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(HANSARD)

Thursday, February 2, 2017

Speaker: The Honourable Geoff Regan

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HOUSE OF COMMONS

Thursday, February 2, 2017

The House met at 10 a.m.

Prayer

● (1005)

[*English*]

VACANCY

MARKHAM—THORNHILL

The Speaker: It is my duty to inform the House that a vacancy has occurred in the representation, namely the hon. John McCallum, member for the electoral district of Markham—Thornhill, by resignation, effective Wednesday, February 1, 2017.

Pursuant to subsection 25(1)(b) of the Parliament of Canada Act, I have addressed my warrant to the Chief Electoral Officer for the issue of a writ for the election of a member to fill this vacancy.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

FOREIGN AFFAIRS AND INTERNATIONAL DEVELOPMENT

Mr. Matt DeCourcey (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.): Mr. Speaker, on behalf of the Minister of Foreign Affairs and in accordance with Standing Order 109, I have the honour to present, in both official languages, copies of the government's response to the third report of the Standing Committee on Foreign Affairs and International Development, entitled "An Opportunity for Global Leadership: Canada and the Women, Peace and Security Agenda".

* * *

[*English*]

BUSINESS OF SUPPLY

Mr. Gordon Brown (Leeds—Grenville—Thousand Islands and Rideau Lakes, CPC): Mr. Speaker, if you seek it, believe you will find consent for the following motion. I move:

> That, at the conclusion of today's debate on the opposition motion in the name of the Member for Louis-Saint-Laurent, all questions necessary to dispose of the motion be deemed put and a recorded division deemed requested and deferred until Tuesday, February 7, 2017, at the expiry of the time provided for Oral Questions.

The Speaker: Is it agreed?

Some hon. member: Agreed

(Motion agreed to)

* * *

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

[*Translation*]

REQUEST FOR EMERGENCY DEBATE

ICE STORM CRISIS IN NEW BRUNSWICK

The Speaker: The Chair has received a request for an emergency debate from the hon. member for Rimouski-Neigette—Témiscouata—Les Basques. The hon. member has the floor.

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, as you know, I asked two questions here this week about the government's actions in response to the ongoing crisis in New Brunswick and on the Acadian peninsula in particular and what it is doing for the victims of last week's ice storm crisis.

Unfortunately, I have to say that the answers I got from both the Minister of National Defence and the Minister of Public Safety and Emergency Preparedness were not satisfactory with respect to the federal government's action, or rather the lack of inaction I was hoping for, in response to a situation that affected more than 130,000 households and left more than 10,000 of them without heat or electricity in February.

This situation really hits home for me because I was in Montreal in 1998 during the ice storm. It was not as bad for me personally because we were lucky to have been heating with gas, not electricity, but we took in many stricken Montrealers and gave them shelter for 10 days.

We see everything that the Province of New Brunswick is trying to do at this time, as well as what the victims are going through, but unfortunately, we have no idea what exactly the federal government has done, apart from responding to a request made last Friday to deploy some troops to the Acadian peninsula, specifically to Shippagan, Miscou and Lamèque.

In that sense, I believe we need to have an emergency debate on this matter, so that we, as parliamentarians, can learn more about what action this government has taken, what it has committed to doing, and the work it has already done, in partnership with New Brunswick, for the victims in that province. Those people need to know what the federal government has done for them, especially if you consider the federal government's rapid response to the Fort McMurray fires and the floods in Calgary and Saint-Jean-sur-Richelieu, three disasters that have happened in the past five years.

In that sense, Mr. Speaker, I respectfully ask that you grant my request for an emergency debate, so that the House can debate this extremely important and urgent matter.

SPEAKER'S RULING

The Speaker: I thank the hon. member for raising this issue that affects the province right next to mine. However, I find that his request does not meet the exigencies of the standing order.

GOVERNMENT ORDERS

● (1010)

[*Translation*]

BUSINESS OF SUPPLY

OPPOSITION MOTION—TAXES ON HEALTH AND DENTAL CARE PLANS

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC) moved:

That, given the average middle class Canadian is already overburdened with taxes, the House call on the government to abandon any plans it may have to in any way tax health and dental care plans.

He said: Mr. Speaker, let me say right away that I will be sharing my time with the hon. member for Central Okanagan—Similkameen.

We are gathered here today to talk about the state of the public purse. For the 15 months that it has been in power, this government has made it clear that it has lost control of public spending.

The Liberals were elected on a campaign of running a small budget of $10 billion, but in reality the deficits are closer to $30 billion. What is more, they talked about a balanced budget by 2019. That is false. The budget will not be balanced until 2055 and we have not even talked about the debt. If nothing changes within this government, Canada's debt will be $1.5 trillion by 2050. That is utterly irresponsible management.

This government is also known for creating new taxes and fees for workers, and also for businesses. The government should be encouraging businesses to create jobs and wealth. Instead, this government is burdening businesses and workers with even more taxes.

On December 2, a *National Post* article by John Ivison informed us that the government was considering taxing Canadians' private health and dental care plans.

[*English*]

On December 5, I stood in the House to ask the government what its plan was, and to give it a chance to answer yes or no. At that time, I asked if it would be creating a new Liberal tax, and whether it would tax those who have that kind of protection. I asked my first question on December 5. The Minister of Finance dodged the issue. He did not answer the question. However, I am used to it, as it was not the first time. It is a trademark of the current government to dodge the issue when it has no answer. It did the same with respect to the zero deficit. I asked the government 15 times in the House when it would get back to a zero deficit. There was no answer. I will soon be asking the question for the 16th time.

[*Translation*]

We asked the government 10 times when it would decide whether there would be a tax on health and dental benefits. We did not get an answer on any of those 10 occasions. The members for Oshawa and Lac-Saint-Jean, along with the Leader of the Opposition, also asked the government about 10 times whether it was going to move forward with this Liberal tax. The Liberals always avoided the question.

Sometimes a little serendipity happens. Yesterday morning, the government was informed that we were going to debate this issue in the House today. Since it is a supply day, we submitted our motion and informed the House, the parties, and all parliamentarians of the topic that would be discussed. The government learned that there would be a debate today. Yesterday, the Leader of the Opposition asked the Prime Minister what his position was, and, at the very end of his answer, the Prime Minister finally said that the government would not impose such a tax.

We need to be careful. Let us remember that, just two weeks ago, the same Prime Minister was saying that the most recent election would be the last federal election conducted under the first-past-the-post system. However, yesterday, he told us that the voting system would not change. That same Prime Minister told us that his government would run small deficits of $10 billion, when now it seems that the deficit will be closer to $30 billion. The same Prime Minister told us that we would return to a balanced budget in 2019, when the budget will not be balanced until 2055.

As a result, when the Prime Minister told the House yesterday that he was not going to tax health and dental benefits, we have good reason to doubt his statement. That is why we are offering all parliamentarians, particularly the Liberal members, the opportunity, pleasure, and privilege of officially voting to confirm that health and dental benefits will not be taxed, as requested by the official opposition, the Conservative Party. Let us be careful.

Why create a tax on health and dental benefits? It is a bad idea. First, it affects a large number of Canadians: 13.5 million Canadian workers currently have health and dental insurance. Also, some people may have family coverage under their health insurance, which means that not just the 13.5 million workers but also their families are affected. We are talking about 24 million Canadians. That is a lot of people.

● (1015)

It is a bad idea because families would have to pay an additional $2,000 on average. For the past two months, many people have been warning the government about the dangers of doing this.

In his January 12 letter addressed to the Minister of Finance, Robert R. Blakely, of Canada's Building Trades Unions said, “In the absence of this benefit, our organizations would be obliged, in the interest of our members, to seek public funding to replace this care, which is vital to the health of Canadians.”

Unfortunately, one province already has this tax, so I know what I am talking about. In 1993, almost 25 years ago, Quebec imposed such a tax.

What can we learn from this exercise? A study by Amy Finkelstein from MIT, published in the *Journal of Public Economics* in September 2000, states, on page 34:

[*English*]

> This represents a decline in workplace coverage of about one-fifth, and corresponds to an elasticity of coverage by employer-provided supplementary health insurance....

[*Translation*]

When that happened in Quebec, one in five insured workers lost that insurance, and 95% of them did not get it back.

If, God forbid, the government were to go ahead with this plan, millions of Canadians would suffer the same fate. We also need to consider the long-term effect on public health because we are talking about dental care. If people are not insured and do not take care of their teeth, that will lead to problems that will have to be dealt with eventually.

Why are we concerned about the government's interest in taxing Canadians more? Since coming to power, the government has earned a reputation for taking aim at the tax credits that our government introduced, tax credits for the arts, sports, post-secondary education, and textbooks. This Liberal government scrapped the tax credits that we introduced to help families.

In October, the government changed the rules for buying houses, the mortgage rules, without even holding consultations.

Just yesterday, in committee, six different groups directly affected by the move all stated one after the other that the government had never approached them. This directly affects young families and Canadians who want to buy property.

I also want to talk about the current government's disregard for entrepreneurs, the creators of jobs and wealth. What did the government do? It raised Canada pension plan premiums by over $1,000 per employee per business. It cancelled the corporate tax cut that was supposed to bring it down to 9%. It cancelled the employment tax credit. Lastly, of course, this government is introducing its Liberal carbon tax, which will put an additional burden on Canadian families, to the tune of about $2,500 a year.

That is the Liberal way. The government is incapable of managing the country properly. It is creating colossal deficits and debts. Its idea of a solution is to stop helping businesses and families. Instead, it is thinking up new ways to pick taxpayers' pockets.

What is next? The government has decided to review 208 tax credits that are currently in place and generate about $100 billion. Indeed, the Liberal government wants to take another look at each one of these tax credits. We have no problem with that, but we would prefer to know what the government had in mind.

Does it intend to abolish these tax credits altogether, just as it abolished those for arts and culture, textbooks, and those meant to help our families? That is where the danger lies. If, heaven forbid, the government decides to cut tax credits even further, Canadians will have to pay even more.

We have nothing against reviewing these tax credits. What we do have a problem with is the fact that there is a hidden agenda at play here.

Listen to what the Canadian Taxpayers Federation said in an article in the *Toronto Sun*:

● (1020)

[*English*]

> Unfortunately, there are worrying signs that [the Minister of Finance's] real intent is to use “simplification” as political cover to hike taxes by stealth for millions of Canadians.

[*Translation*]

This is just a terrible proposal, and we are giving the government the opportunity to clearly state its intention to say no to this Liberal tax—

The Assistant Deputy Speaker (Mrs. Carol Hughes): The hon. member's time has expired. Perhaps he can continue his speech and share his thoughts during questions and comments.

[*English*]

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, I suspect the member across the way feels a little uncomfortable in the sense that, under this Prime Minister and his government, one of our very first initiatives was to give a significant tax break to millions of Canadians from coast to coast to coast. This was a tax break to the middle class, which that member and the Conservative Party voted against. Therefore, I am very curious, and I am sure Canadians are curious, when the member stands up and talks about giving a break to the middle class.

There is only one party in this House that has delivered on giving a break to the middle class of Canada, and that is the Liberal Party. Liberals actually delivered the tax break. It was the Conservatives who voted against that tax break.

My question to the member is this. As he tries to give the Government of Canada advice, why should we believe that the Conservatives know how to give a break to the middle class when they voted against the middle class?

Mr. Gérard Deltell: Madam Speaker, I welcome that kind of question, because it is time to give the right figures.

The government talked a lot about the middle class, but the reality is that those earning $45,000 or less will have no change at all. This is what we are talking about. We are talking about the middle class.

Who is the big winner of this so-called new way to help the middle class? It is those who earn between $145,000 and $200,000, and this is a conflict of interest, because we are each one of them. I earn $171,000 a year, and I am one of the biggest winners of this so-called new way to help the middle class.

This is all wrong, because with the new rules, 65% of Canadians got nothing better than what they had.

[*Translation*]

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Madam Speaker, I thank my colleague from Louis-Saint-Laurent, who always gives speeches that are entertaining, but also informative, even though we may not always agree.

The member is from Quebec. We have often talked about the fact that Quebec is a province where benefits like private health or dental insurance are taxed as taxable benefits. However, when the tax was introduced in 1993, there was a 20% drop in the number of businesses providing coverage, 50% in the case of SMEs.

Has my colleague assessed the impact this measure would have on the Canadian economy and especially on Canadian SMEs? In my opinion, this move was something of a trial balloon for the government.

Mr. Gérard Deltell: Madam Speaker, as I said earlier, a 2000 MIT study found that one in five people lost their insurance because of Quebec's tax on this type of benefit. We can extrapolate that 20% of Canadians currently insured would lose a lot because their insurance would not be renewed in light of the additional cost for businesses.

I would like to remind members that 13.5 million Canadian workers have this type of coverage and that this directly affects 24 million Canadians. Consequently, more than five million Canadians would be directly affected and lose their coverage. Financial considerations aside, this is also a public health issue because without private dental insurance, people do not look after their teeth and they pay the price later.

[*English*]

Ms. Linda Duncan (Edmonton Strathcona, NDP): Madam Speaker, it is very interesting that the Conservative Party is now standing to oppose this proposal to impose a tax when the leader of the member's party, the leader of the official opposition, actually commissioned an advisory panel on health care in June 2014, and that panel recommended this very measure. Has there been a change of heart in whose advice the Conservative Party is now listening to?

Could the member please explain the change in course, all of a sudden?

● (1025)

Mr. Gérard Deltell: Did we do it, Madam Speaker? No, we did not.

