youth in need. We are talking about communities with the highest drop-out rates and communities that need some hope. The Prime Minister himself promised these communities a new era of nation-to-nation relationships.

Is this government going to keep repeating the same old story and continue ignoring our first nations?

I want to know whether it is actually going to do something. Is the government really going to invest the funds promised?

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

We are going to work nation to nation, in a real partnership, to help first nations achieve the goals they have set and support the initiatives they have launched. The chronic underfunding of the first nations education system has been holding indigenous students back. Social and economic conditions will also improve with proper investments in education.

[*English*]

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, blaming the previous Conservative government for its failure does not help first nations children out now.

This morning, I dropped my children off at school. The school was not falling apart with mould. The textbooks were not disintegrating. However, that is not true for too many first nations children who go to school on reserve.

Simply saying that it is the last government's fault when the Liberals made a sacred commitment to fix the gap, to fund \$2.6 billion into education, this question is simple. It is yes or no. Will the Liberal government, not the one that campaigned but the Liberal government, follow through on this sacred commitment and promise and deliver the \$2.6 billion to fix the gap?

Hon. Carolyn Bennett (Minister of Indigenous and Northern Affairs, Lib.): Mr. Speaker, although we are saddened by the revelation of the previous government taking the money that had been promised for first nations education, we redoubled our efforts to actually close this gap.

I could not agree more with the member in terms of the shocking situation in first nations schools across the country and the unacceptable level of post-secondary attainment. We are going to fix this problem, and I ask for the member's help in this challenge.

* * *

● (1125)

DEMOCRATIC REFORM

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, the minister will get all the help she needs from the New Democrats; \$2.6 billion is what will fix the gap.

The Liberals also promised during the last election for electoral reform. Consultations and implementation will take time, yet the government has had five months with little to show for it. We have asked the minister to see and appreciate the urgency of now.

The New Democrats have proposed that we strike a citizens' working group to identify the problems we are trying to fix and establish the principles of a new voting system. Our antiquated first-past-the-post system was made by politicians for politicians. We must do better.

Will the democratic reform minister consider our proposal and engage Canadian society?

Hon. Maryam Monsef (Minister of Democratic Institutions, Lib.): Mr. Speaker, it is refreshing to see New Democrats express interest in wanting to hear from Canadians on this important issue.

Our government has already committed to striking a special committee as part of our platform commitment. I would add that the hon. member and all members of the House, as well as all Canadians, are welcome to share their ideas with the committee as we engage in this very important national dialogue.

*Oral Questions***FINANCE**

Hon. Diane Finley (Haldimand—Norfolk, CPC): Mr. Speaker, everyone knows but the Liberals that we cannot spend our way out of debt. The latest estimates are that the Liberal budget will inflict \$150 billion in new debt on Canadians without creating economic growth.

When will the Liberal government wake up and start managing the public purse responsibly so that our children and grandchildren will not be buried under a mountain of Liberal debt?

[Translation]

Mr. François-Philippe Champagne (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, after 10 years of sluggish economic growth, we are making a different choice. We have chosen economic growth. That is exactly what we are going to do.

When we held our prebudget consultations, from Moncton to Yellowknife, Canadians told us to invest in the economy. Canadians know that when interest rates are low, it is time to invest.

We are going to invest in innovation, productivity, infrastructure, and Canadians.

[English]

Hon. Diane Finley (Haldimand—Norfolk, CPC): Mr. Speaker, Sir John Templeton perhaps said it best in response to that when he said, “The four most expensive words are, ‘This time it’s different’”.

Canadians cannot afford the Liberal government’s out of control borrowing and spending plan. When will the Minister of Finance start showing some fiscal sense and stop the reckless spending? Will he ever deliver a balanced budget for all Canadians?

[Translation]

Mr. François-Philippe Champagne (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, our goal is a balanced budget, but our priority is economic growth.

I invite my hon. colleague to read what economists, the OECD, and the International Monetary Fund said. Everyone is saying that now is the time to invest in the economy to ensure economic growth.

That is why we are moving ahead with an historic plan for infrastructure. That is why, in the upcoming budget, we are going to invest in Canadians and the middle class. That is how we are going to grow the economy. That is what Canadians wanted, and that is what we are going to deliver.

* * *

[English]

FORESTRY INDUSTRY

Mr. Todd Doherty (Cariboo—Prince George, CPC): Mr. Speaker, the Prime Minister and president announced yesterday that the softwood lumber irritant would get resolved in “some fashion”. Some fashion is not very reassuring. This irritant supports approximately 145,000 well-paying, quality jobs in B.C. alone.

How am I supposed to tell my constituents that they may not be able to put food on the table because the government considers the

issue more of an irritant, and does not consider a new softwood agreement a priority?

Mr. David Lametti (Parliamentary Secretary to the Minister of International Trade, Lib.): Mr. Speaker, the softwood lumber question has been an absolute priority for this government since day one. The Prime Minister has met with the president on a number of occasions, beginning in Manila and obviously this week. We have on the table a public commitment from the President to table a joint report within 100 days that will set out the framework for an accord. That is an important announcement.

The Premier of British Columbia, Madam Christy Clark, qualified the news as “fantastic”.

• (1130)

Mr. Todd Doherty (Cariboo—Prince George, CPC): Mr. Speaker, the Hon. Christy Clark considered the news fantastic, but she also said that we need an agreement now, not in 100 days. There are 145,000 well-paying, high-quality forestry jobs in B.C. alone. These jobs are all on the line. The Prime Minister is more interested in dining tables than negotiating tables.

Will the minister stand in the House and commit to ensuring that the interests of all Canadian forestry producers, large and small, will be protected in our negotiations?

Mr. David Lametti (Parliamentary Secretary to the Minister of International Trade, Lib.): Mr. Speaker, we have been well aware of the complexity of this file from the get-go. We have spoken to industry representatives across this country, large and small. We have spoken to our various partners at the provincial and territorial government levels. We are working hard on this file, and we will arrive at a solution that will be good for all Canadians.

* * *

INDIGENOUS AFFAIRS

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Mr. Speaker, the Minister of Justice has failed to reassure Canadians. She refused to state whether the Liberals will protect private property from declaration of aboriginal title. Both the Minister of Justice and the Minister of Indigenous and Northern Affairs say that they are negotiating, that they are settling, and that they are working nation to nation. Where does that leave the private land owner? Where does he fit into this equation? Does that mean they are not at the table and they do not matter?

Could she please stand up and say that private property does matter?

Mr. Sean Casey (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, as I indicated yesterday, the matter that gives rise to the hon. member’s question is currently before the courts in British Columbia. It would be highly inappropriate to comment on a court case and the issues arising from the court case on the floor of the House of Commons. The matters pertaining to that litigation belong before the court.

Oral Questions

What I can tell the hon. member is that the Minister of Justice is currently reviewing the overall litigation strategy of the government to ensure that at all times it is consistent with our commitment to Canadians, to our values, and to the Charter of Rights and Freedoms.

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Mr. Speaker, a Liberal government of the past was always willing to say that private property is not on the table, and that was a value of Canadians.

The Minister of Justice stated that she might be changing the approach when it comes to declaring aboriginal title over private property. The B.C. premier has firmly shut the door.

Again, I will ask this. Yes, it is before the courts, but can the Liberals stand up and say that they will protect private property rights?

Mr. Sean Casey (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the Government of Canada is named as a defendant in this lawsuit. What it is going to say about the lawsuit will be said in court, not on the floor of the House of Commons.

The positions taken by the government in court will be consistent with our commitment to Canadians, with our values, and with the Charter of Rights and Freedoms.

* * *

JUSTICE

Ms. Sheila Malcolmson (Nanaimo—Ladysmith, NDP): Mr. Speaker, the Prime Minister made campaign promises about marijuana reform, but now courts are buzzing with confusion and the Liberals are doing nothing to clear the air. They are spending over \$4 million a year prosecuting people for simple possession. There were 22,000 people in 2014 alone, and hours of court time wasted on something that should not even be a criminal offence.

When will the Liberal government fulfill its promise to make simple possession of marijuana legal?

Mr. Bill Blair (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I thank the hon. member for her question and the opportunity to clarify.

Yesterday, the director of public prosecutions indicated that of the 1,136 judges in Canada, one had expressed confusion and concern about the law.

This matter has been very clear, and this government has been very clear. We are resolved to legalize, regulate, and restrict marijuana, and that work has begun.

In the interim, the law of this land is still in effect. Therefore, I would remind the member and all Canadians that the rule of law remains in effect. The law should be obeyed. The law should be upheld.

•(1135)

[*Translation*]

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, the government has been improvising on

the marijuana file from the beginning, and no one knows which way is up anymore.

The police and now judges are wondering why charges are still being laid for the personal possession of marijuana if the government intends to legalize it. The government needs to stop saying one thing and doing another. Unfortunately, the answers the parliamentary secretary has been giving are just adding to the confusion.

What are the Liberals waiting for? Why do they not act and decriminalize the simple possession of marijuana?

[*English*]

Mr. Bill Blair (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the government has been very clear that we are going to replace the criminal sanction with an effective and strong regulatory framework that will achieve our purposes of protecting our kids, making our communities safer, and taking the profits of this crime away from criminals.

Decriminalization has been described by the Centre for Addiction and Mental Health as a half measure. It does nothing to protect our kids and nothing to make our communities safer. The experience of other jurisdictions has made it very clear. The implementation of half measures undermine and make ineffective our efforts to introduce stronger effective regulations. Therefore, we will do this job right, and take the time to do it right.

* * *

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

Mr. Joël Godin (Portneuf—Jacques-Cartier, CPC): Mr. Speaker, a report published by the Institut de la statistique du Québec says that many regions are emptying out to the detriment of the major centres. Our regions are important and so are the people who live there.

We need to put tools in place to help SMEs grow and prosper. That's because our regions can create jobs and become more appealing to people that way. We need to support them.

What does the Minister of Innovation, Science and Economic Development intend to do so that Quebec's regions finally feel as though this government cares about them?

Mr. Greg Fergus (Parliamentary Secretary to the Minister of Innovation, Science and Economic Development, Lib.): Mr. Speaker, our regional economic development agencies are very important to the government and our plan for innovation. They are part of our plan to ensure that jobs are created in every region of Canada.

These will be good, export-oriented, innovation-based jobs. That is why all members of the House will show their support for our regional economic development agencies.

Mr. Joël Godin (Portneuf—Jacques-Cartier, CPC): Mr. Speaker, business owners are worried about what will be in the budget to be tabled on March 22.

Oral Questions

The Canadian Federation of Independent Business doubts that the government wants to give our businesses some breathing room by implementing tax breaks. The best way to develop wealth and create jobs is to stop stifling our businesses.

Can the government reconsider its plan to make businesses owners fund its astronomical deficit?

[English]

Ms. Gudie Hutchings (Parliamentary Secretary for Small Business and Tourism, Lib.): Mr. Speaker, this government understands the importance of small and medium-size businesses. We understand that they represent over 90% of the businesses in this country and contribute to over 40% of the GDP. That is why we are proud to deliver on our platform of reducing taxes for small businesses.

As my minister said earlier in the week, watch for the budget and the details will be there.

* * *

EMPLOYMENT

Mr. Jamie Schmale (Haliburton—Kawartha Lakes—Brock, CPC): Mr. Speaker, liberalnomics has ruined the economy of Ontario, and now it looks like Canada is on the exact same path.

Today's release of the jobless numbers show last month's unemployment rate was the highest it has been in almost three years: health care lost 20,000 jobs; education, 17,000; and natural resources, 9,000 jobs.

What is the Liberal plan: more red tape to delay job-creating projects. When will the government get out of the way of private sector growth and let Canadians get back to work?

Mr. François-Philippe Champagne (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, that is exactly why Canadians chose a different path on the 19th of October. Canadians chose the path of growth, and that is exactly what the Minister of Finance and I heard when we went across the country.

Now is the time to invest in the economy. Now is the time to invest in innovation, in productivity, and in our infrastructure.

After the 10 years of bad economic growth that these guys have left us, Canadians want us to work for them, and that is exactly what we are going to be doing.

Mr. Robert Kitchen (Souris—Moose Mountain, CPC): Mr. Speaker, road bans are on in southeast Saskatchewan. Anyone who still has a job in the oil industry is now out of work, adding to the thousands who are already permanently unemployed. EI is starting to run out. In fact, 7,800 job losses happened last month alone in Saskatchewan.

While the Liberals hobnob with the anti-energy activists and agree to study more studies, we know that this does not put food on the table for these families.

When is the government going to take concrete steps to support those in Saskatchewan who are suffering from job losses today?

● (1140)

Ms. Kim Rudd (Parliamentary Secretary to the Minister of Natural Resources, Lib.): Mr. Speaker, as we have said many times in this House, we feel for the families and the communities in our energy-producing provinces who are going through this downturn in commodity prices. We are working to grow the economy.

The National Energy Board, with its five new principles, is reviewing major projects. As we modernize the NEB, we will have an opportunity to see projects go through a robust process that Canadians can have confidence in.

* * *

INTERNATIONAL TRADE

Ms. Cheryl Hardcastle (Windsor—Tecumseh, NDP): Mr. Speaker, people in Tecumseh and throughout southwestern Ontario are worried about the impact of the TPP. This Conservative trade deal will destroy tens of thousands of good jobs and severely damage Canada's auto sector. Yet, the Liberals are pushing ahead without proper study and without consulting.

Will the trade minister come to my community and look auto workers in the face before she rubber-stamps the trade deal that sacrifices their jobs?

Mr. David Lametti (Parliamentary Secretary to the Minister of International Trade, Lib.): Mr. Speaker, our position on the TPP has remained consistent throughout our term in governance, and indeed stems from the election. We are studying the TPP. We are consulting across the country. We are consulting through the ministry. The minister is consulting. I am consulting. The trade committee is going to begin going across the country to hear Canadians on the TPP. And, the Minister of International Trade went to a Ford plant in Oakville and spoke to Ford workers on the shop floor about the TPP.

