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(HANSARD)

Friday, October 21, 2016

Speaker: The Honourable Geoff Regan

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HOUSE OF COMMONS

Friday, October 21, 2016

The House met at 10 a.m.

Prayer

GOVERNMENT ORDERS

●(1005)

[*English*]

WAYS AND MEANS

NOTICE OF MOTION

Hon. Bill Morneau (Minister of Finance, Lib.): Madam Speaker, pursuant to Standing Order 83(1), I wish to table a notice of ways and means motion to implement certain provisions of the budget tabled in Parliament on March 22, 2016, and other measures.

Pursuant to Standing Order 83(2), I ask that an order of the day be designated for consideration of the motion.

* * *

CANADA PENSION PLAN

Hon. Bill Morneau (Minister of Finance, Lib.) moved that Bill C-26, An Act to amend the Canada Pension Plan, the Canada Pension Plan Investment Board Act and the Income Tax Act, be read the second time and referred to a committee.

He said: Madam Speaker, as hon. members know, a stronger Canada pension plan was a key part of the promise we made to Canadians when we promised to help the middle class and those working hard to join it.

On June 20 in Vancouver, we delivered. Canada's governments agreed to enhance the Canada pension plan to give Canadians a more generous public pension that will help them retire in dignity. I would like to think that we showed everyone just how well our country can work when our governments work together, even in the face of tough challenges. We worked through our differences, never wavering on our commitment to the people we serve. In doing so, we proved that collaboration around the federal-provincial-territorial tables can deliver results.

I would like to thank each and every one of my provincial and territorial counterparts for the hard work, diligence, foresight, and principled co-operation they displayed in reaching this historic agreement on behalf of Canadians.

Now that all nine CPP-participating provinces have fully confirmed their support for implementing the Vancouver agreement, we have the obligation to carefully consider the legislation before us today, which will help make this agreement a reality. We must do so with the full understanding of what is at stake: no less than the opportunity to provide future generations of Canadians with a more generous public pension in their retirement years.

[*Translation*]

A secure and dignified retirement is certainly a top priority for hard-working Canadians. We know that middle-class Canadians are working harder than ever, and many of them are worried about not having saved enough by the time they retire.

The more time we spend knocking on doors, holding forums, and talking to people in the course of our work, the clearer that becomes. We also know that young Canadians in particular, few of whom can expect to have jobs that offer a workplace pension plan, find it challenging to save enough money for retirement.

Toronto high school students aired these concerns during an open forum with me earlier this month. Their concerns are legitimate. In-depth studies by the Department of Finance and provincial governments show that one-quarter of families approaching retirement, 1.1 million families, expect their standard of living to drop significantly in retirement.

Middle-class families without workplace pension plans are at higher risk of not saving enough for retirement. One-third of those families are at risk.

●(1010)

[*English*]

Canada's finance ministers agreed with this conclusion in working towards our agreed upon enhancement to the CPP. We have developed a carefully targeted approach, which is reflected in the legislation we have before us today. Taken together, it is a comprehensive package that will increase CPP benefits while striking an appropriate balance between short-term economic considerations and longer-term gains.

What does a stronger CPP mean for Canadians?

Government Orders

First and foremost, it means there will be more money from the CPP waiting for Canadians when they retire. This means that they will be able to focus on the things that matter, like spending time with their family rather than worrying about making ends meet.

Once fully in place, the CPP enhancement will increase the maximum CPP retirement benefit by about 50%. The current maximum benefit is \$13,110. In today's dollar terms, the enhanced CPP represents an increase of nearly \$7,000, to a maximum benefit of nearly \$20,000.

The enhancement we agreed upon does two things to make this happen for contributors. First, it will increase the share of annual earnings received during retirement, from one-quarter to one-third. This means that an individual making \$50,000 a year in today's dollars over their working life will receive about \$16,000 per year in retirement, instead of roughly \$12,000 today. Second, it will increase by 14% the maximum income range covered by the CPP so that those who earn more will receive more in retirement.

The positive impact of these changes will be significant. They will meaningfully reduce the share of families at risk of not saving enough for retirement, as well as the degree of under-saving. The Department of Finance has estimated that strengthening the CPP will reduce the share of families at risk of not having adequate retirement savings by about one-quarter, from 24% to 18%, when considering income from the three pillars of the retirement income system and savings from other financial and non-financial assets.

A stronger CPP is also the right tool at the right time to improve the retirement income security of younger workers. It is an opportunity for today's hard-working Canadians to give their children, their grandchildren, and future generations a more secure retirement.

The Department of Finance has concluded that retiring in comfort will be even more a challenge for these future generations. That is, in part, because they are expected to live longer than previous generations. Also, if current trends continue, younger Canadians will be less likely than previous generations to work in jobs with retirement benefits that are paid for by their employers, and if the current low interest rate environment persists, their savings may also grow more slowly than previous generations.

In the face of these challenges, our government decided to do what Canadians do best when faced with a problem: we worked together. We worked with the provinces and territories and agreed to strengthen the Canada pension plan so that there will be more money waiting for future generations of Canadians when they retire.

However, that is not all. The legislation we are debating today also includes enrichments to CPP disability and survivor benefits. For most Canadians, all of these increased CPP benefits will come from only a 1% increase in contribution rates.

We are making sure to give individuals and their employers plenty of time to adjust to the modest increase, making sure that it is small, gradual, and starting in 2019. For example, an individual with earnings of \$54,900 will contribute about \$6 more a month in 2019. By the end of the seven-year phase-in period, contributions for that individual would be about \$43 more per month. Furthermore, because new employees' CPP contributions will be tax deductible, as

opposed to being eligible for a tax credit, Canadians will not experience an increase in tax with registered retirement savings plan or employee pension plan contributions, which are deductible and are reduced in response to this increase in CPP contributions.

Today's legislation, as agreed upon with the provinces, will also ensure that low-income Canadians are not financially burdened as a result of the extra contributions. It will do so by enhancing the working income tax benefit to roughly offset incremental CPP contributions, leaving eligible low-income Canadians with little to no change in disposal income while still securing higher retirement income for them. Taken together, these tax measures will account for \$970 million in federal fiscal support in 2021-22.

•(1015)

[*Translation*]

Under the circumstances, it is clear that an enhanced Canada pension plan will help all Canadians, which will in turn help Canada's economy as a whole. With higher retirement benefits flowing from an enhanced CPP, retirees will have more money to spend on things such as healthy food, transportation, and housing costs. The knock-on effect of that? New jobs and a stronger middle class.

[*English*]

As I noted earlier, the Department of Finance undertook extensive research on the impact of a strengthened CPP. This analysis included a rigorous study of the potential economic impacts of the various enhancement scenarios being discussed with the provinces.

Our research found that over the long term, greater CPP benefits will boost demand and increase savings overall. This will boost economic output and make more money available for investment. As a result, it is estimated that gross domestic product will increase by between 0.05% to 0.09% over the long term. Employment levels are also projected to be permanently higher, by about 0.03% to 0.06%, equivalent to about 6,000 to 11,000 jobs based on 2015 levels of employment.

We can see from all of these facts that a stronger CPP would be good for Canadians and good for the overall economy. This should come as no surprise, since the CPP is a good and solid program. For over 50 years, the CPP has been helping to ensure that all workers in Canada have a minimum level of financial security in retirement. The most recent statistics tell us that 5.2 million people in Canada received \$37.3 billion in benefits from the CPP.

[*Translation*]

According to a report by the Conference Board of Canada, poverty rates among Canadian seniors have fallen by 25% over the past four decades, dropping from 36.9% in 1976 to 12.3% in 2010. The Conference Board of Canada concluded that this significant reduction can be largely attributed to the implementation of the CPP and, in Quebec, the QPP.

Government Orders

[English]

The CPP Investment Board is similarly well-regarded around the world for its impressive record of investment performance and management excellence. The CPPIB operates at arm's length from governments, with a mandate to invest CPP funds in the best interests of plan members. It has been acclaimed by international bodies such as the World Bank as the model of an independent, transparent, and accountable public pension fund management organization.

As the manager of a large fund program with millions of contributors, the CPP Investment Board is able to take advantage of economies of scale to deliver strong net returns. Over the past 10 years, the CPPIB has delivered a 10-year average nominal rate of return of 6.8% on existing CPP assets. This is above the 6.1% nominal rate of return identified by the chief actuary of Canada as necessary to ensure the sustainability of the Canada Pension Plan.

With this rock-solid investment structure as its foundation, the CPP provides a safe, secure, and predictable benefit, which means that Canadians can worry less about outliving their savings or having their savings impacted by significant market downturns. The recently released 27th actuarial report on the Canada pension plan concludes that the existing CPP is on a sustainable financial footing, at its current contribution rate of 9.9%, for at least the next 75 years.

Bill C-26 would make amendments to the Canada Pension Plan Investment Board Act to make the CPPIB the manager of the improved CPP. Now that Bill C-26 is before us for consideration in Parliament, the chief actuary will conduct an actuarial assessment of the enhancement to ensure that it is on a sustainable, long-term financial footing.

CPP benefits are also fully indexed to prices, which reduces the risk that inflation will gradually erode the purchasing power of retirement savings. As well, the CPP is a good fit for Canada's changing job market. It helps to fill the gap left by declining workplace pension coverage and it is portable across jobs and provinces, which promotes labour mobility and reflects how Canadians currently live, work, and retire. With the automatic collection of contributions for all workers, the CPP is a simple way to save for retirement. It also provides important income support through disability, death, survivor, children's, and post-retirement benefits for eligible contributors and their families.

By supporting today's legislation, parliamentarians will not only be boosting how much each Canadian will get from his or her CPP pension in the future, we will be making a great program even greater. With 75% of Canadians in support of a stronger CPP, members will be acting on one of the highest priorities of Canadians.

● (1020)

[Translation]

I am honoured to have been able to work with our provincial and territorial partners to make an enhanced Canada pension plan a reality for Canadians. I encourage my colleagues to share in this success by supporting Bill C-26.

[English]

Mrs. Karen Vecchio (Elgin—Middlesex—London, CPC): Madam Speaker, I would like to thank the Minister of Finance for his informative speech, but I have a few questions for him. It is directed by conversations we have had with the CFIB and the president of the CFIB, Dan Kelly. I want to read a couple of his quotes. I know that prior to politics, the minister had dealings with investments, so I just want to ask him these things. I am going to read two quotes today. If the minister could respond, that would be fantastic.

The first quote is this:

It is tremendously disappointing to see that finance ministers are putting Canadian wages, hours and jobs in jeopardy and willfully moving to make an already shaky economy even worse. Despite all the talk, it appears that jobs and the economy are not particularly high priorities for the governments that have signed off on this deal.

That was from the president of the CFIB, Dan Kelly.

Second, he noted:

Two thirds of small firms say they will have to freeze or cut salaries and over a third say they will have to reduce hours or jobs in their business in response to a CPP/QPP hike.

I wonder if the Minister of Finance could speak about these things, because I know that the CFIB was not at the table when the government was consulting small businesses, and small businesses are part of the middle class. In my community of Elgin—Middlesex—London, those small businesses are owned by the middle class.

Hon. Bill Morneau: Madam Speaker, I would like to provide some background on both the process that led us to the conclusion that we should work together to enhance the Canada pension plan and the impact we expect it will have on Canadians and our economy.

First is the process. We were very clear with Canadians in our election platform that we wanted to work to enhance the Canada pension plan, because we recognized that so many Canadians were finding themselves with less of an opportunity for a pension down the road because of declining pension plan participation. That led us to present that to Canadians. We then presented that to our provincial counterparts and talked about that decision and got consensus that we all were seeing the same thing: a real challenge in future opportunities for Canadians to retire in dignity.

What we came up with was an approach that was very gradual but that would lead to significant impacts over the long term. The gradual nature of that approach, starting in 2019 and going out to 2025, means that for both individuals and businesses, there is an opportunity to move very gradually and have a modest impact.

More importantly, we then did research to show that, in fact, the long-term economic impact will be positive for the economy and positive for employment. That was the research that led us to say that this is the right thing to do.

Government Orders

Mr. Scott Duvall (Hamilton Mountain, NDP): Madam Speaker, I thank the minister for the work he has done on this CPP bill. One of the things we heard from residents across Canada during the election was that they wanted enhancements to the CPP, and they needed something drastic to happen now. However, this does not actually do anything for anyone by maximizing it for the next 40 years. What are we doing about the current pensioners who are collecting CPP now or the people on the cusp of retiring in the next 10 years?

• (1025)

Hon. Bill Morneau: Madam Speaker, I recognize that, as he did. We spoke to many Canadians who were concerned about their retirement outcomes. That led us to do a number of things that we think are going to have a positive impact.

First and foremost, we recognize that many seniors who are single are living in difficult situations. We took that into account when we decided to increase the guaranteed income supplement by 10%, impacting those single seniors by up to \$947 and having a very positive impact on outcomes for a challenged group.

Then we looked at how we could deal with the Canada pension plan in a way that recognized some key principles. We wanted to recognize that the impact of a change to pension plans is a long-term, secular one, with declining participation, so we should be thinking about this issue in a long-term way to ensure that we help people who are going to be in a more difficult situation in the future. That long-term approach will also enable us to fully fund this advantage, which we feel is fiscally responsible.

We recognize that it will help people who are in the workforce today to save enough for the future and to do it in a responsible way that helps us have a better economic outcome for the economy and a better outcome for them over the long term.

Mr. Robert-Falcon Ouellette (Winnipeg Centre, Lib.): Madam Speaker, the death benefit is currently a maximum of around \$2,500, which is hardly enough to pay for a funeral and wrap up the affairs of our most precious. I was wondering if the Minister of Finance could inform us about the negotiations that have been occurring on increasing the amount of the Canada death benefit, which was advocated by the Premier of Manitoba.

Hon. Bill Morneau: Madam Speaker, we had a very good discussion with the provinces as we came to the conclusion that we wanted to enhance the Canada pension plan. We had a number of issues brought up. As the member notes, the Province of Manitoba brought up the idea that we should consider other enhancements to the Canada pension plan. In response to that, together we agreed that as the provinces and the federal government, the participating members of the Canada pension plan, do on a triennial basis, we will this December look at potential changes to the Canada pension plan.

We are currently doing research on the impact of those prospective changes on individuals and on the fiscal impact, the financial costs. As we do that, we will bring that information forward to the provincial finance ministers in December and have a discussion about the merits of additional changes.

Hon. Erin O'Toole (Durham, CPC): Madam Speaker, what concerns me most about the government is that on fiscal and economic policy affecting all Canadians, it says one thing one day and then takes a totally opposite view the next.

The Prime Minister opposed deficits, then it turned into a \$10-billion deficit, and now we have a \$30-billion deficit. The Minister of Finance is the same. Before he ran, when he was a pension executive in Toronto, he wrote a book called *The Real Retirement* that said that retirees were much better off than most experts were saying, but today he says that people cannot retire in dignity. In his book, he said that it makes little sense to incent early retirement, yet he then rolled back old age security modernization. Today he talks about this being the right time and says there will actually be job gains. That contradicts what his own department is saying, which is that there will be job losses as a result of these reforms.

On a morning when Bombardier has just announced 2,000 layoffs, amid an economic crisis in Alberta, the flight of capital, and the imposition of a carbon tax that will make manufacturing uncompetitive in Ontario, why is the government implementing yet another barrier to job creation in Canada?

Hon. Bill Morneau: Madam Speaker, I am happy to answer that question. I am pleased to hear that the hon. member has taken the time to not only purchase but to read my book, which is excellent. I would encourage him to read all the chapters in the book, because he will find that my co-author and I identified some significant challenges facing current Canadians, challenges around future rates of return, challenges around declining pension plan coverage, challenges that will make it more difficult for people to save for retirement over the long term. It was exactly those challenges that we considered as we moved forward to enhance the Canada pension plan, in a long-term, fiscally responsible way, to help Canadians save for retirement. That is exactly what we have done.

Again, I would encourage the hon. member to read the entire Department of Finance report. He would see that over the long term, what we show is that there will be economic advantages for our economy and growth in jobs. We are thinking about the long term as we work on behalf of Canadian families.

• (1030)

Mr. Ziad Aboultaif (Edmonton Manning, CPC): Madam Speaker, I thank the minister for his speech. I would appreciate that book signed by you. I read your book, and I believe that—

The Assistant Deputy Speaker (Mrs. Carol Hughes): Would the member please address his comments through the Chair.

Mr. Ziad Aboultaif: Madam Speaker, we believe that with this CPP tax hike, Canadians are taking huge risks, and many risks. First, they do not know what they are getting themselves into or what the government is getting them into. They cannot tolerate the extra risk at this difficult economic time, and they do not know if the program is properly priced and accounted for. They also do not know if the returns are worth it.

Where is the guarantee to Canadians that taking this risk will work for them and will be something they will not regret down the road?

Government Orders

The Assistant Deputy Speaker (Mrs. Carol Hughes): I want to remind the member that it was resuming debate, so it was part of his speech, and therefore he is into his speech already.

Mr. Ziad Aboultaif: Madam Speaker, first, I would like to seek the consent of the House to share my time with the member for Mégantic—L'Érable.

The Assistant Deputy Speaker (Mrs. Carol Hughes): Does the hon. member have unanimous consent to share his time?

Some hon. members: Agreed.

The Assistant Deputy Speaker (Mrs. Carol Hughes): Resuming debate, the hon. member for Edmonton Manning.

Mr. Ziad Aboultaif: Madam Speaker, apparently the government distrusts the ability of Canadians to plan for their own retirement. There is no other reason for this ill-conceived tax hike that the members opposite like to pretend is not a tax on Canadians.

When the Canada pension plan was first introduced in 1965, it was intended to assist those Canadians who were not already part of workplace pension plans. The government apparently felt that such a plan was necessary to assist Canadians in their retirement planning.

The world has changed since then, but the Liberals still believe that we are living in 1965. They still believe that it is the role of the government to tell people what they can do with their money. They still believe that Canadians are not capable of determining for themselves what they will need financially when they retire and of preparing for retirement on their own.

As a result, we have this bill, Bill C-26, which will take money from the pockets of hard-working Canadians who have been given no choice in the matter. The benefits of this tax hike, if any, and do not be fooled when they tell us that it is not a tax hike, by the way, will happen at some point in the far future. These changes do nothing to help today's seniors who may be struggling to make ends meet.

Why do I say that this is a tax hike when the government says it is not? As the cliché goes, if it walks like a duck and quacks like a duck, then it is a duck. If the government taxes money from us and gives nothing in return, that is a tax.

The Canada pension plan receives money from two sources: employers and employees. They make equal payments into the fund, but at the end, only one of them receives a pension from those payments, and that is employees. For the employer, CPP is just one of many costs of doing business. The government, with these changes, is increasing the tax load on employers while pretending that it is not a tax.

I was a small businessman before the people of Edmonton Manning gave me their trust as their representative in Ottawa. I know what it means to be an employer and to have to pay my employees. I know first hand how much government red tape is involved in running a business. Liberals can call this increase in CPP whatever they like, but business owners know the truth. This is a tax grab. The Liberals can put all the lipstick on this pig they like, but at the end of the day, they are telling business owners to pay more money, with absolutely nothing in return.

The return for the country is something different. When business owners are faced with an increase in costs, adjustments have to be made somewhere else. The government is mandating this increase in taxes, for nebulous benefits at some point in the future, but business owners have to deal with this tax now. As I see it, they are faced with two choices in this situation. With this increase in costs imposed on them by the government, they will have to find other areas to cut back. One way would be to freeze or even cut wages so that the employers' tax burden does not increase. How this helps employees I do not know.