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Madam Speaker, it is always an honour to take part in a debate such as this. It is an extremely important debate. Why are we having it today? I am not alone in telling the House that over the past weeks I have heard from a large number of Canadians who strongly oppose any Liberal tax grab on health and dental benefits, and to quote them directly:

> As you prepare for the 2017 Federal Budget, we ask you not to support a new tax on employee-sponsored health care plans which would put the health care of 24 million Canadians at risk. Taxing these benefit plans will not simplify the tax code, bring more fairness to Canadians or help grow the middle class. It will download complexity onto Canadian employers and leave many Canadians and their families and dependents without the care they need.

Every member in this place has been hearing the same from Canadians of all walks of life.

The Liberals have repeatedly been asked if they would authorize this new Liberal tax grab, yes or no. Likewise, the finance minister has continued to refuse to say no to this new tax grab on employer-provided health benefits. We heard from the Prime Minister who, probably after consulting the latest polls, which show a sharp dip in support of late, changed his mind. Loose lips sink not only ships but tax credits, but in this case, this is a tax grab.

Why has the Prime Minister's support dropped so far that he has backed away from this proposal after leaking it through the media repeatedly? Let us stop for a moment and think about that. The Liberals' number one talking point suggests they are all about helping the middle class. How exactly would taxing employer-provided health benefits help the middle class? Only Liberals would dare to suggest they are helping the middle class by increasing taxes on the middle class. Seriously, who thought that this would be a good idea anyway?

Let us get serious for a moment. For an Ontario family earning $45,000 a year, this Liberal tax grab would have cost that family an extra $1,167 a year. That is a huge increase.

While the Liberals love to boast about the so-called middle-class tax cut, let us not forget that the Liberal tax cut did not apply to someone earning $45,000 per year. An individual would have to earn more than that to be even considered middle class by the Liberals to qualify for that tax cut. Yet strangely, those earning between $100,000 and $199,000 are considered middle class and do qualify for this tax cut. For Canada's most vulnerable families there was no tax cut for them, but they should not worry, because there is a huge increase for employer-provided health benefits for them instead. How can any member on that side of the House justify that? There are many good people on that side of the House, and I would suspect most of them would agree that tax fairness is not fair for those earning under $45,000 a year if they get hit with a $1,000 plus tax increase and do not have any offsetting tax cut.

Why are we in this situation? What did Canadians do to deserve a huge tax grab from the Ottawa Liberals on employer-provided health benefits? Here is the problem. The Liberal government was elected on the promise of running modest deficits of $10 billion, with a return to balance in 2019. Every Liberal MP campaigned on this promise. We know that promise, much like the promise for electoral reform, was a complete fabrication. As many seniors in my riding would like to point out, Liberals once promised if elected they would eliminate the GST—oops.

The reality is, at this point in time, that the Liberal government has absolutely no fiscal plan to return to balance. The Prime Minister has never had to balance a budget before and has no interest in doing so now. Already we can see that the Liberal plans to spend their way out of trouble have failed. What should they do now: reduce spending or raise taxes? We all know the answer to this question.

Here is the thing. The Liberals claimed that lowering taxes on one segment of society would put more money back into the economy so we could grow the economy. That is not working, so now the Liberals are going to take that money back in new taxes. It may not be this one, but it will certainly be another one, and that tax will not just be from one segment of society. The proposed health care tax would apply to all segments. I suppose in that sense taking more taxes from everyone is the Liberal definition of tax fairness.

However, to be clear, the Liberals have created a serious problem. They rolled the dice and gambled that their plan to spend their way out of trouble would work to grow the economy, and to be fair, there are some experts who encouraged the Liberals to do exactly what they have done. However, those same experts are now saying—oops—that plan did not work and some new revenue has to be found.

● (1030)

Again, it may not be dental and health care plans being taxed, but eventually, they will find something. The Liberals have said that they are eyeing other tax expenditures.

Because many of those experts are often paid from tax dollars, they seldom recommend less spending. Therefore, how do we raise taxes? The Liberals could be transparent and say, yes, they are raising taxes and tell us why, but it is much easier to call it a tax fairness plan, where everyone pays Ottawa more money because it is fair, in Liberal speak, and it will help grow the middle class, of course, as paying higher taxes always does.

Of course, I am kidding on all of these fronts, particularly when we talk about applying a tax on families that are not earning more than $45,000. In fact, they were cut out of that middle-class tax cut I talked about earlier.

It is not enough for me just to complain. I am going to provide a couple of ideas, because I believe it is important, in opposition, to propose and not only blindly oppose. People with $100,000 to $199,000 incomes do not need a tax cut. A Conservative senator recently tried to put through a proposal that would reverse these upper tax cuts and came up with a truly revenue-neutral plan that would actually better help what most Canadians agree is the real middle class. Let us start there.

Next, let us eliminate the plans for the so-called infrastructure bank that would be financed by private investment, that would require a much higher rate of return, and put Canadians deeper in debt or hit their pocketbooks. After that, let us expedite the health minister's idea to focus on the bulk buying of pharmaceuticals. Actually, that was originally an idea of the former health minister, who is now the official opposition leader. It is a good idea, so I think if both sides can agree on that, we should push forward on it. It is not a perfect solution, but it is a start to putting more money back into the health care system in savings instead of putting taxes on the service it provides to Canadians.

Finally, let us seriously reconsider the promised billions in funding for other countries' climate change programs, when many of these countries do not themselves have a carbon tax to pay for their own projects.

These are just a few examples, the point being to explore alternatives but not experiment with taxing Canadian employer-provided health care benefits or other important tax credits. Everyone in this room is receiving daily messages of strong opposition, which will appear on those other items as well, so let us start listening to Canadians.

Yes, I have heard arguments from some about why they think this proposal or other proposals of taking away these tax credits is a good idea, often expressing that somehow Canadians who do not have employer-provided health and dental benefits should not be paying or subsidizing those who do. However, they are not paying or subsidizing. The employer is doing that, and that is precisely the point.

The interesting thing about this whole argument is that we do have a situation in Canada where many taxpayers, who do not have pensions, pay for generous public sector pension plans that simply do not exist in the real world—that is, for people who do not work for the public sector. Strangely, the fairness crowd is always silent about that.

On a similar theme, in what other universe but the federal public service can one bank massive amounts of sick days that people with no bankable sick days pay for? Once again, the fairness crowd is silent.

If the Liberals need to raise taxes because of out-of-control spending habits, then they should have the fortitude to tell taxpayers why they are raising taxes and do it in a transparent way. I suggest that they consider alternatives like balancing the budget by curbing excessive spending, by getting infrastructure out there, and by growing the economy so that they can actually have taxes that everyone does not mind paying, because again, growing the economy is how the government should be able to pay for important programs.

I move:

That, the motion be amended by adding after the words “overburdened by taxes,” the following:

“such as taxes on carbon, savings, payroll, small businesses and children's arts and sports programs,”

● (1035)

The Assistant Deputy Speaker (Mrs. Carol Hughes): It is my duty to inform hon. members that an amendment to an opposition motion may be moved only with the consent of the sponsor of the motion. Therefore, I ask the hon. member for Louis-Saint-Laurent if he consents to this amendment being moved.

Mr. Gérard Deltell: I do, Madam Speaker.

Mr. Steven MacKinnon (Parliamentary Secretary to the Minister of Public Services and Procurement, Lib.): Madam Speaker, I had the pleasure of serving with the hon. member on the finance committee.

It was kind of a sheepish speech. The Conservatives are presenting a motion that they now are having to amend because the government has rejected any notion that what they are suggesting will happen will happen. The member is also probably sheepish because the November growth rates for Canada's employment rates in 2016 show that the government's financial and economic plan is indeed working. More to the point, he is probably really sheepish now that the very thing he would advise the government to do, tax fairness, is being accomplished by virtue of a middle-class tax cut and a tax on the 1% of Canadians who make over $200,000.

Given the member's amendment to the motion, would he agree that the government should not further pursue tax fairness by taking away those tax credits that now accrue to the better off in society and rather redirect those kinds of tax credits to those who need them the most?

Mr. Dan Albas: Madam Speaker, I love how members of the other side like to talk about tax fairness, yet they decided to raise taxes on those who do the best, and that's fine. However, they then neglect the people on the other end of the sphere, those making $45,000 or less.

I would appreciate, just like every member, seeing good things happening in Canada. We want to see economic growth.

Maybe the government should actually start implementing policies in a way such that it raises economic growth and more money comes to Ottawa through coffers, which Canadians do not mind because they will have the money to pay for it. What is happening is the government is targeting people and taking things away to pay for spending that it did not run on in the last election. I object to that.

[*Translation*]

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Madam Speaker, we have said it before and we will say it again. The government boasts about its tax cut for the middle class and keeps bringing it up. The Conservative member who just spoke said that the measure applies to those with an annual income of $45,000 or more. He is right, except that the majority of the tax cut does not affect those who earn $45,000, $50,000, or $55,000 a year. It is those earning $89,000 or $90,000 a year who are benefiting from this cut. That does not sound like the middle class to me.

I would like to give my colleague the opportunity to go over this broken Liberal promise, where they promised a tax cut for the middle class, but in the end gave a tax cut to people like us, people who earn more than $90,000 a year. That leaves out those who earn less than $45,000 a year and, really, those who earn less than $60,000 a year.

● (1040)

[*English*]

Mr. Dan Albas: Madam Speaker, I absolutely agree. Again, the Liberals promised that this middle-class tax cut would be neutral. It was not, and the parliamentary budget office confirmed that.

As I mentioned in my comments, the other place, and I hope the member would support this thinking, tried to make not only the Liberals' so-called tax cut revenue neutral but to also ensure it was more inclusive of people who needed it the most.

It is really a shame that we have to depend on senators and the Conservative side to make the legislation better. The Liberals used the majority to shut down every amendment that we put forward to make that a better bill.

I agree that the Liberals have a lot to learn about how to ensure our economy is more inclusive. That middle-class tax cut is a good example of the work that they still have yet to learn.

Hon. Ginette Petitpas Taylor (Parliamentary Secretary to the Minister of Finance, Lib.): Madam Speaker, it is an honour for me to rise today in the House for the first time as Parliamentary Secretary to the Minister of Finance and to participate in this debate.

It seems that my opposition colleagues prefer to fight the last war by focusing on a measure that the right hon. Prime Minister said yesterday we were not considering. Nevertheless, I must thank my colleague for this opportunity to outline the important tax measures the government has introduced to help middle-class Canadians.

[*Translation*]

The government recognized from the start that, even though economic growth has been weak in recent years, Canada has been able to meet those challenges from a position of strength. We are in an enviable financial position. Our debt-to-GDP ratio is well above the average for the G7. That means that we have the flexibility needed to implement our vision of ensuring that Canada's economy works for the middle class.

If the economy works for the middle class, it works for everyone. Measures that support the middle class are what the Canadian economy needs and what all Canadians deserve. Canadians asked for this type of measure and that is what we have given them and will continue to give them.

Since January 1, 2016, the government has been putting more money back in the pockets of nearly nine million Canadians every year. This measure was not just the right thing to do. It was also the smart thing to do for our economy. The tax cut for the middle class and its accompanying measures help make the tax system fairer so that all Canadians can succeed and prosper.

More specifically, the government has taken the following measures: it lowered the tax rate for Canadians in the second personal income tax bracket from 22% to 20.5%; introduced a 33% personal income tax rate on individual taxable income in excess of $200,000; returned the tax-free savings account, TFSA, maximum annual contribution to $5,500 from $10,000; and reinstated indexation of the TFSA annual contribution limit.

[*English*]

Let me very quickly expand on what these changes have achieved.

First and foremost are the personal income tax rate changes. Single individuals who benefited from the reduction of the second personal income tax rate will see an average tax reduction of approximately $330 every year and couples will see an average tax reduction of $540 every year.

Second, only Canada's top income earners are expected to pay more taxes as a result of the introduction of the new top personal income tax rate, that of 33%. As with other bracket thresholds, the top threshold is indexed to inflation. It rose to $202,800 in 2017.

Finally, the government returned the tax-free savings account, the TFSA, annual contribution limit to $5,500 from $10,000, effective January 1, 2016. Returning the TFSA annual contribution limit to $5,500 was consistent with the government's objective of making the tax system fair and helping those who needed it the most. When combined with other registered savings plans, a $5,500 TFSA annual contribution limit will allow most individuals to meet their ongoing needs in a tax-efficient manner.

Indexation of the TFSA annual contribution limit was reinstated so the annual limit would maintain its real value over time.

● (1045)

[*Translation*]

Another cornerstone of the government's plan to strengthen the middle class was the Canada child benefit or CCB. The benefit will help parents to better meet the needs of their children. The CCB is simpler and more generous than the old child benefit system it replaced, and it is completely tax-free. In addition, it does a better job targeting the people who need it the most. I firmly believe that the many parents who receive this greatly needed assistance appreciate it.

This year, the CCB will make it possible to lift hundreds of thousands of children out of poverty, more than in 2014. Since the CCB was implemented in July of 2016, nine out of ten families have received more money than they did under the former child benefit system, or an average of nearly $2,300 per year for the 2016-17 benefits. Parents with children under 18 will receive a maximum annual benefit of $6,400 per child under age 6 and $5,400 per child under 18.

Whether these additional funds are used for things like buying school supplies, covering part of the family grocery bill, or buying warm coats for winter, the CCB helps parents cover the high cost of raising their children.

The Canada child benefit will be indexed to inflation starting in 2020 so that families can continue to count on this additional support for a long time, with their benefits keeping pace with rising expenses.