* * *

[Translation]

CANADIAN COAST GUARD

Ms. Anne Minh-Thu Quach (Salaberry—Suroît, NDP): Mr. Speaker, the *Kathryn Spirit* has been lying in Lake Saint-Louis since 2011. I recently learned that it is only checked once a week, by helicopter. Unlike what the minister claims, no Coast Guard inspector has set foot on the wreck to check on its condition since January, despite the risk of vandalism and thaw.

Does the minister truly believe that checking the wreck from a helicopter once a week is an adequate way to determine whether the ship is leaking pollutants or whether serious damage has been done?

How can the minister claim that everything is under control when no one has set foot on the wreck?

Oral Questions

Mr. Serge Cormier (Parliamentary Secretary to the Minister of Fisheries, Oceans and the Canadian Coast Guard, Lib.): Mr. Speaker, the minister has been very proactive with the *Kathryn Spirit*. In February, the Canadian Coast Guard created a working group with Transport Canada and other provincial, municipal, and private partners to discuss the *Kathryn Spirit* and to find the best solutions.

The working group's first meeting was held on March 7. The discussions were open and very constructive. I can say that all of the experts committed to looking at all potential alternatives to find a safe, permanent solution. Even the mayor of Beauharnois said that he considered the government's openness to be a first major step forward.

* * *

PUBLIC SAFETY

Mr. Joël Lightbound (Louis-Hébert, Lib.): Mr. Speaker, yesterday, the Prime Minister and the Minister of Public Safety and Emergency Preparedness reached an agreement with the Americans to make our border more open and more secure. After a decade of damage to the relationship with our most important ally and largest trading partner, we are already seeing the good that can come from a more positive and friendly relationship.

More specifically, this government has done more in five months than the previous government did in 10 years with respect to Jean Lesage International Airport, which I am honoured to have in my riding.

Can the parliamentary secretary tell us about the preclearance agreement and its impact on Jean Lesage International Airport?

Mr. Michel Picard (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, there was good news for Canada in Washington yesterday. We reached an agreement in principle that will expand preclearance to several sites, including Montreal's Central Station, Vancouver's Rocky Mountaineer Station, and Jean Lesage International Airport, which is in the riding represented by my colleague from Louis-Hébert.

This agreement will facilitate the movement of goods and people and improve border security. That is what can be achieved in negotiations with a better partner in Washington.

* * *

VETERANS AFFAIRS

Mr. Alupa Clarke (Beauport—Limoilou, CPC): Mr. Speaker, yesterday, the minister did not attend the Standing Committee on Veterans Affairs meeting as planned. Moreover, by failing to answer any of the opposition's questions, the minister is turning his back on veterans. After the mission in Afghanistan ended in 2014, we planned to erect a memorial in honour of our 40,000 veterans who served there.

Instead of leaving Canadians in the dark, can the minister tell us today whether or not this memorial will be erected?

• (1145)

[English]

Hon. Kent Hehr (Minister of Veterans Affairs and Associate Minister of National Defence, Lib.): Mr. Speaker, I can inform the member that it is Veterans Affairs' bailiwick to respect and honour those men and women who have served in our armed forces and, in particular, those who took part in the Afghan mission.

It was very important to this country, their service and their sacrifice, and we will dutifully go about doing that. We are currently working with Canadian Heritage to find a way to get this project done, and it will be moving forward in due course in a respectful and dignified manner.

Mrs. Cathay Wagantall (Yorkton—Melville, CPC): Mr. Speaker, the mandate of Veterans Affairs Canada includes keeping alive the achievements and sacrifices of those who served Canada in times of war and peace.

The Liberal decision to cancel the community war memorial program is contrary to the department's affirmation that there is a continued need for this essential program.

Cancelling this program was not even brought up for discussion at the veterans stakeholder meeting. Why did the minister make this decision without consultation, without openness and transparency, with our veterans?

Hon. Kent Hehr (Minister of Veterans Affairs and Associate Minister of National Defence, Lib.): Mr. Speaker, my apologies, but I would like to take this opportunity to talk about what we are doing in the Veterans Affairs Department.

We are working very hard to ensure that our veterans are getting the care, compassion, and respect they deserve. We are finding ways to find them more employment opportunities, more opportunities to go back to school, and to have the ability to better their lives for their families as well as themselves.

The Speaker: It is always helpful for those answering questions to address the topic raised if at all possible.

The member for Selkirk—Interlake—Eastman.

* * *

NATIONAL DEFENCE

Mr. James Bezan (Selkirk—Interlake—Eastman, CPC): Mr. Speaker, yesterday, the American deputy secretary of defence, Robert Work, was understandably anxious about Canada's decision to replace our CF-18 fighter jets.

He noted that the United States is keen to hear Canada's decision, since it could affect F-35 prices and our interoperability with our allies. Instead of having a fair and open process, the Prime Minister has set up a secret cabinet committee where they can politically rig the entire requirements.

When will the Prime Minister stop playing politics and purchase the best fighter jet to replace our CF-18s?

Hon. John McKay (Parliamentary Secretary to the Minister of National Defence, Lib.): Mr. Speaker, the government is committed to an open and transparent process to replace the CF-18 fighter.

Oral Questions

Regrettably, the previous government left behind a procurement process that is so Byzantine as to defy anyone trying to get major procurements through. As a consequence, the only procurement that was obtained in the last 10 years was a photo op with the previous minister on a plywood F-35, along with the leader of the opposition.

We intend to get—

[Translation]

The Speaker: The hon. member for Charlesbourg—Haute-Saint-Charles.

Mr. Pierre Paul-Hus (Charlesbourg—Haute-Saint-Charles, CPC): Mr. Speaker, the U.S. Deputy Secretary of Defense, Robert Work, is calling on the Canadian government to make up its mind and decide which aircraft will replace the CF-18. He says that the choice of aircraft must be made in the national interest of Canadians, but that the Americans are anxious to know what that choice is.

We took part in the development, and our withdrawal will have a major financial impact on the other partners.

Instead of dinners and photo ops in Washington, will this government finally make up its mind and tell us which aircraft will replace the CF-18?

[English]

Hon. John McKay (Parliamentary Secretary to the Minister of National Defence, Lib.): Mr. Speaker, as I previously said, the government is committed to an open and transparent process.

The procurement process that was left behind is Byzantine in its nature. Regrettably, we are in a situation where we have to make a decision, and that decision will be made soon. The process was so complicated that in fact the Prime Minister has felt compelled to create a special committee just to straighten out the process.

To get a question about procurement from that particular party is a little rich.

* * *

[Translation]

HOUSING

Mr. Robert Aubin (Trois-Rivières, NDP): Mr. Speaker, during the election campaign, the Prime Minister came to the Mauricie region and promised to make the necessary investments to help the pyrrhotite victims. He acknowledged that this is both a human and economic tragedy. My constituents are desperately waiting for assistance. In the meantime, many of them have had to give up their homes.

The budget will be tabled in 11 days, and my question is very simple: is the Prime Minister going to use that opportunity to keep his promise and provide financial assistance to the pyrrhotite victims?

• (1150)

Mr. François-Philippe Champagne (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, I thank my hon. colleague for his question. This is a very important issue back home in Mauricie. When the Prime Minister of Canada went to Mauricie, he acknowledged that the people struggling with the pyrrhotite problem were victims of both a human and economic tragedy. I have

been working hard every day since October 19 to move forward on this file for the people of our community. It is a priority. I am proud that our Prime Minister went to Mauricie to speak to the victims and tell them about how he thought the Canadian government could help them.

[English]

Ms. Sheri Benson (Saskatoon West, NDP): Mr. Speaker, the UN is warning of a housing crisis affecting communities across Canada, a crisis that has been ignored for far too long. In fact, the last Liberal government slashed social housing. Now, we see the Government of Saskatchewan putting homeless people on a bus to B.C.

Does the minister agree with the NDP that buying a one-ticket is not a solution, and will he commit to a social housing strategy that ends homelessness in communities across Canada?

[Translation]

Hon. Jean-Yves Duclos (Minister of Families, Children and Social Development, Lib.): Mr. Speaker, I thank the member from across the aisle for her question. This relates to a key aspect of the program we developed and championed during the election campaign. We announced at that time that the Canadian government would recommit to supporting affordable social housing. We are really looking forward to continuing the process that we have already begun with the provinces and territories over the next few weeks, to ensure that this commitment is met in a meaningful and effective way.

* * *

[English]

DEMOCRATIC REFORM

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Mr. Speaker, the Liberal government needs to have more respect for Canadians and more respect for democracy.

Recent polling shows us that two-thirds of Canadians expect a referendum to be held if the government wants to change the way MPs are elected. Canadians want a referendum, and they deserve one. The government can show that it respects both Canadians and democracy by holding a referendum on its plans to change the voting system.

Why does the government have such a problem with democracy that it is denying Canadians the final say in a referendum on changes to their electoral system?

Hon. Maryam Monsef (Minister of Democratic Institutions, Lib.): Mr. Speaker, it is out of a great deal of respect for Canadians and for the democratic institutions we are so privileged to have that the government committed to bringing our electoral system into the 21st century.

It is out of that respect for Canadians that we have committed to establishing a parliamentary committee to engage Canadians in this very important conversation. It is out of respect for the next generation that we will do our best to enhance the existing systems, and lead the world in terms of democratic strength and democratic institutions.

Oral Questions

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Mr. Speaker, the minister seems to talk a good game, but she continually says to the House that it is both too soon to decide whether to hold a referendum on changing the voting system and also that it would be a huge disservice to democracy to have one. Those are her own words. I think most Canadians would disagree with the minister. In my province, a citizens assembly proposed changing the voting system and the provincial government put these changes to the people, to British Columbians, not once but twice.

Canadians deserve the final say if the Liberal government wants to change how Canadians vote. Why won't the government give the people a say?

Hon. Maryam Monsef (Minister of Democratic Institutions, Lib.): Mr. Speaker, I have missed this line of questioning, I must admit.

We have committed to listening to Canadians. I have stood time and time again in the House, expressing a willingness to work with all members of the House. I encourage all of you to engage in this important conversation. We will establish a parliamentary committee made up of members of the House to engage Canadians from coast to coast to coast.

The Speaker: I assure the hon. minister that all of me is listening. Members do not use the word “you” here, of course, unless we are referring to the Speaker.

The hon. member for Barrie—Springwater—Oro-Medonte.

* * *

ETHICS

Mr. Alexander Nuttall (Barrie—Springwater—Oro-Medonte, CPC): Mr. Speaker, Liberals like to give perks to party donors. Lobbyists and Liberal bagmen have gotten the perk of a state dinner. Working Canadians are not so fortunate. While bagmen and Liberal lobbyists get to sit at the big table, we Canadians are left here with the \$30 billion bill.

When will Liberals start helping all Canadians rather than just those who fatten their coffers and fill their trough?

• (1155)

Hon. Scott Brison (President of the Treasury Board, Lib.): Mr. Speaker, all Canadians benefit from what happened in Washington this week, from having a Prime Minister and a government that can stand face to face and shoulder to shoulder with the President of the United States to move our nations forward and to defend Canadian interests.

All Canadians understand the importance of Canada-U.S. relations. They finally have a Prime Minister who understands the importance of that relationship.

* * *

AGRICULTURE AND AGRI-FOOD

Mr. Bryan May (Cambridge, Lib.): Mr. Speaker, Canada is the world's seventh-largest beef exporter and the second-largest exporter of grain-fed beef. Beef exports are valued at \$2.2 billion, which demonstrates this industry's importance to our economy and to Canadian jobs. There are close to 1,000 beef farmers in Waterloo

region, including Oakridge Acres in my riding of Cambridge and North Dumfries.

Can the Minister of Agriculture update the House on what this government is doing to help beef farmers and to help the beef industry?

Hon. Lawrence MacAulay (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I would like to thank my hon. colleague from Cambridge for his concern. I can assure him the Canadian cattle industry is a major driver of our economy, worth \$10 billion. This week, I was proud to announce an investment of \$4 million to the Canadian Cattlemen's Association for three initiatives to support the industry with new and existing markets.

Our government's focus on investing in research, innovation, and markets will help keep Canada's 68,000 beef farmers on the cutting edge.

* * *

FOREIGN AFFAIRS

Ms. Marilyn Gladu (Sarnia—Lambton, CPC): Mr. Speaker, while the Prime Minister is using official government business in Washington to raise money for the Liberal Party, there is a serious international matter involving Canadians abroad that demands his attention. John Ridsdel and Robert Hall are two Canadians who have been held hostage in the Philippines by the terrorist group Abu Sayyaf. Yesterday, a video emerged of the two of them having their lives threatened, and in the video both men specifically asked the government to act.

Can the Minister of Foreign Affairs tell the House what the Canadian government is actually doing to help free these men from their terrorist captors?

Mr. Omar Alghabra (Parliamentary Secretary to the Minister of Foreign Affairs (Consular Affairs), Lib.): Mr. Speaker, the Government of Canada is aware of the video that has been released. Our priority is the safety of our citizens, and that is precisely why we will not comment on anything that this government is doing right now. Our priority is the safety of Canadians, but we are on top of that file.

* * *

SCIENCE

Mr. Marwan Tabbara (Kitchener South—Hespeler, Lib.): Mr. Speaker, during the campaign, we committed to science-based policy decisions. To be able to do this, we also need to encourage scientific research ourselves and ensure that those important projects receive the funding they require.

Can the Minister of Science update the House on the government's recent announcement regarding space health research?

Oral Questions

Hon. Kirsty Duncan (Minister of Science, Lib.): Mr. Speaker, earlier this week, the Minister of Innovation, Science and Economic Development and I announced an investment of \$1.7 million to fund four Canadian studies to reduce the risks to Canadians on long-term missions. The scientific mission will deepen our knowledge of the effects of longer missions, and improve our understanding of the effects of prolonged isolation and physical inactivity. We committed to encouraging scientific research, and we are delivering.