The alternative is that they will freeze hiring or even lay off employees. Personnel costs are a big part of doing business, and it does not make sense that the government would increase this burden on business owners. This extra tax is putting thousands of Canadian jobs at risk.

In 2015, the Canadian Federation of Independent Business looked at a similar CPP hike scenario. They found that it would eliminate 110,000 jobs and permanently lower wages by nearly 1%. It is not alone in predicting the negative consequence of an increase in CPP premiums. The Fraser Institute found that a 1% point increase in the CPP contribution rate reduces private savings by 0.9 points. That does not provide much benefit.

What does this tax mean for working Canadians? The government tells us that we should be happy, that there will be more money for us when we retire.

● (1035)

It assumes that Canadians are not using savings vehicles, such as the registered retirement savings plan or the tax-free savings account. That is perhaps why the Liberals reduced the TFSA contribution levels set by the previous Conservative government.

When these changes are introduced, Canadians will take home less pay every week. The government wants us to think that it is not much, that we will never notice it, but every penny less in a person's pocket makes a difference to that person.

What would the effects of this tax be as people see their pay reduced? With less money coming in, it would take that much longer for new graduates to pay off their student loans. That, in turn, would delay their ability to buy their first house. That would have an impact on the economy that perhaps the government has not thought enough about. Conservatives want to encourage Canadians to save, but by reducing their pay, we would take the opportunity away from them.

Through this tax increase, Liberals are saying they do not trust Canadians to be smart enough in how they spend their own money, so they will do it for them. Canadians have already shown that they know how to handle their own money. They do not need the government to do it for them.

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We already have a retirement system that is the envy of the world. Canadians are saving more today for retirement than ever before, without this tax grab. Poverty among seniors has dropped significantly in recent years. According to Statistics Canada, the share of Canadian seniors living on low income has dropped from 29% in 1970, when the CPP was in its infancy, to 3.7% today. It is among the lowest in the world. Conservatives believe that Canadians should be able to manage their own money. It is not the role of government to do so.

Furthermore, Liberal promises on financial matters are somewhat suspect. It was only a year ago that the Prime Minister was promising to hold the budget deficit at \$10 billion. We all know how quickly that promise was broken. How can the government expect Canadians to believe anything it says about CPP benefits in 2050? If the government were truly serious about helping Canadians to save for their retirement, it would reinstate the TFSA contribution levels set by the Conservative government. Treat Canadians like adults and let them choose how to save for their retirement.

It appears as if the government has decided that the CPP should be the only method of retirement savings that Canadians use, but that was never the intention. In 1964, the Liberal minister responsible for introducing the Canada pension plan said that CPP "is not intended to provide all the retirement income which many Canadians wish to have. This is a matter of individual choice and, in the government's view, should properly be left to personal savings and private pension plans." That was a good idea then, and it is a good idea now. It is time for the government to show Canadians the respect they deserve. For the good of Canada, it should abandon this bill.

●(1040)

Mr. John Oliver (Oakville, Lib.): Madam Speaker, this is a big issue in Oakville. I knocked on doors, met with people in Oakville, and heard many concerns raised about whether people will have sufficient funds to retire on. I heard about trouble with savings due to some of the low-quality, poorer jobs that people are experiencing right now across Canada. I also heard a concern about private plans moving to defined contribution and the risk of investment, and the individual discipline to put the money into retirement instead of with the plan.

Can the member reflect on the benefits of a defined benefit plan versus the defined contribution, which is a significant advantage of the Canada pension plan?

Mr. Ziad Aboultaif: Madam Speaker, if we are going to call this a business case, a lot of risks are being taken. Those risks are not the choice of Canadians but would be imposed by the government on the Canadian people. It is very hard to measure when there are really no benchmarks.

A lot of what the minister said earlier did not make sense. Is he calling growth artificial inflation, in terms of making more money by taxing people and considering that growth? Canadians are taking a lot of risks. If this is a business case, it is a failure. We have to look at it very carefully, consult more, and allow Canadians to have more input, so it can be safe and sound and work for Canadians.

Mr. Scott Duvall (Hamilton Mountain, NDP): Madam Speaker, what has happened is that there is a pension gap and a crisis of

Canadians being able to save less for their retirement, which was worsened considerably under the Stephen Harper government.

Can my colleague explain to this House what lessons his party has learned from these failures?

Mr. Ziad Aboultaif: Madam Speaker, I am very surprised that the hon. member is talking about failures.

When we introduced the TFSA, that was a pleasure for every Canadian. We have heard that from Canadians. We have done lots in that fashion to make sure that Canadians save more and are more secure.

I am not sure what the member is referring to as failures.

Ms. Marilyn Gladu (Sarnia—Lambton, CPC): Madam Speaker, I was alarmed to see that Finance Canada did an analysis of this proposed CPP premium increase that said it will hurt the economy. It will reduce jobs, reduce GDP, reduce business investment, reduce disposable income, and reduce private savings.

With all of these negative impacts that are going to happen over the next eight years and no benefit for anybody for 40 years, I wonder if the member could comment on what he thinks about this plan.

Mr. Ziad Aboultaif: Madam Speaker, that was a wonderful question.

As I said, the additional risks that Canadians are taking in this fashion are that they do not know the result, and they do not know the outcome of this risk that is being taken.

As for the future, I do not think anyone will be around. I hope everyone in this room will live for over 100 years, but I do not think anyone will be around to see if this is going to work. That is why the government is doing what is it doing. That is a very unfortunate method of doing politics in Canada.

●(1045)

Mr. Mike Bossio (Hastings—Lennox and Addington, Lib.): Hon. member, I would invite you to come to my riding and—

The Assistant Deputy Speaker (Mrs. Carol Hughes): Members need to direct questions through the Chair.

Mr. Mike Bossio: Madam Speaker, I would invite the hon. member to come to my riding to meet some seniors who are suffering today from a lack of savings and the pension plan that they have.

Given the precarious nature of employment today among our youth, and the massive increase in the cost of housing, my own son has been working two and three part-time jobs to try to get by. This is not a tax. It is an investment in future generations of Canadians that will allow them to live better than our seniors are living today.

Does the member deny that these facts exist? Is he completely out of touch with reality?

Mr. Ziad Aboultaif: Madam Speaker, as a member, I also represent people. I have seniors in my area.

Government Orders

I am a businessman, and this does not make any sense for any businessman. It is a tax on businesses. It is a tax on Canadians. Let Canadians save for themselves instead of taking this money away from them without their consent and without their knowing what risks they are taking.

[*Translation*]

Mr. Luc Berthold (Mégantic—L'Érable, CPC): Madam Speaker, I am pleased to rise and speak here today. I thank the members for allowing my colleague to share his time with me. My colleague gave an excellent speech outlining our position on Bill C-26, introduced by the Minister of Finance.

Seniors today should be worried about what the Minister of Finance said in the House earlier this morning in his speech on Bill C-26. He claimed that they were very clear during their election campaign that they wanted to enhance the CPP. Now that we have seen the Liberals in action for a year, can we really take that kind of statement at face value? Definitely not.

Besides, what are seniors and Canadians in general supposed to think when a party says, during an election campaign, that it is going to enhance the CPP? What does this mean for the seniors in the riding of my colleague from Oakville, who said himself that people in his riding have lower incomes and there are needs to be met? They thought they would benefit right away if they voted for that party.

When people are promised an enhanced pension plan, they expect that promise to be kept sooner rather than later. They expect the government to get to work on it immediately, even if it does not make sense. They expect the party in question to keep its promises. CPP expansion will begin to be implemented in 2019 and be fully phased in by 2025.

When we talk about a long-term strategy, as the Minister of Finance did this morning, we have to put ourselves in seniors' shoes. "Long term" does not mean the same thing for someone who is 75 that it does for someone who is 50. Who are the seniors, who were misled by this government, that are really going to benefit from the CPP expansion? That is what we have to ask ourselves. The scary thing is what the Liberal government is not saying. What they are saying is nothing to worry about because they cannot be believed anyway, but what they are not saying is even scarier.

If during the last election campaign the Liberals had told seniors they were going to improve their pension plan in seven or eight years, not a single senior in my riding would have voted for them. In my riding, the average income is not very high. We have gone through some serious crises in the Thetford Mines region, including the asbestos crisis. Incomes are not very high, the miners do not have a lot of money, and out of the blue they are told that their pension plan is going to go up. Who would not want a better income, especially those who make lower wages?

Unfortunately, that is not what the Liberals intend to do. What is more, they are going to increase taxes for people who have limited means, stripping them of their benefits. The government raised taxes right away, and these people will be the first victims of the arrogance of the Liberals, who make all sorts of promises they may well never deliver on. I hope that we will be back in 2019 to clean up their mess. If they are allowed to continue for another four years, it will be terrible and there will be no turning back.

It is important to stick to the facts. The government has been in power one year. It is against that backdrop that they introduced Bill C-26 today. The government broke its promise to have a modest deficit and is borrowing three times the amount that it said it would. Last week, TD Bank reported that the deficit could reach \$34 billion because of the economic situation.

What exactly is the economic situation? They promised to create jobs; they did not. They did not even keep their promise to improve the lives of Canadians, because the best way to do that is to give them jobs.

• (1050)

That is the reality. Obviously, I am concerned about the announcement that the Minister of Finance made this morning, but what is even more worrisome is that our Prime Minister is not at all concerned. There is no problem. Yes, perhaps the deficit will be \$34 billion because the economic conditions are not good. Yes, the rate of growth is lower than expected and that is not good, but it is not a problem. Canadians will pay for it later.

Will there be any money left in the coffers to pay for the promises that the government made to seniors in Bill C-26? The government does not have an answer to that question because it has been improvising on everything from the start.

The government broke its promise to reduce small business tax rates. What will be directly affected by Bill C-26? Small businesses, which will also have to increase their CPP contributions. The government is promising to help businesses and create jobs, but the reality is once again a different story. The government wants to promise the best of everything; it does not talk about the worst, but imposes the worst anyway. That is the reality of the Liberal government.

Today, I can say, without question, that the Liberal government has betrayed seniors with the false promise that it would immediately improve their lives. That is the reality. When the government promises people who are 75 or 80 years old that it is going to increase their pension benefits, those people do not expect to have to wait until they are 87 for that to happen.

I heard my colleagues opposite telling us that this is going to help low-income seniors. Wrong. The increased benefits will help those with higher incomes. Those with low incomes will not benefit at all from these changes to the Canada pension plan. That is something else that is being left unsaid by the Liberal government.

We will have to learn to always read between the lines of what the Liberals are saying. Unfortunately, that is what Canadians will be learning the hard way in the coming weeks and months.

Still, people can take comfort in knowing that we are here. Our new finance critic, the member for Louis-Saint-Laurent will keep a very close eye on this government, which has no qualms about imposing new taxes on the middle class and businesses. It has no problem letting the deficit grow ever larger so it can achieve its objectives. The worst part is that it does not seem too worried about it.

Statements by Members

Higher CPP benefits mean more money coming out of hard-working Canadians' paycheques. Maybe it will help them someday when they retire, but the way things are going now, we should all be leery of the Liberal government's grand promises. As a matter of fact, I have no faith in their projections, which are not even valid for a week, let alone until 2025. Something is going to happen. The Liberals will change things, tweak things. Why? Because they messed up the math. Their projections are inaccurate, and they will not be able to keep their promises.

What really worries me is what the Liberals are going to do if they do not have the money. I would not be surprised if they use that tried and true Liberal tactic: instead of a small increase, there will be a big increase, and it will cost all of us a lot more, and poor people will still have no more than they did before.

•(1055)

Mr. Robert-Falcon Ouellette (Winnipeg Centre, Lib.): Madam Speaker, it is important to save for the future, as they say. Think of the ant and the grasshopper. Some things never change.

I have looked at pension contribution rates all over the world.

[English]

I was just looking at an OECD report from 2013. In fact, Canada has some of the lowest contribution rates in the world. If we look at Austria in 2012, it is around 22.8%. Estonia is 22.8% as well. In France, it is 16.7%, and even the United States had a contribution rate in 2012 of 10.4%. Mexico, really our only competitor in North America, has no contribution rate and essentially no pension plan or protection for their workers.

I really believe that we have to help our citizens save for the future, and that is one principle that I think people who are old and young can get behind. There is an old proverb, in fact, which is to look to the future; believe in the present but also have the foresight to look to the future. It is also in the Bible, with Joseph and the pharaoh saving for those lean times.

Therefore, I hope the member can realize that, in fact, what we are trying to do is to make a better future for all Canadians, thinking very long term, for seven generations.

[Translation]

Mr. Luc Berthold: Madam Speaker, if I understand my colleague correctly, what he is saying is, "give me your money, because I know better than you". My way of thinking is the exact opposite. Leave my money alone, because I know best how to make it work for me, as I see fit. I especially do not want to give any more money to the Liberals, because I am very worried about what they have been doing with our money over the past year.

[English]

Mr. Scott Duvall (Hamilton Mountain, NDP): Madam Speaker, my colleague made reference to many people not being able to save, or that many people are being insulted because we are telling them how to save.

When the Conservatives were in power, they had time to make adjustments to the Canada pension plan, because people were falling into that gap. Therefore, if they felt that the Canada pension plan was

not the answer, why did they not eliminate it and replace it with something else?

[Translation]

Mr. Luc Berthold: Madam Speaker, we worked hard on the guaranteed income supplement, which helped Canadians who really needed it. If fact, I would like to congratulate the Liberals, who also decided to increase guaranteed income supplement benefits in the last budget. It was a much-needed measure for single seniors in need. The Conservatives have always cared about the well-being of all Canadians, including the young, those of working age, and seniors alike.

[English]

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Madam Speaker, the government is making a number of policy choices that are intersecting and will create a huge issue for our young adults in Canada.

First of all, on the Liberals' decision around housing, millennials will now have to save more to have a down payment for a house. They are also going to have an increase in terms of their CPP. They will have to pay the cost of a carbon tax on fuel. Then they're going to have a debt to pay off in 20 years that is going to be astronomical.

I would ask my colleague what the impact to our millennials and our young adults in this country is going to be in terms of this intersection of policy choices.

•(1100)

[Translation]

Mr. Luc Berthold: Madam Speaker, I do not know. The deficit left by the Liberals for the next generation is going to be so huge that I am deeply concerned about the future of my children and all young Canadians. We know that interest rates will go up one day, and that is when the debt will have to be paid off. The bill left behind will be a hefty one, and it will cost Canadians thousands of jobs.

STATEMENTS BY MEMBERS

[Translation]

LAURENTIDES—LABELLE

Mr. David de Burgh Graham (Laurentides—Labelle, Lib.): Madam Speaker, for the past year now, I have had the honour of being the member for Laurentides—Labelle.

Our region is full of magnificent landscapes, and has no shortage of events and tourist attractions on offer. It spans nearly 20,000 square kilometres, or 40 times the size of the Island of Montreal.

Our ski hills, nine regional and provincial parks, six controlled hunting zones, two wildlife reserves and 43 outfitters, and the thousands of lakes and rivers and thousands of kilometres of trails for biking, hiking, cross-country skiing, snowshoeing, and snowmobiling — this is what we are known for.

First and foremost, the success of our region comes from our warm, welcoming communities and the service and enthusiasm of our tourism workers and managers.

Statements by Members

In the context of Small Business Week and as the beautiful summer and fall seasons come to a close, I want to tip my hat to all those who keep the tourism industry alive in our region, which Father Labelle referred to as the Switzerland of Canada.

* * *

[English]

CAMPAIGN VOLUNTEERS

Mr. Ziad Aboultaif (Edmonton Manning, CPC): Madam Speaker, as I reflect on the first anniversary of my election as the member of Parliament for Edmonton Manning, I want to pay tribute to Paul Cetinski.

Before last year's vote, Paul tirelessly distributed campaign literature to rural areas of the riding, making sure everyone heard the message. He is an example of the countless volunteers who are the lifeblood of political campaigns and the backbone of democracy in our great nation.

In every riding across the country, every campaign, every party, there are many Paul Cetinskis. They are the unsung heroes of political life. We in the House know how politics is a team effort, the work of dedicated Canadians who give of their time and talent for the good of the country.

Let us salute volunteers like Paul Cetinski.

* * *

[Translation]

LATIN AMERICA

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Madam Speaker, October is Latin American Heritage Month.

Latin America has a history rich in culture and traditions that is as diverse as its many component countries. It tells of the birth of many civilizations and peoples, such as the Miskito, Mapuche, Inca, Maya, and Aztec peoples.

Then came the conquistadors and the Spanish conquest, the wars of independence, and the creation of independent states.

Over the years, despite the ups and downs, Latin American countries have evolved and developed their own identities. They have influenced the world, whether it is through music and dance, including salsa, merengue, rumba, and tango, or the literature of such authors as Jorge Luis Borges, Gabriel Garcia Marquez, and Pablo Neruda, not to mention their great athletes, like Maradona, Pelé and, currently, Lionel Messi.

Today, more than ever, Latin America is vibrant and successful.

[Member spoke in Spanish as follows:]

Señora Presidenta, que viva América Latina!

* * *

[English]

DIESEL SPILL CLEANUP

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Madam Speaker, last Thursday a tanker barge ran aground and sank near

Bella Bella on B.C.'s central coast, spilling tens of thousands of litres of toxic diesel into critical fishing areas of the Heiltsuk Nation.

I rise to pay tribute to the courageous Heiltsuk who have been out on the water, day and night, since this tragic spill to protect their homes. Local councillor Jess Housty said, "We know there are people who've had headaches, irritation in their noses and lungs since day one.... They're not reporting them because they don't want to be told they can't go out and help anymore. They can't imagine being anywhere else."

The federal government did not arrive on the scene for almost 24 hours after the spill, and since then a second spill response vessel has run aground and has now sunk and diesel continues to leak, causing more devastation.

This is not a world-class spill response. This is a betrayal and a dereliction of duty.

The Prime Minister made a sacred promise to first nations in British Columbia and the people in my riding that he would protect our coast, yet when he was asked point-blank earlier this week whether he would stay true to his word, he deflected and suggested that opening a Coast Guard station 600 kilometres away was good enough.

We will protect what must be protected.

* * *

●(1105)

EPIDERMOLYSIS BULLOSA

Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.): Madam Speaker, I rise to recognize a brave and courageous young man, Jonathan Pitre, who suffers from a severe form of EB, a terrible disease that causes irritation and red blisters. Having this disease according to doctors is like being a burn victim one's whole life.

Does this bring Jonathan down? Absolutely not. When asked by the *Ottawa Citizen*, Jonathan said, "Of course I'm not, you know, happy that I have this.... But, at the same time, I kind of am because I prefer it being me than somebody else." At 16 years of age, he is already a noble man.

His selfless kindness does not stop there. He is an ambassador for DEBRA Canada.

Over the last month Jonathan has been undergoing a stem cell transplant in Minnesota. It did not work, but doctors are optimistic that the second stem cell transplant will work.

Jonathan is an inspiration for all of us. His community will walk for him on November 19. I know my colleagues here will agree with me when I say we are all with Jonathan as he undergoes his second treatment. Be strong. We look forward to seeing Jonathan back in Russell.

Statements by Members

[Translation]

WOUNDED WARRIORS CANADA

Mrs. Celina Caesar-Chavannes (Whitby, Lib.): Madam Speaker, I rise today to draw attention to the work of Wounded Warriors Canada, an organization in my riding of Whitby. This organization helps ill or injured members of the Canadian Armed Forces, veterans, and first responders, in recognition of their service.