[*English*]

The Government of Canada also reached a historic agreement with provincial governments to enhance the Canada pension plan, also known as CPP. This plays another key part in providing support to middle-class families. The government undertook this after the Department of Finance examined whether families nearing retirement were adequately prepared for that retirement. Finance officials found that of about one in four Canadian families approaching retirement, 1.1 million families were at risk of not saving enough to maintain their current standard of living and the risk was highest for middle-class income earners. Families without workplace pension plans are at an even greater risk of under-saving for retirement. In fact, a third of these families are at risk.

The government is aware of the need to help Canadians save more. Saving more will mean they are more confident about their futures and about their ability for a secure and dignified retirement.

There was a particular concern regarding young Canadians who tended to have higher debt than the previous generation and, in most cases, would live longer than the previous generations. They face the challenge of securing adequate retirement saving at a time when fewer can expect to work in jobs that will include a workplace pension plan. This is why the government acted to strengthen the Canada pension plan.

Strengthening the middle class and creating conditions for long-term economic growth are the government's top priorities. Tax fairness is an important part of these commitments and adjusting the tax system to ensure it is functioning as intended and contributing to an economy that works for everyone.

The basic Canadian value of fairness is also why, as a part of our international effort to combat tax evasion, budget 2016 confirmed that the government's intention to implement what was known as the common reporting standard.

The introduction of the common reporting standard for the exchange of information between national revenue agencies on financial accounts held by non-residents is an important global development. This multilateral initiative will help enhance tax compliance and reduce opportunities for tax evasion by those who seek to find ways to avoid paying their fair share of taxes.

Under the legislation passed by Parliament last December, Canada is implementing the standard consistent with our commitment to the G20, and similar commitments, by more than 100 other jurisdictions.

Under the new standard, the Canada Revenue Agency will collect information from financial institutions on accounts in Canada held by non-residents. Tax administrations in foreign jurisdictions will likewise collect information from the financial institutions about accounts held by residents of other countries including Canada.

The CRA will formalize exchange agreements with foreign jurisdictions, having verified that each jurisdiction has appropriate capacity and safeguards in place to ensure the confidentiality of its information. The financial account information will be exchanged on a reciprocal bilateral basis.

The budget also announced plans to implement a new requirement for country-by-country reporting. This is an initiative agreed to under a G20 OECD project that aims to address tax avoidance by multinational enterprises through base erosion and profit shifting. Under the new rules, large multinational enterprises will be required to file with tax authorities information providing high level profiles of their activities in each jurisdiction in which they operate. These reports will enhance transparency and assist tax administration in performing effective risk assessments.

Going forward, Canada will continue to work with the international community to ensure a coherent and consistent response to tax avoidance by multinational enterprises.

In addition, budget 2016 also included resources for CRA to address tax evasion and aggressive tax avoidance. This would enable CRA to enhance its assessment capabilities through the hiring of additional auditors and specialists in order to have the resources needed to ensure all taxpayers pay their fair share of taxes.

Finally, our government is committed to ensuring that tax expenditures are fair for all Canadians, efficient, and fiscally responsible.

In budget 2016, the government committed to undertake a comprehensive review of the federal tax expenditures, recognizing that concerns had been expressed regarding the efficiency, fairness, and complexity of the tax system. This work is ongoing and at its heart is the goal of ensuring we invest to grow the middle class and strengthen our economy. We do so in ways that preserve our enviable fiscal position for future generations.

● (1050)

[*Translation*]

Once again, one of the first measures we took as a government was to lower taxes for the middle class, something that nearly 9 million Canadians benefited from.

We also introduced the Canada child benefit, which provides additional financial assistance to nine out ten families compared to the Conservatives' intention of sending cheques to millionaires. We have also taken a series of measures to guarantee tax fairness, which is the responsible thing to do.

These measures are in response to our commitment to help the middle class and those working hard to join it. We will continue to work for these Canadians in order to build a stronger and more equitable economy where all families can grow and prosper.

[*English*]

However, as our Prime Minister indicated very clearly yesterday, this will not include a new tax on health and dental benefits.

[*Translation*]

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Madam Speaker, I enjoyed listening to the parliamentary secretary, whom I would like to welcome and congratulate on her appointment as parliamentary secretary. I wish to assure her of my full and complete collaboration, and also of my full and complete vigilance.

The hon. member mentioned that the Prime Minister committed himself yesterday to not creating a tax on health and dental benefits. We shall see what comes of it, soon, during the vote.

Would the parliamentary secretary also commit to not touching tax credits that directly affect Canadian workers and the middle class, specifically tax credits for volunteer firefighters, donations to charities, and public transit?

Hon. Ginette Petitpas Taylor: Madam Speaker, I thank my hon. colleague for his question. Once again, I look forward to working with him for at least the next year.

It is this government's priority to help the middle class and everyone working hard to join it. One of the first priorities our government put into action was creating the Canada child benefit. This very generous benefit is helping hundreds of thousands of Canadians and their families.

Over the holidays, I received many Christmas cards from families and people in my riding. They thanked the Liberals for the increase they have received, because it is making a difference in their lives. It is helping them buy groceries and all kinds of other things they need for their children. Furthermore, if their kids want to take a dance, music, or any other class, they can now afford it. That benefit is making a huge difference for Canadians.

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Madam Speaker, I would also like to congratulate the member on her new position as Parliamentary Secretary to the Minister of Finance. I am really looking forward to working with her.

She is new to the job, so I will go easy on her, but I would nevertheless like to ask a question about the measure the minister announced to tax private health and dental insurance. It was a trial balloon. The Liberals wanted to see how people would react, and react they certainly did. Now the Liberals are having to back down from the idea.

It is important to note that, when the government announced it was considering this move, it was framed as part of a comprehensive review of Canada's tax system, a review that we are about to begin in committee and that the finance department is already doing.

I would like to know how the government can put this kind of measure out there with no context as a stand-alone thing and claim that it is part of a bigger tax reform picture. I have another question that is related. Does the member have a sense of what that tax system will look like? Honestly, we have not seen much of anything or any big announcements from the government so far.

● (1055)

Hon. Ginette Petitpas Taylor: Madam Speaker, again, I want to thank my colleague for his question. I look forward to working with you in the coming months.

Again, our government's priority is to help the middle class and those working hard to join it. Our government wanted to assess the tax system for everyone. We wanted to evaluate every measure. No decision had been made. Yesterday, our Prime Minister was very clear: a decision has now been made and this is not something we are going to pursue.

The Assistant Deputy Speaker (Mrs. Carol Hughes): I want to remind the parliamentary secretary to address the Chair and not the member.

[*English*]

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Madam Speaker, while the member talks about the middle class, I think the reality is that the government is only interested in the Prime Minister's vacation entourage and those working hard to join it.

I will ask about the tax-free savings account issue that the member raised. I think she knows, and the data are there on the Finance Canada website as to who are most likely to use tax-free savings accounts. We know actually that half of those who are maxing out their tax-free savings accounts are people with relatively modest incomes. We know that is because of the relative economic advantages that accrue to a tax-free savings account versus an RRSP.

When the Liberals talk about helping those in the middle and on the low end, why do they not actually do something for those making $45,000 or less, whom they have done nothing for? Why do the Liberals not reinstate the tax-free savings account limits that were in place under the previous government?

Hon. Ginette Petitpas Taylor: Madam Speaker, I have to say I take objection with the comments of the member opposite.

First and foremost, our government has taken several measures to help people who earn under $45,000 a year. Many Canadians have benefited tremendously from the Canada child benefit program. For example, a single mother who earns $30,000 a year, with a child under the age of six years old, at the end of the year will receive, tax-free, $6,400 cash in her pocket. That is way more than under the other party's child benefit program. Single income seniors in our country now have received an increase of 10% in their guaranteed income supplement. That is much better than what the party opposite did when it was in government.

Ms. Jenny Kwan (Vancouver East, NDP): Madam Speaker, today we are debating a motion about taxation of private health and dental care plans, and then there was an amendment with respect to some taxation measures. However, I am curious, given the Prime Minister's track record particularly this week. He has actually broken many promises and betrayed Canadians, starting with electoral reform. He said that 2015 was going to be the last election using first past the post. He has now reneged on that.

How can anyone believe the Prime Minister when he says he is going to commit to not imposing a tax on private health and dental care plans? How can we actually believe him, given that he has misled Canadians over and over again?

Hon. Ginette Petitpas Taylor: Madam Speaker, first and foremost, our Prime Minister and our government are truly listening to Canadians. We have conducted thousands of consultations across the country from coast to coast to coast on a variety of issues, and we are listening to and considering all of the input.

The Government of Canada believes that when we have an economy that works for the middle class, it truly works for everyone. We have evaluated many tax measures, and the Prime Minister has made it very clear that we are not moving forward with this one.

● (1100)

Mr. Martin Shields (Bow River, CPC): Madam Speaker, I just received an email from one of my constituents. It says, "I've followed the rules all my life. I got a university degree. I've worked hard. I raised my children by myself for the last seven years. I own and maintain my own home. I've paid my taxes and been a good citizen of this country. There are programs in place to help low-income families, but I make too much to qualify for them. There are tax breaks and benefits to help middle-income families, but apparently I don't make enough for those. Where do families like mine fit in? We fall through the cracks. It makes no sense that people who work hard, stable job-holding contributors to this country still fight for a decent standard of living. I should be an example to my children by being able to provide for them and to help them to aspire to be good people, but at the end of the month, I can no longer make my monthly payments."

People are falling through the cracks. With what the Liberals have done, how are they helping these people?

Hon. Ginette Petitpas Taylor: Madam Speaker, once again, our government's priority is to help the middle class and those who are truly working hard to join it. Our first priority was to cut taxes for middle-class income earners, and many millions of Canadians have benefited from those tax cuts.

I do acknowledge that some Canadians have not perhaps benefited from that measure. However, for those who are even lower income earners, we recognize that the Canada child benefit program has helped thousands of children and families get out of poverty. As I indicated earlier, our low-income seniors who receive a guaranteed income supplement have actually received a 10% increase on their supplement. That is approximately $90 more a month on their cheque. That is a significant difference, because we want to ensure that we help our middle-class people, and those who are working so hard to join it.

[*Translation*]

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Madam Speaker, I am very pleased to rise in the House to speak to this motion.

I can say that we will be voting in favour of this motion even though we disagree with the wording, especially in the preamble and the amended preamble. I think we can have a discussion to determine whether this is a high level of taxation or not. We think it is not that high in comparison to what we see in other OECD countries.

As far as the last part of the motion is concerned, we agree that health and dental plans should not be taxed—at least not before the government presents a real context for the comprehensive analysis of the tax system that it is supposedly conducting.

[*English*]

It is very important to look at the tax system as a whole. I will quote from John Ivison of the *National Post*, who, after learning that the government was contemplating taxing health and dental benefits, wrote on December 2, "Dan Lauzon, a spokesman for [the] Finance Minister...said no decisions have been taken and that any moves would not be made in isolation." However, what he wrote next was actually more interesting. It states, "The employee-sponsored health care tax exemption is being scrutinized as part of a sweeping review of 150 tax credits worth about $100 billion a year in foregone federal revenue."

The government has said the tax system does not work. We agree. It has said that the tax system needs to be reviewed. We agree. However, reviewing tax expenditures, tax exemptions, tax deductions, and tax credits is not a review of the tax system. What the government is doing is once again raising the expectations of the population that it will address the real problem, the problem of fairness and equity in the tax system. People do not feel that it is a fair system. They do not feel that everyone is treated equally. By examining the whole range of tax credits and tax deductions, the government is saying that it has done its part and that we have a brand new tax system in this country. This is not the first time a government has taken us in that direction.

● (1105)

[*Translation*]

The Carter commission conducted the last real review of the existing tax system in the 1960s. I will not get into the details of that commission because many people have already done so. The review was very comprehensive and took a good five years.

The report was one of the most well-received reports in the entire world. Serious work was done to determine how the tax system could be adapted to the reality of the day. It is important to remember that income tax has been around since 1917. In 1960 or 1965, we still had a system that was designed during the Second World War. This was serious work. It was commissioned by John Diefenbaker, the Progressive Conservative prime minister at the time, and continued by Liberal minister Lester B. Pearson.

Prime minister Trudeau was the one who got it across the finish line. He took all of the work that was done and condensed it into a handful of recommendations, which were accepted. The very essence of the report, which was that every dollar of income should be taxed the same, got swept under the rug. In the end, a few changes were made, but we ended up with a system that falls somewhat short of the objectives originally set out for this exhaustive study.

I am reminding members of this little bit of history because we are now witnessing a similar attempt to pull the wool over the eyes of Canadians. The government is telling Canadians that it understands them and that it will do what it takes to make the system fairer.

However, the proposal to tax private health and dental benefits is a trial balloon. It is not meant to make the system fairer. Rather, it is a way for the government to take money out of one pocket while trying to convince taxpayers that it is putting money in the other.

[*English*]

It is a very important question because it is going to be a defining question for the following years not only for this government but for any government in this country.

The last comprehensive review of the tax system took place back in the 1960s. There have not been any significant changes since, except maybe some brought by the finance minister back in the 1980s, Michael Wilson, who made some changes that did not, in our view, bring any more equity or fairness.

In terms of a comprehensive tax review, right now there are 3,000 pages of complex, unintelligible legal text, which even tax experts, who spend their lives studying this, cannot understand. We are facing a situation, a system, that is actually counterproductive for our economy. It is counterproductive for our level of economic growth. It is counterproductive for our productivity.