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Hon. Pierre Poilievre (Carleton, CPC): Mr. Speaker, according to the Canadian National Institute for the Blind, about a third of those people suffering with visual impairment discontinue their studies for that reason. One of the problems is the absence of books in Braille and audio format.

The good news is that there are about a quarter of a million of such books produced in 13 countries around the world that could be accessible to Canadians if we would change our copyright laws and let them in. The previous government introduced legislation to do just that, last April in the last Parliament. I wonder if the government would rise and introduce that legislation for quick passage.

Mr. Greg Fergus (Parliamentary Secretary to the Minister of Innovation, Science and Economic Development, Lib.): Mr. Speaker, we support the Marrakesh Treaty.

Many Canadians live with a disability that does not allow them to access printed material. They need to access this material to participate in our economy, so this government is working to address this challenge by facilitating persons with print disability to have access to works in large print and different formats, to provide overall a greater accessibility to these works. We are hoping that all members will continue to support the adoption of this law.

* * *

• (1200)

[Translation]

AGRICULTURE AND AGRI-FOOD

Mr. Gabriel Ste-Marie (Joliette, BQ): Mr. Speaker, under the supply management system that the government has promised to protect, the milk we consume in Canada must be produced here. A few weeks ago, the minister himself acknowledged that imported milk proteins are problematic. The minister has not backed up his fine words with a solution to this serious problem, which is hurting Quebec dairy producers.

Will the Minister of Agriculture and Agri-Food promise to quickly and once and for all tighten import controls and put in place compensation for milk producers?

[English]

Hon. Lawrence MacAulay (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I appreciate my hon. colleague's question and concern. I can assure him that I have met with many sectors in the agriculture industry, including the dairy farmers. Being a dairy farmer myself, I fully understand the problem. We are discussing it with the industry and we will come to a conclusion.

[Translation]

THE ENVIRONMENT

Ms. Monique Pauzé (Repentigny, BQ): Mr. Speaker, yesterday, at the BAPE, TransCanada presented a disaster scenario in which 3.6 million litres of oil could be spilled into our waterways. Even worse, the company demonstrated that it had no idea of the impact of a spill on our waterways and that its emergency plan was hastily put together.

The president of the BAPE even pointed out that TransCanada was making people uncomfortable by not being able to answer questions.

Will someone in the House be able to answer my question? What will it take for the government to recognize that this project is untenable?

[English]

Ms. Kim Rudd (Parliamentary Secretary to the Minister of Natural Resources, Lib.): Mr. Speaker, the health and safety of Canadians and protection of the environment remain the Government of Canada's top priorities. The government is committed to regaining public trust by ensuring proposed projects such as new pipelines undergo credible, robust, environmental, and regulatory reviews. The Pipeline Safety Act would ensure that Canada maintains a high standard for its pipelines.

* * *

[Translation]

AIR CANADA

Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ): Mr. Speaker, we have just learned that the FTQ has filed a request for an injunction in the Quebec Superior Court to force Air Canada to comply with the law. Two rulings have already been handed down in favour of the Government of Quebec.

The law is clear. Will the Minister of Transport keep the promise he made to Aveos workers in the past?

Hon. Marc Garneau (Minister of Transport, Lib.): Mr. Speaker, I will not comment on matters before the courts, but I will point out that the situation has changed a lot over the past four years.

As members know, Air Canada intends to purchase 45 and possibly even 75 Bombardier aircraft and help establish a centre of excellence to perform maintenance on these aircraft for at least 20 years. Air Canada is also in discussions with the Government of Manitoba.

This is a good example of how we are creating high-quality jobs for Canadians in the aerospace industry.

[English]

PRESENCE IN GALLERY

The Speaker: I would like to draw to the attention of hon. members the presence in the Ladies' Gallery of the Honourable Kevin Murphy, Speaker of the Legislative Assembly of Nova Scotia.

Some hon. members: Hear, hear!

ROUTINE PROCEEDINGS

• (1205)

[English]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 27 petitions.

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NATURAL RESOURCES

Ms. Kim Rudd (Parliamentary Secretary to the Minister of Natural Resources, Lib.): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour today to table, in both official languages, copies of the 2014-2015 Annual Report to Parliament on the Canada-Newfoundland and Labrador fiscal equalization offset.

I am also pleased to have the honour to table, in both official languages, the 2014-2015 Annual Report to Parliament on the Canada-Nova Scotia fiscal equalization offset and on the Canada-Nova Scotia Development Fund.

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COMMITTEES

FINANCE

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the second report of the Standing Committee on Finance, entitled "Final Report of the House of Commons Standing Committee on Finance Regarding its Consultations in Advance of the 2016 Budget".

In a very short time frame, the committee heard from 92 witnesses, with an additional 175 written submissions. I want to thank the witnesses, my colleagues here, and my colleagues across the way for working so hard to complete the report in such a tight time frame.

I must also congratulate and thank the clerk, the analysts, and the management team at the Library of Parliament for really going beyond the call of duty to adhere to this extremely tight time frame to table this report today.

GOVERNMENT OPERATIONS AND ESTIMATES

Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC): Mr. Speaker, I have the honour to present, in both official languages, the first report of the Standing Committee on Govern-

Routine Proceedings

ment Operations and Estimates, entitled "Supplementary Estimates (C) 2015-2016".

I congratulate and applaud all the members of the committee for their hard and diligent work in compiling this first report.

FISHERIES AND OCEANS

Mr. Scott Simms (Coast of Bays—Central—Notre Dame, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the first report of the Standing Committee on Fisheries and Oceans on its study of Supplementary Estimates (C) 2015-2016.

I too would like to wish all the best to my colleagues on that standing committee as we proceed.

STATUS OF WOMEN

Ms. Marilyn Gladu (Sarnia—Lambton, CPC): Mr. Speaker, I have the honour today to present, in both official languages, the first report of the Standing Committee on the Status of Women entitled "Supplementary Estimates (C) 2015-16: Votes 1c and 5c under Office of the Co-ordinator, Status of Women".

I also present the second report of the committee entitled "Main Estimates 2016-17: Votes 1 and 5 under Office of the Co-ordinator, Status of Women", from the Standing Committee on the Status of Women.

Mr. Dan Albas: Mr. Speaker, I heard some distress coming from the Liberal government side of the House today that we did not put forward a motion. Therefore, if there is unanimous consent, we would like to table the *Fiscal Monitor*, highlighting a budgetary surplus of \$2.2 billion for December 2015.

My mother always said that consistency leads to good things, so I hope the government will accept the motion.

The Assistant Deputy Speaker (Mr. Anthony Rota): Does the hon. member have the unanimous consent of the House for the motion?

Some hon. members: No.

* * *

PETITIONS

PALLIATIVE CARE

Mr. Jim Eglinski (Yellowhead, CPC): Mr. Speaker, I am pleased to present a petition calling upon Parliament to establish a national strategy on palliative care.

The petitioners state that in the 41st Parliament, the House of Commons unanimously passed this motion. They therefore ask that access to high-quality palliative care at the end of life be available.

* * *

• (1210)

QUESTIONS ON THE ORDER PAPER

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the following questions will be answered today: Nos. 38 and 39.

Routine Proceedings

[Text]

Question No. 38—**Mr. Alistair MacGregor:**

With respect to the RCMP for the year 2015, broken down by province and territory: (a) how many investigations led to charges under the Criminal Code for animal cruelty; (b) how many charges of animal cruelty led to convictions; (c) how many convictions of animal cruelty led to fines; and (d) how many convictions of animal cruelty led to jail time?

Hon. Ralph Goodale (Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, the RCMP accesses data from various records management systems that each require a varied search methodology to retrieve the requested information. Given the current time constraints, the RCMP is unable to provide the requested information as it would require a considerable amount of resources and time.

In addition, the RCMP records management systems are “incident” based. There are a number of animal cruelty-related offences that exist within the record management systems. Any of the animal cruelty-related “offences” on any “incident” that exist on the RCMP’s records management systems may not be the only offence related to the incident. If a charge were laid or recommended in relation to the incident, a manual review would be required of every “cleared by charge” occurrence to ensure that the animal cruelty-related charge was in fact the one laid.

Finally, given that the requested data is for the year 2015, it is expected that the vast majority of these offences would not yet have cleared the provincial court systems and, as such, no reliable disposition information would yet be recorded.

Question No. 39—**Mr. David Graham:**

With regard to the Vessel Operation Restriction Regulations (VORR) and where applicable its Local Authorities’ Guide: (a) what are the details of all applications ever received under Section 4, broken down by (i) date of first contact or initiation of the application, (ii) date of receipt of a completed application, (iii) name and jurisdiction of the local authority making the request, (iv) current status of the application, (v) the file, tracking, or reference numbers of all files, correspondence, and other information relating to the application, including title or subject, authors, and recipients, where applicable; (b) what options do local authorities have to simplify or expedite the handling of applications to implement specific limitations to vessel type or speed, on waters within their territories; and (c) what are the details of all regulations and local modifications currently in force under the VORR broken down by (i) date of change or implementation, (ii) requesting authority, (iii) reason for change, (iv) the file, tracking, or reference numbers of all relevant files, correspondence, and other information, including title or subject, authors, and recipients?

Hon. Marc Garneau (Minister of Transport, Lib.): Mr. Speaker, the vessel operation restriction regulations, VORRs, came into effect on April 17, 2008. The applications received under schedule 4 of the VORRs were all migrated from the previous regulations, the boating restriction regulations. Since that time, there has been only one change to a restriction under schedule 4, which has been repealed by SOR/2014-210.

* * *

[English]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if Questions Nos. 40 to 43 could be made orders for return, these returns would be tabled immediately.

The Assistant Deputy Speaker (Mr. Anthony Rota): Is that agreed?

Some hon. members: Agreed.

[Text]

Question No. 40—**Mr. Charlie Angus:**

With regard to FedNor, for each fiscal year from 2009-10 to 2015-16: (a) what was FedNor’s total approved budget; (b) how much of the budget in (a) was actually spent; (c) how much lapsed funding is eligible to be carried over to future years; (d) how much was allocated to the Northern Ontario Development Program; (e) how much was actually spent on the Northern Ontario Development Program; (f) how much was allocated to the Community Futures Program; (g) how much was actually spent on the Community Futures Program; and (e) what were the full-time equivalent staffing levels of FedNor?

(Return tabled)

Question No. 41—**Mr. Charlie Angus:**

With respect to government funding: what is the total amount of funding, during the 2014-15 fiscal year, that was allocated within the constituency of Timmins — James Bay, specifying each department or agency, initiative, and amount?

(Return tabled)

Question No. 42—**Mr. Charlie Angus:**

With respect to water and wastewater systems in Indigenous communities across Canada: (a) what is the breakdown of water systems, broken down by (i) high overall risk, (ii) medium overall risk, (iii) low overall risk; (b) how many Indigenous communities had drinking water tanks and cisterns fail safety tests; (c) how many Indigenous communities had drinking water tanks and cisterns which received a one hundred percent pass rate on safety tests; (d) how many homes are reported to have no water service; (e) how many communities are currently under boil-water advisories; (f) of the communities in (e), what kind of advisory is in place and what are the names of the specific communities; (g) what is the breakdown of wastewater systems broken down by (i) high overall risk, (ii) medium overall risk, (iii) low overall risk; (h) how many Indigenous communities had wastewater systems fail safety tests; (i) how many Indigenous communities had wastewater systems get a one hundred percent pass rate on safety tests; (j) how many homes are reported to have no wastewater service; (k) how much money has the government spent on sending bottled water into Indigenous communities that are under boil-water advisories; (l) how many bottles of water has the government sent to Indigenous communities; (m) how much funding is required to end every boil-water advisory currently in place over the next five years; (n) how much funding is required to have all water and wastewater systems receive passing grades; (o) how much money is dedicated within the current budget and the current fiscal framework to improve water and wastewater systems on reserves; (p) with respect to the National Assessment of First Nations Water and Wastewater Systems National Roll-up Report, (i) how much of the estimated 783 million dollars was spent and is projected to be spent on water systems, (ii) how much of the estimated 300 million dollars was spent and is projected to be spent on wastewater systems, (iii) how much of the 4.7 billion dollars was spent and is projected to be spent over the next ten years; and (q) for each subsection in (p), what are the updated costs and needs for funding on water and wastewater systems?

(Return tabled)

Question No. 43—**Mr. Guy Caron:**

With regard to the Department of Finance’s 2016 pre-budget consultation sessions that took place between January 6, 2016, and January 20, 2016: (a) how many sessions were organized by the government; (b) where did these consultation sessions take place, broken down by (i) city, (ii) constituency; (c) what groups and individuals were invited to the consultation sessions; (d) what groups and individuals participated in the consultation sessions; (e) which members of Parliament attended the consultation sessions; and (f) how many online consultation sessions took place?

(Return tabled)

Government Orders

[English]

Mr. Kevin Lamoureux: Mr. Speaker, I ask that all remaining questions be allowed to stand.

The Assistant Deputy Speaker (Mr. Anthony Rota): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

INCOME TAX ACT

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

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I would not turn down the opportunity to ask a friend a friendly question of sorts.

This legislation would do something positive for Canada's middle class. If the bill were passed, it will give substantial tax relief to Canada's middle class. If members vote in favour of it, they will be voting in favour of a tax cut for the middle class.

Would my friend not acknowledge that many Conservatives in the past would have voted in favour of tax cuts? This is one that Canadians could truly get behind. Over nine million Canadians will benefit if this legislation is allowed to pass. Is my friend seriously looking at supporting the legislation?

Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC): Mr. Speaker, it is a pleasure to respond to a question from a colleague and a good friend as well.

I do not have to remind my colleague of our previous government's record on reducing taxes. Over 140 taxes were reduced in our 9 years in government. We brought the tax regime for every Canadian down to the lowest level in 50 years.

However, the problem with Bill C-2, as I explained in my address, is that it does not just cut taxes for some Canadians. It would penalize every Canadian by not allowing them to max out their TFSAs to the levels that our government introduced. Everyone's contribution limits for TFSAs would be cut by \$5,000. That is unacceptable and I certainly will not be supporting Bill C-2.