In early fall, Wounded Warriors Canada organized the Highway of Heroes bike ride in which 200 cyclists participated.

[English]

The ride raised more than \$200,000 to support ill and injured Canadian veterans.

Many of us participated in the 22 Push Ups challenge, which raised funds and awareness for Wounded Warriors.

On behalf of the organization and the people it serves, I say thanks. And I wish a happy anniversary to Phil Ralph.

* * *

[Translation]

EMPLOYEES OF PARLIAMENT

Mr. Luc Berthold (Mégantic—L'Érable, CPC): Madam Speaker, almost a year ago, I was welcomed to Ottawa by a wonderful team of employees who support my colleagues and me so that we can spend all of our time focusing on our duties as MPs.

That team includes the Sergeant-at-Arms; the constables, who have a great memory for faces; the RCMP officers, who are always there to protect us; and the researchers and analysts, who tell it like it is. It also includes the parliamentary guides and their knowledge of history, as well as the interpreters, who help my anglophone colleagues understand my excellent speeches. There are also all the people who work for the standing committees and parliamentary associations and those who serve us meals every day in the cafeterias and restaurants. Last but not least are our bus drivers, who are always smiling; the Clerk of the House and his team; and everyone else who works behind the scenes. It is a very long list.

I would say one final word about the pages, who are always on the lookout for the slightest gesture from MPs. How many young people do members know whose dream it is to listen to MPs natter on for hours on end? All of these great people make us look pretty darn good.

Thank you all for your support.

* * *

WORLD FOOD DAY

Mr. Jean-Claude Poissant (La Prairie, Lib.): Madam Speaker, Sunday was the 36th annual World Food Day. I would like to take this opportunity to increase Canadians' awareness of poverty and hunger.

Too many people suffer from malnutrition because they do not have enough to eat. In Canada, one in six children is a victim of food insecurity.

Thanks to the Canada child benefit, the 2016 budget lifted more than 300,000 children out of poverty. This measure, along with those of other interested parties, is a step in the right direction. Those parties include community organizations, such as those in the great riding of La Prairie, that help alleviate food insecurity for thousands of people.

In the coming months, I will be helping my esteemed colleague, the Minister of Agriculture and Agri-Food, work with all stakeholders to develop a new food policy. The goal of the policy will be to ensure that all Canadian families have access to more healthy, high-quality food.

* * *

[English]

TAXATION

Mr. Arnold Viersen (Peace River—Westlock, CPC): Madam Speaker:

Carbon Taxman, let us be
We can't afford this onerous fee
11 cents more for a litre of fuel
Taxing me and my kid's school
Farms and families will feel the pinch
When the Carbon Taxman pulls the cinch

Tax the tractor, combine, plough
Tax the chicken, egg and cow
Tax the fuel that heats the barn
Tax the power that runs the farm
Add it up, Liberals, you'll like the stash
When the Carbon Taxman grabs our cash

Tax the Kenworth logging trucks
Tax the chainsaws, log tops and butts
Tax the backbone of industry
And watch our companies become history
The Liberals want to take it all
The Carbon Taxman will have a ball

Thousands of dollars from you and me
Shipping costs on clothes and tea
Earning a wage is not so fab
When it's taken away in a massive tax grab

Carbon Taxman—enough is enough
Don't tax Canadians on all their stuff!

* * *

● (1110)

CANADIAN HERITAGE

Ms. Anita Vandenberg (Ottawa West—Nepean, Lib.): Madam Speaker, During World War II, Canada provided refuge to the Dutch Royal Family. When Princess Juliana gave birth to her daughter, Margriet, the maternity ward of the Ottawa Civic Hospital was even briefly declared international territory. Every year since then the Dutch have gifted our capital with tulips, which now hold a special place in the Canadian imagination.

[Translation]

To mark Canada's 150th anniversary, the Canadian Garden Council is gifting red and white tulip bulbs to 150 gardens from coast to coast, including Embassy West Senior Living in my riding.

I want to thank the Canadian Garden Council for its contribution to ensuring that this remarkable example of humanity in Canada's history is showcased as part of the sesquicentennial celebrations.

[Member spoke in foreign language.]

* * *

[English]

LORNE SCOTS REGIMENT

Mr. John Oliver (Oakville, Lib.): Madam Speaker, it gives me great pleasure to recognize the 150th anniversary of military service of the Lorne Scots Regiment.

We celebrated them in my riding of Oakville with the unveiling of a monument recognizing their battle honours and regimental insignia.

From fighting on the Queenston Heights in Niagara to, most recently, as part of the International Security Assistance Force in Kandahar Province, Afghanistan, the Lorne Scots have recruited, trained, and generated soldiers for every theatre of war in which Canada has engaged. The regiment has also supported Canada's numerous contributions to international peace and security through the UN and NATO.

As we commemorate the 150th regimental anniversary, I ask the House to honour the brave young men and women of the Lorne Scots Regiment who have so selflessly dedicated themselves, and lest we forget, the many who have paid the ultimate sacrifice in their service to Canada.

May the Lorne Scots long continue.

[Member spoke in Scottish Gaelic as follows:]

Air Son Ar Duthchais!

* * *

ALBERTA ORDER OF EXCELLENCE

Mr. John Barlow (Foothills, CPC): Madam Speaker, I rise in the House to pay tribute to an inspiring Albertan and close friend, Sheldon Kennedy, who received Alberta's highest award, the Order of Excellence, on Wednesday.

Sheldon showed incredible courage to break a long-standing silence in sports, with his story of childhood sexual abuse, and now he is a tireless advocate for other victims. He suffered for many years under the burden of his secret, a secret he was afraid to share.

When he did share his personal story, many other victims, inspired by Sheldon's strength, came forward, and their stories inspired Sheldon to take action. He established Respect Group to help prevent abuse, bullying, and harassment in sport, school, and the workplace. In 2013, the renowned Sheldon Kennedy Child Advocacy Centre opened in Calgary to help those affected by abuse.

I am proud to know this compassionate, inspiring man, who speaks around the world raising awareness about sexual abuse and the impact on victims. I am profoundly honoured to call him a friend.

I invite all members of the House to congratulate Sheldon on his award and thank him for his advocacy.

Statements by Members

NATHAN CIRILLO

Mr. David McGuinty (Ottawa South, Lib.): Madam Speaker, two years ago, a few hundred metres from here, a mother lost a son, a son lost a father, and an entire nation mourned the loss of a dedicated soldier.

On October 22, 2014, Corporal Nathan Cirillo stood guard at the monument to the brave women and men who came before him, to those who made the ultimate sacrifice to protect our freedom.

[Translation]

Corporal Cirillo was one of the finest examples of what makes the Canadian Armed Forces so remarkable. He was the epitome of dedication and humility in service to a grateful nation.

● (1115)

[English]

Today, we stand in unwavering support of those who choose to watch over us, thankful for their sacrifice, and resolute in our commitment to continue fighting for a world free of fear, injustice, and oppression.

At the going down of the sun
And in the morning
We will remember them.

* * *

COMMUNITY ACTION PROGRAM FOR CHILDREN

Mr. Murray Rankin (Victoria, NDP): Madam Speaker, for 21 years, the community action program for children has supported local initiatives to help at-risk children and their families.

In Victoria, this federal funding allows community centres to offer children's activities for free and help parents access services and support. Often, these families have low incomes. They are single parents, new immigrants, or have indigenous ancestry. All of them want to build a better, healthier life for their children.

However, with funding flat for a decade and the need constantly rising, programs are falling behind. Kids in Victoria are literally being turned away at the door.

I would like to impress upon the House the tremendous value that federal CAPC funding brings to all our communities. I hope we can work together to strengthen it for the parents and kids who count on it.

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PATRICE VINCENT AND NATHAN CIRILLO

Mr. John Brassard (Barrie—Innisfil, CPC): Madam Speaker, yesterday marked the second anniversary of Warrant Officer Patrice Vincent's murder by an Islamic extremist in Saint-Jean-sur-Richelieu. It will be two years ago tomorrow that Corporal Nathan Cirillo was killed as he stood guard at the National War Memorial here in Ottawa. On the anniversary of these tragic events, I pay tribute to these two brave men for their sacrifice, and I extend my sincere gratitude to their families.

Oral Questions

Last year, the previous Conservative government initiated a large ceremony at the National War Memorial to mark the first anniversary of the attack. The event included a speech by the Governor General, a military march past by Corporal Cirillo's Argyll and Sutherland Highlanders, a CF-18 flypast in missing-man formation to honour Warrant Officer Vincent, and the unveiling of a permanent plaque commemorating Corporal Cirillo at the site. They were remembered.

Yet, this year there is no commemoration, no event, and no honour is being paid to these fallen heroes by the government. I think I can safely say on behalf of all veterans and all Canadians that we are deeply saddened by this—

The Assistant Deputy Speaker (Mrs. Carol Hughes): Order, please. The hon. member for Hull—Aylmer.

* * *

FOREIGN AFFAIRS

Mr. Greg Fergus (Hull—Aylmer, Lib.): Madam Speaker, with the support of 71 other UN countries, Canada spearheaded diplomatic pressure on the UN Security Council to break its inaction in dealing with the Syrian crisis. Canada stepped up when leadership was needed.

[Translation]

This has been the result of the incredibly hard work done by our ambassador to the United Nations, Marc-André Blanchard. He managed to convince the other UN member nations to join Canada in a common cause.

[English]

Every now and then, we get a window into the world occupied by our tireless diplomats and civil servants. Every day, Canada and Canadians are representing our interests and taking a stand for our principles and what is right. They assert our voice at critical global tables and fora to make a difference.

All Canadians and every member of the House, I am certain, will join me in thanking the tireless work of our civil servants and diplomats in making sure that Canada has its place—

The Assistant Deputy Speaker (Mrs. Carol Hughes): Order, please.

We will now go to oral questions.

ORAL QUESTIONS

[English]

INTERNATIONAL TRADE

Hon. Candice Bergen (Portage—Lisgar, CPC): Madam Speaker, the Canada-EU trade agreement is a historic agreement. It took years to negotiate, and it was the Conservatives who did the hard part. We negotiated a deal that will benefit Canadian families and businesses in every sector of the country. Now the Liberal government is struggling with what should be the easy part, putting the final signature on a deal we delivered.

When will the Prime Minister pick up the dropped ball from his trade minister and get the job done for Canadians?

Mr. David Lametti (Parliamentary Secretary to the Minister of International Trade, Lib.): Madam Speaker, I would remind the hon. member that this deal was dead when we took over office, and it is only because of the progressive elements that we have added to the agreement that we have come this far. We have worked hard to respond to the concerns expressed by European member states, but we are disappointed. The minister is personally disappointed and I am disappointed, after all that hard work, that the Europeans have been unable to make a decision. Even though we share similar values, even though we have been extremely patient, even though we have been flexible, there is no agreement yet on the table.

* * *

● (1120)

THE ECONOMY

Hon. Candice Bergen (Portage—Lisgar, CPC): Madam Speaker, it is a failure on the part of the Liberal government, and it is going to wear it.

While the finance minister provides special cash for access treatment for his elite Liberal friends, ordinary Canadians are worried. Now more than ever, Canadians are concerned about how they will maintain their own family's budget, yet the finance minister is planning to blow past his targets and add billions more to the deficit, a deficit that will have to be paid for by Canadians. When will the Liberals get control of their reckless spending and stop damaging our economy?

Hon. Bill Morneau (Minister of Finance, Lib.): Madam Speaker, we were so pleased recently to host the managing director of the International Monetary Fund. She said that she hopes that our policies go viral around the world. The reason for that is because she understands that making fiscal investments in the long-term future of our country is absolutely the right thing to do in a time of low growth. That is what we are going to do to make our economy better for the long term for Canadian families, for all those people who need to have growth, and for their families to have opportunities in the future.

Hon. Candice Bergen (Portage—Lisgar, CPC): Madam Speaker, the minister can keep on with that fantasy, but it is not working. In fact, out-of-control Liberal spending, a slipping Canadian economy, and the downgrade of Bank of Canada forecasts, could add billions to the federal deficit. What is the Liberal solution? More taxes on Canadians. Whether it is the payroll tax grab, a carbon tax, or increased taxes on small businesses, the only plan the Liberals seem to have is to punish Canadians with more taxes.

When will the Liberals stop helping themselves and start helping Canadians?

Oral Questions

Hon. Bill Morneau (Minister of Finance, Lib.): Madam Speaker, I would like to start by quoting the April monetary policy report, which said that measures in budget 2016 will have a notable positive impact in 2016. What we are talking about is how we can actually deal with the low-growth environment that has been around for the decade that the previous government was sitting in office. We are taking action to make a long-term difference for Canadians. We are doing the things that people expect us to do so that their children and grandchildren will have a better Canada.

[Translation]

Mr. Alain Rayes (Richmond—Arthabaska, CPC): Madam Speaker, today my thoughts are with the families affected by the 7,500 layoffs at Bombardier, including 2,000 in Canada and 1,500 in Quebec. It is unfortunate, but this is just more proof that the Liberals are incapable of managing Canada's economy. For a year now, the Liberals have been talking about an economic plan and spending billions of dollars on the backs of our children.

Does the Prime Minister finally realize that taxing people and accumulating debt is no way to create jobs?

When will the Liberals present a real plan to stimulate economic growth?

Hon. Bill Morneau (Minister of Finance, Lib.): Madam Speaker, that is exactly what we did.

We came up with a plan for economic growth in our country. That was the goal of budget 2016. It is important to know that our growth rate was too low during the past decade and now we have to invest in the future for Canadian families, for our children and our grandchildren. That is exactly what we are doing.

* * *

EMPLOYMENT

Mr. Alain Rayes (Richmond—Arthabaska, CPC): Madam Speaker, while the minister is talking, two major Canadian financial institutions are asking the government to stop spending. What fine rhetoric.

Just two days ago, the Minister of Transport was patting himself on the back in the House for his work on the Bombardier file. However, the first thing he did as minister was to cancel the Billy Bishop airport project, which would have enabled Bombardier to sign a big contract and create jobs.

Canadians are tired of the Liberals' speeches. The truth is that there is no plan for the economy, economic growth, or job creation.

Does the Minister of Finance realize that he is about to hit a wall and that he must focus on job creation?

Hon. Bill Morneau (Minister of Finance, Lib.): Madam Speaker, that is absolutely the case.

We understand that it is important we have good jobs for Canadians. That is an important goal for our government. That is precisely why we decided that the former government's proposed measures were inadequate.

We decided to make investments in the future, for example, in infrastructure and the economy, which will be more innovative for the future. This will result in more jobs for Canadians.

* * *

• (1125)

AEROSPACE INDUSTRY

Ms. Brigitte Sansoucy (Saint-Hyacinthe—Bagot, NDP): Madam Speaker, this morning, we learned that Bombardier is going to cut 7,500 jobs, including 1,500 in Quebec. That is on top of the restructuring that was already announced earlier this year.

This government promised to invest in this Quebec flagship. However, Bombardier is still waiting for that assistance. This government has already failed former Aveos employees. It must not fail Bombardier workers too.

What happened to the promise to help Bombardier?

[English]

Hon. Navdeep Bains (Minister of Innovation, Science and Economic Development, Lib.): Madam Speaker, first and foremost, our thoughts go out to the workers and their families during this difficult time. We, as a government, understand the challenges that they are going through.

With respect to Bombardier, we have been very clear. We have been very engaged with this company. We understand the importance of this company in the aerospace sector.

We have said very clearly that it is not a matter of if but how we want to make this investment. I spoke with the CEO and president last night, Alain. He made it very clear, as well, that these restructuring job losses are independent and have nothing to do with the growth discussions we are having with respect to the \$1 billion request that they made.

Mr. Murray Rankin (Victoria, NDP): Madam Speaker, 2,000: that is the number of Canadians who are about to lose their job because of the government's inaction.

Workers at Bombardier have been waiting a long time for the government to make good on its investment promise. What have they actually received to date? Nothing.

Companies around the world are global giants today because their home governments invest in them. Does the government understand that, and will it finally deliver its investment promise needed to keep good-paying jobs at Bombardier here in Canada?

Hon. Navdeep Bains (Minister of Innovation, Science and Economic Development, Lib.): Madam Speaker, I think the member opposite should recall the announcement that we made last week.

We committed \$54 million to Bombardier and its suppliers to further invest in research and development. We are committed to the aerospace sector. We made investments in Mirabel as well.

Oral Questions

We are committed to this sector because it is so critical for our economy. It contributes \$28 billion of economic activity and employs over 200,000 employees. We made it very clear this is a serious request that we take very importantly. We are going to find a solution, but we want to make sure it is the right solution for taxpayers to make sure we get the right return on investment.

* * *

ETHICS

Mr. Murray Rankin (Victoria, NDP): Madam Speaker, more words, less action, less jobs.

The Prime Minister's ethics rules were very clear. I want to quote: "There should be no preferential access to government, or appearance of preferential access," for political donors.

Now it is clear, those were just empty words. Ministers do not follow them, and the Prime Minister will not enforce them.

The question is simple. Will the government turn that empty promise of good intentions into actual rules that are enforced?

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, it is important to note that all members of Parliament, in all parties, fundraise.

We all abide by the exact same rules, rules that were put in place by the previous government. Events like these are one part of every party's fundraising and engagement work.

Federal politics is subject to some of the strictest political financing legislation and regulations in the country, and the party fully complies with the Elections Act in all cases.

[*Translation*]

Ms. Brigitte Sansoucy (Saint-Hyacinthe—Bagot, NDP): Madam Speaker, the Prime Minister also wrote to his ministers to inform them that the performance of their official duties and the arrangement of their private affairs should bear the closest public scrutiny.

He went on to say, "This is an obligation that is not fully discharged by simply acting within the law." Those instructions seem very clear to me. Nevertheless, the Minister of Finance is defending himself by saying that he acted within the law.

Why is the Prime Minister refusing to make his ministers obey the instructions that he himself gave them?

[*English*]

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, if it is the same question, it is the same answer. The same answer is quite frankly that all members of Parliament and all parties fundraise. We know that, and we all abide by the same rules, rules that were put in place by the previous Harper government. The party is in full compliance with the Elections Act. The member knows that.

● (1130)

THE ECONOMY

Hon. Pierre Poilievre (Carleton, CPC): Madam Speaker, the Liberal budget admitted that the deficit would be more than twice what the Liberals promised during the election. The finance minister has now said that it will be bigger still, because economic growth is down. But wait? Were we not told that big deficits would solve that problem? If deficits created growth, our economy would be roaring right now. Instead, it is stalled. When will the finance minister realize that spending money we do not have is not the solution, it is the problem?

Hon. Bill Morneau (Minister of Finance, Lib.): Madam Speaker, we came into office with stalled growth from the previous government. That was exactly what we faced and what Canadians decided was a problem. That is why they agreed with us that the right way to address this is to make significant investments in Canadians today and tomorrow. The kinds of measures we put in place, such as the Canada child benefit, are having an impact now. They are starting to be put into the economy. The infrastructure investments that we have put in place are starting to come into the economy now. We know that we are going to make a long-term difference for Canadians by taking the right decisions for their future.

* * *

TAXATION

Hon. Pierre Poilievre (Carleton, CPC): Madam Speaker, the Prime Minister has unveiled his plan for creating jobs in Beverly Hills and Hollywood. He put the premiers in charge of implementing his new \$39-billion carbon tax. Kathleen Wynne plans to spend \$300 million of it buying carbon credits from California, so that the middle class, and those working to join it, will pay more in food, fuel, and everything else, to send a pot of gold to the Golden State. Why are the Liberals forcing Ontarians and Canadians to pay for their California dreaming?