I am not the only one saying this. Mainstream economists are saying that the complexity of our tax system gives anyone, any tax expert, the ability to actually build an industry based on finding loopholes, which makes the system less and less equitable, less and less fair, and it is actually a drain on our economy. One of the top priorities of any government at this time should be really simplifying the tax system.

Simplifying the tax system does not mean just bringing forth some gimmicks, like a single-tax rate, or a flat tax, as it is called. We should not just be saying that we will be revising those tax credits and will try to find some savings, savings meaning expenditures lost to the pockets of the taxpayer, the citizen. That is not it. That is smoke and mirrors.

In terms of the commitments made during the last election, the Liberals are showing that they are masters of the smoke-and-mirror strategy.

[*Translation*]

We saw this yesterday, in the much-discussed announcement about electoral reform, a lofty promise. They went after NDP and Liberal voters by promising electoral reform that would make every vote count. Today, a year and a half later, voters know that they were duped by this government.

Let us take a look at the Liberals' promises, especially those concerning first nations. This government said that it would cease the previous government's legal actions appealing rulings in favour of indigenous children and various first nations communities. These rulings force the government to honour its traditional commitments towards first nations.

My colleagues from Abitibi—Baie-James—Nunavik—Eeyou, Timmins—James Bay, and my colleague from northern Saskatchewan, whose riding has a very long name, are doing an absolutely incredible job of ensuring that this government honours its promises made to first nations, which they believed.

All the broken promises and unfulfilled commitments are beginning to pile up. Bill C-51 is another example. The government was going to change it, abolish it, or transform it, but nothing is being done.

● (1110)

[*English*]

Nothing is being done. Time and time again, the Liberal government campaigned on real change, but compared to the previous Conservative government, its real change involves keeping the decisions and attitude of the previous government.

The Liberals are saying that they are doing it in a progressive fashion. They are keeping the Conservative target for climate change, but those are progressive targets now. They are keeping the agreement with the European Union, but now it is a progressive agreement. Everything the Conservatives did, they are keeping, and they call it progressive. That is what real change means for the current government.

[*Translation*]

Now we are facing a situation where the Liberals have promised to simplify the tax system and make it fairer. They were right to make that promise and we are making it also.

[*English*]

Why? It is because the system is actually leaking like a sieve, because the system is actually so complex that, as I said, there is a whole industry built on creating tax loopholes and trying to take advantage of any poor writing in one of the 3,000 pages of the Income Tax Act.

We also know that the system is so complex that the compliance costs for businesses and for citizens are becoming higher and higher. They are increasing. It is becoming more and more costly just to face the obligation as citizens, as people of this country, to actually contribute to the well-being of this country. We have to do it, and it is a good thing that we do it, but we are asking people to actually pay more and more, because the system is more and more difficult to understand.

Even worse is that the complexity of the system is actually increasing. One of the main problems we have for our revenue situation is the problem of tax havens and tax evasion. Because of that industry that actually tries to find loopholes, some of them cross the line, where a loophole is no longer a legal loophole but becomes a mechanism, a strategy, for tax evasion.

It is extremely difficult for the Canada Revenue Agency, which actually I have been very hard on, and I will continue to be very demanding. They do not have the proper resources to actually ensure compliance with the very complex legislation.

[*Translation*]

Those are all problems that we are now aware of. They are problems that we need to deal with and which require a structured response from the government. It was proposed to the Standing Committee on Finance that it carry out an in-depth study of the tax system. That is what the motion says. It does not provide any details or direction. It does not give the Standing Committee on Finance a mandate. Work will begin next Wednesday. What are we going to do? We will listen to various witnesses, including accountants, as well as representatives, I am sure, of the Canadian Federation of Independent Business and other organizations. I already know what they will say. They will say that the system is too complex, that it has to be changed and simplified.

● (1115)

[*English*]

We will spend three, four, five, or six meetings getting all those witnesses, who will be saying the same things. How do I know they will be saying the same things? It is because I have heard them in the past saying those things. We would be wasting our time in the finance committee, which might be the intention of the motion, actually. We know that the finance department, and we know that from the Minister of Finance's spokesperson, is actually working right now on the same study. However, what they are claiming is a comprehensive tax review is nothing but a review of tax expenditures.

How many pages do tax expenditures take in the whole Income Tax Act? It is maybe a few dozen out of 3,000 pages. We have a system right now that is so complex, as I said, that nobody can really claim to master it all.

I think if the government really had guts and really had the intention of making sure that its commitment to simplify the tax system would be right, it would actually go many steps further. It might actually go, maybe not toward a royal commission, like the Carter commission, back in the sixties, but perhaps toward a blue ribbon commission that hired experts from various fields, including labour, business, and academia, and gave them the task of reviewing the system, because I have very limited faith in the finance department doing it.

I have very limited faith, not because I do not like the people who are part of it but because of the complexity of the task ahead of us, that the finance committee can actually do this work, because we do not have time to do it. We do not have the resources to do it, and we do not have the expertise to do it.

If the government was really serious, and it was not smoke and mirrors and was not just an empty promise that the Liberals will do little about, but claim they have respected, or simply break, because that is what we have witnessed since the government took power, they would look at the possibility of creating that blue ribbon commission, with members who are respected.

They might be divergent, in terms of belief or in terms of political leanings, but they will actually have the same objective, the same view, the same vision, which is to actually adapt an antiquated system, a system that was built in the mid-20th century, before computers, before the mobility of capital, and before globalization, and do what Carter did back in the sixties and adapt it for our times.

I dare the government to actually take that step. I dare the government to actually make us believe that it was not, once again, an empty promise to make Canadians feel comfortable about it but that it understands that we know the system is not fair.

Canadians have a decreasing trust toward the Canadian tax system. They do not believe it is fair anymore. They do not believe everyone is paying their fair share. Nobody likes paying taxes. We can all agree on this. It is always something difficult to accept. People will accept it if they know that their tax dollars are actually well spent, that they are spent for the common good, and that they are spent for the common projects we have in this country.

[*Translation*]

People will also accept it if they know that everybody is paying their fair share. When we talk to Canadians, one of the first things they say is that they feel they are being had, that there are two systems: one for the rich and one for them. The system for the rich, for the most affluent, is for those who can afford to pay some firms to tell them how to invest their money in the Bahamas, in Switzerland, in Luxembourg or in the Isle of Man, as we have seen, while they are required to pay.

Here is another example to illustrate how unfair the system is. Those people who hide their money away on the Isle of Man, in the Bahamas or elsewhere, knowing full well that they are hiding income from the taxman—if they get caught, they are told that it is no big deal, that they can simply return the money to Canada and pay the taxes that are owed and all will be forgiven. However, if a taxpayer who does not have the means to do that gets caught or even makes a technical mistake, it is a sure bet that the Canada Revenue Agency will not stop until that taxpayer has paid what he or she owes, in addition to interest and penalties.

We can therefore forgive taxpayers and Canadian citizens for thinking that there is a system for one class of people and another system for them.

● (1120)

[*English*]

The thing is that we tried to actually bring up this topic in the finance committee. We, the NDP. We did it in the past too with other NDP members of the committee. We are the ones who actually bring, constantly, motions to study the tax system and tax havens. The last was on the scheme involving KPMG and the Isle of Man.

The first meetings went fairly well, and I will say that all members were really into it. By the fourth meeting, basically all questions, except maybe from this side, were mainly softballs. That does not really help to increase the faith of Canadians in the system and the ability of this House to tackle this very important topic.

[*Translation*]

In brief, we need to remember that the issue currently being debated is one that the government itself brought forward, that is, the prospect of taxing benefits, such as health insurance and dental insurance, provided by employers. The justification for this was the need to conduct a systematic and thorough review of the tax system. When the pressure became too much, the Liberals rejected the idea. It was a trial balloon.

However, a systematic review of the tax system remains extremely important. It was promised by the government. What I am trying to say is that I am very afraid that this is just another promise like the one about electoral reform and all the others meant to persuade Canadians that the Liberal Party listens to their wants and needs. In the end, these promises were only meant to get people to vote for them so they could change sides and then manage expectations.

That is why I am hoping for real action from the government, either on the Standing Committee on Finance or through the department.

[*English*]

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, I appreciate the comments from the member. I agree that we need to take a holistic approach. That is, in good part, what the member was saying.

When we do that, when we apply that holistic approach to what the government has done, it is important to recognize Canada's middle class will in fact be advanced. The middle-class tax cut is significant, and nine million-plus Canadians will benefit from it. A special tax on Canada's wealthiest has been created. I suspect almost all members of this House would support that.

The Canada child benefit has a tax-free portion, and we can talk about the guaranteed income supplement. Both of those initiatives will lift tens of thousands of seniors and children out of poverty.

When a holistic approach is taken with the budget, including the tax measures that have been taken, this is a sound, fair budget that Canadians are receiving quite well.

I wonder if the member would at the very least recognize that there are always going to be areas in a budget that individuals will have some concern with. However, as a whole, this budget does deliver what the Prime Minister promised, a break for Canada's middle class and to deliver on important programs, such as our Canada child benefit and relief for our seniors.

Mr. Guy Caron: Madam Speaker, it started so well, because I agree with the member about the need for a holistic approach.

However, the end of the speech or question was not that great, because what he was talking about was the holistic approach, that need to take an exhaustive view of the tax system. This can be summarized as modifying tax rates a little and shuffling some funds that exist in the system. We are talking about the whole tax system of 3,000 pages; legislation of 3,000 pages that is so complex that experts who spend their lives studying it cannot claim to understand it.

Now the government is trying to claim that some of the measures they have implemented affect some tax rates and some programs, for which we have not seen much evidence, and actually the number of seniors being lifted out of poverty is contested. We know the tax cut for the middle class was not really for the middle class but more for the upper middle class and the well off.

This is what constitutes the exhaustive tax rate. The comprehensive tax review that they had promised is actually confirming my worst fear, which is that once again the Liberals are promising what they believe Canadians want to hear and now they are trying to manage expectations.

● (1125)

[*Translation*]

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Madam Speaker, it is always interesting and a pleasure to listen to my colleague from Rimouski-Neigette—Témiscouata—Les Basques.

The government prides itself on its so-called progressive tax cuts, saying how wonderful they are for all Canadians, but the hon. member knows full well that 65% of Canadians do not benefit from those cuts. People with an annual income of $45,000 or less are getting no tax cuts, when they are the ones who need it most. The people who benefit most from these tax cuts are those who earn an annual income of between $145,000 and $200,000. Someone who earns $200,000 a year is very far from being in the middle class.

I would like to know what a true progressive member like the hon. member for Rimouski-Neigette—Témiscouata—Les Basques thinks about this. In his view, are the Liberal government's progressive tax cuts really all that progressive?

Mr. Guy Caron: Mr. Speaker, I thank the member for his question. It allows me to again confirm that what this government is doing is an illusion. It makes a claim, tries to convince Canadians, and then tries to manage expectations.

The government promised a tax cut for the middle class. However, people with an annual income of $45,000 or less do not benefit from that cut. People earning $60,000 a year might get a bit of extra money every year. However, those who earn over $90,000 a year, those who earn between $145,000 and $200,000, and even those who earn up to $213,000 a year will get a tax cut.

We have tried to make suggestions. To make the government's tax cut truly about the middle class, we suggested not changing the tax rate for Canadians in the second tax bracket, which begins at $45,000, and instead apply the tax cut starting at $11,000. Those earning less than $11,000 do not pay tax because of the basic exemption. The biggest cuts would start at $11,000, and Canadians earning $45,000 would get the cuts as well. People like us would pay more tax. We have the means.

This government turned a deaf ear to these proposals and ended up in a situation where most people are not benefiting at all from the tax cut. In fact, roughly 20% of the population, the wealthiest Canadians, are receiving the maximum.

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Mr. Speaker, I thank my colleague for his excellent speech. I share his feelings about the urgency of reviewing the Income Tax Act in its entirety. Ignorance of the law is no excuse; that is the very essence of our society under the rule of law. Everyone is supposed to know the law. In our legal system, we assume that this is the case.

The Income Tax Act, however, is 3,000 pages long and is relatively complex, as my colleague has just explained so well. Even tax experts cannot claim to understand the act in its entirety, with its 3,000 pages and thousands of sections.

In addition, we are witnessing major technological changes today; in a few seconds, we can transfer funds from one country to another, from one branch of a company to another. This is what we are seeing at present all over the world; the profits of multinational corporations are reported in countries other than the ones where the actual economic activities are going on.

Can my colleague comment on this aspect of the new ways of the world and tell us whether there are solutions to this problem?

Mr. Guy Caron: Mr. Speaker, I thank my colleague from Sherbrooke for his question, which is very much on point. He is correct.

The Income Tax Act is 3,000 pages long, but not because the government thought it would be fun to add some pages. It is because people started taking advantage of the interpretation of the act, and so they took advantage of vague wording in some parts of it to find loopholes.

Since that time, the government has constantly been trying to catch up to those interpretations and loopholes, and so the pages have piled up. In the last Parliament alone, about 1,000 pages were added to the Income Tax Act, primarily interpretations by the Canada Revenue Agency concerning loopholes that had been brought forward and ways of fixing them. There is a fundamental problem in this regard. Our system is so ill-suited that we constantly have to be catching up to the people who are able to take advantage of that complexity.

We are also behind when it comes to international tax policy. There have been tax havens since the 19th century and we have never taken them seriously. The problem accelerated with computers, capital mobility, and globalization. We have never adapted to this situation. We find ourselves with an ever-increasing segment of incomes that we could have access to and that is virtually untaxed, because of this lack of agreement at the international level.