Mr. Erin Weir (Regina—Lewvan, NDP): Mr. Speaker, perhaps members have seen the movie *Groundhog Day*. I started out my week by asking the member for Moose Jaw—Lake Centre—Lanigan a question about Bill C-2. I asked him whether he was concerned that a \$10,000 contribution limit over time might allow the affluent to accumulate huge pools of tax-free investments. His response was that it was good to allow people to make contributions tax-free. However, there can be too much of a good thing.

In that spirit of *Groundhog Day*, I would like to ask the same question. At some point does the member for Moose Jaw—Lake Centre—Lanigan believe investment profits should be subject to tax?

Mr. Tom Lukiwski: Mr. Speaker, if anyone wondered whether my colleague for Regina—Lewvan had socialist leanings, it has been cleared up right now.

When did it become a bad thing to allow Canadians to reduce their tax burden? When did it become a bad thing to allow Canadians to invest in a vehicle that lets them keep more of their hard-earned money? When did it become a bad thing to allow Canadians to keep their money in a tax-free vehicle? They should not be penalized. Socialists would like to do that, but we do not.

[Translation]

Mr. Joël Lightbound (Louis-Hébert, Lib.): Mr. Speaker, I am very pleased to rise today in the House to talk about something that is particularly dear to my heart, and that is reducing inequalities. When it comes right down to it, that is what Bill C-2, an act to amend the Income Tax Act, is all about.

Obviously, I do not consider Bill C-2 to be the final destination. There will always be work to do when it comes to reducing inequalities, but this bill is a step in the right direction, a step that the government took at the earliest opportunity. This bill is a step in the right direction because it makes our income tax system more progressive by creating a new 33% tax bracket for incomes over \$200,000, while lowering taxes for over nine million Canadians who earn less than \$90,000.

As a forward-thinking individual, I cannot help but be pleased to see our tax system becoming more progressive through the creation of a new tax bracket under this bill. However, I am also pleased because this bill repeals what can only be described as a regressive measure implemented by the previous Conservative government that increased the maximum TFSA contribution from \$5,500 to \$10,000.

I do not expect members to take my word for it that this tax measure was regressive. You could listen to economist Rhys Kesselman, from Simon Fraser University, who helped lay the foundation for the introduction of the TFSA in 2009. This is what he had to say about the previous government's proposal to increase the TFSA limit to \$2,000.

● (1215)

[English]

Before dropping the second shoe, the government should reconsider its pledge to initiate a tax change that would impose a fiscal straitjacket on future administrations that undercuts tax progressivity and increases income inequality.

[Translation]

There are two interesting concepts in this short quote from Mr. Kesselman, who, I remind members, is credited with helping to bring in the TFSA. An increase in contributions would have imposed a fiscal straitjacket on future administrations, while undercutting tax progressivity and increasing inequality.

I will come back to the concept of a fiscal straitjacket, but first I want to look at how increasing the TFSA undermined our tax progressivity and drastically increased income inequality.

Government Orders

I have heard my Conservative colleagues on the other side say over and over, quite rightly, that 60% of TFSAs are held by individuals with incomes below \$60,000. However, this statistic overlooks the fact that, often, the people who invest in a TFSA have a spouse with a substantially higher income. My Conservative colleagues should know that TFSA rules allow a spouse to contribute to both their own and their lower-income spouse's TFSA, up to a total of \$11,000 under the former regime, before the Conservatives' increase.

In Kesselman's view, if you want to have a clearer picture, it is important to look at households, not at individuals. If you look at households, including single-person households, that contribute to TFSAs and have an income of less than \$60,000, they represent 52% of TFSA holders, but they hold only 31% of all the money invested in TFSAs. In contrast, 4.4% of households that contribute to TFSAs and earn \$200,000 or more hold 15% of all TFSA balances.

It should also be noted that the returns generated by families with the highest incomes are higher than those of other taxpayers, and on that particular issue, I would again like to quote Mr. Kesselman, who, I would remind the House, is the intellectual father of TFSAs in Canada:

[*English*]

Upper-income families enjoy TFSA tax savings to an even more unbalanced degree than those statistics might suggest: they typically generate higher investment returns on their TFSA assets than lower earners, and they avoid the higher personal tax rates that would otherwise apply on the income from assets shifted into their tax-free accounts.

[*Translation*]

Lastly, it is interesting to also note that, proportionally, not all Canadians contribute to their TFSAs equally. While only 29.2% of Canadians who earn under \$50,000 contribute to their TFSA, 99% of Canadians who earn over \$150,000 contribute.

It was not surprising, therefore, that the former parliamentary budget officer, Kevin Page, had something to say about the Conservatives' plan to increase the TFSA contribution limit. He wondered if it would really generate any savings for the middle class and low-income households. He pointed out that one would have to be pretty comfortable to be able to set aside \$11,000 in a TFSA at the end of the year and that the priority should be investing in infrastructure, since the larger issue was growing the economy.

I could not agree more with Mr. Page, and clearly, Canadians agreed with him too. They chose growth and a more just and accountable society.

It should come as no surprise that when our American neighbours added TFSAs to their tax regime, they limited contributions to \$5,500 and made TFSAs off limits to single individuals whose income exceeds \$116,000 and households whose income exceeds \$183,000.

Getting back to the concept of the fiscal straitjacket that Mr. Kesselman described, according to the parliamentary budget officer in a study published in February 2015, raising the TFSA limit would cost the federal government \$14.7 billion a year in lost revenue by 2060. The provinces would lose \$7.6 billion a year.

Interest rates are low, we need to stimulate the economy, and there is a pressing need to invest in our communities and our infrastructure, yet surreally, the Conservatives bemoan our government building up a deficit that will put future generations in debt while simultaneously tearing their hair out arguing in favour of maintaining an irresponsibly high TFSA contribution limit that will benefit only the wealthiest 10%, which would be an abdication of fiscal responsibility on the part of the government. It is utterly surreal.

I can understand why they are so attached to this policy. It was a hat trick for them. It was the triple crown. Not only did this irresponsible policy allow them to deprive the government of significant revenues, which then allowed them to justify its disengagement, but it also gave an undue and outrageous advantage to the wealthy, whose interests the Conservatives have always cared deeply about, as we know. That may be understandable, but it is not defensible.

Bill C-2 makes our tax system more progressive by adding a tax bracket and giving back to nine million Canadians. It also undoes one of the previous government's most regressive and irresponsible policies. Overall, Bill C-2 is a step toward reducing inequality in Canada. At the beginning of my speech, I said that this issue is especially important to me. It may even be the reason I entered politics. It is important to me because I am seeing a worrisome trend in Canada. Since World War II, there has been a steady increase in worker productivity, but compensation has not kept pace. The gap between productivity and compensation keeps getting wider.

Since the 1980s, the disposable income of the top 1% of income earners has increased by 77%, while that of the 0.01% at the top of the pyramid has grown by 160%. During that same period, the other 90% have seen their incomes increase by only 19%.

In Canada, roughly 70% of all net worth belongs to 20% of the top income earners. Historically, economic growth is more robust when the trend leans toward income equality. From the 1950s until the 1970s, in developed countries, lower income inequality went hand in hand with high economic growth. The IMF was able to quantify the gains to be made by narrowing income gaps. I would like to share a quote:

● (1220)

[*English*]

If the income share of the top 20 percent increases by 1 percentage point, GDP growth is actually 0.08 percentage point lower in the following five years, suggesting that the benefits do not trickle down. Instead, a similar increase in the income share of the bottom 20 percent (the poor) is associated with 0.38 percentage point higher growth.

[*Translation*]

For all these reasons, I will enthusiastically support Bill C-2, because I believe that prosperity in Canada must be inclusive and that sustainable growth is inevitably dependent on equitable growth.

Ms. Marjolaine Boutin-Sweet (Hochelaga, NDP): Mr. Speaker, the member for Louis-Hébert talked a lot about reducing inequalities. That is quite commendable.

However, I wonder whether he knows that two out of five Canadians spend more than 30% of their income on housing and that more than one out of five Canadians spend more than 50%. One-third of Canadians spend far too much on housing, and we are not talking about people who earn \$89,000 a year or more. We are not even talking about people who earn \$40,000 or \$50,000. There is nothing in this bill for these people.

If it is so important to reduce inequalities, why did the federal government focus on bills that help people who earn more than \$89,000 instead of people who are living in poverty? For example, why does the government not immediately introduce bills to lift seniors out of poverty instead of this bill?

•(1225)

Mr. Joël Lightbound: Mr. Speaker, I would like to thank the member for Hochelaga for her excellent question. I share her concerns in that regard.

In my riding, I believe that 42% of the population spends more than the recommended 30% of income on housing. That being said, we need to look at the government's overall approach. Yes, Bill C-2 lowers taxes for the middle class, raises them slightly for the wealthiest members of our society, and does away with the previous TFSA limit, which in my opinion is a very good thing. However, the budget will soon be tabled, and we are committed to introducing the new Canada child benefit, which will be more generous and progressive and, according to the Library of Parliament, will lift 315,000 children out of poverty.

We are also committed to investing in social infrastructure, including affordable housing and social housing, to ensure that as many people as possible have quality of life and to reduce inequalities in Canada. That is my answer to my colleague.

[English]

Mr. Wayne Long (Saint John—Rothesay, Lib.): Mr. Speaker, there is a clear difference between all three parties in this House. New Democrats ran their campaign and their platform on really two or three main things. It was a \$15-a-day day care that was clearly not costed out, and a \$15-an-hour minimum wage they proposed that was for less than 1% of Canadian workers.

What the Liberal plan offers is real change in tax relief for middle-class Canadians, with a tax cut. More important, the Canada child benefit would put money back in the pockets and hands of families that need it the most, not like the universal child care benefit that the NDP and the Conservatives both supported, which gave the same cheques to millionaires equal to those who needed it.

There is no question that the Canada child benefit would be better for nine out of ten Canadian families. I ask my hon. colleague if he could talk about the impact that the Canada child benefit would have on his riding.

[Translation]

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

Government Orders

I think that we need to look at the government's approach as a whole, in a holistic way. Yes, there is the tax cut set out in Bill C-2, but we have also committed to introducing the Canada child benefit, which will lift 315,000 children out of poverty. We did the math for my riding, and this benefit will lift approximately 1,000 children out of poverty.

To come back to the previous question about seniors, members need to think about our government's commitment to increasing the guaranteed income supplement. It would have been impossible for the NDP to keep this type of social commitment because it also made a commitment to balance the budget and achieve a zero deficit no matter what the cost.

I think that we have the best approach, a more progressive approach. Bill C-2 may not be the final destination, but it is certainly a step in the right direction.

[English]

Mr. Kevin Waugh (Saskatoon—Grasswood, CPC): Mr. Speaker, changes to the Income Tax Act as proposed by the new government are a major concern for entrepreneurs and professionals from coast to coast to coast.

These are the people who drive our economy, the small business owners who have taken a chance in their life, and through their hard work are now being rewarded. Now the government has taken the initiative out of the most ambitious people in our country, like the doctors who have studied for years, have made huge sacrifices, and have built up huge debt, knowing there was a reward for them at the end of the day.

Last week, I went to a young optometrist in Saskatoon. She was just starting her career. She is under 30 years of age. The professional spent the better part of her twenties in school. She graduated with a mountain of debt. This was a concern. However, at the same time, this young professional was confident that over time she could make it up.

Now we are not too sure about this young optometrist. With this plan of more taxes for higher income earners, we are discouraging success and are actually punishing those who are high achievers in this country.

Saskatoon will be the home of a much-needed children's hospital. This has been a dream of ours and our province of 1.2 million for decades. Many families in our province were forced to send their sick children to centres like Calgary, Edmonton, Toronto, and even to Minneapolis, Rochester, and New York.

We now have the opportunity in our province to have the sick children stay at home and be well attended to. Construction has started on this project in the Saskatoon area, and optimism is very high. However, there is a legitimate concern about where the doctors will come from to feed this fabulous facility.

Government Orders

This is a specialty area, and it is competitive for these specialists. Not only do we compete with other provinces like Alberta, B.C., and Ontario, but with these proposed changes in the Income Tax Act, we will be losing our professionals to other parts of the world. What good is the bricks and mortar, if we cannot staff this facility with highly qualified professionals? How can we be competitive with this extra burden on those who are in this tax bracket? They will simply pick up and leave Saskatchewan, and leave Canada.

This is called “brain drain”. This Liberal tax plan will certainly lead to an exit of professionals right out of this country. I have talked to many doctors and dentists who employ a lot of people in our city. They do not need to be putting in extra hours, knowing they will be paying more taxes to the government. Many have said they will simply cut back on their hours. Instead of serving the public for six or even seven days a week, they have all said they are going to cut back their hours.

Professional athletes already have apprehension about playing in Canada. Let us take the NHL players in Ottawa, Montreal, or Toronto, along with Calgary, Edmonton, and Vancouver. With higher taxes, they can make the decision, telling their agents when they are free agents, that they simply do not want to play in Canada. When free agency hits, they have the option. They can actually put a no-trade clause into their contract not to be based on a Canadian team.

The reason is simple. Hockey is a business, and players know they only have a small window of opportunity to make their living. Taxes matter in this age group. It is no coincidence that if the playoffs were to open today in the NHL, not one Canadian-based team would make the NHL playoffs today.

• (1230)

Yesterday, the President of the United States made a reference right in front of the Prime Minister, asking where was the Stanley Cup. Well, guess what? The cup is in the President's home town of Chicago. Do we think that is a level playing field? It certainly is not.

How about the members across from me? Could it be another 50 years before Maple Leaf fans can plan a Stanley Cup parade down Yonge Street with this tax plan? The same goes for the entertainment business. Canada's most talented people today come from a zip code instead of a postal code, and this is going to make it worse.