Hon. Catherine McKenna (Minister of Environment and Climate Change, Lib.): Madam Speaker, we are the only party that seems to understand that the environment and the economy go together. We are committed to taking serious action on climate change. We are very proud that two weeks ago we were able to ratify the Paris agreement. Unfortunately, the party opposite did not support that.

We are working with the provinces and territories to have a pan-Canadian plan that will make a real difference, will create good jobs, and will build a clean economy for future generations, for my children, for our children, and for our grandchildren.

Oral Questions

Mr. Len Webber (Calgary Confederation, CPC): Madam Speaker, it is no secret that the Alberta economy is suffering and that Albertans are suffering. There is growing frustration, and the Liberals have given up even trying to help. The evidence is clear. It has been one year since the Liberals promised sunny ways. In that time, Calgary's unemployment rate has grown by 36%, higher than the national average. The Liberals keep hiking taxes and making things worse. Why are the Liberals kicking Calgaryans when they are already down?

Hon. Bill Morneau (Minister of Finance, Lib.): Madam Speaker, we take very seriously the challenges facing people in Alberta, Saskatchewan, and Newfoundland and Labrador. We know that resource prices are hitting that province hard. We have made a number of decisions that are making a difference for people in Alberta, and across Canada: the tax decreases, which are helping them; the Canada child benefit, which helps nine out of ten families with more money in their pockets; and the changes to our employment insurance system, which makes a difference in softening the landing. In the long term, we are making investments that can help to grow our economy, and grow the economy of Alberta.

* * *

SMALL BUSINESS

Mr. Robert Kitchen (Souris—Moose Mountain, CPC): Madam Speaker, this week is Small Business Week in Canada. One small business in my riding, which services oil rigs, contributes \$340,000 yearly to the local economy in fuel. However, with its fleet of 20 trucks, and the Liberal carbon tax, this business will pay an additional \$29,000 annually in fuel alone. The carbon tax is roughly the cost of employing one to two shop hands, one mechanic, or one labourer. Why are the Liberals forcing a carbon tax that will hurt the struggling oil and gas industry even further?

Ms. Gudie Hutchings (Parliamentary Secretary for Small Business and Tourism, Lib.): Madam Speaker, while our hearts go out to those in the oil fields, I would like to make one point. This government does understand small business. We made a huge investment into Destination Canada this year. The small business operators tell us that they want customers. I am pleased to report that Destination Canada has said that tourism was up by over 10%, for June, July, and August. It was the best summer we have had since 2002. Small business operators wanted more customers, and that is what we have given them.

Ms. Marilyn Gladu (Sarnia—Lambton, CPC): Madam Speaker, raising taxes on small businesses is not going to help them.

The Liberals promised that their \$10 billion deficit would go toward infrastructure spending to create jobs, but 110,000 Canadians have lost their jobs across the country and the Liberal deficit continues to grow. Meanwhile, there seems to be a new tax every day. The Liberals hiked taxes on small business and they continue to hike taxes on everyday Canadians. When will the millionaire finance minister stop his war on the middle class?

• (1135)

Hon. Bill Morneau (Minister of Finance, Lib.): Madam Speaker, we know that providing jobs for middle-class Canadians and providing opportunities for those who want to get into the middle class are critical issues that Canadians are worried about.

That is exactly why we did the opposite of what the member said. We lowered taxes on middle-class Canadians because we know that they want to see the benefits from our economy. We know the Canada child benefit helps all Canadians with children, nine out of 10 families, with \$2,300 more on average. This is important for middle-class Canadians. It will make a real difference.

* * *

LABOUR

Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC): Madam Speaker, for 197 years the Arva Flour Mill has had a perfect safety record. This week is Small Business Week, but this small business will not have anything to celebrate if the labour minister does not grant an exemption from the federal labour code. It has been months since I asked the minister for action, and there has still been no contact with the mill from her or her office.

Is it the plan of the minister to let the small mill die a slow death? The minister has the authority to exempt it. Will the minister do her job and keep—

The Assistant Deputy Speaker (Mrs. Carol Hughes): Order, please.

The hon. Parliamentary Secretary to the Minister of Employment, Workforce Development and Labour.

Mr. Rodger Cuzner (Parliamentary Secretary to the Minister of Employment, Workforce Development and Labour, Lib.): Madam Speaker, as the member well knows, the Canada Labour Code requires employers to implement preventative measures to ensure that employees are not exposed to dangerous conditions. A danger directive was issued back in May to Arva Flour. The labour program's health and safety officers are working with the employer to ensure its compliance with the code. It would be inappropriate for me or the minister to speak anymore about the matter.

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DEMOCRATIC REFORM

Ms. Irene Mathysen (London—Fanshawe, NDP): Madam Speaker, the Liberals are once again supporting Conservative policies in our courts. First, they took veterans to court regarding promised pensions and now this government is denying expat Canadians the right to vote. Just like pensions for veterans, that is something they promised to change.

When will the Liberals keep their promises and stop recycling tired Conservative policies, the same policies they campaigned against only a year ago?

Oral Questions

Hon. Maryam Monsef (Minister of Democratic Institutions, Lib.): Madam Speaker, it is a great privilege to be here on this traditional Algonquin territory.

As a government, we are firmly committed to enhancing Canadians' participation in our democratic institutions. We believe that more Canadians ought to be able to vote. We are currently examining the law as it relates to long-term, non-resident Canadians who wish to vote in federal elections. We intend to introduce legislation this year that will meet the needs of highly mobile Canadian citizens who live in today's increasingly interconnected world.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Madam Speaker, in the last campaign just a year ago, the Liberals promised to stop the terrible Conservative plan to strip Canadians overseas of their sacred right to vote, but yesterday we learned that the Liberals are actually continuing the Conservatives' fight at the Supreme Court of Canada against Canadians living abroad.

The Liberal Party had the audacity to hit these very same Canadians up for a donation during the campaign. Someone once said "A Canadian is a Canadian is a Canadian", and I agree, so why would the Liberals take up Stephen Harper's scheme to rob 1.5 million Canadians of their right to vote?

Hon. Maryam Monsef (Minister of Democratic Institutions, Lib.): Madam Speaker, it is always great when the member opposite and I agree. We have heard from the 1.2 million Canadians who live abroad and wish to be part of our democratic institutions and participate in the voting process. As I mentioned, we are currently examining legislation to find ways to allow individuals who live abroad in this highly globalized world to be part of our elections, and I look forward to working with the member opposite, since we agree to that end.

* * *

ETHICS

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Madam Speaker, the Minister of Finance recently attended a cash for access fundraiser. The Liberal House leader has repeated ad nauseam that this was within the rules. However, the Prime Minister's document, "Open and Accountable Government", says that ministers "have an obligation to perform their official duties and arrange their private affairs in a manner that will bear the closest public scrutiny", an obligation that "is not fully discharged merely by acting within the law".

When will the Prime Minister start enforcing his own code of ethics?

• (1140)

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, I will repeat that all members of Parliament and all parties fundraise, and we all abide by the exact same rules, rules that were put in place by the previous Harper government. Events like these are one part of every party's fundraising and engagement work. Federal politics is subject to some of the strictest political financing legislation and regulations in the country, and the party fully complies with the Elections Act in all cases.

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Madam Speaker, both the Minister of Finance and the Prime Minister held cash for access fundraisers in obvious violation of the Prime Minister's code of ethics. They claim that they are complying with the Ethics Commissioner, yet the commissioner told *The Globe and Mail* that she cannot tell whether the rules were breached because the Prime Minister gave that power to the Privy Council Office. Who does the Privy Council Office answer to? Guess who? It is the Prime Minister. Is this what he calls open and accountable government?

When will the Prime Minister actually start being transparent with Canadians?

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, all members of Parliament and all parties fundraise and we all abide by the exact same rules, rules that were put in place by the previous government, rules that many members sitting on the other side of the House use to fundraise for the Conservative Party.

I would like to remind the members opposite that on July 9 of this year, just three short months ago, the Leader of the Opposition, along with former prime minister Stephen Harper, held a barbecue fundraiser in Calgary and charged a whopping \$2,000 per table. I do not know about anyone else, but I have never been to a barbecue where someone has to buy a table.

Clearly, the—

The Assistant Deputy Speaker (Mrs. Carol Hughes): The hon. member for Barrie—Innisfil.

Mr. John Brassard (Barrie—Innisfil, CPC): Madam Speaker, that was a constituency association event.

It looks like the Prime Minister is picking up right where Kathleen Wynne left off. It should be no surprise to anyone considering that Gerry Butts created the Liberal cash for access fundraising scheme in Ontario. The Prime Minister himself instructed ministers that there shall be no preferential access to government in exchange for partisan political donations from the Liberal elite. The Prime Minister needs to keep his word.

Why can the Prime Minister and his ministers not see that using their government positions to line the pockets of their—

The Assistant Deputy Speaker (Mrs. Carol Hughes): The hon. Parliamentary Secretary to the Leader of the Government in the House of Commons.

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, again I would like to remind the members opposite that on July 9 of this year, just three short months ago, the Leader of the Opposition, along with former prime minister Stephen Harper, held a barbecue fundraiser in Calgary and charged a whopping \$2,000 a table.

Oral Questions

Mr. Ron Liepert: It was the riding association. Check your facts.

Mr. Kevin Lamoureux: Madam Speaker, we all understand that many members sitting on that side of the House—

The Assistant Deputy Speaker (Mrs. Carol Hughes): Order. I want to remind members that while the member has the floor, we give him the respect that he deserves. As we know, that is in the Standing Orders.

An hon. member: Somebody might lose a question.

The Assistant Deputy Speaker (Mrs. Carol Hughes): That's right, somebody might lose a question.

I will give the member a chance to finish.

Mr. Kevin Lamoureux: Madam Speaker, it is important that we realize that all members of Parliament from all parties fundraise, and we all abide by the exact same rules, as demonstrated by the Leader of the Opposition.

[*Translation*]

Mrs. Sylvie Boucher (Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix, CPC): Madam Speaker, it is common knowledge that the Liberals' ethics are rather loose. What did 10 years in purgatory teach the Liberals opposite? Absolutely nothing.

By way of evidence, we learned that the Minister of Finance made himself available to people who are rich like him for a price. He charged \$1,500 for an evening.

Will the minister be transparent once and for all and give us the names of those who attended the event that evening?

Hon. Dominic LeBlanc (Minister of Fisheries, Oceans and the Canadian Coast Guard, Lib.): Madam Speaker, we are having a hard time understanding what lesson the Conservatives are trying to teach us about fundraising.

Members will certainly recall that the former member for Labrador had to resign because of a fundraising scandal. Members will also remember that the Conservative prime minister's ethical advisor, his parliamentary secretary, was escorted to a van in handcuffs and taken to prison by police because of his fundraising activities.

Quite frankly, the Conservatives have no lessons to give on fundraising.

* * *

•(1145)

[*English*]

TRANSPORTATION

Ms. Sheila Malcolmson (Nanaimo—Ladysmith, NDP): Madam Speaker, Canada needs a national action plan on abandoned vessels. They pose terrible risks to our economy and our environment, but the government's ship-by-ship approach is too slow and too expensive. At the rate we are moving, it will take a century to clean up the 600 abandoned vessels littering Canada's coasts. B.C. has heard dozens of motions of good intentions. Do we really need another?

When will the government deal with a clear action plan and table it in the House to, once and for all, deal with abandoned vessels in Canada?

Hon. Dominic LeBlanc (Minister of Fisheries, Oceans and the Canadian Coast Guard, Lib.): Madam Speaker, we share my colleague's concern about these derelict and abandoned vessels that, frankly, are on every coast of the country, including some of the lakes. It is a problem that our government has committed to rectify.

The Minister of Transport and I have been working with a number of stakeholders, and I know that the member is excited about the plan that we will be tabling. The good news for all members of the House is that the plan is coming very soon.

Ms. Rachel Blaney (North Island—Powell River, NDP): Madam Speaker, last week, a tanker barge ran aground off of B.C.'s north coast, spilling 200,000 litres of toxic fuel into a sensitive area. After a slow response, one of the ships helping with the cleanup also began to sink, and this is what the minister calls a world-class response.

This relatively minor incident still caused major damage. If it had been a fully loaded supertanker, the devastation would have been off the chart.

When will the government finally implement a permanent ban off of B.C.'s north coast?

Ms. Kate Young (Parliamentary Secretary to the Minister of Transport, Lib.): Madam Speaker, our government remains committed to improving marine safety in Canada and ensuring the protection of our marine environment. The *Nathan E. Stewart* incident underlines the need for changes as a result of these incidents, and that is why the minister is currently working on a coastal strategy to enhance marine safety in a meaningful way. He has named a minister's observer to support the Transportation Safety Board's investigation, and Transport Canada officials have initiated a compliance inspection.

We will take the necessary action on the findings to enhance marine safety in Canada.

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THE ENVIRONMENT

Mr. Mike Bossio (Hastings—Lennox and Addington, Lib.): Madam Speaker, on June 17, the Standing Committee on Environment and Sustainable Development tabled a unanimous report with recommendations on the federal sustainable development strategy and accompanying legislation. The fact this report received unanimous support from all three parties is testament to Canadians' desire to take the necessary steps to create a more sustainable future.

Earlier this month, our government tabled our first federal sustainable development strategy. Can the Minister of Environment advise the House of the progress our government has made on updating the federal sustainable development strategy?

Oral Questions

Hon. Catherine McKenna (Minister of Environment and Climate Change, Lib.): Madam Speaker, our government is committed to protecting the environment and working towards a clean-growth strategy that benefits the middle class and creates good jobs. Canadians want ambitious action on climate change, they want more leadership from government, they strongly support sustainable development, and they are motivated to make a difference.

I want to thank the Standing Committee on Environment and Sustainable Development for their hard work and all the input we received from Canadians across the country.

This federal sustainable development strategy will make a real difference to building a more sustainable world for our children and grandchildren.

* * *

JUSTICE

Hon. Rob Nicholson (Niagara Falls, CPC): Madam Speaker, for years Canadian police officers have worked hard and served with distinction on the Federal Judicial Advisory Committee. What an insult it is now that for no reason, the Liberal government has terminated their membership on this committee.

I want to know why the Prime Minister would show such disrespect for those who risk their lives every day to serve and protect Canadians. I would like to know that.

Hon. Jody Wilson-Raybould (Minister of Justice and Attorney General of Canada, Lib.): Madam Speaker, I appreciate the question, as it gives me an opportunity to highlight the 24 judicial appointments that we made across the country yesterday, and to highlight the renewed process to ensure openness and transparency with respect to the new appointments process.

We have reconstituted the Judicial Advisory Committee with the intent of ensuring that there is diversity among the members of the committee, and ultimately to ensure that we achieve diversity on the benches across this country to reflect Canadians.

• (1150)

[*Translation*]

Mr. Jacques Gourde (Lévis—Lotbinière, CPC): Madam Speaker, Canadian police officers have worked hard and served the Federal Judicial Advisory Committee well. It is an insult to terminate their membership in the committee.

Why would the Minister of Justice show such disrespect to people who risk their lives day after day to serve and protect Canadians?

[*English*]

Hon. Jody Wilson-Raybould (Minister of Justice and Attorney General of Canada, Lib.): Madam Speaker, certainly, there is no disrespect being shown to law enforcement officers who risk their lives every day to protect our safety. What we have done is institute an open and transparent process for judicial appointments and, unprecedentedly, have put online application forms wherein anyone can apply to be on the Judicial Advisory Committee.

As the Minister of Justice, I look forward to being able to nominate three members of that committee as we seek to ensure that

we have broad-based diversity on the committee, as well as future appointments of superior court judges.

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VETERANS AFFAIRS

Hon. Peter Van Loan (York—Simcoe, CPC): Madam Speaker, October 22 marks two years since a jihadist terrorist struck at the heart of our freedom and democracy. Corporal Nathan Cirillo was brutally gunned down just steps from here. The thickness of a door and the brave actions of our Hill security staff saved members here a similar fate. It was two days after a jihadist murdered Warrant Officer Patrice Vincent.

Last year, our government honoured the sacrifice of these men, but this year the Liberals want Canadians to forget. There will be no memorial. Why are the Liberals dishonouring these fallen men and trying to pretend that these jihadist attacks never happened?

Hon. Kent Hehr (Minister of Veterans Affairs and Associate Minister of National Defence, Lib.): Madam Speaker, all of Canada remembers the tragic events on October 20 and 22, 2014.

We mourn the passing of Warrant Officer Patrice Vincent and Corporal Nathan Cirillo and extend our sympathies to their families.

It is at events, in Ottawa, on November 11, and others across Canada and the world, where we will join together as a nation and as a people to recognize and pay tribute to all those brave Canadian soldiers who made the ultimate sacrifice in wartime and in peace, at home and abroad, to safeguard our values and our way of life.

We will remember.

[*Translation*]

Mr. Jacques Gourde (Lévis—Lotbinière, CPC): Madam Speaker, on October 22, 2014, a jihadi terrorist struck at the heart of our freedom and our democracy. Corporal Nathan Cirillo was brutally gunned down just steps from where we are now. That happened two days after Warrant Officer Patrice Vincent was murdered.

Last year, our government honoured the men's sacrifice, but this year, the Liberals want Canadians to forget. There will be no commemorative ceremony.

Why are the Liberals dishonouring these men who died in the line of duty by trying to pretend these jihadi attacks never happened?

[*English*]

Hon. Kent Hehr (Minister of Veterans Affairs and Associate Minister of National Defence, Lib.): Madam Speaker, we respect the tremendous sacrifices that occurred with Warrant Officer Patrice Vincent and Corporal Nathan Cirillo when they made the ultimate sacrifice for our nation.

It is at events, in Ottawa, on November 11, and throughout the world, where we pay tribute to those who have made that ultimate sacrifice, to our Canadian Armed Forces members, and to others who serve and secure this country daily.

We will honour them. We will respect them. We understand the tremendous sacrifice made by them and their families, and we will respect them going forward.

Oral Questions

[Translation]

INDIGENOUS AFFAIRS

Mr. Romeo Saganash (Abitibi—Baie-James—Nunavik—Eeyou, NDP): Madam Speaker, the situation in Muskrat Falls continues to spiral out of control. The Nunatsiavut government is calling on the Prime Minister to immediately amend authorizations under the Fisheries Act in order to protect indigenous waterways and fishing zones.

This government claims that no relationship is more important than the relationship with indigenous peoples. Now is the time for it to walk the talk.

Will the government honour this simple request from the Nunatsiavut government and the member for Labrador?

Hon. Catherine McKenna (Minister of Environment and Climate Change, Lib.): Madam Speaker, I thank my colleague for his question.

We understand that the Government of Newfoundland and Labrador is working with the proponent indigenous peoples with respect to this project. We expect the province to assume its responsibilities to ensure that indigenous peoples are protected.

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RAIL TRANSPORTATION

Mr. Robert Aubin (Trois-Rivières, NDP): Madam Speaker, after several missed opportunities, the government now has a chance to kill two birds with one stone.

For decades now, Quebeckers, Canadians, and the people of Trois-Rivières have been anxiously awaiting a corridor dedicated to passenger rail service in the Quebec City-Windsor axis. The VIA Rail project does exactly that, not to mention that it would also reduce our greenhouse gas emissions.

Does the government plan to step up and answer VIA Rail's call, to finally bring Canada into the 21st century?