I must say, however, that from what I have seen on the part of the OECD, we are going in the right direction. It is a slow direction, unfortunately, because of the systematic obstruction that some countries, including Canada, have mounted in recent years against the efforts made by other countries. However, we are going in the right direction and I hope the present government will encourage these efforts. These efforts are essential in order to make sure that incomes are being properly taxed where they are received.

● (1130)

[*English*]

Ms. Filomena Tassi (Hamilton West—Ancaster—Dundas, Lib.): Mr. Speaker, I am glad to hear that my colleague believes we are moving in the right direction. I believe that as well.

As the member for Winnipeg North stated previously in his question, we have focused on the middle class and those striving to get there and our government is proud of that. We have done that through our tax cut. We have done that through the child benefit and the guaranteed income supplement. We are moving hundreds of thousands of people out of poverty.

With this constant focus on the middle class, what is the root of the thinking that this government is going to put this tax on these benefits? Where does this speculation come from?

Mr. Guy Caron: Mr. Speaker, at the start of my remarks I quoted the spokesperson for the finance minister, who actually said the government was considering it as part of its comprehensive tax review. The government put forth a trial balloon to see what reaction it would get. When a trial balloon is put forward it is because a measure is being considered. Trial balloons are not put forward if there is no intention of putting a measure forward.

In terms of my colleague's first intervention, I would like to simply specify that I do not believe the government is going in the right direction unless she is talking about the creation of a smokescreen. That is the direction I believe the government is going in.

Ms. Marilyn Gladu (Sarnia—Lambton, CPC): Mr. Speaker, I will be sharing my time with the member for Renfrew—Nipissing—Pembroke.

We hear again and again, day after day, about how the government is going to help the middle class. The Prime Minister stands whenever he is here to talk about the middle class. I am not sure that anybody can believe anything that comes out of the Prime Minister's mouth, because he has not been very good at keeping his promises. Remember, this is the guy who promised just a little $10-billion deficit and to balance the budget within the mandate. Now we will see maybe $30 billion this year, and stretched out to 2055 that we will be in deficit.

This was the guy who was going to restore home mail delivery. We have not seen that yet. The various promises go on and on, such as the last election under first past the post. I could spend my whole 10 minutes talking about that, but that is not the point. The point is that the Liberals talk a lot about the middle class, but really do not even know who is in the middle class. I might be able to help with that.

In my opinion, the middle class is made up of people who are not poor and not the richest. In our country, we have a definition of who is poor: single people who make less than $23,000 or families who earn less than $40,000. We know who is rich. Those are the people in the highest tax bracket, which might be north of $138,000. There is a really good way to help the finance minister, who seems to have so much trouble figuring out who is in the middle class, so that Liberals could understand whether they are really helping them.

The latest suggestion is that they are going to put a tax on health and dental benefits, striking at the heart of what is important to Canadians. Canadians value health care. They think everybody should have access to basic health care. People need to be able to buy prescription drugs and get their teeth fixed, things the government should not be interfering in, because there will be serious consequences if we start taxing these kinds of benefits.

First, some employers are already squeezed. I will rage on that later in my speech. It does not take too much to get to the tipping point, when they will refuse to offer benefits anymore. Then there will be people who will not have any benefits at all. This is a horrible situation that many Canadians are already in, that they do not have benefits to start with.

Then individuals are going to have to pay an extra $1,000. My colleague, the member for Carleton, mentioned that people making $45,000 would have to pay an extra $1,000 if this tax were put in place. These people simply cannot afford to have additional taxes put on them. That is not to mention the fact that if taxes are put on these types of health benefits, with some people being less well than others and having a lot of health benefit claims, that would drive employers in a direction that is very dangerous in terms of determining whether they would provide coverage to someone who is extremely unwell. This is just a bad idea.

I was extremely happy to hear the Prime Minister state that the government was not going to follow through with this tax. However, with the question being asked 14 other times, hearing the skippity-do, getting no real answer, and then having everybody who responded to questions about that after the Prime Minister do that same dancing routine, I am a little concerned. It is definitely a bad idea and we do not want that, because people are already overtaxed.

A former member talked about the complexity of the tax act, the number of pages, and how nobody can really understand what is in it. When Canadians see their tax bills this year, they are going to be hugely surprised. All the rhetoric has been that the Liberals are helping the middle class, they have created a great child benefit, and they are lowering taxes on the middle class. They are giving people $900 and then taking away $1,100 for CPP taxes.

People with two kids in university would lose $10,000 of tax credit for education and another couple of thousand dollars for books. People who have two or three kids in hockey would lose nearly $3,000 of tax credit. A full-time employee whose spouse only works part time now cannot do income splitting. That is maybe $13,000. When we start adding all of that up, we are talking about thousands and thousands of dollars in additional taxes that people who have not been paying attention would not be aware of. When they get that bill, I think there will be rage in the machine for sure, because it is totally unacceptable.

● (1135)

On top of that, the Liberals want to squeeze small businesses, the generators of jobs. The whole point of going into deficit was to create jobs. Not one net new full-time job was created, but that was the whole point of all this spending. They started taxing small businesses, and that is another broken promise. They did not reduce the tax rate for small businesses. Then on top of that, the Liberals have added the CPP costs to employers, another cost that small businesses will have to bear. Now they are talking about a carbon tax. It is never ending.

The carbon tax will drive prices up on everything for everybody, for the people of Canada as well as for employers. When business people see their taxes this year, they are very squeezed. With what is happening in the U.S. right now, we are becoming uncompetitive. The U.S. is going to lower corporate and personal taxes, and it does not have any carbon tax. I do not know what is so complicated about this, that somebody who is supposed to be the finance minister cannot figure out this will make us uncompetitive.

I will give some specific examples from my riding that might help illustrate how this goes. With the threat of the Ontario cap and trade carbon tax, the $100 million expansion at CF Industries in my riding was cancelled. The company was quoted as saying it was for that reason. My riding has a $2 billion project with NOVA Chemicals that is scheduled to go ahead. It may create as many as 3,000 jobs in my riding. The company has said that with two levels of carbon tax, that project will likely go to the Gulf Coast. That is 3,000 Canadian jobs moving south. The carbon footprint does not leave the planet, but 3,000 jobs are moving south.

CF Industries takes natural gas and turns it into carbon dioxide and fertilizer. With the new carbon tax, it will be hugely burdened, and there is no way it can do anymore than it has already done. In the last 10 years, the company has made exponential reductions in its emissions and its environmental controls, and it is at the limit of its technology. With this extra carbon tax, we expect the facility will be shut down and will open its expansion in Donaldsonville, Louisiana where there is no carbon tax and there will be lower taxes for the corporation. Once again, the carbon footprint is not leaving the planet, just Canadian jobs.

In addition to that, I have a number of refineries in my riding. I hear the Minister of Environment and Climate Change say on a regular basis how Shell definitely supports a price on carbon. The refinery manager in Sarnia—Lambton believes that with the two levels of carbon tax we will see and the environment right now for oil and gas, the company, which has six other plants in the U.S., could de-bottleneck and shut this facility down just like it shut the facility in Montreal a few years ago.

I hear the rhetoric, but once again, that carbon footprint will not leave the planet, but jobs from Canada will move to the U.S. The carbon tax is a bad idea, and the government really needs to rethink that in light of what is happening in the south.

The Liberals are getting a lot of advice from people telling them what to do. The Chamber of Commerce is the representation of all our businesses across Canada. It has said that a carbon tax is a bad idea as are these health and dental taxes. The Liberals are getting that input from the chamber. They are getting it from the Canadian group of municipalities, the FCM. All of these people are giving the government excellent advice, saying that it should not do these things, that they are bad for small business, which creates most of the jobs, and for the people. I do not know about the other MPs here, but I get letters on a daily basis from people complaining they are on fixed incomes and have no more room to move.

I am happy for an opportunity to talk today, but I wish somebody on the other side of the aisle were listening and would actually take action, do the right thing for Canadians and eliminate the carbon tax, reduce the tax burden on people, and reduce the tax burden on small businesses, so we could do what the government was elected to do, which is create jobs for Canadians.

● (1140)

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the government is listening to what Canadians are saying. That is one of the reasons why we have the tax cut for Canada's middle class, which will impact over nine million Canadians.

The member referenced people on fixed incomes. Thousands of Canada's most vulnerable seniors will receive a significant increase in the GIS, not marginal increases that we witnessed while the Conservatives were in government, to the degree in which some of our poorest seniors will receive an additional $900-plus a year. That is a lot of money for some seniors.

The member spent a lot of time talking about the price on carbon. Will the member not recognize that the price on carbon is already instituted in many of Canada's provinces and Ottawa does not generate one penny that goes into federal coffers? It is something that goes into the provincial coffers and if the provincial governments want to, they can give that money back through all sorts of tax breaks. Does the member not agree to allow provinces to have that option? Does she not agree that it is good to see national leadership on the environmental file, which has been lacking for the last 10 years plus?

Ms. Marilyn Gladu: Mr. Speaker, first, I need to correct the member opposite because $900 a year is not really that much. It works out to about $60 a month. For seniors in Ontario who are living on a fixed income, Kathleen Wynne just increased their hydro bill by about $200. Therefore, that is simply not enough for people on a fixed income. I do not know why the government would not know that. Gerald Butts was the brainchild behind the system that caused the price to go so high so our seniors could not afford to pay for their heat. Let me correct you on that one.

With respect to the price on carbon, I am aware that other provinces have models in place. We are not talking about that. We are talking about adding on to the burden. The last thing the government needs is more revenue that goes into its wasted programs that are not creating any jobs.

On the carbon footprint, am I happy about helping the planet? I want to help the planet, but does the member understand that Canada's whole footprint is 1.6% of the carbon footprint of the planet? We can eliminate the whole thing and it will not solve global warming. Sixty per cent of the footprint is the U.S., India, China, and Europe. China is building 24 coal plants. The U.S. has just said that it is reintroducing coal. India just built the biggest coal plant on the planet. If we are really serious about helping the planet, we should leverage Canadian emissions reduction technology to those other people to help them resolve their huge carbon footprint problems. That would really help the planet and that would create Canadian jobs.

● (1145)

The Assistant Deputy Speaker (Mr. Anthony Rota): Before I go to questions and comments, When the hon. member said "let me correct you", I did not realize I had made a mistake. I am sure she meant the hon. member for Winnipeg North. I just wanted to clarify that.

The hon. member for Sherbrooke.

[*Translation*]

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Mr. Speaker, I thank my colleague for her speech. One of the questions I ask myself most often when I hear the Liberals talk about the middle class is just how sincere the Minister of Finance and the Prime Minister are. They talk about middle-class people and they say they want to help them, when both of them are very far removed from the experiences of the middle class, particularly when we know that the Prime Minister spends his free time with billionaires.

I would like to know what my colleague thinks about the sincerity of the words we hear from the Prime Minister and the Minister of Finance, a man who comes straight from Bay Street, when it comes to the help they want to offer the middle class and their understanding of the day-to-day lives of middle-class Canadians.

Ms. Marilyn Gladu: Mr. Speaker, I thank my colleague for his question.

[*English*]

When it comes to the middle class, I agree. The Minister of Finance and the Prime Minister have no idea who the middle class are because they fraternize with billionaires. It is very suspicious to me as well when I hear that the finance minister has dealings with a business called Morneau Shepell, which is hugely into dental and health benefits are things that are involved in pension plans, and that he is involved in striking up legislation. That speaks of conflict of interest to me. Therefore, I do not think they are in touch with the middle class or with conflict of interest rules.

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, I rise on behalf of my people of the riding of Renfrew —Nipissing—Pembroke in this unfortunate debate regarding the latest tax target of the federal government, the 13.5 million Canadians who have private health care plans.

Increasing the tax burden on ordinary working Canadians represents a fundamental shift from the tax policy of our previous Conservative government. Under a Conservative government, the policy was to decrease the tax burden on ordinary working Canadians, particularly Canadians in the low to mid-income range.

While giving lip service to the middle class, Liberal policy favours wealthy Canadians, the type who can afford to pay the high admission cost to the pay-to-play fundraisers used by lobbyists to gain special access for preferential tax treatment.

The tax changes in the last Liberal budget resulted in the maximum tax break going to individuals with income between $89,000 and $200,000, with some people with an income over $200,000 seeing their taxes reduced also. So much for believing anything this government says when it comes to tax fairness. The Prime Minister's vapid talking points on the middle class is another fake promise from a party that wrote the book on fake news.

One of the first acts of our government was to create the parliamentary budget officer. The PBO is a non-partisan agency with a mandate to provide financial information to parliamentarians and all Canadians in a factual manner. The PBO has documented for all Canadians the fact that low and middle-income earners benefited the most from Conservative tax policy. Conservatives returned billions of tax dollars back to Canadians, and we did so with a balanced federal budget.

Those tax changes included reducing the GST for all Canadians, a tax reduction that has been wiped out by the federal carbon tax and the decision by the Liberal Party to increase the tax burden on families by eliminating Conservative family-friendly tax credits. Our tax changes, as noted by the non-partisan PBO, were progressive, benefiting low and middle-income earners the most.

The PBO identified low and middle-income earners as households where the annual income was between $12,200 and $23,300 a year. Those incomes are much less than the $90,000 the government thinks is middle class. The irony is that the wealthy friends of the Liberal Party, who attend the Liberal pay-to-play fundraisers, are some of the high-income earners who fled the country with their capital when the Liberals took office, in the largest flight of capital since records began to be kept.

Low to middle-income earners enjoyed a real increase in their after-tax income at a rate higher than the richest 10% of Canadians, with Conservatives in government. Conservatives are the best friends of millions of everyday Canadians with just an average size paycheque.