I can tell the House that Canadian charities are very concerned with this Liberal tax plan and this bill. High-wage earners over the years have been very generous with their money in our communities in Canada. If not for this group, many social organizations would not be around today. These are the people who dig deep for charities so they can provide the necessary programs needed in our communities. I have sat on many charities in my city over the years, and if it were not for some of these professionals, organizations would have closed their doors long before now. Charities that do not need federal handouts can continue operations because of this class of people who give back to the community in many ways. We have all been in offices that have local art on the walls. That is because people give back to their communities so that others can enjoy their lifestyles and passion.

When the Liberals originally introduced this new system of tax breaks, they promised it was going to be revenue neutral. Four

months later, though, the finance minister conceded in the House that this plan is not revenue neutral at all. A recent report from the parliamentary budget officer estimates that the cost could actually be closer to \$1.7 billion. We already know that the government has blown by its \$10-billion deficit per year that it promised during the election campaign. We are at least at \$18.4 billion, and climbing every day. Conservatives cannot wait for the budget to come down to see the number on March 22.

I ask, who is going to pay for this? It will have to be repaid at some time. Is it our kids or our grandchildren who will pay for this Liberal tax plan? It is a broken promise because it was grossly miscalculated. I might add that it will completely eliminate the \$1 billion surplus that the Conservative government handed over to the Liberals last year.

The Conservative government, and rightfully so, believed in the concept that people need to save for the future, a future that requires at one point or another taking money out of the popular TFSAs for an emergency. This was designed to take the burden off the federal government so that it could redirect much-needed money to other programs in this country. Now there is no incentive at all to put money away. The very popular TFSAs have been sliced back. Many families and seniors in my riding of Saskatoon—Grasswood are not happy at all with this new Liberal tax plan.

The report yesterday said it all in *The Globe and Mail*. It stated, “The more we get to know TFSAs, the more they demand attention as a vehicle for retirement saving.” The previous Conservative government introduced this program. It was a great tool for investing, even for a first home.

Canadian household debt is at an all-time high today. This country lost 2,300 jobs last month, instead of the expected gain of 10,000. Canada's unemployment rate is at 7.3% today. That is the highest level in three years. It is only going to get worse with this new Liberal tax plan. I will not support Bill C-2 today.

• (1235)

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I find it truly amazing that a Conservative would attempt to lecture a government on the idea of a balanced budget let alone a surplus. Let us get a couple of facts on the record.

There was no surplus. Only in the minds of the Conservatives can they possibly twist the truth of reality and attempt to give the impression that there was a surplus budget. It is bogus. There was no surplus. While in government, the Conservative Party added \$150 billion to Canada's debt.

The Conservatives have demonstrated over the years that they do not have the capability of delivering a balanced budget let alone a surplus budget. The record at the end of this fiscal year will clearly demonstrate that to be the case.

Government Orders

The only party that has delivered on surpluses and balanced budgets is the Liberal governments of Jean Chrétien and Paul Martin, and in time we will see balanced budgets into the future.

Will the member not at least acknowledge that history will clearly show the Conservatives have failed at balancing budgets, and that only a Liberal government has delivered on such a thing?

Mr. Kevin Waugh: Mr. Speaker, it is Friday in the House and we will not be here next week, so I guess the hon. member from Manitoba needs a history lesson. We did give the Liberals a surplus of over a billion dollars.

We are really excited for the new government because of this bill, because we know it is \$30 billion. We have talked about the \$150 billion deficit of the Liberal government. We will have a history lesson with the Liberal government when it is done, and four years from now Canadians will realize the mistake they made on October 19.

• (1240)

Mr. Jamie Schmale (Haliburton—Kawartha Lakes—Brock, CPC): Mr. Speaker, I appreciate the kind words from my colleague. If the member opposite wants to come over to this side of the House, I have the government's finance ministry website on my iPad and I am more than happy to show him the surplus. If you would like to come over, there is a seat right next to me, and I will show you those. Then you can see it for yourself and you can dispense with those words.

We on this side of the House know the value of giving people more money in their pockets to spend on their priorities. These people work hard. The taxpayers work for it. They deserve to spend their money as they want, and they should be able to do so without the government's hands in their pockets continuously soaking them for everything they have. That puts people into poverty and it does not allow businesses to invest. It is a terrible cycle we are getting into.

My friend from Saskatchewan mentioned investments with respect to a charity. I hope he can talk more about that because it is important.

I would also like him to talk about how maybe these Liberal-nomics hurt jobs. The jobless rate is at its highest in three years. I hope my friend from Saskatoon can comment more on that.

The Assistant Deputy Speaker (Mr. Anthony Rota): Order, please. Before we go on to the hon. member for Saskatoon—Grasswood, I want to remind the members that they are speaking through the Speaker. If I come and sit next to you, everything will shut down, and I do not want that to happen.

The hon. member for Saskatoon—Grasswood.

Mr. Kevin Waugh: Mr. Speaker, as I said in my speech, we have waited decades for a children's hospital in our province. Our province has rallied around this facility. We have sent our sick children out of the province for far too long. The people in this community of Saskatchewan, 1.2 million people, have rallied around this facility to keep this charity local. However, we are worried about the specialists needed to keep this open. We are deeply concerned.

I will also say this for charities, because Saskatchewan is one of the best at donating. Last week, the Kinsmen Telemiracle raised over \$5 million on a telethon that lasted over two days. That is the charity of the Saskatchewan people. However, with this tax plan, they will not have the money to donate. What will happen to the Kinsmen Telemiracle? What will happen to the children's hospital when it has its hand out looking for money from the citizens of Saskatoon and Saskatchewan?

[*Translation*]

Ms. Anne Minh-Thu Quach (Salaberry—Suroît, NDP): Mr. Speaker, the Liberals have said over and over again that they have a plan for the middle class. They promised quick, urgent and very positive change. However, since coming into office, they have given very few details about their plan, the deadlines and the proposed targets.

Bill C-2, an act to amend the Income Tax Act, is the starting point for a plan. For that reason, I applaud the proposal to reduce the contribution limit for the tax-free savings account, known as the TFSA.

However, the Liberals added to this bill a provision to change taxation rates that will not benefit those most in need, that is, those who earn less than \$45,000. The Conservatives' \$10,000 limit did not make sense. When it was introduced in 2015, many analysts and economists pointed out that it would benefit only the wealthiest 30% in our society.

Who can afford to sock away \$10,000 every year in a tax shelter? It is obviously not recent university graduates or new entrants to the job market. Nor is it average workers in Quebec or Canada who earn a median income of \$31,000 or anyone earning less than \$45,000 per year. Those people make up about two-thirds of the population.

Such a measure would cost the government a huge amount of money. Over a 10-year period, the Conservatives became adept at reducing government revenue, and increasing the TFSA limit to \$10,000 was the icing on the cake. To substantiate that, I have a quote from Gilles L. Bourque, Éditions Vie Économique coordinator and Institut de recherche en économie contemporaine researcher:

...this tax advantage is a ticking time bomb for federal and provincial public finances.

...it is clear that maintaining and expanding this kind of measure flies in the face of every principle of social solidarity and fiscal fairness and will worsen every aspect of social inequality.

I have another quotation I would like to read, because I find it incredible that the wealthy are being allowed to put more and more money aside, while those most in need simply cannot do the same. Furthermore, this measure would have affected several social programs.

For instance, Malcolm Hamilton, a senior fellow at the C. D. Howe Institute, said, "Raising the TFSA limit is a short-sighted election tactic that will lead to real problems 10 to 15 years from now."

Government Orders

Why? By allowing more people to set money aside tax-free, future governments would have less financial resources to pay for other national social programs, such as pharmacare, old age security, GST rebates, and long-term health care.

That is why the proposal to bring the limit back down to \$5,500 makes sense, in my view. It is a step in the right direction. Unfortunately, Bill C-2 has a major flaw, specifically a change in the tax rates that makes no sense, but I hope we can correct it at the committee stage.

The current economic context is bleak. In Quebec, hundreds of Bombardier workers are going to be laid off. The weak dollar has increased the cost of groceries. Just look at the price of fruits and vegetables and the number of people, seniors, low-income families, and single mothers who are having a hard time preparing meals with fresh fruit and vegetables on a daily basis.

The Liberals presented a plan to the House not to help those having a hard time making ends meet, but to help the well-off, the wealthiest in our society. One of the key measures in this bill gives a break to the second tax bracket, those who earn between \$45,000 and \$90,000 a year. Does the Prime Minister realize that the median annual income in Canada is only \$31,000?

As a result, the first tax bracket, or nearly two-thirds of Canadians, will get nothing, *nada, niet*, no help, when they could use a bit of breathing room.

• (1245)

According to the parliamentary budget officer, almost 17.9 million people will not benefit in any way from this Liberal measure. Even worse, those with the highest income will continue to receive a generous tax credit thanks to the Liberal plan. Thus, every member of Parliament will receive an additional \$679.22. I imagine that we should thank the minister for that. I am obviously being very sarcastic.

According to Statistics Canada, in my riding of Salaberry—Suroît, almost nine in ten people, which is a huge number, earn less than \$50,000 and will receive next to nothing, or just a few crumbs if they earn between \$45,000 and \$50,000. The income of almost half the households in my riding is less than \$45,000, and they will receive absolutely nothing. I am certain that most of my colleagues, like me, would prefer to give my tax credit to a cashier working in a grocery store in Salaberry-de-Valleyfield, a labourer in Saint-Zotique, or a social worker in Huntingdon, who struggle to provide services every day for the greater well-being of their fellow citizens.

We must do much better for Canadians. In recent days, we have heard a lot about the KPMG scandal, which the Liberal government did not handle very well. The CRA made a secret deal with this accounting firm and millionaires who committed fraud. Under this agreement, the millionaires will only pay their taxes, but no fines and virtually no interest. The CBC talked about an amnesty.

What message is the Liberal government sending? Tax avoidance is for those with millions of dollars in the bank. There will be no additional cost and, in exchange, the tax rate will increase slightly. However, let us keep it quiet; we are not going to tell anyone.

This Liberal plan will clearly not address the growing inequality in our society and the CRA's attitude could well contribute to it.

The NDP's proposal would give more breathing room to a large part of the population that does not have access to specific programs, such as income splitting.

Rather than reducing the tax rate for the second tax bracket, the NDP is asking the government to lower the rate for the first tax bracket by one percentage point, from 15% to 14%, for those who earn less than \$45,000 a year. That would allow 83% of Canadians, those who earn less than \$45,000 a year, to pay less tax and keep more money in their pockets, which is not what will happen under the proposed Bill C-2.

According to the parliamentary budget officer, nine million Canadians would benefit from the measures proposed by the NDP. It would also give a little extra help to a hairdresser in Coteau-du-Lac, an office worker in Beauharnois, or a cook in Hemmingford, for example. That is why we are in politics. We are supposed to work to reduce inequalities, so that there is less and less social and economic injustice.

The difference in cost when compared to the Liberal's proposal would be minimal, and it would be offset by a slight tax increase of half a percentage point for large corporations. That is the least that our large banks, in particular, could do. This increase in corporate taxes would even generate a surplus that could be used to develop the working income tax benefit, an effective program that increases the income of workers with low annual incomes.

Bill C-2 needs a lot of work, and I hope that the government will listen to our suggestions. The NDP is a progressive party and we are proposing realistic measures to help the real middle class, the people who truly need help.

I want to share some measures that could change the daily lives of my constituents: the national child benefit supplement, a \$400 increase to the guaranteed income supplement for seniors, and the return of the tax credit for labour-sponsored funds that help small businesses in Salaberry—Suroît and Quebec.

We will continue to pressure the Liberals to follow through on the changes they announced and to work towards reducing inequalities across Canada.

I hope that Bill C-2 can be amended in committee to reflect the NDP's suggestions on taxation.

• (1250)

[English]

Mr. Wayne Long (Saint John—Rothesay, Lib.): Mr. Speaker, I appreciate the member's passion on the subject. However, in all honesty, I think there are some things that we need to clarify for the record.

Government Orders

The NDP ran on smoke and mirrors. A lot of the things in the NDP platform quite simply were not embraced or trusted by Canadians. I will go back and talk about the \$15-a-day affordable day care plan, which was not costed out and which many provinces across this country were not going to buy into.

Let us talk about the \$15 an hour minimum wage. Originally that was presented as a minimum wage for all working Canadians, but after clearing the smoke, it was apparent that only a very small percentage of Canadians would have benefited from a \$15 a day minimum wage.

The biggest question I have for the NDP, which I have asked several times during this debate, is if the New Democrats are so passionate about protecting working-class Canadians and low-income families, why did they support the UCCB along with the party opposite, the Conservatives? The universal child care benefit gave the same benefits to those earning hundreds of thousands of dollars as to families who needed it. Why did they support that? Why did they support the UCCB as a party, when the Liberals are putting forth the Canada child benefit, a program that would benefit nine out of ten Canadian families and lift hundreds of thousands of children out of poverty? No, the NDP did not support it, but the UCCB. My question for the NDP is why?

• (1255)

[*Translation*]

Ms. Anne Minh-Thu Quach: Mr. Speaker, we are talking about the Liberals' Bill C-2. They claim that their bill will have a positive impact on middle-class workers, but it will actually make the rich richer. Two-thirds of Canadians will not see a penny more despite this proposed tax cut.

People earning \$45,000 or less per year will not benefit from the Liberals' tax cut. The Liberals are making a big fuss about this, and that is why we are standing up in the House to say that we really need to work on bringing in meaningful measures that benefit the many thousands of Canadians who earn approximately \$31,000 per year.

Society's poorest people are waiting for the Liberals to spare a thought for them and do something to help them put food on the table, pay their debts, and buy prescription drugs.

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Mr. Speaker, my constituents want us to attract more doctors, but the Liberal Party wants to take more money with this bill.

During the election campaign, the NDP leader said that a tax rate higher than 50% was a bad policy for Canadians. Today we are discussing the same policies, which the NDP support.

Can the member explain to me why the NDP changed its mind?

Ms. Anne Minh-Thu Quach: Mr. Speaker, I am sorry, but I did not fully understand the question.