•(1155)

[English]

Ms. Kate Young (Parliamentary Secretary to the Minister of Transport, Lib.): Madam Speaker, our government is developing the best approach to delivering a safe, efficient, and reliable passenger rail service in Canada. As such, the Minister of Transport is working with VIA Rail, in the coming months, to fully assess our options.

That is why, in budget 2016, we allocated \$45 million to various VIA Rail projects, including \$34.4 million for the improvements of stations and maintenance centres, as well as \$3.3 million, over three years, to support an in-depth assessment of VIA Rail's high-frequency rail proposal.

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INDIGENOUS AFFAIRS

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Madam Speaker, the current government's paternal and top-down approach to financial transparency for first nations must come to an end. If the Liberals are not enforcing the First Nations Financial

Transparency Act, they are breaking the law. The minister told the House on Monday that if band members want to know how their chief and council are spending the money, they just have to ask her office.

Why are the Liberals forcing band members to go to a government department to receive information that should be readily available in the community?

Ms. Yvonne Jones (Parliamentary Secretary to the Minister of Indigenous and Northern Affairs, Lib.): Madam Speaker, as members know, accountability and transparency are key to our government and vital to ensuring the delivery of investments in indigenous and northern communities through our budget 2016. We are engaging with first nations, as the minister has said on many occasions, on a way forward on transparency and accountability.

First nations continue their long-standing practice of reporting on their financial and program performances, both to their members and to the department.

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Madam Speaker, I think a reality check is needed here. An audit at Alexander First Nation identified \$2.1 million in unexplained payments. As the former CFO said, "You take those concerns to Indian Affairs. Indian Affairs says you have to go back to the chief and council. You bring it back to chief and council it gets swept under the rug. You go to the RCMP, you've got to have proof. So they spin our people around."

When will the minister ensure that band members have access to basic financial information that all other Canadians enjoy?

Ms. Yvonne Jones (Parliamentary Secretary to the Minister of Indigenous and Northern Affairs, Lib.): Madam Speaker, everyone, including first nations governments, wants to ensure there is increased transparency and accountability. But we are going to achieve this by working in partnership with first nations, not a top-down approach that is made in Ottawa.

What I will say is that we take the allegations of misuse of public funds very seriously, and when necessary, INAC conducts forensic audits to ensure that the funds are used for the intended manner. We treat the allegations of misused funds very seriously, and we will be following through to ensure that funds are invested properly.

Mr. John Barlow (Foothills, CPC): Madam Speaker, I was surprised on Monday that the Minister of Indigenous and Northern Affairs said that she was committed to transparency and was willing to provide "financial statements at any time".

I was surprised by this because this is absolutely not the experience of local Alberta first nations. So far they have been ignored. On behalf of the Kainai reserve, I have asked many times for the KPMG audit, which was completed last year, only to be stonewalled.

When will the minister provide the Kainai reserve with the financial audit? What are they trying to hide?

Oral Questions

Ms. Yvonne Jones (Parliamentary Secretary to the Minister of Indigenous and Northern Affairs, Lib.): Madam Speaker, I think the minister was very clear when she spoke to this issue a few days ago in the House of Commons. Financial transparency is important to us. Accountability is important to us. We know that changes have to be made in how that relationship works with first nations, but again it will not be a top-down approach from our government. It will be in working with the first nations to get the process that will work best for everyone.

In terms of the information, the minister has said it is available through her department. That remains the same, and I would ask those who are—

The Assistant Deputy Speaker (Mrs. Carol Hughes): Order, please. The hon. member for Longueuil—Charles-LeMoynes.

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[Translation]

FOREIGN AFFAIRS

Mrs. Sherry Romanado (Longueuil—Charles-LeMoynes, Lib.): Madam Speaker, the situation in Syria is disastrous. We have all seen the photos and we have all seen the reports.

Yesterday, the Minister of Foreign Affairs attended a plenary meeting of the UN General Assembly proposed by Canada. Could he tell the House about the substance of the debates?

• (1200)

Hon. Stéphane Dion (Minister of Foreign Affairs, Lib.): Madam Speaker, yesterday, Canada used a special measure to bring the world together, namely a plenary meeting of the UN General Assembly on the humanitarian crisis in Aleppo.

The international community was clear. There needs to be a real ceasefire and emergency humanitarian aid for a country that has been going without since July. The Assad regime and its supporters, chiefly Russia, need to hear the message loud and clear: stop the bombings and allow the humanitarian aid to go through.

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RAIL TRANSPORTATION

Mr. Luc Berthold (Mégantic—L'Érable, CPC): Madam Speaker, one year after the Liberal government was elected and three years after the Lac-Mégantic tragedy, the people of Lac-Mégantic are still jolted awake every night by the sound of trains going right through their downtown core.

The Standing Committee on Transport, Infrastructure and Communities, the Leader of the Opposition, all the parties of the House, the municipal unions of Quebec, everyone supports the plan for a rail bypass in Lac-Mégantic.

The Minister of Transport says he is anxiously awaiting the results of the feasibility study for this important project. The locals are even more anxious.

When will the minister take action?

[English]

Ms. Kate Young (Parliamentary Secretary to the Minister of Transport, Lib.): Madam Speaker, as I mentioned, our thoughts

continue to be with the families of the victims of the tragic events of July 2013.

Our government is committed to improving rail safety. In budget 2016 we invested \$143 million to improve rail safety and the transportation of dangerous goods.

The member should know that the final results from the city-led study have not been released and we are still awaiting the technical details. Therefore, the minister would like to see the results before rendering a final decision. We are conscious that the citizens of Lac-Mégantic would like—

The Assistant Deputy Speaker (Mrs. Carol Hughes): The hon. member for Kitchener Centre.

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HOUSING

Mr. Raj Saini (Kitchener Centre, Lib.): Madam Speaker, this government believes that all Canadians deserve access to housing that meets their needs and that they can afford. With budget 2016, this government has shown its will to renew Canada's leadership on housing.

Could the Parliamentary Secretary to the Minister of Families, Children and Social Development tell us how we are involved in this file internationally?

Mr. Terry Duguid (Parliamentary Secretary to the Minister of Families, Children and Social Development, Lib.): Madam Speaker, I am pleased to report that the Minister of Families, Children and Social Development is leading the Canadian delegation in Quito, Ecuador, for the United Nations Habitat III conference. We are there to ensure the new urban agenda is people-centric, respects diversity, and values the inclusion of unrepresented groups. Canada's new approach to housing is being applauded around the world and we are so proud to be part of the international community at UN Habitat III.

Canada is back.

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RAIL TRANSPORTATION

Mrs. Cathay Wagantall (Yorkton—Melville, CPC): Madam Speaker, a disabled veteran contacted the Minister of Transport concerned about a rail crossing yards away from his home. Water floods the ditches, saturating the tracks during heavy rains. CN has said this is absolutely a safety concern as the tracks could shift and derail a train carrying oil through that city. The minister responded by telling the gentleman to contact his local MP. Seriously?

When did the minister put me in charge of monitoring rail safety?

Ms. Kate Young (Parliamentary Secretary to the Minister of Transport, Lib.): Madam Speaker, our government recognizes the importance of ensuring the safety of our rail transportation system. As such we invested \$143 million in budget 2016 to improve rail safety and the transportation of dangerous goods.

There are positive developments in the mandate to enhance rail safety and we will continue to improve rail safety.

*Oral Questions***THE ENVIRONMENT***[Translation]***ETHICS**

Mr. Mario Beaulieu (La Pointe-de-l'Île, BQ): Madam Speaker, the Conflict of Interest and Ethics Commissioner has condemned these fundraisers where \$1,500 buys you access to a minister.

This gives people the impression that the government is for sale to the highest bidder, especially when it comes to the Minister of Finance. It is time to restore public funding of political parties and put a cap on donations, as it is done in Quebec.

When is the government going to close the door on potential cronyism and brown envelopes?

[English]

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, all members of Parliament and all parties fundraise and we will abide by the exact same rules, rules that were put in place by the previous government, rules that many members sitting on that side of the House use to fundraise for the Conservative Party, for example.

I would like to remind members opposite that on May 19, 2015, former finance minister Joe Oliver held a fundraising event at the elite private Albany Club of Toronto. This special event was advertised as being held by the hon. Joe Oliver, PC, MP, and charged \$500 a head.

The point is that we are following the laws of Elections Canada.

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•(1205)

*[Translation]***CANADIAN HERITAGE**

Mrs. Marilène Gill (Manicouagan, BQ): Madam Speaker, in Quebec there is consensus about the separation of church and state. However, that is not the case here.

This week, the House of Commons welcomed Caliph Ahmad. To mark the occasion, some non-Muslim Liberal members wore the veil. Furthermore, there was a call to prayer right here in Centre Block.

While Quebec is debating the secularism of institutions, the House of Commons is morphing into a place of worship.

Have we not clearly established the separation of state and religion?

Once and for all, could we please affirm secularism in institutions, starting with Parliament?

Mr. Randy Boissonnault (Parliamentary Secretary to the Minister of Canadian Heritage, Lib.): Madam Speaker, our government does defend all the rights and freedoms guaranteed by the Canadian Charter of Rights and Freedoms. We value the diversity of the population, we respect the laws and the right of people to pray and to subscribe to a particular faith, and we represent the multiculturalism of our great nation. We respect the laws and the rights of all Canadians in the House and across the country.

Ms. Monique Pauzé (Repentigny, BQ): Madam Speaker, the Prime Minister has said time and time again that energy east needs social acceptability.

However, it is not up to the National Energy Board to determine whether a project is socially acceptable. It is up to the population, the public. The NEB should not be telling us what to do, and Canadians are saying no to energy east.

Tuesday, the City of Gatineau spoke out against the energy east pipeline. That is four of the five largest cities in Quebec that have officially said no to the project.

What will it take for this government to understand that Quebecers want nothing to do with the energy east pipeline? The answer is no.

[English]

Hon. Jim Carr (Minister of Natural Resources, Lib.): Madam Speaker, every once in a while, the member rises in her place and wants to decide herself what the government should do about a project that is currently in front of the regulator. The National Energy Board will look at evidence and I am sure would be very pleased to consider what the hon. member has to say, but for the government to respond to that question and kill a project that has not yet been considered would be irresponsible.

* * *

HEALTH

Hon. Hunter Tootoo (Nunavut, Ind.): Madam Speaker, Canada health transfers provide long-term, predictable funding for provinces and territories and are meant to ensure the universality and accessibility of health care for all Canadians. However, the per capita allocation of this funding does not account for Nunavut's unique regional and infrastructure realities, making it completely inadequate.

Will the Minister of Health commit to addressing this inadequacy and adjust this dated system to ensure that Nunavummiut have the same level of service that all other Canadians enjoy?

Hon. Jane Philpott (Minister of Health, Lib.): Madam Speaker, I had the opportunity to speak to the territorial health ministers this week, and we discussed the unique circumstances in the territories and the challenges of delivering care. We will of course continue with the Canada health transfer to support the territories. In addition, there is territorial formula financing, to the tune of \$1.5 billion that goes to Nunavut each year, that helps to facilitate the expenses in health. In addition to that, there is a territorial health investment fund in the order of \$60 million.

We are very pleased to make sure that people in the territories, including Nunavut, get the care they need.

*Government Orders***ROUTINE PROCEEDINGS***[English]*

Mr. Robert-Falcon Ouellette: Madam Speaker, I would like to table a document from the Council of Canadians of Winnipeg that was created in support of the reinstatement and enhancement of the navigable waters act.

In order to protect rivers, the 99% of rivers, like the Bloodvein River in Manitoba, which have no protection—

The Assistant Deputy Speaker (Mrs. Carol Hughes): Does the hon. member have the unanimous consent of House to table the documents?

Some hon. members: No.

* * *

• (1210)

CRIMINAL CODE

Hon. Jody Wilson-Raybould (Minister of Justice and Attorney General of Canada, Lib.): moved for leave to introduce Bill C-28, An Act to amend the Criminal Code (victim surcharge).

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

* * *

PETITIONS

SENIORS

Mrs. Karen Vecchio (Elgin—Middlesex—London, CPC): Madam Speaker, I am proud to present a petition signed by many Canadians regarding a national strategy for Canadian seniors.

I would like to table this today. I hope all members will look at this seriously as an important matter for all seniors in our growing economy.

DEMOCRATIC REFORM

Mr. Raj Saini (Kitchener Centre, Lib.): Madam Speaker, I rise to present a petition signed by dozens of people from the Kitchener-Waterloo area.

The petitioners are calling on this House to ensure that we update the current voting system to ensure more fair representation so that the results of elections better reflect the will of the voters.

PALLIATIVE CARE

Mr. Jim Eglinski (Yellowhead, CPC): Madam Speaker, I would like to present a petition that states that it is impossible for a person to give informed consent to assisted suicide or euthanasia if appropriate palliative care is unavailable to them.

Therefore, the petitioners are calling on Parliament to establish a national strategy on palliative care.

THE ENVIRONMENT

Ms. Sheila Malcolmson (Nanaimo—Ladysmith, NDP): Madam Speaker, I rise today to present a petition from residents of Nanaimo—Ladysmith opposing the establishment of new commercial bulk anchorages off the coastline of Gabriola Island.

They are intended to transport Wyoming coal to China, exacerbating climate change. The anchorages themselves have oil spill risks. The anchors will scour the sensitive seabed, interfering with commercial and recreational fishing in the region.

I am disappointed that the Prime Minister and the Minister of Transport have not replied to my call for them to urge the proponent to withdraw the application. We hope that this petition will urge the government to take leadership on this important economic and environmental issue.

The Assistant Deputy Speaker (Mrs. Carol Hughes): I just want to remind members that when they are tabling petitions, they are tabling what it is in the petition and should not be giving their opinion on the issue.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Assistant Deputy Speaker (Mrs. Carol Hughes): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS*[English]***CANADA PENSION PLAN**

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

Mr. Kevin Lamoureux: Madam Speaker, what a pleasure it is to rise today to talk about a bill that I think should receive overwhelming support from all members of this House, even though I realize that at least—

The Assistant Deputy Speaker (Mrs. Carol Hughes): Excuse me. I believe I made an error. I am sorry. It was dark, and I did not see who the next speaker was, aside from the hon. member. He will get a second chance.

I would like to recognize the member for Hamilton Mountain.

• (1215)

Mr. Scott Duvall (Hamilton Mountain, NDP): Madam Speaker, it is my privilege to rise today to speak to Bill C-26, an act to amend the Canada Pension Plan, the Canada Pension Plan Investment Board Act and the Income Tax Act. Bill C-26 would amend the Canada Pension Plan Act to incorporate the recent agreement reached between the provinces to enhance CPP benefits.

While better was possible, and the full effect of the changes will not be felt for another 49 years, this CPP expansion is an important first step in improving retirement security for young Canadians, and we congratulate everyone, especially labour, who worked so hard to lay the groundwork for this agreement.

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We must now see immediate action to help those seniors and Canadians on the cusp of retirement who will not benefit from these changes. Government must build on the momentum of this agreement and take steps to improve long-term retirement security for today's workers.

Retirement insecurity is reaching a crisis level in Canada, as many Canadians do not have adequate savings to maintain their lifestyle upon retirement. A large part of this problem is fuelled by the erosion of workplace pension plans, to the point that six in 10 working Canadians have no workplace pension.

During election 2015, the Liberals promised to enhance the CPP. Once elected, the Minister of Finance was directed in his mandate letter to:

Meet with your provincial and territorial colleagues at your earliest opportunity to begin a process to enhance the Canada Pension Plan to provide more income security to Canadians when they retire.

The Minister of Finance met with his provincial and territorial counterparts in June 2016 and on June 20 announced an agreement in principle on CPP enhancements.

On October 4, 2016, British Columbia was the final province, besides Quebec, to officially endorse this agreement. Bill C-26 was introduced on October 6. Quebec did not sign the agreement but promised to apply some of the changes to the Quebec pension plan, which is similar to the CPP but is managed independently.

The NDP will support the bill at this time, but we feel that the bill does not live up to the expectations Canadians had for CPP reform.

Changes to the plan have been a long time in the making. The last time the CPP was altered was in 1997, although those changes were largely administrative. The most significant change in the 1997 amendments was to move the plan from a pay-as-you-go system to fully funded. This change was done to help protect the financial viability of the plan, and a recent report by the Chief Actuary of Canada shows a healthy fund that will be solvent for at least the next 75 years.

However, during a time when workplace pensions cover fewer and fewer Canadians, when Canadians have been finding it harder and harder to put away money for retirement, and when the rates of seniors living in poverty have steadily increased, there have been no increases in benefits under the Canada pension plan.

Many Canadians held out great hope that the government would make substantial changes to the CPP. Sadly, as with many Liberal promises, we are offered a loaf of bread but receive only half a loaf.

Ken Neumann, national director of the Canadian Steelworkers, summed it up very well when he said that the Liberal government's plan for a modest CPP expansion falls well short of the doubling of CPP benefits advocated for by the United Steelworkers and the Canadian labour movement. The USW is nonetheless pleased that the provinces and the federal government have agreed to a universal expansion of the CPP that will help all workers, and it will continue to push for full doubling of CPP benefits.

New Democrats, along with many in the labour movement and groups working for the rights of seniors and retirees, have long advocated that benefits be increased from replacing 25% of a

worker's pre-retirement income to 50% of pre-retirement income, but no, this legislation has offered up a very modest increase, from 25% to 33% of pre-retirement income.

Although we like to see an increase, we feel that the amount is wholly inadequate, especially in terms of ensuring that our seniors do not have to live in poverty and can retire with the dignity and quality of life they deserve.

• (1220)

While many would be happy to finally see some changes to the plan and some increases in benefits, there are many who will be very unhappy. Those are the people who will see very little or no benefit from the changes presented in this bill.

More and more, I am hearing a lot of confusion and misunderstanding concerning who would benefit from the changes being proposed. A recent Ipsos poll found that over 25% of those who are already retired believe they would see bigger CPP cheques as a result of the deal, and more than 70% of Canadians do not realize that current retirees get nothing from this CPP expansion. These findings are totally consistent with what I have been hearing. Many retirees in my riding have asked me when they will be receiving their increased benefits. I have to break the bad news to them that this new legislation will do nothing for current or soon-to-be retirees.

The enhanced expanded CPP is a plan that would benefit a new generation of workers entering the workforce, but does little to alleviate the retirement income crisis for those approaching retirement. Those who would be the first to benefit from the fully enhanced benefits under this plan are now 16 years old. It will take 49 years for this plan to fully kick in. After the increase in premiums are fully phased in, in 2025, a person would have to pay the increased premiums for 40 more years to be fully eligible for the new maximum benefits. Increased benefits will be prorated for those 40 years as people pay the increased premium, but any significant increase for retirees is years away.

Let me take some time to talk a bit more about the specifics of the plan. Currently, the CPP covers earnings up to a cap of \$54,900. For earnings up to the cap, the CPP aims to replace about 25% of that income. The maximum pension comes in at about \$1,092 a month, or \$13,100 per year. Contributions are 4.9% each for the employer and employee, up to the same cap.

The expanded CPP is a new separate tier. This new tier is added on top of the existing CPP. The new CPP tier does two things, phased in over the next nine years to 2025. First, it takes the replacement rate of up to 33.3% from the current 25%; and, second, it expands the upper earnings cap from today's \$54,900 up to \$82,700.

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When the plan is fully phased in, in 2065, a worker who earns \$54,900 would receive a maximum annual pension of about \$18,117 by the time he or she retires. For a worker at an \$82,700 income level, CPP benefits would rise to a maximum of \$20,352 a year. Once the phase-in period is reached in 2025, it would take 40 years for a person to receive the fully enhanced benefit. Therefore, the first worker who will be eligible for full benefits is currently 16 years old. A person who is 59 in 2019, pays six years of the enhanced premiums, and retires in 2025 at the age of 65, would receive no additional benefit, or maybe a dollar or two.