Canadians, for the first time, are net creditors of the United States and have much to lose by the amateur way the government is conducting relations with our largest trading partner.

The Liberal tax targeted at health plans is the latest example, like the elimination of the family-friendly tax credits, and demonstrates, once again, the Liberal Party appetite for new taxes is insatiable. It will not stop until every last dollar in the pockets of taxpayers has been gobbled up.

The latest tax target, the subject of today's supply motion, is employer-sponsored health plans. The Liberals are looking to treat health plans as income, and tax them as income.

Health plans cover important preventive care measures like vision care, mental health services, prescription drugs, and physiotherapy. Taxing health plans could very well end up costing taxpayers money in addition to health care costs. As health care is a provincial responsibility, it is a sneaky way of implementing a tax grab and then downloading the social cost of this tax policy onto the provinces. It is sort of like the carbon tax two-step the feds just negotiated with the provinces, so the provinces would get blamed for their new tax on everything carbon taxed.

When the Province of Quebec began to tax these health plans, companies cut back and the number of people with additional health coverage dropped. With an aging population, the last thing we need is for Canadians to have less health coverage.

● (1150)

Just as with the Netflix tax, the Liberals are trying to spin this new tax by saying it is about fairness. For Liberals, the fair solution to any problem is for everybody to pay higher taxes.

Once again, the reckless spending of the Liberals is putting Canadians' health at risk. We need to tell the Prime Minister that health plans should not become the latest Liberal tax target. Liberal plans to tax employer-sponsored health plans will be especially painful for retired Canadians on fixed incomes.

Some companies still offer health benefits to retired employees. While more companies require pensioners to pay for portions of their health benefits, they still provide large tax-free benefits. According to a Conference Board of Canada report, the average cost to a company to provide a plan is about $8,330. Depending on how much pensioners contribute to their health plans, they could have an additional tax burden of $800 to $1,600 per year.

For pensioners on fixed incomes in my riding of Renfrew—Nipissing—Pembroke, already facing the January 1, 2017, federally mandated Kathleen Wynne carbon tax, this new health tax could wipe them out financially. If they opt out of the health plans to avoid being hit with this tax, they put their health at greater risk.

Seniors' health is already being put at risk by energy poverty. They do not have the luxury of avoiding the cold by spending a lavish holiday on a private island paid for by a wealthy friend in the Bahamas, as the Prime Minister did. The Liberal Premier of Ontario wants seniors in my riding to spend their winters in a cold, dark house, because the high cost of electricity means they are afraid to turn on the lights or the heat.

Retired Canadians paid tax all of their working lives, and much of it went to pay for Pierre Trudeau's reckless spending. Having worked hard their whole lives, now they will be punished for the son's reckless spending.

If this new health tax could hurt any of the Canadians who are listening to this debate, I ask them to share this information with anyone else they know who could suffer from this tax as well. We can stop the Liberals from sneaking this new tax into this budget, but only if more Canadians know about it and speak out.

The Liberal scheme to tax employer-sponsored health plans would disproportionately harm employers. The Liberals have never been fans of small businesses. They attacked them during the election. The Prime Minister cancelled planned cuts to the small business tax rate, and is now telling some businesses, such as family-owned campgrounds, that they are too small to qualify for a business tax rate for small business. If that is not enough, taxing health plans might hammer the final nail into the coffins of many employees of many small businesses.

When Quebec started taxing employer-sponsored health plans, it saw a 20% drop in the number of businesses providing coverage. Broken down by size, 26% of the companies with fewer than 20 employees stopped providing health plans, while only 7% of the companies with 500 or more employees dropped their health coverage.

After hearing from a number of small business owners who are worried about being the latest Liberal tax target, it is easy to understand why this tax will burden small businesses more than large corporations. Small businesses that can afford to provide health benefits do so by purchasing group insurance plans. The more employees enrolled in the group plan, the cheaper it gets to provide coverage to each employee. A minimum number of employees is required to qualify for a group plan, and it could be that if someone opts out the minimum level for a plan would be too low for anyone in the business to be covered. What is worse, if the health plan gets more expensive, the Canada Revenue Agency, which the Minister of Finance empowered in the last budget to raise billions more in taxes by increased tax enforcement, might argue that the value of the benefit has increased and tax those left in the plan even more. If the tax rate goes up, more people drop their plans, and the group plan costs go up, on and on in a downward spiral until the company drops the plan altogether.

Just like the Liberal carbon tax, a tax on private health care and a Netflix tax will raise prices for Canadians while undermining innovation and leave us at an economic disadvantage.

Bad spending does not justify tax increases. The time has come for the current government to quit mortgaging the future of our young people.

● (1155)

Mr. David de Burgh Graham (Laurentides—Labelle, Lib.): Mr. Speaker, it seems fairness is allowing the member to present her alternative reality.

We were quite clear yesterday that the tax on the health plans would not be coming through. I wonder what other ideas she has of what we are going to do that we have no intention of doing.

Mrs. Cheryl Gallant: Mr. Speaker, the truth is that one cannot trust a Liberal promise, and it was only said in passing. We are going to hold them to what they said. As the tax rate goes up, more people drop their plans.

Many small business owners told me how proud they were when their business had reached the point where they could provide additional health coverage to their employees. As in most small businesses, the owners work alongside their employees day in and day out. They are friends, and in many cases, like family. They worry about the choices that they might be forced to make. Will they have to cut the health plan and pay payroll taxes, or keep the plan and lay somebody off? Healthy employees are good for business.

[*Translation*]

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Mr. Speaker, I thank my colleague for her speech. I think she gave a very good answer to my Liberal colleague's question.

In light of what was announced yesterday, how can we rely on a single word that comes out of the mouth of a Liberal minister or a government member, when, from one day to the next, they deny what they say, they renege on promises, and they change their minds without giving anyone any notice?

The government's word certainly took a heavy hit yesterday, when the Liberals announced that they were not going to keep one of their clearest and most solemn promises of the election campaign: to change the electoral system. I know that my colleague from Laurentides—Labelle is also very familiar with the subject of electoral reform.

Does my colleague believe that we can rely on the Liberals' word when they announce they are going to do something or they are not going to do something?

● (1200)

[*English*]

Mrs. Cheryl Gallant: Mr. Speaker, a Liberal government can never be trusted. The Liberal government's spending is so out of control that the finance department released a report days before Christmas projecting federal budget deficits until 2050. Two years ago, under a Conservative government, that same finance report said that Canada could have its entire national debt paid off by 2050.

With deficits as far as the eye can see, it is no wonder Liberals are trying to find new things to tax and new ways to tax them. Previously, the latest Liberal tax target was foreign digital streaming services like Netflix. The Liberals would like to force Netflix to start charging us HST on our monthly bill, and they are claiming it is all about fairness. They claim that, because Canadian companies like Bell have to charge HST for digital streaming services, foreign companies should charge HST too.

Of course, Liberals think the fair solution is to raise taxes rather than cut taxes for all Canadians.

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Mr. Speaker, the government is studying every tax credit. Does the member think it would be a good idea to cancel the public transit tax credit, the volunteer firefighter tax credit, and the tax credit for charitable donations?

Mrs. Cheryl Gallant: Mr. Speaker, I would hope that my colleague would not give the Liberals any more ideas on where to raise taxes. Of course, they are going to find it somewhere. If they are not going to be taxing health plans, they will tax dental plans, or they will start taxing pop and fruit drinks. Even the people who avoid the sin taxes are swept into the net tax as well.

Ms. Jennifer O'Connell (Pickering—Uxbridge, Lib.): Mr. Speaker, I will be sharing my time today with the member for Oakville North—Burlington.

Mr. Speaker, I thank the hon. member for his motion. As the Prime Minister clearly stated yesterday in the House, the government is not considering taxing health care and dental plans. However, I am delighted to take this opportunity to speak to some of the measures we have taken to support and strengthen Canada's middle class since we took office in late 2015.

Our government is committed to growing the middle class, as we believe that a strong economy that works for everyone starts with the middle class. That is why building an economy that works for middle-class Canadians and their families is the government's top priority. Budget 2016 introduced measures that built upon the progress that we launched with the middle-class tax cut, which I will return to shortly. In particular, budget 2016 announced the introduction of the new Canada child benefit. The CCB is simpler than the system it replaced. It is fully tax-free, more generous, and targeted more effectively to those who need it most.

Nine out of 10 families are receiving more in child benefits than they did under the previous system. For the 2016–17 benefit year, these families will see an average increase in benefits of almost $2,300, or about $190 extra per month.

The first CCB payments were issued last July. More than 3.2 million Canadian families receiving these monthly payments now have increased means with which to raise their children. With the introduction of the CCB, about 300,000 fewer children will be living in poverty in 2017, compared with 2014. This translates into a reduction of about 40% in overall child poverty, which is a major step forward toward the goal of ensuring that all children in Canada have a fair chance at success.

Finally, by indexing the CCB to inflation, starting in 2020, we will ensure that families can continue to count on this support over the long term.

Even before budget 2016, one of the first actions we took after becoming a government was to introduce a tax cut for the middle class. This tax cut is already benefiting nearly nine million Canadians. By reducing the 22% federal income tax rate to 20.5% for 2016, and subsequent taxation years, single individuals who benefit will see an average tax reduction of $330 every year and couples who benefit will see an average tax reduction of $540 every year.

To help pay for this important tax relief for the middle class, the government raised taxes on the wealthiest Canadians by introducing a new top income tax rate of 33% for individuals with a taxable income of more than $200,000 per year.

We also undertook further measures to ensure that the tax system is fair for middle-class Canadians. For instance, we introduced measures to address underground economic activity, tax evasion, and aggressive tax planning, as well as measures to improve the government's ability to collect outstanding tax debts.

Budget 2016 announced legislative and other actions on both the international and domestic fronts to enhance the integrity of Canada's tax system.

Also, to ensure the tax system is fair for Canadians, efficient, and fiscally responsible, we are undertaking a review of the tax system to determine whether it works well for Canadians, with a view to eliminating poorly targeted and inefficient measures.

Our government also wants to ensure that Canadians who work hard all their lives are rewarded with a secure and dignified retirement; so we are helping Canadians realize this goal. Budget 2016 increased the guaranteed income supplement, or GIS, top-up benefit by up to $947 annually for low-income single seniors, who are much more likely to be low income than seniors generally. This enhancement more than doubles the current maximum GIS top-up benefit and represents a 10% increase in the total maximum GIS benefit available to low-income single seniors. We also cancelled the previous government's increase to the eligibility age for OAS and GIS benefits, which will put thousands of dollars back in the pockets of Canadians as they become seniors.

● (1205)

We also took steps to enhance the Canada pension plan. Last June, the federal government and our provincial and territorial counterparts came to a historic agreement to enhance the CPP to ensure that future generations of Canadians can count on a strong public pension system in their retirement years.

At maturity, the CPP enhancement will increase the maximum CPP retirement benefit by about half, which in today's dollars will represent an increase of nearly $7,000, to a maximum benefit of nearly $20,000. Because of this, more Canadians will spend more time with their grandkids, rather than worrying about how to pay their rent. The Government of Canada looks forward to the provinces issuing the necessary orders in council to bring the legislation into force shortly.

We have made important progress, but we have more work to do. Canada must look to the future and provide middle-class families with the confidence, tools, and opportunities to ensure that they have a real and fair chance at success. Our government will build on the successes of the past year or so, and we will continue to make smart and necessary investments to spur long-term growth and strengthen the middle class.

Mr. Scott Duvall (Hamilton Mountain, NDP): Mr. Speaker, I was very happy to hear yesterday's announcement that the Prime Minister is not considering taxing health and dental benefits, but why should we believe that? The reason I am asking that question is there have been many times when the government made commitments to the people of Canada, such as the 20,000 steelworkers in Hamilton the government said it would use every tool in the tool box to help, but so far it was been missing in action.

The government boasts and brags about its commitment to the Canada pension plan enhancement, but it has now turned around and excluded the dropout periods for child-rearing and for people with disabilities, which is a very important provision in the enhancement.

Yesterday we found out that the government is now reneging on its promise to Canadians on electoral reform, even though it has been mentioned 1,813 times.

Could the member tell us why we should believe the government now when it has broken promises before?

● (1210)

Ms. Jennifer O'Connell: Mr. Speaker, it is clear that our government, as stated in my speech, has in fact delivered on many of the commitments we made.

Right away our first actions were on the Canada child benefit. It is fairer for Canadians. It is tax-free and does more for families. Another thing we did is we introduced a middle-class tax break.

In terms of the CPP dropout provisions, I have to be clear it is contrary to what my hon. friend is saying. The minister acknowledged and said he would raise dropout provisions with his provincial and territorial counterparts. We are committed to helping the middle class and those working hard to join it.

The actions this government has taken in just over a year have delivered on those principles.

Mr. David Sweet (Flamborough—Glanbrook, CPC): Mr. Speaker, I do not think my colleague was around when these measures were actually taken, but the previous government under Prime Minister Harper initiated the largest single increase in the GIS for seniors in 25 years. We increased the age exemption twice. We increased the personal exemption three times. We introduced pension income splitting. The late Jim Flaherty introduced the shared pension plan, which somebody could voluntarily opt into in order to have a secondary source of pension income. As well, of course, there was the TFSA which was the single greatest enhancement of pension income since the RRSP.

With all of that said, the initiative that the Liberal government is taking is to increase the deficit by 300% more than what it said it would. Who does the member think is going to pay for that when that debt finally becomes due? Does the member realize that the youth who are growing up right now are the ones who eventually will pay for that?