I would like to come back to the TFSA contribution limit, which the Conservatives increased to \$10,000. A number of economists said that it would benefit only the wealthiest 30% of Canadians, while the NDP is trying to come up with ways to help the middle class, people who are tightening their belts.

That is why we are standing up in the House today to say that the government needs to make changes that will help people who earn an average of \$31,000 a year, that is, people in the lowest tax bracket.

[*English*]

Mr. Ziad Aboultaif (Edmonton Manning, CPC): Mr. Speaker, when the Liberals originally introduced this new system of tax breaks, they promised it would be revenue neutral. Shortly after taking office, however, they abandoned this promise. It is projected by the parliamentary budget officer that Bill C-2's changes will cost Canadians \$8.9 billion over the next six years.

This gross miscalculation speaks to the government's incompetence, and the fact that the Liberals are proceeding with this legislation after admitting they have broken this promise to Canadians speaks to their integrity.

In fact, many of the government commitments seem to be falling by the wayside: a \$10-billion deficit cap, consultation with opposition, openness and transparency. That is three months and three major broken promises. So much for sunny ways.

This leads to a lack of trust in the government's future plans. There is a lack of transparency with this promise. Who knows how much higher these costs will go? There is a lack of evidence or explanation for why Bill C-2's changes would stimulate economic growth and development for Canadians.

Tax breaks for the middle class are not, in themselves, sufficient to stimulate economic growth and development. It is, therefore, quite likely that more initiatives will have to be introduced.

These will require even more money from the government. This money will either have to be drawn from reduced spending on public services or from the taxpayer base. Given the vulnerable economic state of Canada, tapping further into government revenue is particularly risky for this country as a whole, and also for individual Canadians.

The government continues to move ahead with these types of long-term commitments, even amidst a struggling economy, a weakening dollar, and plummeting oil prices. Canadians are asking how much higher the cost will go. These kinds of commitments are one more chip into creating long-term structural deficits, and in turn they discourage investment and growth in a struggling economy.

Our Conservative government worked very hard every day in office to stretch every cent. We left the government a surplus and expected that to be spent with caution. It seems that work was all for nothing.

The Liberals continue signalling that they plan to run massive, long-term structural deficits, which will increase the burden on taxpayers and leave Canada more vulnerable to sudden economic shocks. Our Conservative caucus will continue to stand up for taxpayers, and press the government to approach spending in a responsible manner, to protect against risk, to ensure stability and long-term prosperity.

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On the subject of changes to the tax-free savings account, all Canadians over 18 may contribute to TFSAs for all purposes, not just education and retirement savings. This makes the savings mechanism the most flexible way for all to save. It is because of this that many Canadians of all backgrounds have come to rely on the tax-free savings accounts.

We have heard from students saving for higher education, families saving to start a family, entrepreneurs saving for their businesses, parents saving for their children, and low-income seniors saving for retirement, all of whom are investing in TFSAs.

It is Canadians of all kinds of financial backgrounds too. The majority of TFSA accounts belong to low- and middle-income earners. The fact is that two-thirds of TFSAs are held by tax filers with incomes less than \$60,000.

What kind of message is the government projecting when it is taking away the ability for Canadians to save for their future, while racking up massive deficits?

Why does the government continue down the path of a nanny-state approach, limiting choice for Canadians to save their own money?

These are not mandatory contributions. In contrast, the Ontario Liberal plan for a provincial pension plan is. If the argument is that very few Canadians have the ability to afford a maximum contribution, why is the member opposite so opposed to offering that choice, while in other instances forcing it upon others?

Personal fiscal responsibility is something that our government should be encouraging, regardless if it refuses to lead by example.

• (1300)

We are in uncertain times, with dropping commodity prices, a dipping dollar, and slowing economic growth.

Recently, the PBO released a report on the state of household indebtedness and financial vulnerability in Canadians, showing that household debt-servicing capacity continues to trend upward, while capacity to meet debt obligations diminishes.

Households now face overwhelming exposure to negative income and interest rates, and are more likely to become delinquent in debt payments.

Responsible Canadians are looking for a way to save when times are good, so they can be protected. Reducing TFSA contribution limits would reduce the abilities of real Canadians to save for retirement and to protect themselves from economic shock.

This would translate to a greater burden upon all taxpayers to support those who will be unable to support themselves. Why is the government hiding these future costs from its taxpayers?

In contrast to Liberal deficit spending, whose purposes are unclear, TFSAs provide a concrete vehicle for financial independence for Canadians. Instead of encouraging consumption, they encourage saving—promoting independent control over funds—which shields Canadians from economic shock.

The burden of economic shocks on vulnerable Canadians will ultimately fall on the overall taxpaying base if the government must

step in and support these individuals. Money will come from taxpayers, or public services will be compromised for the expense of increased government financial support.

TFSAs remove barriers for all Canadians to maximize their financial positions. TFSAs are open to all Canadians over 18 years of age with valid social insurance numbers. They are simple and accessible. Anyone can contribute any amount. They encourage financial literacy and curiosity.

In fact, the majority of TFSA accounts belong to low- and middle-income earners. TFSAs allow investments—any sort of investment—deposited into them to grow tax-free. TFSAs make retirement savings more accessible, simple, and compelling. If individuals do not save enough for retirement, all taxpaying Canadians will ultimately be responsible for the burden.

The government's spending plans, including its nebulous deficits, are risky. We have seen no concrete evidence for targeted growth plans. Savings will shield vulnerable Canadians from the risks involved.

Conversely, limiting savings tools will limit economic self-protection and make Canadians more economically dependent upon the government. This is dangerous, given the lack of clear economic plans and directions from the government. Government dependence will likely translate to higher taxes for Canadians across a wide socioeconomic spectrum.

In popular debate, the media, and academic research, a brain drain out of Canada is cited as a very real possibility. Most doctors, lawyers, and other skilled professionals are found in the upper tax bracket, and their departure could be very dangerous for Canada.

Progressive taxation reduces investment, risk-taking, and entrepreneurial activities, since a large share of these activities is done by high-income earners.

The substitution effect is a principle that essentially states, "I'm getting less money for each hour I work; therefore, I should work fewer hours".

Tax avoidance activities such as reporting less income, using tax-planning techniques to reduce the tax burden, working fewer hours, or even not seeking job promotions are very real possibilities.

Progressive income taxes reduce the returns to education, since high incomes are associated with high levels of education. They reduce incentives to build human capital, the kind of investment the Prime Minister talked about in Davos, while turning his back on our resources sector.

Academic consensus among experts is that taxes on both corporate and personal income are particularly harmful to economic growth, as economic growth ultimately comes from production, innovation, and risk-taking.

Government Orders

The conclusion is that tax rates of over 50% will not raise revenue. Between provincial and federal income taxes for top income earners, this is what would happen under Bill C-2.

I will not support Bill C-2.

• (1305)

Mr. Ken Hardie (Fleetwood—Port Kells, Lib.): Mr. Speaker, I caught the speech a little earlier by the hon. member from Saskatchewan. I have spent some time in Manitoba and I know about the concept of meadow muffins, and we have just been delivered a big plate of them.

Let us talk about the surplus.

The Conservatives tried to balance the budget. They tried to give us a surplus. I am sure they did. However, we found out just this morning that over \$1 billion of that should have gone to first nations education, and billions more should have gone to our veterans and to people waiting extraordinarily long times for family reunification. The cuts that the Conservatives applied certainly contributed to the bottom line, and they still failed to balance the budget.

Let us talk about TFSAs.

I thought the member's comment was interesting when he said that tapping into government revenues is not such a very good idea. However, that is precisely what TFSAs do. As the Conservatives' own former finance minister, Joe Oliver, at least was prepared to admit, allowing higher TFSA limits in the future will in fact de-fund the government. When asked about the impact on the ability of governments in the future to help people, the answer was, well, we will leave that to the grandkids of the member for Calgary Heritage to figure out how to square that.

Who is actually benefiting from the TFSA, except for the very wealthy? Who suffers, except for the rest of Canadians?

• (1310)

Mr. Ziad Aboultaif: Mr. Speaker, I thought that was more of a speech than a question.

I just want to say one thing. We are discussing financial figures and indices here. We are discussing true figures of economic factors. This is not about the political position that this or that party takes. This is about Canada and Canadians.

Therefore, I would say to the member that if he does not believe in the TFSA, then why is it being kept at \$5,500? It is because the current government believes that it will benefit them with the Canadian taxpayers, and will benefit the Liberals in votes down the road and in their position. That is why they are keeping it, and that is why they are trying to play a double standard here.

[*Translation*]

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, I thank my colleague, with whom I cross paths regularly at the Standing Committee on Finance.

I also want to thank him for explaining really clearly how the Conservative Party wants to protect the wealthiest members of our society, at the expense of the majority of Canadians. He did this twice. First of all, when he talked about taxation, of course, he

almost seemed to suggest that what the Conservatives really want is a flat tax rate.

[*English*]

It is called a flat tax in English, which obviously would be paid by the lower-income earners and the middle class to compensate for the lower taxes paid by the richest.

[*Translation*]

I also want to come back to the issue of TFSAs. My Liberal colleague mentioned in his comments that only 7% of Canadians make the maximum TFSA contribution at the current limit. If the limit were doubled, the same 7% would be able to double their contribution. This would be very harmful to public finances in the long term, given that the parliamentary budget officer stated that this measure would cost nearly 0.7% of GDP, even though 0.7% of GDP was too much to spend on international aid.

How can he justify increasing the limit, knowing that it will place such a heavy burden on our public finances and undermine our ability to provide the high-quality services that Canadians expect?

[*English*]

Mr. Ziad Aboultaif: Mr. Speaker, I thank my colleague. I enjoy having him on the finance committee.

All I can say is that 11 million Canadians have contributed to TFSAs. I am not sure about the 7% figure for those who maximize to the \$10,000 limit. In fact, if those figures are correct, it means we still have a major number of Canadians who have enjoyed contributing to TFSAs, and it means that it is to their own benefit to do so.

Again, we have the right to say that the majority of Canadians are with it, they like it, they have enjoyed it, and it is going to be beneficial for Canadians in the long term, if we are thinking of doing investment in the long term for our future generations.

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Mr. Speaker, I too am pleased to join in the debate today. This is, of course, really the first substantial piece of legislation that has been put forward by the Liberals. It is interesting that we have mostly been focused on the change in the marginal tax rate and the TFSA, and I am going to spend most of my time on those two issues, but for people who might be following the debate, this legislation does have a couple of other pieces to it: charitable donation tax credits, income earned by a child, income earned by a trust, and taxation of corporations and shareholders.

If our party, when we were government, had put this particular bill forward, I think the Liberals would have said we had put forward an omnibus bill. They would have asked what we were doing and they would have said it was an omnibus bill because it included six different pieces.

I recognize that within an important piece of legislation it is sometimes sensible to do things that perhaps are not that controversial and are a bit of housecleaning, so there are some more pieces to this bill. It is not an omnibus bill, although the Liberals would have characterized it as such if we had put it forward, but there are some additional pieces.

Government Orders

As I indicated, the focus of my comments is going to be on the two pieces that most people are making comments on today. One of my colleagues called it the bill that giveth and taketh away. I think I would describe it as a bill that represents the first broken promise of the Liberal government.

The Liberals are saying they went to Canadians and were given this mandate. They told Canadians they were going to tax the rich and give it to the middle class. The Liberals did indeed tell Canadians that particular piece of information, but what they also said when they were going to Canadians during the election period was that the change would be revenue neutral. That is broken promise number one, and it is a big broken promise. It is an \$8.9-billion broken promise over six years. This is not about fulfilling a promise, but about breaking a promise to Canadians.

What is that change in the tax structure that giveth to the middle class and taketh from the rich? Apparently just today, I understand, the Prime Minister of Canada called it a tiny bit of redistribution. That is what he called that change in the tax level for people who earn over \$200,000. Moving from 29% to 33%, he said, is just a tiny bit of redistribution.

If we do the math, what he has actually done is given them a 12% increase in their taxes. Going from 29% to 33% is 12%. People can make \$200,000, and it is a lot of money, but people with a large family who all of a sudden are hit with a 12% hike in their taxes will find it is a pretty significant hit. Everyone's circumstances can be a little bit different, but for those people who earn over \$200,000 who are maybe paying off student debt or who have other elements, calling it a tiny bit of redistribution is a bit of a fallacy.

When the Prime Minister said he was going to give the money to the middle class, he never really defined the middle class. I do not think Canadians would consider the parliamentarians in this House, who are making good money, to be part of the middle class. I think our salaries are available on a website, and we are just below the \$200,000. Some of the parliamentary secretaries are probably butting up to that level. They are actually benefiting the most from this tax break. If Canadians had been told that fact, they would have perhaps been less enthusiastic. They might have asked about those people making \$190,000 getting tax breaks, and not only getting tax breaks but adding to the debt of our nation by doing so.

To be quite frank, the Conservative government believed in keeping our taxes as low as possible. Conservatives always support lower taxes. To be frank, when \$6 a week is being added directly to the debt of this country, I think that if I had to make a choice, I would say, "Please do not put that \$6 a week onto my children. I will pay that \$6 a week myself."

• (1315)

There are a lot of problems with this measure, which is absolutely unsupportable from our perspective. The biggest concern is that it would create a structural deficit when we actually handed the Liberals a surplus. Wrong promises and miscalculations have created a significant problem for them. We have called this a "whoops" in other speeches. This will be a burden on our children.

Now I want to shift to the tax-free savings account. The Liberals seem to love the stick approach to getting people to do things when it

comes to government programs, making things mandatory, increasing the CPP, like the Ontario government is doing. They do not like carrots. They would rather have a big government program that makes people do things. Our party believes we need to provide Canadians with the opportunity and the flexibility to make their own choices.

The Liberals talk about only the rich being able to afford \$10,000. I will give the House a couple of real-life examples about why the TFSA is an incredibly important tool for Canadians and that the \$10,000 contribution limit is quite reasonable.