It is important to note that much of the discussion about pension benefits relates to maximum benefits, yet only 11.4% will actually receive the maximum CPP benefits. The average benefit announced as of July 2016 was \$550. In order to pay for the increase in benefits, contributions from employees and employers will increase. This increase would be phased in between 2019 and 2025. There will be two tiers to the increase. Between 2019 and 2025, those earnings which are less than the yearly pensionable maximum earnings, currently \$54,900, would see their premiums slowly rise to an additional 1%. Those workers and employers would then be paying at a rate of 5.9%, up from 4.9%. In real numbers, this means that a person whose rate is set at the maximum would pay an additional \$43 per month, as would his or her employer.

• (1225)

The second tier increase would be phased in over two years, starting in 2024. For anyone earning above the yearly pensionable maximum, theirs and their employer's contributions will rise by 4% above the current.

I know this is all very confusing, and it is going to take some time for Canadians to understand the complexities.

The bill also would make some changes to the Income Tax Act, which is supposed to help minimize the impact of the premium increases on Canadians. The CPP premiums that a worker currently pays are treated as a tax credit. An individual is able to claim a percentage of premiums paid as a non-refundable tax, which is then deducted from total federal tax payable. This would not change. These contributions would now be considered as base contributions but will still be treated the same for income tax purposes.

The increased benefits that a worker would be paying in 2019 and thereafter will be considered as additional contributions and will be treated differently for tax purposes. A worker will be able to deduct the amount of the additional contribution directly off their taxable income instead of applying for it as a credit.

The government has also included changes to the Income Tax Act in the bill that would increase the working tax benefit by 14%. The intention is to minimize the impact of increased CPP premiums on low-income workers. Employers would be able to write off the increases on the CPP as a business expense, as they do now with the base contributions.

Now I would like to talk briefly about Canada's retirement income system, which is based on three pillars. These pillars are also supposed to interact or work together and are intended to enable seniors to maintain a reasonable standard of living in retirement. The

first pillar includes standardized and universal public benefits, such as old age security and the guaranteed income supplement.

The second pillar includes mandatory public workplace coverage, the Canada pension plan and the Quebec pension plan. Almost all working Canadians over the age of 18, earning more than the minimum amount of \$3,500 per year, must pay into this. It is mandatory for employees and employers, as deemed by legislation. Contributions are split evenly between the employee and the employer, or borne fully by someone who is self-employed. The amount depends on a person's income.

The third pillar consists of an employer or a union-sponsored plan, known as the registered retirement plan. They are registered with the Canadian Revenue Agency and one of the pension's regulatory authorities, because they are subject to government support in the form of special tax measures and regulatory oversight. This pillar also includes registered retirement savings plans and other personal savings.

The problem for today's seniors is that these pillars are falling behind in terms of enabling seniors to maintain an adequate standard of living. Dramatic increases in the costs of things like electricity and housing are causing great strain on seniors' fixed incomes. Failing to take action now will have a great social cost, forcing many seniors into poverty. The number of seniors being forced to use food banks will rise dramatically.

Studies point to a looming crisis in the retirement income security of Canadians. A recent study by Richard Shillington, done for the Broadbent Institute, shows a large percentage of older working Canadians are heading into retirement without adequate savings to keep them out of poverty. The report goes on to say that half of Canadian couples between 55 and 64 have no employer pension plan between them. Of those, less than 20% of middle-income families have saved enough to adequately supplement government benefits and the Canada or Quebec pension plan. Income trends suggest that the percentage of Canadian seniors living in poverty will increase in the coming years, especially for single women who already face a higher than average rate. The poverty rate for seniors will climb at the same time as a sharply rising number of Canadians hit retirement in the next two decades. More than 20% of the population will be older than 65 within 10 years.

When releasing the report for the Broadbent Institute, Rick Smith, executive director said, "This new data on retirement savings and gaps in support makes one thing perfectly clear—we have a retirement income crisis on our hands that requires urgent government action now".

• (1230)

Increases in the guaranteed income supplement and these eventual increases in CPP benefits will certainly help, but much more needs to be done to help our seniors live with the dignity they deserve.

The high cost of housing and drugs, the clawback of the GIS, and the indexing of pensions are just a few immediate issues. The government needs to keep its promise to introduce a new seniors price index to make sure that the old age security and the guaranteed income supplement keep up with rising costs.

The NDP will fight for further increases to the GIS and the OAS, a national pharmacare program, and, as well, programs to enhance home care and palliative care. Much work needs to be done to ensure that workers can retire with adequate incomes and access to the services they need to meet their quality of life.

The NDP will continue to work with our labour allies, and others, to improve the lives of Canadian seniors and retirees.

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, I appreciate the comments and the support coming forward for Bill C-26. I think, in good part, the New Democrats are recognizing something which we have recognized in many ways—and which I hope to be able to talk about it—and that is the issue of how we can assist seniors, whether it is from getting out of poverty or being able to continue to be a part of Canada's middle class, and those aspiring to become a part of the middle class. One of the ways that we can deal with that is through the CPP.

I wonder if the member would comment in terms of the process of trying to achieve an agreement with the different provinces and Ottawa. It is not a simple one. That is why many would argue it is somewhat historical to achieve this agreement, which will ultimately see seniors receiving more money as a direct result. Would the member provide his thoughts or his understanding, in terms of what needs to take place in order to get the bill to this level at this point in time?

Mr. Scott Duvall: Madam Speaker, I believe we all have to go Canada-wide and have consultations with the public. I believe that this is an important matter.

If what is going to happen is not addressed, with not only our retirees going into the future, but those who will be coming forward in the next 10 or 15 years, we are going to be in a crisis. Social costs will increase dramatically. This will be downloaded to the provinces, and from the provinces to the municipalities. We all have to work together to show the importance.

As I said before, I do not think this goes far enough. It has to go further. However, I know there are issues with respect to the actual costs of this program. It is very delicate. We have to make sure we do this in a manner that everybody can agree with it.

Mr. Jim Eglinski (Yellowhead, CPC): Madam Speaker, the new generation of people joining the workforce is very attuned to self-funding their pension funds and their future.

It was mentioned earlier that our government did nothing for workers, but we did have the tax-free savings account. I wonder if the member could tell me if he thinks a person working for 40 years, having to possibly pay an additional \$2,200 a year during that period, would be better off taking that \$2,200 a year and putting it into a tax-free savings account, versus being forced to pay that through a pension plan? When they receive it later on in life, they are

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going to be paying taxes on the CPP, but they are not going to be paying taxes on their tax-free savings account.

Mr. Scott Duvall: Madam Speaker, if I have it right, the question is whether it would be better for a person to put the money he or she is contributing now into his or her own retirement savings plan, a TFSA, or something that would be there in the future.

From my experience, there is nothing better than a defined benefit plan. There are pros and cons in a defined contribution versus a defined benefit. One is that the money is put in up front, but it only lasts for so long, especially when people invest it and hope their investments come out strong. A defined benefit plan lasts a lot longer because the money stays there and is guaranteed to be there.

What I have noticed throughout my working life is that the younger generation does not have enough money, and basically, they really do not care about retirement at an early age. They are looking for money to keep their heads above water and it is only after 40 to 45 years of age that those workers then decide they had better do something about their retirement, but it is too late.

By investing for 40 years, yes, there are going to be increases, just like there are with a private plan. The money should not be left stagnant because then those dollars do not help. People have to look at the future and the money we are going to need.

● (1235)

[*Translation*]

Mr. Robert Aubin (Trois-Rivières, NDP): Madam Speaker, I sincerely thank my colleague for simplifying such a complex issue, which will take us to 2065, when I will no longer be a member of the House and will likely no longer even be walking this earth.

There is one thing that concerns me. The government spoke about taking into account maximum contributions. I do not have a percentage, but the reality is that some people cannot contribute the maximum amount to their plan.

Should the government not also be working on other issues, for example, introducing a \$15-per-hour minimum wage, which would at least allow people to have a bit more money to pay into the CPP?

[*English*]

Mr. Scott Duvall: Madam Speaker, that is a very good point. One of the problems with the way CPP is set up now is that people have to work those years at the maximum levels and get the maximum benefit as long as they pay the maximum contributions. Unfortunately, because many plants have now been dissolved and people are losing their jobs or could be hurt, there is a gap in that area, which affects the benefits they will receive later on in life. The member makes a good point.

When U.S. Steelworkers were forced into retirement, they lost the big benefits of those jobs and their CPP going into the future. They are now looking at jobs at minimum wage and it will affect their payments when they reach age 60 or 65. A \$15-an-hour starting point would be very helpful in increasing their CPP benefits when they retire.

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Ms. Marilyn Gladu (Sarnia—Lambton, CPC): Madam Speaker, I appreciated very much the member's comments about seniors, because there are a lot of seniors in my riding. I thought he might find it interesting to hear what the finance minister said in his book about seniors. He stated that whatever the reason might be to expand the CPP, it's not to eliminate poverty, and also that the poverty rate among seniors is now as close to zero as we can get. That is what the finance minister's book says.

I do not agree with that at all. Seniors are struggling, as the member has said, and I believe that the current program we are discussing is not going to do anything for the next 40 years. The seniors in my community right now need something else. This is not going to do anything to address their needs. I wonder if the member could comment.

Mr. Scott Duvall: Madam Speaker, that is a great point and I said that in my speech.

Current retirees are living in poverty, especially because of the lack of affordable housing. They are forced to pay market prices for rent on very limited retirement security, so it is causing a real problem. We have to make sure we do not fall into the same trap as we are in now. We have to do something for the next generation, that is for sure, to make sure it is not put in the same spot.

At the same time, we must improve what we are doing now for the people who are currently retired or on the cusp of retiring. I said in my speech that we must work together on this. Whether it's that the old age security is raised or the GIS is further increased, or making sure none of it gets clawed back, we have to do something now, today. I certainly agree with the member on that.

● (1240)

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, I want to indicate what a privilege it is to be able to stand in my place and talk about one of those fundamental issues that I believe Canadians as a whole are very supportive of. If we look at what would ultimately happen through Bill C-26, I would encourage all members of all political parties to recognize the historic agreement that was achieved by the Minister of Finance and the government, and to recognize that by voting in favour of Bill C-26.

The previous Conservative member posed a question in regard to the Minister of Finance by saying that the Minister of Finance wrote a book and in that book he said that raising CPP is not going to get rid of poverty for seniors. What the member does not make reference to is that the very same Minister of Finance brought forward a 10% increase to those poorest seniors in Canada by increasing the guaranteed income supplement. That will have a profound positive impact for seniors in the most significant way.

In fact, I would challenge future Conservative speakers on this issue to give me an example of a Conservative policy where they have seen such a substantial increase to Canada's poorest seniors. They would be challenged to find that. That is one of the reasons why, when we look at a policy announcement such as what we are seeing today in a very formal way in the House of Commons, we should always look at it as just one component in terms of dealing with seniors.

Let me now start with something that needs to be said. We campaigned about real change, primarily because one of the things we realized with the former Harper government was that it had lost touch with Canadians. The Conservatives in that government did not understand what Canadians wanted and expected of the government. There are a number of things that we could talk about. I could talk about the outstanding performance by our Minister of Health fighting for health care here in Canada, something which the former government did not do. Canadians see that as a positive. The Conservatives did not understand that. They did not understand what Canadians wanted.

The same principle applies here, where I can clearly demonstrate that of the Conservative Party, not only of the past but of what appears today. Now I will wait to see what happens when the vote actually takes place, but if the Conservatives want to demonstrate that they are listening to Canadians, I would suggest that they really need to support the bill.

Bill C-26 is something that is of a historic nature. It is not easy to get all the different stakeholders together and get an agreement of this nature that would see more money going into the pockets of seniors when they retire. Once implemented, it would be a significant amount of money.

Decisions of this nature do not happen overnight. I was pleased that my New Democratic colleague made reference to others, and how they actually participated in achieving what we have achieved. This is not solely a Liberal initiative. We know different stakeholders not only from labour but also from business have presented and commented on the importance of a Canada pension program. It actually reaches out to the individual, to the corporate body, to our union body, to political entities, and to many different stakeholders.

I said in the past how much I appreciate the fine work that many unions do in terms of advocating far beyond what their core responsibilities are. They think ahead not only for the individuals they represent within the unions, but often way beyond those individuals by talking about the importance of increasing CPP. I have heard presentations of that nature from members of union executives for many years. That is why when I stand up today I say that this is really good stuff.

● (1245)

Our Prime Minister mandated our members of Parliament on this side, even when he was leader of the third party in opposition, to represent their constituencies here in Ottawa, and it was a change. It was part of that real change, because under the Harper government, more often than not, what we saw was Ottawa being represented inside the constituencies. However, we want to see MPs representing the interests and thoughts of their constituents in this chamber, in the committee rooms, in subcommittees, when talking within caucus walls, and so forth. Bill C-26 is a reflection of that.

In essence, Bill C-26 is saying that we believe the workforce in Canada today is going to require additional money when it comes time for pensions. It is no surprise to me, personally, and I suspect that the vast majority of members of Parliament will not be surprised by that.

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I remember sitting on the opposition bench arguing that we needed to do more with regard to supporting our seniors. I introduced petition after petition on this very issue, that Canadians expected us to do more. Many, if not most, probably even all of those petitions on the issue of CPP, GIS, and OAS came from residents that I represent in Winnipeg North. They wanted to see a government take action, support those pensions, and expand those pension programs where we could.

The Prime Minister gave a clear indication to the Minister of Finance that we wanted to achieve an agreement on expanding the CPP. I am forever grateful that our Minister of Finance was so successful at achieving that agreement, because it is something the government alone cannot do. We needed the co-operation and the understanding of provinces in order to make that happen.

I remember sitting on the opposition bench and feeling somewhat frustrated, because I would hear, for example, the Province of Ontario saying that it wanted CPP to be increased, but the feds were not interested. The feds at that time, with Prime Minister Stephen Harper, said that they were not interested. The former prime minister had no interest in increasing the CPP. In fact, he was quite prepared to see individual provinces go alone on that.

Members will remember that I said “losing touch with Canadians”. Had the then-prime minister, Stephen Harper, listened to what Canadians wanted on the CPP file, he would have found that Canadians were concerned about their ability to be able to retire and the earnings that they were going to be receiving, and that they supported en masse the need for that increase. However, the then-prime minister did not recognize that.

At the end of day, this is why I talked about the issue of real change at the beginning of my speech. It is because that is what we are seeing in the legislation before us, and members have the opportunity to participate in that real change,

There was a different attitude with the former Conservative government with regard to the CPP. We have taken a complete 180°. The Government of Canada is now saying that it wants to increase CPP and we have taken the necessary action by presenting the bill today.

I have provided some comment in terms of the number of consultations just the Department of Finance alone had. However, individual members of Parliament have also listened to many stakeholders, whether from labour, business, or indigenous people. Some individuals have taken the time to write or correspond through the Internet, or had face-to-face discussions at free meetings throughout this country on important taxation and policy ideas. I suspect members will find that many of those discussions were about the CPP, as I know that I have had many discussions on that particular issue.

●(1250)

Those discussions were then presented to the provinces in Vancouver on June 20, where the agreement was actually accepted. Because of that agreement, we now have Bill C-26.

In the bill's summary, we find that it would do the following:

- (a) increase the amount of the retirement pension, as well as the survivor's and disability pensions and the post-retirement benefit, subject to the amount of

additional contributions made and the number of years over which those contributions are made;

- (b) increase the maximum level of pensionable earnings by 14% as of 2025;

That is a significant increase.

- (c) provide for the making of additional contributions, beginning in 2019;

That was accepted primarily because there needs to be an adjustment period so that businesses and other stakeholders are able to adjust.

- (d) provide for the creation of the Additional Canada Pension Plan Account and the accounting of funds in relation to it; and

- (e) include the additional contributions and increased benefits in the financial review provisions of the Act and authorize the Governor in Council to make regulations in relation to those provisions.

Why is it such an important issue for all of us to address? I would like to reflect on some issues from my constituency, and I believe that those issues can be mirrored across Canada.

In my constituency are a healthy number of seniors. It is debatable at what age being a senior begins. I was told, as I am approaching age 55 in January, that I will be eligible for some store discounts.

I have had the privilege of knocking on thousands and thousands of doors. I can think of one 94-year-old who one would think was in her sixties. She was very spry and active. Age in good part is how one feels. There are many seniors in Winnipeg North who still feel great and want to have a decent standard of living.

One of the saddest things I often run into when knocking on doors is meeting seniors who talk about having such a difficult time making ends meet. Often they will say that they have an issue of medication versus food. Their budget does not allow them to afford both. This is not just a comment I heard at one or two doors. I have heard it at numerous doors. Seniors in many ways are challenged and have to make difficult decisions related to affordability for basic needs.

We have far too many seniors who opt for buying medication, and as a result, they go hungry, which is not good for their health, or they end up going to food banks. Thank God for the food banks and the huge number of volunteers who make them happen and especially those who contribute to them. They are helping many seniors who are living in poverty. That is a real issue that we hear at the door.

●(1255)

I can recall one incident when knocking on doors with my daughter, Cindy. One lady answered who was virtually in tears, because she had just been hit with an ambulance bill of more than \$500. She had no idea how she was going to pay that bill.

I am glad that my daughter went on to ultimately become a local MLA and has raised this issue in the Manitoba legislature.

If someone has a heart attack at home and has to get to a hospital, the person does not have much choice. That is why we need to advocate for our seniors. Situations like this are taking place every day throughout our country.

Government Orders

When we have the opportunity to look at the issue of pensions, we should be supportive. Constituents tell us that they have a great desire that we support our three pension programs and feel that where we can, we should expand them. An increase to the GIS will help them immensely. Some of those single seniors will receive \$900 plus more a month than they received last year. That will go a long way for seniors living in poverty in getting some of the things they need.

We are talking about Bill C-26 today, but it is about the social safety net that Canadians truly believe in. If we ask our constituents what makes them feel good about being a Canadian, some common responses are related to our social safety net. What is that social safety net? It is our CPP, which is what we are voting on today. It is also our OAS, our GIS, our health care system, and our employment insurance system. These programs provide peace of mind and comfort to Canadians. These are the things we should be speaking about more, and not just inside the chamber. We should be speaking more about them within our caucuses and within our committees.

We have fantastic standing committees that have the ability to set an agenda to look at progressive and positive social ideas. We could better utilize those committees. I have argued in the past that they are the backbone of our parliamentary process.

I realize that my time is quickly running out, but I want to emphasize how important Bill C-26 is. This is a piece of legislation that should be supported by all members. If we reflect on past debates in the House on this important issue, if one believed in expanding CPP, one would have been disappointed. However, with the change in government and the commitment from the current Prime Minister, we now have a change in attitude, and the CPP will be increased. This will prevent many seniors in the future from having to make difficult decisions. It will even prevent some seniors from going into poverty.

I highly recommend that all members of the House support this legislation.

• (1300)

Mr. Ziad Aboultaif (Edmonton Manning, CPC): Madam Speaker, the member opposite was speaking about visiting many seniors. We all have seniors we visited. We all knocked on many doors.

However, the way his minister and his government have handled this, it does not seem that they knocked on any doors or visited and spoke to any seniors. Those seniors the member is talking about are not going to benefit at all from this tax hike. This is a tax hike on businesses first and on people next. This is going to be very costly.