Ms. Jennifer O'Connell: Mr. Speaker, my colleague is absolutely correct in that I was not here during the previous government when it made those changes, but I was a member of a municipal government previously in Pickering in the riding that I represent. I often heard from seniors who had to choose between paying for their medication or paying their rent or electricity bill. The measures which the previous government took were not working. The previous government was out of touch with what ordinary Canadians were concerned about with respect to the expenses they had to choose between.

The previous government also promised to balance budgets and it never did so. Middle-class Canadians were being left behind. Our government committed to fixing that. I am proud of the changes that we have made to the previous government's initiatives.

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, it is with pleasure I rise to debate the motion advanced by the Conservatives. I expected there might have been a change to their plans overnight, given the comments from the Prime Minister.

It is an interesting process. The Conservatives like to give a bit of a scoop, that the Liberals will do this or the Liberals will tax that, but they have really lost the theme of what this government has been telling Canadians. Maybe I should remind them.

One of the very first things this government did was to make it clear that we are here to serve Canada's middle class and those who are striving to become a part of Canada's middle class. That was demonstrated very clearly in the very first piece of legislation we introduced, which was to implement that tax break. It is interesting to note that the Conservative Party voted against the tax break for Canada's middle class.

The Conservatives can say what they will, but whether we are talking about our health care workers, many of our factory workers, many of our first time responders, Canada's core middle class was given a tax break. That tax break put money into the pockets of Canadians, and the Conservatives voted against it.

I would suggest that we do not have to take any advice from a Conservative Party that has lost touch with what Canadians are thinking and what Canadians want. I truly believe that the Conservatives have lost touch with Canadians. At the end of the day, if we look at the overall presentation that this government has made on budgetary policy, the biggest benefactors will be Canada's middle class through that tax break. There is also the Canada child benefit plan for our children, the additional dollars that are being spent on that program. The Parliamentary Secretary to the Minister of Finance expanded on that quite well, I think. We are going to lift tens of thousands of children out of poverty because of that plan.

We could talk about the GIS, something which I have spoken about in the House on numerous occasions. Again, there is a substantial increase in what some of the poorest and most vulnerable seniors in Canada from coast to coast to coast are receiving. For poorer seniors, there is in excess of $900 a year more going into their pockets.

That covers just a few initiatives that were presented by this government in the last year.

On the other side, the Conservatives now realize they kind of blew it on this health tax idea, and personally, I think they were the ones who were thinking of it. It had nothing to do, from the best that I can tell, with the Government of Canada looking into it, and the Prime Minister made it very clear yesterday that we are not moving ahead with any sort of tax on health and dental plans.

Having said that, they brought in a friendly amendment, which was accepted by the Conservative Party. It was an internal change that they made and accepted. Now they want to focus on small businesses. The Prime Minister just finished going to town halls across Canada. I had the good fortune to have him show up in Winnipeg to participate in one of those town halls. That is real accountability. Please correct me if I am wrong, but can the Conservatives tell me when the former prime minister, Stephen Harper, did anything of that nature?

The former prime minister was inside a glass bubble and Harper did not go outside of it. Now we have a Prime Minister who is not scared of accountability, who believes in transparency. We have seen demonstrations of that ever since the last federal election back in October 2015.

● (1215)

What we hear is very real, because it is coming from Canadians. It is not only the Prime Minister of Canada who has town halls. He has challenged all members, particularly members of the Liberal caucus, to stay connected with their constituents. We do that in many different ways.

I will now reference something that I have commented on in the past. The Conservatives and New Democrats talk about small businesses. If we were to ask small businesses what they want more than anything else, they would say they want customers. The best way to get them more customers and more consumer spending in their stores is to ensure that they have more disposable income. That is, in fact, what this government has delivered through its tax breaks to Canada's middle class and those striving to become part of it. Hundreds of millions of extra dollars are going into the pockets of Canadians that are allowing them to increase their disposable incomes just through that program, not to mention the other two programs I mentioned.

Combined, the billions of dollars that are now in the Canadian economy are a direct result of this government's policies to put more money in the pockets of the middle class, which allows more money to be spent in the economy. Liberals believe that, ultimately, if there is a healthy middle class, there will be a healthier economy. That is, really and truly, what Canadians want. If the Conservatives would go outside of the former Harper bubble, or possibly the Ottawa bubble, and actually consult with constituents, they would find that the important issues before us today that people are really concerned about are issues like jobs and the economy, which continue to be of the utmost importance for this Prime Minister and this government.

The Minister of Finance, now with the new Parliamentary Secretary to the Minister of Finance, has done a phenomenal job reaching out to Canadians in many ways to ensure that the ideas being generated for discussion in cabinet, in the Liberal caucus, or within the chamber are ideas being generated by average Canadians. That is why I believe that we will be able to deliver a budget in due course that will reflect the wants and needs of Canadians.

We talk about tax fairness. There is no doubt that Canadians, as a whole, want tax fairness. I have heard members from the New Democratic Party talk about it, in particular. The last budget recognized, as I believe most of Canada's wealthiest people recognize, that they, too, have an obligation to pay for the many different programs that Canadians expect to be put in place and supported. That is why we increased the tax on Canada's wealthiest.

What I find most interesting about all of this is that even though there are substantial increases in taxes, in other cases substantial tax decreases, and, as I just referenced, an increase in tax on Canada's wealthiest, which we on this side understand and take that holistic approach, time after time, members across the way vote against these types of initiatives. If we listen to members across the way talk about tax fairness or dealing with the inequity of the distribution of wealth in Canada and then look at the actions of this government, it is somewhat confusing as to why they would not, at the very least, support some of the actions in a more tangible way.

A number of members on the Conservative side have talked about the deficit. The best way I can reassure all who might be listening is for them to realize that no one added more to the debt than former prime minister Stephen Harper, a total debt well in excess of $150 billion. We do not need to take lessons from the Conservatives. When Mr. Harper took office he actually had a multi-billion dollar surplus. He converted that awfully quickly to a deficit, and he never did get to a surplus position.

● (1220)

Mr. Jamie Schmale (Haliburton—Kawartha Lakes—Brock, CPC): Mr. Speaker, I appreciate the words from the other side. They are very comical at some points.

I want to talk about the travelling road show the Prime Minister went on after he got caught going to a private island. We heard the tearful pleas of a woman in Buckhorn, formerly in my riding, Kathy Katula. “I now not only work 75 hours a week, I stay and work 15 hours a day just so I don’t lose my home”.

She is the mother of four, with three grandchildren. She asked the Prime Minister how she was supposed to afford a hydro bill that has risen above $1,000 a month, and asked him to justify the federal government's planned carbon tax. His answer was that hydro matters are a provincial matter, and the government's plan to put a price on carbon pollution was necessary to fight climate change.

Talk about out of touch. The government's one-sided solution, government knows best, is taking more money out of people's pockets, giving them less and less to live. How is taking away options for people to make educated choices on matters that pertain to them a good idea? How is taking more money out of people's pockets a good idea?

● (1225)

Mr. Kevin Lamoureux: Mr. Speaker, it is interesting that the member across the way made reference to the travelling road show. I can assure the member that the thousands of Canadians who participated in the national town hall tour the Prime Minister took saw the value of it. They got engaged. I suspect even the individual the member just made reference to appreciated the fact that she was able to pose the question directly to the Prime Minister. It is something Stephen Harper never did.

On the issue of the price on carbon, I am always happy to talk about it. I am fearful though, Mr. Speaker, that you are going to stand up right away and I will not be able to provide the details. However, suffice it to say that not one dime from the price on carbon is coming to Ottawa. That money is actually going to the provinces, and if the provinces wanted to, they could do whatever they want. They could give additional tax breaks to their citizens if that is what they so choose. I think that would be positive.

What we are seeing is strong national leadership on the environment file. The Prime Minister should be applauded for that.

Ms. Irene Mathyssen (London—Fanshawe, NDP): Mr. Speaker, I note that the government brings about whenever things get a little hot in this place and they are in trouble. I would suggest that the government got caught in its plan to pick the pockets of taxpayers with this proposed health benefit tax. If they truly wanted to do something to advance health care, to make sure that Canadians have the proper health care they so richly deserve, they would look at pharmacare. There are no plans to look at pharmacare. There is nothing but a lot of noise and wind.

When it comes to these town halls, last summer the government encouraged all of us to have town halls regarding electoral reform. I had such a town hall, and of the people who gave up their Sunday afternoon to come and talk to us, 85% of them very clearly said they wanted proportional representation. They wanted electoral reform. Now, it is all gone.

Twice, the taxpayers' pockets have been picked. Number one is with this proposed health tax. Number two is with these town halls, which cost a great deal of money for no purpose at all.

Mr. Kevin Lamoureux: Mr. Speaker, I believe the member is wrong in her assessment. The Prime Minister made it very clear yesterday. The Conservatives and NDP can conspire, whether alone or jointly, that the Liberals are going to put a tax on this. The reality is, there is no tax on the health benefits. Both sides actually know that. One would think they would stop saying it, but it is up to them if they want to continue to do so.

With regard to the health care issue, our government does not need to apologize one iota in regard to its sense of commitment to health care, which has been lacking in the last 10 years. When the health care accord of 2004 expired and the Conservatives did absolutely nothing it was the Liberal Party, as a third party, that spoke out loud and clear about how important it was to achieve another health care accord. Today, we have a health minister who is working diligently with each province to try to do just that.

Canadians value our health care system. Our government understands that because our government, unlike the former government, is listening to what Canadians have to say, and we are working very hard to deliver the type of health care system that we believe Canadians want to see.

● (1230)

Mr. John Brassard (Barrie—Innisfil, CPC): Mr. Speaker, it gives me pleasure to rise today. I will make one solemn promise to the House that I will not scream and yell as I give my statement today on the motion. The motion says:

> That, given the average middle class Canadian is already overburdened with taxes, the House call on the government to abandon any plans it may have to in any way tax health and dental care plans.

Make no mistake, this is and was the plan of the government in spite of what the Prime Minister said yesterday. I will acknowledge that he stood up here and said that there will be no tax on health and dental care plans, but given the events of the last couple of days I find it very hard to believe, as do many of the colleagues on this side of the House, anything that the Prime Minister says.

It is kind of ironic as well that today is Groundhog Day, because we are talking about Liberal tax increases and the potential thereof. Those of us who live in Ontario and those of us who represent Ontario understand full well the impact that the Ontario Liberal government has made with respect to tax increases and service cuts. I will remind everybody again that Ontario is the most indebted sub-sovereign borrower in the world. To think that we are not on that path with the current government is foolhardy, naive, and a mistake on all of us not to recognize that. Ontario is $315 billion in debt; $22,500 per person is the share of the debt. That is 50% more than California's per person share of debt.

The Liberal government has spoken about debt and deficits. The Liberals promised a balanced budget by 2019. We now see that is not going to happen. In fact, the debt, as projected by the finance department, is going to be $1.5 trillion in 15 years, which is going to work out to about $42,000 of debt per person, per Canadian. Let us think about that. Let us think about the young people, and there are some in the gallery today, who are going to be shouldering the burden of that debt. By contrast, the Conservative plan for debt was that it would have been gone by 2038, and there would have been a $1.7-trillion surplus by 2015 and a balanced budget by 2055.

The reality is this. We have seen this in Ontario and it should come as no surprise to anybody in Ontario that this is happening federally. There is one person who lurks in the shadows of the Prime Minister's Office who has initiated a lot of the failed policies in Ontario, and his name is Gerald Butts. Insanity is doing the same thing over and over again and expecting different results. If 1,000 people do something stupid, it is still stupid. The policies of the current Liberal government that it is following with the Ontario Liberals are going to put us in a position of bankruptcy, in a position of significant debt. Those numbers are not numbers that I am taking out of the air. They are numbers that are quantifiable.

Here is what happens. Taxes go up, services go down. We are already starting to see that. In fact, I know that the Liberals talk about the budget in 2016. Here are some of the losers of that budget: the children; arts and fitness tax credits; the Liberals have cut the education and textbook tax credit; new mortgage rules making it harder to get approved for a home loan; a national carbon tax has been announced; Canada pension plan tax hike; cancellation of the small business tax cut; and elimination of the hiring tax credit.

The thing that really bothers me is that one tax credit because I come from a riding where there are a lot of single-income families. In fact, prior to being elected to Parliament, I was one of those families. The fact was that I was able to split my income with my wife by $2,000. The Liberals eliminated that. Therefore what the Liberals give, the Liberals take away.

● (1235)

I will remind the House that I will be splitting my time with the member for South Surrey—White Rock.

The Liberals give with one hand and take away with the other.

I have said many times in the House that effectively, what the Liberals are perpetrating on Canadians is middle-class tax fraud.

Why are we here today? It is because we hear this narrative all the time: the middle class and those working hard to join it. The reality is that when they pile on debt and deficit the way the Liberal government is, how are the middle class and those working hard to join it ever going to get to that point?

We have also heard that the finance minister cannot even define middle class, so how do the Liberals know what the middle class is? It is a pure talking point. If they say this narrative over and over again, it will somehow be true.

We talk about the potential for tax increases, in this case the employer health benefits and dental benefits tax, but there are others the Liberals could look at as well. I am talking about tax credits for employee stock options, a public transit tax credit, the Canada employment tax credit, the volunteer firefighter tax credit, the dividend gross-up tax credit, partial inclusion of capital gains, and the mineral exploration tax credit.