My first example is that of a young adult who has come into a small inheritance. This young person has never been able to contribute to a tax-free savings account, having just finished school. This young adult decides to put that money into a tax-free savings account and is able to grow that investment instead of spending that inheritance right away. This individual has decided to use it for the future, and in a couple of years buys a first house. Is that an inappropriate thing to do? It is a reasonable and sensible choice for someone who otherwise would have had no options.

Many seniors are now selling their homes and moving to assisted living facilities, or to a complex that provides support. They might have made some money on the sale of their homes. They have maxed out their RRSPs, but they have room to put some of that money into a tax-free savings vehicle that will help them in the future to pay their monthly expenses.

These are just two examples of why having a robust tax-free savings account is important. I recognize that not all Canadians can put in \$10,000 every year, but there are times in their lives when they could. That is the beauty of the product. It is not that individuals had to contribute \$10,000 every year. There are years where people might not be able to put a penny in, and there might be some years where they could top it up to where they needed to be.

I have demonstrated today that Bill C-2, the first substantial bill to be put forward in the House by the Liberal Party, has some serious and significant flaws. It would add to Canada's structural deficit. It would not do all that much in terms of the middle class. It would take away an important tool that people have in terms of saving for their future, whether they be young or old.

I would ask that the Liberals perhaps reconsider this legislation. They have been given a surplus. I would urge them to not keep adding to the debt. We are \$18 billion, we are \$30 billion in deficit. Those are frightening numbers. Perhaps the Liberals should rethink their plan and look at what they are going to leave for their children and their grandchildren.

• (1320)

Mr. Lloyd Longfield (Guelph, Lib.): Mr. Speaker, there were some regressive themes throughout the member's speech.

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I am wondering about this program of TFSA's that is based on receiving an inheritance or selling a house in order to have a windfall to use, versus a program of creating prosperity, as we are suggesting, by investing in Canada, creating jobs, and stimulating our economy with real growth. That is something we have not seen for over 10 years.

The previous government was focused on cutting services and programs to artificially balance a budget that had a one-month snapshot. It looked like it was balanced, but the next month was not. Its financial programs resulted in \$154 billion of additional debt to our country. Almost half of the debt we have incurred since Confederation is owned by the Conservative government of the last 10 years.

We are trying to redress the mismanagement of our finances with a program of hope and hard work, versus divisive politics and cutting costs to try and achieve false positives. Which part of hope and hard work does the hon. member not get? Is it the hope part or the hard work part?

Mrs. Cathy McLeod: Mr. Speaker, he has again demonstrated how bad the Liberals are with math. It is quite stunning. They make this mistake in terms of what the changes to this tax rate are going to do, and then he throws out numbers that are, quite frankly, totally wrong.

When I look at the actual record of our government, I see that we paid off close to \$40 billion in debt. During a global recession we did, with the rest of the world, enter into some stimulus spending, but when Minister Flaherty stood up in the House during the worse global recession and talked about targeted spending, he also had a plan to get back to a balanced budget. It was executed perfectly. It was very hard to turn off the taps. He stimulated and he targeted, and during a global recession, Canada had the best recovery.

The Liberal government is heading into deficit spending for a recession we are not even in.

• (1325)

[*Translation*]

Ms. Marjolaine Boutin-Sweet (Hochelaga, NDP): Mr. Speaker, earlier today I asked the member for Louis-Hébert a question about income inequality.

I could ask the Conservative member the same question, because I am wondering why the Liberal and Conservative governments insist on helping people who already have financial resources.

Take the TFSA, for example. In my riding of Hochelaga, most people do not even have enough money to pay their rent, so how can they put a few dollars in a TFSA? These people need help.

Why is priority not given to investments that will help people out of difficult situations and address inequality, rather than to helping those who are not so badly off?

[*English*]

Mrs. Cathy McLeod: Mr. Speaker, what the member is failing to recognize is the scope of things our government did. TFSA's were one tool.

A government has a responsibility to help all citizens and to provide the tools and opportunities for their success. Certainly we did many things for the people who have challenges in their lives, whether it was the biggest increase to the guaranteed income supplement or the many measures we brought in to help those with disabilities or the 130 tax cuts that had a positive impact or the GST going from 7% to 6% to 5%.

What I fail to realize is why the NDP has such an objection to providing a tool that will allow people to move forward and be self-determining in terms of what they are doing and how they are doing it. Instead it always wants the government-knows-best route and the government has to run a program. It does not want to give tools to Canadians. It wants to make sure we have a big, bureaucratic government program to do it.

Mr. Michael Cooper (St. Albert—Edmonton, CPC): Mr. Speaker, I rise in opposition this afternoon to Bill C-2, an act to amend the Income Tax Act.

Bill C-2 would implement the so-called Liberal middle-class tax cut. The biggest problem with that so-called Liberal middle-class tax cut is that it does not actually cut taxes for middle-income Canadians. I will get to that in just a minute.

Bill C-2 would reduce the income tax rate from 22% to 20.5% for Canadians earning less than \$200,000. It sounds pretty good on the surface, and I guess during the election campaign a lot of Canadians thought it sounded pretty good, but, like everything, the devil is in the details. What does it actually mean? How much are Canadians actually going to save? The answer is not a lot.

Take, for example, a Canadian who earns between \$62,000 and \$78,000. How much would that Canadian save under the so-called Liberal middle-class tax cut? The answer is about \$117 a year or \$2.25 a week. What does \$2.25 get someone in Canada these days? I think a person would be lucky to get a double-double at Tim Hortons.

What about someone who is making \$48,000 to \$52,000? How much would that individual get back by way of the so-called Liberal middle-class tax cut? It would be \$51 a year, or less than a \$1 a day. That person would be lucky to get a doughnut or a muffin at Tim Hortons in the morning for less than \$1, but that is what the Liberals are offering Canadians earning \$48,000 to \$52,000 a year.

How about Canadians who earn \$45,000? I would say that is pretty well smack dab in the middle of the middle class. How much will get under the so-called Liberal middle-class tax cut? The answer is zero, zip, nada. As I say, the biggest problem with the so-called Liberal middle-class tax cut is that it does not cut taxes for middle-class Canadians.

Government Orders

What is the cost of the so-called Liberal middle-class tax cut? The Prime Minister, during the election campaign, went all over Canada with his sunny ways and blue skies, saying it would be revenue neutral. Then barely after the ballots were counted, the Prime Minister had his finance minister, because I guess he did not have the courage to do so himself, say it would not be revenue neutral.

Mr. Jamie Schmale: Whoops.

Mr. Michael Cooper: Whoops, Mr. Speaker, it would blow a \$1-billion hole in the deficit. I repeat, \$1 billion.

Then we just found out from the parliamentary budget officer that, no, it will not be a \$1-billion hole, but more like a \$1.7-billion hole in the deficit. That is on top of the billions and billions and billions of dollars the government keeps on digging as it blows through the \$1-billion surplus the previous Conservative government gave it.

Who is going to bear the burden of the so-called Liberal middle-class tax cut? We guessed it: middle-class Canadians. In order to pay for the so-called Liberal middle-class tax cut, the government is going to roll back TFSA's, the tax-free savings accounts, the most flexible investment mechanism available to Canadians.

• (1330)

It would roll back the opportunity for students to save for higher education, roll back the opportunity for families to save for their children, roll back the opportunity for entrepreneurs to save for their small businesses, and roll back the opportunity for seniors to save for a later day. That is what the current government wants to do. The Liberals want to roll back TFSA's from middle-income Canadians.

The frightening part is that the Liberals are just getting started, because the Prime Minister and members opposite keep talking about boutique tax credits. The Liberals effectively want to roll back all of the tax relief that the previous Conservative government provided Canadians. Canadians on average got back \$6,600 in tax relief. All of that is in jeopardy because of the Liberals' so-called middle-class tax cut.

I heard one of my colleagues say “smoke and mirrors”. I would say that the Liberal middle-class tax cut is really a Liberal middle-class tax cut fraud. That is what it is.

The so-called Liberal middle-class tax cut would do absolutely nothing to give back to hard-working Canadians who work hard every single day in order to move ahead. It would give them back absolutely nothing. The so-called Liberal middle-class tax cut would do absolutely nothing. In fact, it would take away the opportunity for hard-working Canadians to save and invest. On top of that, it would burden middle-class Canadians with billions of dollars of additional debt that other middle-class Canadians would in the end repay.

It is absolutely essential and imperative for the sake of middle-class Canadians that Bill C-2 be defeated.

• (1335)

Mr. Marwan Tabbara (Kitchener South—Hespeler, Lib.): Mr. Speaker, I thank the hon. member for his quite amusing speech and want to point out a couple of things he said.

He said that Canadians thought it was a good idea to vote for the tax cut that lowered taxes for the middle class from 22% to 20.5%. It was a good idea, and that was what Canadians voted for. That is one.

Another thing is the member mentioned the word “fraud” in his statement. I think it is fraudulent when they give a child benefit plan and then during tax time, they claw it back in taxes.

The member mentioned a lot of examples of Time Hortons, saying that coffee is the only thing people could get from the tax cut. I will give an example of a single mother. If a single mother is earning \$45,000 and raising two children on her own, she would receive, under our child benefit plan, almost \$2,000 more than under the Conservatives' plan. If she is raising two children, she would get almost \$4,000 more, and our plan would be tax-free.

Does the hon. member not see that our child benefit plan would help the middle class and the single mother?

Mr. Michael Cooper: Mr. Speaker, a Canadian earning \$45,000 a year would get zero dollars from the Liberals' so-called middle-class tax cut plan.

The fact is we have nothing to learn from members on that side of the House when it comes to giving Canadians tax relief. Our government over 10 years in office cut taxes of every shape and size. We cut taxes for small businesses, for working families, for students, for entrepreneurs, and for apprentices. Overall, our government cut taxes not once, not twice, but more than 140 times.

That resulted in the largest tax relief afforded to Canadians in more than 50 years. That is a record that we are proud of on this side of the House, and we are going to fight and work hard to defend taxpayers against the tax-and-spend ways of that side of the House.

Mr. Guy Lauzon (Stormont—Dundas—South Glengarry, CPC): Mr. Speaker, I want to commend my colleague for a wonderful speech which, as my other colleague on this side of the House said, was very entertaining. It certainly was entertaining, but it was also very informative and very accurate.

I have a lot of respect for the wisdom of my colleague and I would like him to shed some light on this.

We have heard a lot of talk from both sides of the House about deficits. There is a deficit projected this year in the upcoming budget on March 22 of close to \$30 billion. In previous governments, and in our government, we did have deficits. We think there was a deficit for a reason. I am not sure about this current deficit being projected at \$30 billion in 2016.

I wonder if my colleague could shed some light on the difference between the projected deficit we will have this year and deficits of past governments.

Mr. Michael Cooper: Mr. Speaker, when our government came to office in 2006, we repaid \$38 billion in debt. It constituted the largest debt repayment in Canadian history. That is the record of the previous Conservative government.

Government Orders

My friend is quite right that the Conservative government did run some short-term deficits as a result of the need for short-term stimulus spending in the face of the worst economic recession this country has faced in more than 50 years. However, the spending was short term and targeted so that by 2015, when we passed the torch to the current government, we handed it a surplus of \$1 billion. That is the difference. Now we see a government that is running billions of dollars of deficits and we are not even officially in a recession.

• (1340)

Mr. Arnold Viersen (Peace River—Westlock, CPC): Mr. Speaker, I would like to take the opportunity at the beginning of this speech to thank all of the people of Peace River—Westlock for giving me the opportunity to stand in the House and make this speech.

Today, I rise to address the issue of fiscal responsibility. The previous Conservative government left the Liberal government a \$1 billion surplus. At a time when the rest of the world was in economic turmoil, we kept a steady hand on the wheel and steered our country through that turmoil. Not only did we manage our resources prudently, but we paved a \$1 billion road into the future.

In a few short months, the Liberals have squandered that surplus. When they originally introduced their new tax plan, they promised it would be revenue neutral. Since then, the Minister of Finance has conceded that the plan was not revenue neutral and would in fact leave us with a \$1 billion in the hole.

A report from the parliamentary budget officer estimates the costs to be closer to \$1.7 billion. This gross miscalculation speaks to the government's incompetence, and the fact that the Liberals are proceeding with legislation after admitting they have broken this promise to Canadians. This speaks to their integrity.

In my riding in northern Alberta, we have a number of industries, agriculture, oil and gas, and lumber, to name a few. We are a province of entrepreneurs, business people who understand the necessity of practising fiscal responsibility if they want their businesses to grow and thrive.

A spending spree on the taxpayers' dime is not only a sign of poor fiscal management; it is an irresponsible behaviour that has drastic consequences down the road.

Who is going to pay for this shortfall? The Liberal Party has talked about eliminating a number of tax credits. When we look at the available tax credits, it is clear who will pay for the shortfall. It might be first-time home buyers, or families with kids in sports or the arts, or students or apprentices. The very people who need the tax credits will be the ones paying off the Liberals' billion dollar spending spree.

As everyone here knows, the price of a barrel of oil has negatively impacted Alberta. There have been massive layoffs in the oil patch, and this has had a ripple effect in many of our communities.

In my riding, unemployment is up, EI applications are up, and the outlook for businesses, especially those connected with the oil patch, is grim. I had a call from a transport truck driver the other day. He is in his fifties and has worked hard his entire life. Now, he cannot find

work. Trucking outfits are scaling back, and no one is hiring. His EI has run out, his savings are dwindling, and his rent is past due.

Why is the government focusing on tax credits and income tax hikes when what we need is a plan to create jobs? We need a plan to get Canada back on solid ground.

There is a lack of evidence or explanation on why the changes in Bill C-2 would stimulate economic growth and development for Canadians. The Prime Minister believes that small businesses are tax havens. Does he plan on increasing payroll taxes on job creators?

It is important to remember that small businesses create a large percentage of the jobs in Canada. Increasing payroll taxes on our job creators creates an extra burden on companies that are already struggling in these economic times. The fact is that many companies are downsizing right now. Now is not the time to increase business taxes.