True stories are not being told to those seniors, because if they were really knocking on doors and were hearing true stories, they would know that this will be a tax burden on them, on future generations, and on small businesses. This is not going to help them.

Mr. Kevin Lamoureux: Madam Speaker, that is just not true.

I just finished talking about the GIS. That is real. It is tangible. Hundreds, if not thousands, of seniors are going to benefit from that program this year in Winnipeg North alone. All constituencies have seniors. All seniors who receive GIS will in fact benefit this year.

The Prime Minister indicated that he wanted us to talk to real Canadians and understand the issues and bring them back to Ottawa. The individuals I met with, whether they work as firefighters, in hospitals, or in different industries understand and appreciate it.

If they are 40 or 35 years old, now is the time to ensure that when it comes time to retire, there is going to be a substantial amount of money in that Canada pension program. That is what I mean when I say that in the future we will be preventing those people from possibly being on the borderline of poverty so that they will be able to afford the things they need to afford.

It is thinking forward. That is something the government has clearly demonstrated, whether it is on issues related to our environment or seniors. We think about people who are coming into the system as well.

Mr. Scott Duvall (Hamilton Mountain, NDP): Madam Speaker, to the member, thanks very much. You made some good points.

One of the things I think we can agree with—

The Assistant Deputy Speaker (Mrs. Carol Hughes): I will remind the member that it is “he” made some good points, as opposed to “you”. That would be acceptable. It has to be through the Speaker.

Mr. Scott Duvall: Madam Speaker, some good statements were made about what we are going to do now for the people and that we have to help them out going into the future.

We made some adjustments to the CPP in this bill for future generations, but what about the people now?

Prior to 2012, a person had the option to retire and collect a pension at 60, or he could collect it at 70. If he collected it early, there would be a reduction, but it was needed. We did that to help people who were either forced into retirement or who could not work for health reasons or because of the environment they were working in.

Prior to 2012, we had that. It was a 0.5% per month reduction, to a maximum of 30%. In 2012, it was increased to a 0.6% reduction to a maximum of 35% at age 60. This really hurt a lot of people. It took a lot out of their pocketbooks.

I am wondering, through you, Madam Speaker, to the member, would you go to your government and ask to have it go back to a 30% maximum to help the people who, now, or coming up in the future, have lost their jobs—

• (1305)

The Assistant Deputy Speaker (Mrs. Carol Hughes): We have to allow for more time for other parties to have questions as well, and for answers. Again, when we are mentioning the word “you”, that is not acceptable. It should be “he” or “she” or through me.

The hon. parliamentary secretary to the government House leader.

Government Orders

Mr. Kevin Lamoureux: Madam Speaker, I will attempt to answer the question as best I can. We need to look at this. We have a bill dealing with one of Canada's top three pensionable issues, in this case the CPP. It is the working class of today who would benefit from this bill in a real and tangible way.

Within the last year we have also seen the Government of Canada reverse the Conservatives' decision to increase the age of retirement. We went in the opposite direction. The Conservatives had decided that in order to claim OAS, people had to wait until they were age 67. We, as a government, have reversed that position and brought it back to 65, because Canada can afford to do that.

If we look at the third component, the GIS, it has received a substantial increase, to the tune where many seniors who have fixed incomes or low incomes in Winnipeg North, probably a thousand plus seniors, will see huge increases. That is taking effect now. That is why I challenge the Conservatives or any member, because these are all things that the government has done within a year.

With respect to the specifics that the member referred to, I would suggest that he work with the standing committee, talk about it at committee, and see if we can get the committee to possibly take it into consideration sometime in the not too distant future.

Mr. Rodger Cuzner (Parliamentary Secretary to the Minister of Employment, Workforce Development and Labour, Lib.): Madam Speaker, my colleague is a veteran member of the chamber and I would like his comments on this. The former prime minister, Stephen Harper, announced the increase in the age of eligibility for OAS from 65 to 67 when he was not even in the country, but abroad at the World Economic Forum. It was not even announced in his campaign in 2011. There was no mention of it. Therefore, he just heaped this on some of the most disadvantaged in our country. In this case, it was central to our campaign. Canadians knew what this government was offering and voted to support our party in the last election because they knew what we were offering, which is transparency and openness.

Does the member not see the contrast in the way that both situations were handled? I am sure that Canadians see the contrast.

Mr. Kevin Lamoureux: Madam Speaker, I can recall what happened, because I was sitting on the other side with my colleague when the announcement was made. I am not 100% sure if we were in session, if it was the following day or the weekend, but the Prime Minister was somewhere overseas when we found out that he was increasing the age of retirement from 65 to 67. The response from my constituents was immediate, and I would suspect it was from Canadians as a whole. They were saying, "Where did this come from?" Then the Conservatives tried to allude to there being some sort of a crisis, but one that was just not there.

Virtually from day one, the Liberal Party indicated that if we formed government, we would decrease the age of eligibility back to 65. That is one of the things we did immediately upon taking office. That is part of this real change that the Prime Minister had promised. I am glad to say that whether it is reducing the age of eligibility from 67 to 65, the increase to the GIS, or Bill C-26, these are all changes that have a profound and positive impact on our seniors and future seniors.

● (1310)

Mr. Jim Egliniski (Yellowhead, CPC): Madam Speaker, Canada's savings rate has climbed from 7.7% back in the 1990s to 14.1% today. That is according to the C.D. Howe Institute. Just the other day, Finance Canada said that the higher CPP premiums would hurt the economy by reducing private savings by 7%. Could the member comment on that, because it sounds like we are going backwards?

Mr. Kevin Lamoureux: Madam Speaker, if this is of concern to the member, I respect that. However, I can tell him that in order to get this bill before the House today, we had to have the agreement of the provinces in Canada. Obviously, there are many stakeholders in other government jurisdictions that are following the lead that has been demonstrated by this Prime Minister and government. That is why we have the bill before us today. It is a good thing for Canada's middle class, and for those who are aspiring to be part of it.

Mr. John Barlow (Foothills, CPC): Madam Speaker, I appreciate the opportunity to speak today on bill C-26. We are seeing the frightening trend of the Liberal government's imposition of punitive taxes without consultation, with very little feedback from stakeholders, and with very little knowledge of the economic impact these decisions and policies are going to have on Canadian families, and Canadian small businesses specifically.

First, it started with the carbon tax, which is going to increase the cost of pretty much everything. The government has also changed the mortgage rules, which will make it that much more difficult for young Canadians to buy their first home. Now it is talking about a hike to the CPP, which is really going to hamper growth in the small business sector. These are all policy decisions that have been imposed by the Liberal government with absolutely no consultation or study of their ramifications for Canadian families, small businesses, and the provinces.

I am the vice-chair of the Standing Committee on Natural Resources, which has been hearing from stakeholders over the last couple of weeks since the carbon tax was announced. All of these stakeholders have said that no one spoke to them about it, that this is going to make the difference between their putting shovels in the ground in some projects, or walking away entirely. What are the ramifications and implications going to be for our energy industry, which is already struggling, if a punitive carbon tax is imposed without any data to back up the economic impacts of that decision?

Yesterday, a motion was put forward in the natural resources committee that the committee do an emergency study of the economic impacts of the carbon tax on the natural resources sector. If Liberals were that confident that the carbon tax and the CPP tax hike were going to have beneficial and positive ramifications for Canadians across the country, then, in my estimation, they would have agreed to go ahead with that study, but they did not. They unanimously voted it down, because they do not know the ramifications of policies like this for hard-working Canadian families.

They are plowing ahead with these kinds of decisions because they think these make great politics for the very vocal minority of union bosses and big companies. Those are the ones driving these decisions. They are not talking to middle-class Canadians, the ones whose pocketbooks are going to be impacted by these decisions. That is what makes these types of decisions so frustrating.

Government Orders

A couple of weeks ago I had an opportunity to speak at a summit in Calgary, which was titled, unfortunately, “The Employment Crisis for Canada’s Energy Professionals—A Lost Opportunity for Canada”. There were more than 200 professionals at that meeting. They were not rig workers or welders, not the people we typically associate with feeling the impact of the downturn in the energy sector. They were petroleum engineers, geophysicists, and geologists. Many of them have not had a job in more than two years.

I asked them if they or their associations were consulted about the carbon tax or the tax increase via the Canada pension plan. I asked if the Liberal government talked to their associations, which include thousands of Canadian professionals across the country. Every single one of them said no, that these things were a complete shock to them. I said there had been ups and downs and booms and busts in the energy sector for decades, and they agreed that these, absolutely, had happened many times but this was the worst they had ever seen.

We heard in question period today and many times over the last week that Alberta has been hit hard by the downturn because of low oil prices. A barrel of oil is now more than \$50. A low oil price is not the only reason that Alberta is struggling right now. It is bad policy, it is inaction, it is tax increases on businesses and employers. The professionals said they do not see a light at the end of this tunnel because of the policies being put forward, like a carbon tax that is increasing indecision in the industry, driving away investment, and taking their jobs with them.

They said that intellectual capital is going to be lost because of these decisions and that they are uncompetitive globally in energy, manufacturing, and agriculture, thanks to the decision of the government to put forward a carbon tax, and now a CPP tax hike, not to mention the changes to the mortgage rules that are making it more difficult for young families to buy their first home.

• (1315)

My colleague from Winnipeg North was saying that when he was door-knocking in his community, he was overwhelmed by Canadians asking for these changes. I had zero. Not once did I go to a door and somebody said, “Boy, I am really looking forward to a carbon tax. I am really looking forward to a hike in my CPP taxes, and do you know what? I really hope that you make it more difficult for me to buy my first home.”

Maybe residents of southern Alberta are much more savvy, I am not sure. These issues were never raised in that campaign, so for the Liberals to say that they have this incredible mandate because of what happened a year ago, I think it is disingenuous. I think they are putting through decisions that appeal to a very vocal minority of Canadians but are not in the best interests of hard-working Canadian families.

I would like to talk about some of the things that have been said so far today about how this would help Canadians in their retirement. Having an increase in CPP is great if I have a job, but now there are more than 200,000 Canadians who do not have jobs. I have not heard any decisions or any policies brought forward by the government that would help change that.

We have vehicles in place that will help Canadians save. What I think is most important with those things, including the tax-free

savings account, which the government has clawed back, is that, again, in contrast to what my hon. colleague has been saying, that is something I definitely heard at doors. Canadians liked the opportunity to save on their own terms. It is absolutely their money. They want to make the decisions on what they do and how they save with their own money.

It is definitely a step backward to look at government as being the answer to everything. If people do not know how to save, the government will take care of that for them. Canadians are much more savvy than the Liberals are giving them credit for.

We also heard, when the Liberals made the decision to claw back the tax-free savings account, that this is just a vehicle for the wealthy. Only wealthy Canadians have the opportunity to invest in the tax-free savings account. Of those Canadians who have maxed out their tax-free savings account, 60% were making \$60,000 or less. Those are not wealthy Canadians. Those are hard-working Canadian families who are making very tough choices for their future.

They are putting money aside to buy their first home, which now, unfortunately, is even more difficult to buy. I would ask where the government got the information that this was a good decision. Maybe it is for Vancouver or Toronto, but it certainly is not for Calgary or rural Alberta. I certainly have not had anybody come to me and say that this is a good decision. I have had the exact opposite. Realtors, mortgagers, credit unions, young families, come to me and say that this is devastating. Now it will take them another decade to save up for that first home, which we know is one of the largest investments they will have in their lifetimes.

When I was going door to door last October, I had so many Canadians, so many residents in my riding of Foothills, talk to me about the importance of the tax-free savings account and how welcoming they were that they would have an opportunity to invest further in a tax-free savings account. As I said, these were Canadians who were making very difficult choices for their families, whether it was a first home, their child’s education, or saving for their own retirement.

The key to that is that Canadians had the opportunity to make their own decisions on what they felt was best for them and best for their families and their children’s futures. This is a decision, once again, where government is imposing its will on Canadians, and Canadians have not said in any way, shape, or form that this is what they want, whether it is a carbon tax, mortgage rule changes, tax-free savings accounts, or electoral reform.

I do not understand why the government feels that it should be governing with an iron fist, a sledgehammer, and imposing its will on the provinces and Canadians. This is certainly not what I heard from hard-working Canadian families or certainly folks in my riding throughout the election campaign, and even before that.

Government Orders

●(1320)

But what has really been overlooked here is the impact this would have on small businesses. It is ironic that we are having this discussion during Small Business Week here in Canada. I am hearing daily from small business owners in my riding in southern Alberta and across the province that they are struggling. I do not think it is any mystery. The Liberal government will not do anything about it except to say that it has compassion and sympathy for what is going on in Alberta. I say in response, well, do something about it and give us a hand.

Imposing a carbon tax, and now a CPP hike on small business owners, is certainly not the way to do it. We have a very fragile economy right now in Alberta, and to impose these types of decisions when we are struggling does not make any sense. Alberta was the economic engine of this country for decades and, unfortunately, that engine has stalled. Rather than giving us a lifeline, the Liberals are throwing us an anchor. This would push those small business owners off the edge.

Right now in Calgary the unemployment rate is in the double digits. The vacancy rate in downtown Calgary is at 30%. It is unbelievable to me that in a province I have raised my family in and have worked in, I can go to downtown Calgary and see 8th Avenue deserted and entire floors of business buildings and office towers deserted. There is nothing but empty desks and empty offices. Yet our top priority is to impose a Canada pension plan tax hike, which would cost business owners more than \$1,000 a year per employee.

Dan Kelly, president and CEO of the Canadian Federation of Independent Business notes that “Two thirds of small firms say they will have to freeze or cut salaries and over a third say they will have to reduce hours or jobs in their business in response to a CPP/QPP hike.”

When we are already struggling with an unemployment rate in Alberta close to double digits, and in some communities well over double digits, and 200,000 direct and indirect energy jobs that have been lost, we would further stress the employment numbers with these decisions. It will be more difficult for a small business owner to hire because of the increased costs from this CPP tax hike, which I do not think anyone was really asking for.

Indeed, Hendrik Brakel, a senior director at the Canadian Chamber of Commerce, has said:

...we're worried a big tax increase is headed for the middle class like an elbow to the chest....

This comes at the worst possible time—an economy reeling from weak commodity prices and slower consumer spending will be lucky to eke out growth of 1.5% next year. It's difficult to stimulate the economy while pulling money out of the pockets of Canadians.

The Chamber of Commerce represents businesses across the country, as does the Canadian Federation of Independent Business. These people are raising the alarm about the impact of the CPP tax hike on small businesses at the worst possible time.

I know we talk a lot about Alberta, but the energy downturn has impacted Canadians across the country. I was in Nova Scotia a couple of weeks ago, and it was amazing how many people came up to me to say, “I was working in Alberta in the oil sands, but I had to

come home, obviously, because there are no jobs. But there are no jobs for me here either”. We need energy east. We need policies in place that will kick-start our energy industry. But instead, when it is down, we kick it with a carbon tax and now a CPP tax hike. Where does this make sense?

I am going to conclude with this. This has been my question all along: if the Liberals are so confident that these types of policies will bring a great positive change to our economy, with all these great jobs for Canadians they talk about, can they prove it? Can they show me the data? Can they show me an economic impact study they did before they announced the carbon tax and the CPP tax hike? I have not seen it. If they are so confident this is the best thing for Canadians, I ask them to show it to me.

●(1325)

Mr. Greg Fergus (Parliamentary Secretary to the Minister of Innovation, Science and Economic Development, Lib.): Madam Speaker, I would like to thank the hon. member for his interesting speech. I am certain that it was heartfelt and he represents his constituents well.

However, he raised so many questions that I could not resist the opportunity to ask some questions back to him, or at least share some of the observations I made back in my own riding during the election. One is that he mocked the idea that Canadians are supportive of putting a price on carbon pollution.

I did not have a safe riding. I had to work very hard to win the riding. We spent many months, my team and I, knocking on 35,000 doors. I heard over and over again from people that they wanted two things. They wanted Canada to take a leadership role again on the international stage, which meant re-engaging with the commitments we made to deal with respect to the environment. Many times, people brought up the notion of carbon pricing. The idea is very simple, at least in the case of British Columbia: “Keep your taxes, keep your profits, but if you cause pollution, you pay for it.”

I just want to reassure the member that certainly was the case in my riding of Hull—Aylmer.

Mr. John Barlow: Madam Speaker, I have a lot of respect for my colleague. I just want to say that I think all of us worked very hard in our ridings during the election. I hope he is not insinuating that some of us have safe ridings and are not in contact with the feelings of our constituents.

I am sure some of the constituents in his riding were talking about a price on carbon. I wish they would just say what it is. It is a carbon tax. This “price on carbon” I find ridiculous. For anybody who says the famous last words of any government are revenue neutral, I think we all know that is not going to be the case.

When he was going around to his constituents, did he tell them that it was going to be \$50 a tonne? Did he tell those people at the door it was going to be 11¢ a litre on gas and another 14¢ a litre on diesel? Did he tell them that? Did he tell them, “Actually, it's not going to be the businesses that cause the pollution that are going to be paying for that carbon tax. It is going to be you paying for that carbon tax”?

Private Members' Business

Did he talk to the farmers and ranchers in my riding who are seeing their fuel prices double because of the carbon tax? This is not an area where I have public transit and my residents could take a bus. The carbon tax is going to be extremely painful for rural Canadians.

Mrs. Karen Vecchio (Elgin—Middlesex—London, CPC): Madam Speaker, I can totally empathize with him, because during the 2008 global recession, in my own community, there were huge job losses. We saw over 6,500 jobs lost in the St. Thomas area and region. I completely understand the member's concern for his constituents.

When I listened to the government speakers, I recognized that they are really confusing the Canada pension plan with what they are doing for seniors on old age security and GIS. I want to make sure that we separate those two things. They are two different pillars of retirement, so I do not want Canadians to get confused with GIS and the CPP. I just wanted to make that statement.

We talk about the CPP investment, as they are calling it, and one of my greatest concerns is that, if we are going to see job losses, we are not going to see our youth who are just graduating from colleges and universities and our young families having jobs. They will not be able to pay into the CPP anyway because to pay tax they need to have a job.

I am just wondering what his thoughts are on how we are going to help those young families and those young students get on a path so that they can have economic independence.

• (1330)

Mr. John Barlow: Madam Speaker, I want to thank my colleague, the member for Elgin—Middlesex—London, for a great question and for all the advocacy she has done for her riding, and especially, for young Canadians.

My answer would be that this is absolutely backwards. Not only will these young people have a tough time finding jobs, but because they are paying into this, they will have a very difficult time repaying their student loans or saving for a first home. Youth unemployment now is at more than 16%. It will be much worse and they are going to have a much more difficult start to their professional lives.

The Assistant Deputy Speaker (Mrs. Carol Hughes): The member will have a little over five minutes left in questions and comments the next time this matter is before the House.

[Translation]

It being 1:30 p.m., the House will now proceed to the consideration of private members' business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[Translation]

TAX AVOIDANCE

The House resumed from April 14 consideration of the motion.

Mr. David de Burgh Graham (Laurentides—Labelle, Lib.): Madam Speaker, I am pleased to provide an update on what Canada has been doing with respect to tax fairness. This is certainly one of

our government's most significant responsibilities, and Canadians legitimately expect us to take effective action on this file.

The government did not wait long to act. In December 2015, it introduced a tax cut to benefit the middle class by reducing the tax rate for the second personal income tax bracket. On average, for a single person, that amounts to \$330 per year, and for a couple, \$540. Close to nine million Canadians have already begun to benefit from that tax cut.