Neither is it time to raise taxes on higher income earners. These are the people who traditionally create jobs and grow our overall economy. By increasing taxes on these job creators, we are discouraging success, and punishing those who have done well for themselves. We cannot spend our way to growth, and we cannot tax our way to prosperity.

We have looked at all the tax cuts the Liberals are proposing for the middle class. Based on Finance Canada's estimates, the new Liberal tax plan amounts to, on average, an extra \$6.34 per week for those individuals who qualify, and \$6.34 might buy a block of cheese or a few litres of gas. This tax break would not be enough to grow our economy. It would not stimulate growth or innovation. This modification to the income tax rate would hardly qualify as a significant tax relief for Canadians and it comes with a much larger price tag.

When the previous Conservative government was in office, we reduced taxes more than 140 times. We have a proud legacy of tax fairness. We cut taxes through targeted measures that were responsible.

We would all be better off if the government worried less about the income tax rate and instead focused on creating jobs so more people could pay in.

• (1345)

There is another amendment I would like to address, and that is the issue of tax-free savings accounts. The Liberals have unaccountably decided to slash contribution limits for the tax-free savings account to \$5,500.

Many Canadians rely on these savings accounts to plan for their future. Students save for higher education, couples save to start a family, entrepreneurs save to start a business, parents save for their children, and low-income seniors save for their retirement. These changes would make life less affordable for Canadians who are trying to save for their vulnerable years.

Government Orders

Financial literacy is a subject now taught in some schools. As a parent, I will teach my own children practical money skills. It is an important concept to grasp, that if we want to keep ourselves financially secure and free of uncontrollable debt, financial responsibility is important to the well-being of individuals, families, businesses, and our nation.

A recent report from the parliamentary budget officer points out that Canadians are taking on uncontrollable levels of debt, and we have the highest debt in the G7 at 171% of our annual income. Households now face overwhelming exposure to negative income and interest rates and will likely become delinquent in their debt payment.

Responsible Canadians are looking for a way to save when times are good so that they can be protected. Reducing TFSA contribution limits would reduce the ability of Canadians to save for their retirement and to protect themselves in economic downturns.

TFSA's provide a concrete vehicle for financial independence for Canadians. We should be encouraging responsible saving. Instead, the Liberals are turning a blind eye to financial literacy. They are taking options away for saving and are putting more Canadians at risk. This will translate into a greater burden on all taxpayers to support those who are unable to support themselves.

I would like to point out that this future cost to taxpayers is what the Liberals have neglected to calculate. Fiscal responsibility is a fundamental component of good government. The Liberal tax plan, a plan that runs massive and long-term deficits, will burden the taxpayer and leave Canada more vulnerable to sudden, economic shock.

Our Conservative caucus will stand up for taxpayers and press the government to approach spending in a responsible manner, to protect against risk, and to ensure stability and long-term prosperity.

Mr. Wayne Long (Saint John—Rothesay, Lib.): Mr. Speaker, let us get one thing straight. Members of the party opposite hold themselves up as the stewards of the economy. They have all the economic answers for Canada, and nobody else in the country knows what they are doing with respect to economics and the economy.

Let us look at the facts: seven straight deficits, two recessions, the country in deficit. Yes, members opposite like to play the shell game. They say let us throw in the EI surplus, let us sell the GM stocks, let us use the rainy day fund, let us take money from the Veterans Affairs and put it into our budget, so we can pretend we have a balanced budget and we can show a surplus.

Canadians do not believe it. Canadians were tired of it. Let us talk about the tax-free savings account very quickly. As some members may know, I am a business person. I have a hockey background. If we had a program with the Saint John Sea Dogs that 6.7% of Canadians maximized, would we take that program and double it? What kind of economics is that?

I ask if the member opposite would not concede that Canadians made a choice on October 19 for a progressive party. There is not a progressive bone left in that party. They should call them the regressive Conservative Party.

Would the member not agree that Canadians chose real change for the middle class with the tax cut and the Canada child benefit? Would he not agree that is the change Canadians wanted?

• (1350)

Mr. Arnold Viersen: Mr. Speaker, the member pointed out the record we had. I would say I agree with him that we had a very good record in that we were the top country in the G7 when it came to weathering out the global recession.

We are proud of our record. We are the Conservative Party of Canada. We will continue to stand up for Canadians and we were keepers of our economic fortitude in this country. I will stand on our record of being the best country in the G7.

[*Translation*]

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, I will not let him off that easily. The question asked was as follows: how can the Conservatives justify and defend the doubling of the TFSA limit from \$5,500 to \$10,000 when only 7% of Canadians were able to make the maximum contribution when the limit was \$5,500?

That measure was so expensive that the parliamentary budget officer calculated that 20 to 30 years from now it would cost the equivalent of 0.7% of GDP. The government would give up tens and almost hundreds of billions of dollars for a measure that benefits 7% of the population right now. This is not about abolishing the TFSA. Many Canadians contribute to it even with a \$5,500 ceiling.

How can the Conservatives justify calling themselves good stewards and good managers of taxpayers' money when they support a measure that would be extremely irresponsible in terms of public finances and detrimental to the services funded by taxpayers' money?

[*English*]

Mr. Arnold Viersen: Mr. Speaker, my understanding of the tax-free savings account is that it is something to help our seniors.

One of the ways this really helped was that when a senior sold their home and moved into a long-term care facility, they were able to place money in a tax-free savings account where the money would gain interest from the investments they made with that money, and that money would be tax-free.

That was one of the reasons we were very proud to introduce the tax-free savings account. If it is such a bad idea, why are the Liberals not repealing the entire thing instead of just the top \$5,000?

I would say that we should improve it and put a \$10,000 limit there so that our seniors can benefit more from this great program.

[*Translation*]

Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC): Mr. Speaker, I am pleased to rise to speak to Bill C-2. I am interested in finding out why the Liberals think that someone earning \$200,000 a year deserves more tax credits. That is completely irrational and makes no sense.

Government Orders

My riding encompasses Montmagny, L'Islet, Kamouraska, and Rivière-du-Loup, as the name suggests. My riding borders the riding of my colleague from Rimouski-Neigette—Témiscouata—Les Basques and it includes Rivière-du-Loup and La Pocatière. La Pocatière is the gateway to the Lower St. Lawrence region, which is considered to be the poorest region in Canada. In some municipalities, the people are very far from rich.

Under this bill, Canadians who earn less than \$45,000 a year, which represents the vast majority of my constituents, will not get any money at all.

The Liberals are implementing policies to supposedly help the middle class. This party boasts about being the middle-class party, but in reality, it is not helping 99% of middle-class Canadians, who do not earn more than \$45,000 a year.

In my riding, family income does not exceed an average of \$50,000 a year, which is very low.

As members of Parliament, we earn \$167,500 a year, and we will soon earn nearly \$170,000. Parliamentary secretaries earn a little more than \$200,000. I will not even get into how much ministers earn. The fact remains that people in our tax bracket do not need this. We earn enough money and we do not need this money to justify tax cuts. We are the ones who will benefit the most. That makes absolutely no sense.

I repeat: in my riding, the middle class does not earn \$170,000 a year. It earns less than \$45,000 a year. I am a business owner, and I can tell you that I do not pay average wages of \$45,000 a year if I want to keep my business afloat and continue to invest.

According to the government, this measure should be revenue neutral, in other words, it should not cause a deficit. The parliamentary budget officer said that the deficit will not be \$1 billion, as announced, but rather \$1.7 billion. It is completely irrational and makes no sense. What is more, that amount is permanent. It will be a permanent item in the budget in the years to come. By all accounts, this measure is ill-conceived and flawed. It needs to be changed. In any case, more than two-thirds of the population will not get one cent from this measure. It is not fair to anyone.

On average, a family might get an extra \$6.50 a week. That is totally ridiculous. That is not even enough for two cups of coffee. The government needs to realize that it cannot use borrowed money to put the country in debt for policies like these, just to give a small group of people some extra money that is significant for that particular group. The majority of the Canadian middle class earns \$45,000 or less a year. There is no doubt that changes need to be made to this legislation.

The other item is the TFSA. I am a business owner and I invest a great deal in my business. Over the past 10 or 15 years, I did not have the opportunity to take advantage of an RRSP or the TFSA because I invested my money in my business. Not everyone can count on owning a business to save for the future.

This measure allowed people to save \$5,000. Then the ceiling was raised to \$5,500, and then finally to \$10,000. The Liberals just took away the \$5,000 we added in our budget.

That is no way to help people save for the future. People have to understand that just because there is a ceiling does not mean that everyone is going to reach it one day.

• (1355)

That is not what that means at all. It means that people are being given tax room so that they can save.

I think it was the member for Hochelaga who said earlier that, in her riding, there are poor people who cannot invest a single penny because the cost of staying in their house or apartment is so high.

That is the reality. It is not just true in her riding. It is the same everywhere. When we develop a policy, we need to do so for all Canadians. Some people are successful and can save money. I forget the exact name, but there are organizations, I think they are called ACEF, that provide education, information, and training on how to save for adults and youth with good incomes. Tax room in the form of TFSAs or RRSPs is needed so that people can save money.

These are programs or mechanisms that allow people to save money. If these mechanisms, this room to save, were not available, people would not save money. People need to save. They need to start thinking about the future when they are young. When they get close to retirement and they have more money to invest, they need to be able to make tax-sheltered investments so that they can live comfortably for as long as possible.

The bill is badly flawed. I repeat: the middle class does not earn \$170,000 a year. Everyone agrees that Canada's real middle class, people who earn less than \$45,000, will not benefit at all from this bill. It is therefore a bad bill.

• (1400)

Mr. Ramez Ayoub (Thérèse-De Blainville, Lib.): Mr. Speaker, my hon. colleague opposite just gave a 10-minute speech that amounted to smoke and mirrors.

I came here after the latest election to work for Canadians and give back to the middle class. That is what we said throughout the election campaign.

What I am hearing is speculation. Let us talk about the UCCB. Things were done at the last minute. There was an election campaign, and that is when people came up with solutions. What happens to the UCCB? The government claws that money back six months later at tax time. That is not helping; that is pretending to help.

What we want to do is help people. We want to help nine out of 10 families. What we give back, we give back with no strings attached. Obviously, we cannot come up with a program that will help 100% of the people. We do not want to give money to the rich. They were the first to give \$300 to people earning \$200,000 or more. We took that money back. We are making them pay more taxes.

I am very proud that we are walking the talk, as they say. That is exactly what we are doing.

I have to wonder what your interests are. Who are you working for? Are you working for yourself, to get elected, or are you working for the people of Canada?

Government Orders

The Assistant Deputy Speaker (Mr. Anthony Rota): Before I recognize the next member for his reply, I would remind this member that I am not doing much here; I am merely occupying the chair.

The hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup.

Mr. Bernard Généreux: Mr. Speaker, I hope my hon. colleague is ready to put his money where his mouth is, because if not, he will have a serious problem.

That being said, based on what he keeps repeating and what he just said, once again, he does not seem to understand what the middle class is. People with household incomes under \$45,000 will not benefit from this measure at all. They will get nothing. How can he say that we on this side of the House like to help the rich, and that they are not helping them? It makes no sense. An income of \$45,000 is still an income.

I would like the member for Rimouski-Neigette—Témiscouata—Les Basques to ask me the question. Our ridings are in regions that are not wealthy. These are the people whom we really need to help through meaningful action when new measures are brought in.

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, first of all, I agree with many of the things in the hon. member's speech, and that is quite natural because we come from the same part of the country. We have many similar problems.

In response to the Liberal member who just spoke, there has been no mention here of lower taxes for families or the family tax credit. It is not currently in the bill. We are debating a bill that will put an additional \$250 in the pockets of people earning \$200,000 a year. Someone earning \$45,000 or less will receive nothing.

They say it goes along with the future family tax credit. That is not going to help couples with no children, single people, and seniors who do not earn \$45,000 a year. The government says that this bill will help the middle class, but it is all smoke and mirrors.

I will ask my colleague a question because I could not ask the Liberal member. What is his definition of the middle class? Is it people who earn \$200,000 or people who earn \$35,000, \$40,000, or \$45,000 and who will not get a dime with these measures?

Mr. Bernard Généreux: Mr. Speaker, I would like to thank my colleague from Rimouski-Neigette—Témiscouata—Les Basques for his question. I must admit that I rarely agree with the NDP, but I now have to sincerely agree with my colleague. What is more, we are riding neighbours. It is obvious that the definition of middle class is not people who earn \$200,000 or more a year. That does not make any sense. The middle class is families who earn \$35,000 to \$40,000 a year, somewhere in that range. People who earn \$50,000 a year or more are not part of the middle class. The middle class is people who earn small amounts of money for their family in order to survive.

I would like to come back to the question asked by the member for Hochelaga, which is an urban riding. The same problem exists in rural ridings such as ours. People do not make much money and families are having trouble making ends meet each month. That type of reality exists in our ridings.

When we develop policies, we need to do so with those people in mind. That is why the Conservatives lowered the GST twice rather than just once. We lowered it from 7% to 6% and then from 6% to 5%. That put money back into taxpayers' pockets.

• (1405)

The Assistant Deputy Speaker (Mr. Anthony Rota): Is the House ready for the question?

Some hon. members: Question.

[English]

The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Assistant Deputy Speaker (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.

Some hon. members: 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 45, the recorded division stands deferred until Monday, March 21, 2016, at the ordinary hour of daily adjournment.

Hon. Andrew Leslie: Mr. Speaker, I believe if you seek it you would find unanimous consent to see the clock as 2:30 p.m.

The Assistant Deputy Speaker (Mr. Anthony Rota): Is it agreed?

Some hon. members: Agreed.

The Assistant Deputy Speaker (Mr. Anthony Rota): It being 2:30 p.m. the House stands adjourned until Monday, March 21, 2016, at 11 a.m., pursuant to Standing Orders 28(2) and 24(1).

(The House adjourned at 2:06 p.m.)

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