Canadians have every right to expect everyone to pay their fair share of tax. That is why the tax rate for the wealthiest Canadians, those earning more than \$200,000 in taxable income per year, went up. People are worried about sneaky individuals who know how to work the system slipping through the cracks. The Canadian government began tackling this problem head-on well before the Panama papers revelations by including measures to combat tax evasion and tax avoidance in its 2016 budget.

In total, \$444.4 million will be allocated to the Canada Revenue Agency over the next five years to operate more effectively. In other words, CRA is hiring 100 specialized auditors who will oversee large, high-risk multinationals. CRA will have the financial means to conduct its investigations and we think it will be able to recover \$500 million in five years from multinationals alone.

What is more, within five years there will be five times as many audits of Canadian taxpayers considered to be high risk. Nearly 3,000 audits will be done, potentially putting \$432 million back into government coffers.

Tax fairness is also about going further and dealing with those who abuse the system. A team of 24 auditors will be specifically assigned to go after those who come up with tax schemes and promote them to taxpayers to help them get out of paying the taxes they legitimately owe.

Every year, 200 files will be reviewed, which is 10 times the number currently being reviewed. This team will be able to conduct audits, charge fines, and request criminal investigations if deemed necessary. With the help of its legal team, it will ensure that these types of cases go before the courts quickly.

Canada has taken serious action to ensure greater tax fairness, because it is important that all Canadians contribute equitably. That is why budget 2016 invests an additional \$351.6 million over five years to recover unpaid taxes.

Making sure that all Canadians pay their fair share of taxes will give the government the tax base it needs to implement initiatives like the Canada child benefit, the most significant family policy innovation in a generation.

A family could receive up to \$6,400 per child under the age of six, and up to \$5,400 per child aged six through 17. Canadian families will see an average increase in benefits of about \$2,300 in 2016-17. Nine out of ten families with children will receive more money than before.

These families, like all Canadians, are working hard to improve their standard of living. They need to know that the government will not let people trying to dodge their tax obligations get away with it.

Canada is going even further and fighting against tax evasion by working with its partners abroad to improve international fiscal transparency. In fact, Canada is one of over 100 jurisdictions that have committed to implementing the common reporting standard for automatic exchange of information on financial accounts held by non-residents.

Budget 2016 confirmed the Government of Canada's intention to implement the common reporting standard starting on July 1, 2017, which means the exchange of information can begin as early as 2018.

To this end, on April 15, 2016, our government released legislative proposals regarding the implementation of that standard for consultation purposes. The information received will help improve Canada's ability to detect and address cases of tax evasion, ensure tax compliance, and protect the integrity of Canada's tax system.

● (1335)

This is a clear and firm commitment by Canada to fight tax evasion, and it sends a clear message to Canadians that the government is determined to ensure that we have a fair and equitable tax system.

Canada is also working with its partners at the Organisation for Economic Co-operation and Development, the OECD, and the G20, on the base erosion and profit shifting project simply known as the BEPS project. BEPS refers to the tax planning arrangements undertaken by multinational enterprises that, though often legal, exploit the interaction between domestic and international tax rules to reduce their taxes.

Members of the OECD and the G20 have developed regulations to ensure that the profits of these companies are taxed where the economic activities take place and where the value is created.

As part of its efforts to protect the integrity of Canada's tax base, the government announced in budget 2016 that it would implement certain recommendations of the BEPS project. For instance we are going to introduce country-by-country reporting for large multinational corporations. This tool will allow the Canada Revenue Agency to have a global view of the activities of these corporations in each jurisdiction where they operate.

For example, in the country-by-country report, the large multinationals will have to indicate the global allocation, by country, of certain key variables such as consolidated revenue, tax paid or due, the number of employees, and tangible assets.

By providing a high-level overview of the global operations of large multinationals, the country-by-country report will increase transparency and help the Canada Revenue Agency conduct effective risk assessments.

In short, we have put in place a plan to fight tax evasion and tax avoidance that goes far beyond the objectives of the motion being debated today. It is a detailed and ambitious plan.

Private Members' Business

I can assure the House that the government is determined to continue down this road.

[*English*]

Mr. Ziad Aboultaif (Edmonton Manning, CPC): Madam Speaker, the motion calls on the government to amend subsection 95(1) of the Income Tax Act and section 5907 of the income tax regulations to specify that no business that is entitled to a special tax benefit conferred by Barbados under the Canada-Barbados Income Tax Agreement Act, 1980, shall be exempt from taxation because of a tax treaty.

In essence, it asks the government to override the Canada-Barbados Income Tax Agreement Act. I appreciate the sentiments of the member who sponsored this legislation. It is refreshing to hear members of the Bloc Québécois, with ideas for the benefit of Canada, proposing legislation that would increase revenue for the Government of Canada. That being said, I do not feel that this motion should be supported.

The underlying premise would seem to be to score some political points and condemn Canadians who use foreign shell companies for tax avoidance purposes. Given recent publicity regarding the Canada Revenue Agency and offshore tax havens, that is bound to be a popular topic, but popularity and good legislation are not always the same thing, just as tax avoidance and tax evasion are not the same thing.

Canadians all want to do what they can to avoid paying tax that they do not owe. It is when they cross the line of the law into tax evasion that governments need to take notice and act. I think this motion confuses the two and seeks to condemn those individuals and companies who are doing something perfectly legal.

This year, we celebrate the 50th anniversary of diplomatic relations between Canada and Barbados, which were established on November 30, 1966, the day that Barbados became an independent country. However, our relationship goes back much further than that. The Canadian Trade Commissioner Service first established an office in Barbados in 1907. This long-standing connection explains in part why many Canadian financial institutions have long had a prominent presence in Barbados.

Barbados and Canada have several bilateral financial agreements, including a 1986 social security agreement, a 1997 foreign investment protection agreement, and a 1980 double taxation agreement, which we are discussing today. Barbados is part of Canada's constituency at the International Monetary Fund and the World Bank. We have ties through the Commonwealth, sharing a heritage as former British colonies.

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I think that behind this current motion is the belief that its implementation would somehow magically result in more money in the hands of the Government of Canada. This is not necessarily the case. There are plenty of other tax havens globally. I cannot see that should Canada decide to unilaterally alter this agreement there would be any net benefit for our country. Those who are law-abiding people would not be paying more. Those who are hiding money from the Canada Revenue Agency would, I suspect, find somewhere else to hide their funds. The matter is more multifaceted than is accounted for under the motion.

The Canada-Barbados Income Tax Agreement Act was designed to limit double taxation and prevent fiscal evasion with respect to taxes on income and capital. It applies to residents of both Canada and Barbados. It was first signed in 1980, with an amendment in 2011. Amendments were made at that time primarily to follow in the framework of OECD treaty models, and to ensure that holding corporations, trusts, or partnerships that hold Canadian investments in real property and resource properties will be subject to Canadian taxation on sales of the shares of the holding corporation or the interests in the partnerships or trusts.

There is a general international tax principle that the country in which immovable property is located should have the right to tax the gains from the disposition of such property. The Canada-Barbados Income Tax Agreement Act is flexible, with the intention to limit unfair and inefficient double taxation practices.

• (1340)

I support the act. The Conservative Party supports the act. This motion to override the act's provisions should be regarded skeptically. To suggest that Canada should unilaterally decide not to live up to an agreement we have signed is, in my opinion, irresponsible.

To support the Canada-Barbados Income Tax Agreement Act, 1980, is not to suggest support for tax evasion. In 2013, the Conservative government, in order to enhance the integrity of the tax system, created the stop international tax evasion program, aimed at reducing international tax evasion and avoidance. That the Canada Revenue Agency gained three times as much new revenue as was expected from the measures introduced in the 2013 budget is a tribute to Conservative management. The Conservative Party has a strong, successful record of standing up to international tax avoidance.

Canadians believe in a fair tax system. All of us want to know that we are being treated fairly and equally under the law. While the Conservative Party frowns upon tax evasion, it also upholds the view that this practice may be a response to unfavourable tax regimes within Canada. We believe that with fair taxation, there will be less desire on the part of some Canadians to look to other jurisdictions and to search for ways to avoid and evade Canadian taxation.

The Conservatives understand that when we make tax rates fair, when we make the system easier to navigate, it encourages businesses to invest in Canada. However, when we increase taxes, such as has been done with the recent payroll tax increases in the Canada pension plan, we discourage investment and kill Canadian jobs.

Investors, both domestic and foreign, are looking for a stable business climate where government understands the importance of allowing the private sector to lead job creation efforts. Creating an unstable business climate by, for example, unilaterally changing a long-standing international agreement is guaranteed to convince entrepreneurs that Canada is not worth the risk.

I can see that the actions of the current government, which has deferred the tax cut for small business to some mythical future date, would cause many businesses to investigate opportunities in other jurisdictions that might provide more consistent tax policies. That Canadian corporations legally transferred a record amount to tax havens in 2015 can be seen as a resounding vote of non-confidence in the Liberal government.

This, indeed, is a problem that should be addressed, but this motion is not the way to address it.

• (1345)

Mr. Gord Johns (Courtenay—Alberni, NDP): Madam Speaker, I am pleased and honoured to have the opportunity to rise today to speak to Motion No. 42, regarding the Canada-Barbados income tax agreement. I want to thank the member for Joliette for bringing forward the motion.

Millions of hard-working Canadians pay their taxes in full every year, year after year. Meanwhile, some of the wealthiest people in this country are able to avoid paying their fair share by stashing billions of dollars in offshore tax havens. This unfair, sweetheart deal for millionaire tax evaders is leaving less money for health care, infrastructure, transit, and the other crucial public services all Canadians rely on.

Motion No. 42 seeks to ensure that all Canadians from billionaire corporations to single-income families would pay by the same fair tax rules. Instead of executives from Petro-Canada enjoying a new yacht or a luxury vacation thanks to the savings they benefited from due to filtering their money into tax havens, I would prefer to see middle-class Canadians benefit. People in my riding of Courtenay—Alberni could certainly benefit, as could people across the country.

We can look at the needs in our country. There are people living on the streets. We need money for homeless shelters. We have talked about a national child care program to help tackle inequality. This is billions of dollars that could pay for this important infrastructure and the needs we have in our communities, such as a pharmacare program. We know aboriginal education is heavily underfunded, yet we are giving tax breaks to the rich.

The amount of money that these big corporations and CEOs are saving could be huge if invested in clean energy and tackling climate change. We have opportunities to move forward if we do the right thing, and that is to make sure that these big corporations are paying their fair share.

The NDP has always fought for the rights of hard-working Canadians. As a party, we wholeheartedly support the idea of fighting tax havens that cost Canadian taxpayers. We believe that Motion No. 42, by the member for Joliette, is a good initiative for restoring Canadians' trust in our tax system and closing a multi-billion tax loophole.

In 2014, an NDP MP tabled a private member's bill, Bill C-621, that sought amendments to make it easier for the government and the courts to identify, prosecute, and convict tax cheats who hide their money in tax havens.

In 2013, Peggy Nash said that over the past 10 years, Canadians have invested over \$390 billion in Barbados, which has a population of 284,000 people. They invested \$175 billion in the Cayman Islands, which has a population of 55,000 people. Obviously, some of the money is absolutely above board and legitimate, but the money that is not legitimate means that the average middle-class family gets hammered and ends up paying more in taxes while getting less in government programs and services than they would have if the money were adequately reported and taxed.

Barbados has become the tax haven of choice for Canadian corporations and billionaires, ahead of other countries such as Luxembourg and the Cayman Islands. In 2007, there was a reported \$33.4 billion parked in Barbados tax havens. Moving forward to 2008, it was \$53.2 billion. Over the last five years, since 2011, it has gone from \$45 billion to \$108 billion, being parked offshore.

Simultaneously, Canada has been lowering income tax rates for Canada's largest corporations. In the last 25 years, we have seen taxes reduced from 28% to 15%. Corporations are getting a great tax break here at home, yet they are moving money offshore.

When I think about my riding, I think about a third of the children living in poverty in the Alberni Valley. A fifth of the children, 20% of the children in the Comox Valley are living in poverty. Seniors in Oceanside are living in poverty. The average income in my riding is \$26,000 a year.

The government has brought forward a tax break for the middle class, while anyone earning \$23 an hour, working full time or less, gets nothing. That is two-thirds of Canadians. It is more like three-quarters of the people living in Courtenay—Alberni.

When we see tax breaks for CEOs that cost Canadian taxpayers \$750 million a year, when we see corporations pushing money offshore and not paying their fair taxes, when we see so-called tax breaks for the middle class that benefit the most those who earn between \$50 and \$100 an hour, we know there is a problem.

● (1350)

Tax havens are not only unfair but are also helping to fuel growing inequality in Canada. We are seeing huge inequality. Inequality is one of the biggest economic crises in our country today. This tax loophole is the biggest economic leakage in Canada right now.

The government has an opportunity to take concrete action to prevent Canadian companies and taxpayers from using these loopholes to avoid paying their fair share of taxes. According to 2015 Statistics Canada data compiled by Canadians for Tax Fairness, the Caribbean island of Barbados is now Canada's third-biggest destination for foreign investment, after the United States and the United Kingdom.

I want to thank the government member across the floor for bringing forward the actions the government is going to take to deal with these tax loopholes, through which companies can avoid paying tax. It is one thing to invest money in the CRA to chase people who

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are avoiding paying tax, but it is another to actually change the law so that we can make sure that it is illegal for those who move money into tax havens. We have an opportunity to change these agreements with other countries and close these tax loopholes. There is a big difference between that and breaking the law when right now it is legal to move money offshore.

Again, I want to thank the member for Joliette for bringing the motion forward, because this would be an important solution. The government needs to look at legislation to do that, and this is the right legislation to get it started. We have many deals with other countries that also need to be looked at, but this is an excellent start.

Former Prime Minister Paul Martin registered companies in Barbados to avoid paying Canadian taxes. No wonder the current Liberal government is so unclear regarding its policy on tax havens.

I will talk about another former Liberal, who at the time was a New Democrat. I am speaking of Bob Rae. To the CBC in 1980, Bob Rae said, "the government is entering into these tax treaties without being fully aware of the impact they will have on domestic taxation in Canada." Income that is not taxed at the corporate level and from which the government receives no revenue has the unfortunate effect of increasing the tax load on the average citizen. Is that not true?

In an era when we have skyrocketing health care costs and infrastructure costs that are soaring through the roof, and when we need to address our greenhouse gas emissions, this is a really important time for us to plug this economic leakage.

Dennis Howlett, executive director of Canadians for Tax Fairness, sums this up perfectly when he says, "It isn't just Donald Trump who likes to brag that it is 'smart' to avoid paying taxes. Some Canadian multinationals and wealthy individuals are unapologetic about setting up shell companies or foundations in tax havens for no other reason than to avoid paying their share at home. In some—but not all—cases it is technically legal. But it contravenes the spirit of the law and is simply not fair."

We have to talk about fairness, because when I talk about everyday Canadians, I think about my friends at home; my friends Jennifer and John, who run a whale watching company; my friend Mike Madison, who went to work this morning at the mill, and his wife Michelle. I think about my friend Cory, who is working on the golf course today, and law-abiding Canadians from Qualicum Beach to Tofino, who are doing everything they can to make sure they pay their fair share of taxes to build a healthy Canada while these corporations are taking the money out of the country.

Motion No. 42 tabled by the member for Joliette is a step in the right direction for restoring Canadians' trust in our tax system and closing this multi-billion dollar tax loophole. While Barbados appears to be the tax haven of choice for Canadians, there are several other countries, including Panama and the Turks and Caicos and Bermuda, with similar sneaky taxation agreements with Canada. Motion No. 42 is a good start, but it is just the tip of the iceberg when it comes to tax fairness for all Canadians.

Private Members' Business

• (1355)

[*Translation*]

Mr. Gabriel Ste-Marie (Joliette, BQ): Madam Speaker, I am proud to have raised the matter of tax havens in the House of Commons.

Motion No. 42 is the Bloc Québécois's first motion in this Parliament, and there is a reason for that. I am a separatist because I want Quebec to handle matters within the purview of sovereign nations itself. International taxation is one of those matters.

Tax treaties are the cornerstone of international taxation, which means that Quebec cannot get involved. Unless the federal government closes the loopholes that enable sharks to use tax havens, Quebec will continue to lose income too. Quebec's National Assembly knows that. On April 14, it adopted more or less the same resolution we are talking about today, pointing a finger squarely at Ottawa. The National Assembly recognized that the solution I have proposed could help fix the problem. Members of all parties in the National Assembly unanimously asked the House to support my motion. Until something changes, taxpayers, citizens, will have to make up for the shortfall by paying higher taxes and fees and settling for reduced services. As a social democrat, I cannot accept that.

There is no social justice without tax justice. There is no justice at all when the financial sector hides its money in the Caribbean and ordinary people are left paying the bill. As a result of this shortfall, Quebec is cutting funding for homework clubs and increasing the cost of child care. Ottawa is cutting transfers. In the meantime, bankers are keeping their billions under the sun in the Caribbean and it is totally above board. That is the problem.

Canada represents only 2% of global GDP. That is not a lot. However, the IMF said last summer that three major Canadian banks, the Royal Bank of Canada, Scotia Bank, and CIBC represented 80% of the banking assets in Barbados, Grenada, and the Bahamas. Furthermore, Canadian banks represent 60% of the assets of the eight other tax havens that make up the Eastern Caribbean Currency Union.

Canada is not an economic superpower, but it is a superpower in these tax havens, which is no accident. The regulatory framework was written purposely to allow banks and multinationals to avoid paying taxes here. I say "regulatory framework" because the problem is indeed regulatory in nature.

No tax treaty allows for the use of tax havens, no matter what my Conservative colleague says. He clearly did not read the note that I sent him. Even the treaty with Barbados does not cover the shell companies that enjoy tax breaks in Barbados. With regard to the other tax havens, Canada has not signed tax treaties with them. No treaty allows for the use of tax havens, no matter what my Liberal colleague says, and neither does the Income Tax Act.

Parliament has never allowed the use of tax havens because parliamentarians did their job when passing laws and treaties. They prohibited tax havens. The government is the one that did not do its job. It is the government that violated a decision of Parliament. The government declared, by regulation, that the laws and treaties that parliamentarians had passed did not apply and that the banks could be exempt from paying tax on profits by transferring that money to the Caribbean. I repeat: parliamentarians have never authorized the use of tax havens. If my motion is rejected, it will be the very first time that parliamentarians do so. I trust that they will not authorize tax havens now, particularly since international pressure to put an end to this scourge is rising.

By adopting my motion, Parliament will send the strong message that we will not accept tax avoidance and the use of tax havens. The government must take action by repealing section 5907, which it ordered in secret. This vote will be the first time that members are being clearly asked whether they are for or against tax havens. That makes this a historic vote. I trust that this Parliament will stand on the right side of history. I sincerely hope that it will.

• (1400)

[*English*]

The Assistant Deputy Speaker (Mrs. Carol Hughes): The question is on the motion.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Assistant Deputy Speaker (Mrs. Carol Hughes): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Assistant Deputy Speaker (Mrs. Carol Hughes): All those opposed will please say nay.

Some hon. members: Nay.

The Assistant Deputy Speaker (Mrs. Carol Hughes): In my opinion the nays have it.

And five or more members having risen:

The Assistant Deputy Speaker (Mrs. Carol Hughes): Pursuant to Standing Order 93, a recorded division stands deferred until Wednesday, October 26, immediately before the time provided for private members' business.

It being 2:03 p.m., the House stands adjourned until Monday at 11 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 2:03 p.m.)

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