Do members know what buzz words the Liberals' use, again, as part of this narrative? They talk about it in terms of fairness and simplification. What does that actually mean? It means taking money out of Canadians' pockets. Hard-working, middle-class Canadians are having money extracted out of their pockets under the guise of fairness and simplification.

Aaron Wudrick, of the Canadian Taxpayers Federation, said, “Unfortunately, there are worrying signs that [Minister of Finance]'s real intent is to use 'simplification' as political cover to hike taxes by stealth for millions of Canadians”. In the case of this particular tax increase, it could potentially affect 13.5 million Canadians.

The truth is that there is only one party that protects the middle class, and there is only one party that has protected the middle class for as long as I have been an adult. The Conservative Party is the only true party that protects the middle class, and it is the reason I am a Conservative.

The Liberals often talk about taxing the top 1%, but again, this is more false information. That tax increase on the 1% was supposed to be revenue-neutral. The reality is that in six years, there will be a deficit of $8.9 billion. Who is going to pay that? Services go down, taxes go up. Ultimately, the middle class ends up paying for that.

What is interesting, and I have said this here before, and I know that the member for Winnipeg North has argued this, is the reality that those who benefit the most from the Liberal so-called middle-class tax increases have been every one of the 338 members of this Parliament. It is actually those I would classify as upper middle-class Canadians, those earning $160,000 to $200,000, who have benefited the most from this. Those earning $45,000 have received nothing. I urge members across the way to stop this false narrative and tell Canadians the truth about what is going on.

There are other broken promises. There was electoral reform. We heard about that yesterday. There were going to be deficits of less than $10 billion annually. We know that story. There was going to be a balanced budget by 2019, but it will not be until 2055. They were going to save home mail delivery, another broken promise. They were going to immediately invest $3 billion over four years in home care. They were going to reduce the small business tax from 11% to 9%, another broken promise, and scrap the F-35 program. I could go on, but I know my time is short.

By the time the Liberals are done with the middle class, the Conservatives will have to clean up the mess and build the middle class back up, just like we did before. The Conservatives did this the last time a Trudeau was the prime minister, and we will have to do it again.

● (1240)

Mr. David de Burgh Graham (Laurentides—Labelle, Lib.): Mr. Speaker, a couple of years ago, my wife and I made a fairly different amount of money. I was a parliamentary staffer, and she was not making a lot of money. We could not take advantage of the income splitting the member for Barrie—Innisfil defends so strongly, but he could take advantage of the full $2,000 as a member of Parliament. I wonder if that is his idea of tax fairness for the middle class.

Mr. John Brassard: Mr. Speaker, I will be glad to answer that question, because as a professional firefighter, I was making what I would classify as a middle-class income, and my wife did not work. There were a lot of families like mine that I worked with who took advantage of that. It helped in keeping my spouse at home and keeping my spouse looking after our children instead of having those daycare expenses. I had no problem with that. Removing it affected millions of Canadian families like mine.

It gets to the point, as I said earlier, that the Liberals should not go around saying that they are giving all of these tax breaks to people, when they are sucking it back from the other side. It is disingenuous to those families. It is a false narrative, and it is something they need to stop doing.

[*Translation*]

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Mr. Speaker, I thank my colleague for his speech. While we do not necessarily share the Conservatives' views on the tax base and taxation, we find their motion interesting. They highlight the contradiction in what the Liberal government is doing: it gives something with one hand and takes it away with the other. Middle-class Canadians were promised that their tax burden would be lightened, but everybody earning less than $45,000 is getting nothing. They are not getting one cent. In addition, they are being told that they will have to pay taxes on health, so more money is going to be picked from their pockets. I would like him to talk about Liberal hypocrisy when it comes to the promises made to the middle class.

[*English*]

Mr. John Brassard: Mr. Speaker, I have risen in the House many times to speak about the Liberals' hypocrisy. I have also used the term "middle-class tax fraud", because that is what I believe they are perpetrating on Canadians.

The Liberals talk about this narrative all the time, "the middle class and those working hard to join it". Nothing could be further from the truth. We just have to look at the numbers. Yes, we can give them a little bit of leeway on some of the issues, but in the overall scheme of things, they are actually going to be taking more money out of middle-class Canadians' pockets than they are going to give back.

The reality is that when we build a debt situation of $1.5 trillion, who do we think is going to pay for that? It is going to be the middle class. It is going to be me and every single family in Barrie—Innisfil, but the Liberals do not care. They just keep piling it on and spending money. If I ran my house and if people in Barrie—Innisfil ran their homes the way the Liberal Party is running government, we would be kicked out of our houses. We would lose our cars. We would lose everything. That is the truth.

Mr. Matt DeCourcey (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.): Mr. Speaker, my hon. colleague across the way asked members on this side to speak plainly and truthfully about the measures we are taking to support the middle class, and I am only too happy to do so.

By raising taxes on the richest 1%, we have been able to cut taxes for nine million Canadians. We have been able to introduce a Canada child benefit that, in New Brunswick alone, will help 112,000 children and help put $600 million back into the GDP of the region within its first two years. In addition to that, we are helping seniors with a top-up to the guaranteed income supplement, we have reduced the age of retirement back to 65, and we will be strengthening the Canada pension plan for years to come. This is in addition to an innovative strategy and agenda that will help create good job growth in the years to come and help spur our economy and communities for generations.

Mr. John Brassard: Mr. Speaker, the Liberals are doing it on their credit card. If I spent money on my credit card the way they are spending money, eventually I would be called up. However, they are the government. They will tax people and lower their services. That is how they will pay for it, and eventually, that is what is going to happen.

The projection is $1.5 trillion in debt. That is not the projection of the member for Barrie—Innisfil. It is the finance department's projection. Somebody will be paying for that, and it will be the middle class. As for all those programs and services the member talked about, eventually somebody is going to have to clean up that mess. Somebody is going to have to pay for it.

● (1245)

Ms. Dianne L. Watts (South Surrey—White Rock, CPC): Mr. Speaker, I am pleased to speak to the motion today calling on the government to abandon any current and future plans to tax health care and dental care benefits. We need to ensure that the Liberal government stands in this House and supports our motion, to give some comfort to Canadians that their health and dental plans will not be taxed. These benefits lower the tax bills of 13.5 million Canadians and cost the Liberal government nearly $3 billion in foregone revenue.

Until yesterday, the Liberals were planning to tax the health and dental benefits of Canadians. We want all members in this House, including the Liberal members, to support our motion and hold the Prime Minister to account on his word.

We have seen time and time again promises being broken. There is no trust. In the Prime Minister's election platform, he promised electoral reform, saying over 1,000 times that the 2015 election would be the last first past the post. All we wanted as Conservatives was to have a referendum so the people of Canada could decide how they wanted to elect their representatives. Yesterday, the entire election promise was scrapped, citing “no consensus”.

In the Prime Minister's election platform, he promised to reduce small business taxes from 11% to 9%. Instead, the Prime Minister chose to ignore that promise and say that small business is only a tax haven for the rich. Maybe that applies to the Prime Minister. However, small businesses are the backbone of this country. Over eight million Canadians are employed by small businesses, a number that makes up nearly 50% of Canada's entire workforce and over 70% of the private workforce.

As well, the Prime Minister has committed $7.3 billion outside of Canada, plus an upcoming commitment of $2.9 billion to an Asian infrastructure bank to build infrastructure in Asia.

The Prime Minister committed to all Canadians that he would run a very small, tiny deficit that would go towards infrastructure and to stimulating the economy. He also promised that the budget would be balanced by 2019, but we can see now that none of this is true.

This morning, the parliamentary budget officer released a report called “Following the Money”. This report focused specifically on the Liberals' new infrastructure plan. The parliamentary budget officer outlined several concerning issues, including that the Liberals had no framework to evaluate the program's performance and limited transparency on how the money is being spent. He also confirmed that there is a shortfall of $9 billion in infrastructure funding and that the government will not meet its economic growth and GDP targets outlined in budget 2016.

The Liberals' infrastructure program was supposed to be the key focus of their economic growth plan. This is how they were going to balance the budget. Clearly, this is no longer going to happen, and it is no surprise. The Prime Minister and his Liberal government have spent so much money that the books will not be balanced until 2055.

The financial federal debt will hit $1.5 trillion by 2050. That means that those who are 18 years old today will not see another balanced budget until they are 56 years old. Who will pay the tab? It will be the next generation, the generation this Prime Minister purports to be supporting, making sure they have jobs. That is who is going to pay the tab, our children.

● (1250)

Let us remember that the bill has to be paid. Let us look at how the Liberals might do that.

The Liberals have already increased the CPP premiums for employers and employees. They have scrapped the small business tax. Why on earth would we want to help anyone who is actually creating jobs? They have cut the contributions to the TFSA because seniors and young families do not really need to save for their future or retirement. They have increased the down payment requirements for first-time homebuyers to make it harder for young families to purchase a home and enter the market. They have squandered the $2 billion surplus and two balanced budgets handed over by the Conservatives. Instead of using a common-sense method and regulating or fining heavy polluters, what have the Liberals done? They have decided to implement a national carbon tax that will be paid by the taxpayer in higher home heating costs, groceries, and gas, while giving exemptions to those who actually need to reduce their carbon footprint.

The Liberals cite that this carbon tax is revenue neutral, but it is clear that it will only be revenue neutral for the government, not for the taxpayer. What did the Prime Minister forget to factor into the last budget? Indexing the Canada child benefit at a cost of $22.3 billion. He forgot to include the fighter jets at a cost of between $5 billion and $6 billion. He forgot health care transfers at a cost of $11 billion. Forgot a contingency fund at a cost of $3 billion to $6 billion.

Currently, the finance ministry is undertaking the review of all benefits and tax credits under the guise of simplification. The Liberals have already done away with the child tax credit on art, fitness, and textbooks. Therefore, when look at the economic strategy of the government, it is met with much trepidation. The Liberal government is looking for any and all ways to tax the people of Canada to pay for its out of control spending. The Liberals need to cover the cost of a $1.2 million renovation of the minister's office for Status of Women, another $800,000 for the renovation of the Minister of Infrastructure's office, $220,000 for moving expenses of the chief's staff, and limousines for his ministers.

We must have concrete motions in the House of Commons to prevent and to try to control the Liberals' spending. We must curtail their urge to follow greed and their economic policies. We have all seen how that ended. Canadians deserve much better from the Liberal government and we as the official opposition will ensure that this occurs.

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, again, I will have to differ with many of the comments I have heard from across the way. In listening to the member, she says that the Liberals should be spending on this and should be spending on that. If we tally up the totals, it probably comes close to $20-plus billion. Then the member talks about the Liberals' deficits and expresses concerns. I do not think she is consistent with many of the arguments she has put forward.

Let me focus a question on the deficit. I am sure the member realizes that the former government had deficits virtually every year, with the exception of the first two years when the Conservatives first came to office. They had billions of dollars in surplus from the Paul Martin government. However, before the recession started, the Conservatives had already put us into a deficit and that deficit, contrary to what the Conservatives might try to tell us, never disappeared. It continued to grow, and Prime Minister Harper actually had an accumulated deficit in excess of $100 billion.

Why should this government listen to what was likely the most irresponsible, regressive government that ultimately put us into the position we were in not that long ago? Now we see a government that truly cares about Canada's middle class. Why should we listen to advice—

● (1255)

The Deputy Speaker: Order, please. The hon. member for South Surrey—White Rock.

Ms. Dianne L. Watts: Mr. Speaker, when we look at the economy and where it was when the Conservatives were in power, I find that astonishing. We went through and came out of a recession. We used stimulus money, got the economy going, and moved forward. Was there a deficit in doing that? Absolutely. Did we balance the budget? Did we have a plan? Did we end up with a surplus? Did we have balanced budgets? Yes, yes, yes and yes. We will not wait until 2050 to see if there will be a balanced budget. Therein lies the difference.

Mr. Robert Kitchen (Souris—Moose Mountain, CPC): Mr. Speaker, as my colleague from South Surrey—White Rock knows, today is Groundhog Day. Similar to *Groundhog Day* fashion, in 1993 the Liberals campaigned to end the GST. Once they were in government, they kept it. In 2015, the Liberals campaigned on lowering the small business tax, and they have not done that. If we go back to 1994, the Liberals tried to implement a GST on health care costs. Fast forward to 2015, and they are doing the same thing.

How does my colleague see these taxes affecting the small business industry, not only the doctors and dentists but also the patients and clients who use them?

Ms. Dianne L. Watts: Mr. Speaker, when we look at who the job creators are in our country, it is small business. We need to create a low-tax environment for small businesses so they have the ability to grow and to hire people. We need to ensure we support those businesses. By adding red tape and taxes, by not completing the promises that were undertaken by the Liberal government, we are harming those businesses. They will move or shut down. We have seen it in every community across the country. Small business cannot afford the Liberal taxation plan, and they will shut down and not hire. The Liberal attack on small business is astonishing.

Ms. Pam Damoff (Oakville North—Burlington, Lib.): Mr. Speaker, I will be splitting my time with the member for Scarborough—Guildwood.

It is my pleasure to rise in the House today to debate something that is so important to Canadians and the Canadian economy.

I would first like to reassure the many residents of Oakville North —Burlington who have contacted me, the Oakville and Burlington Chambers of Commerce, and business and labour leaders, by reiterating what the Prime Minister stated yesterday. There will be no tax on health and dental benefits in the 2017 budget. I have advocated for maintaining the tax-free status of these benefits since it first hit the news.

It is important in today's debate to focus on what our government is doing.

Our government has introduced significant tax cuts to support the middle class and those working hard to join it. With these tax cuts, we are restoring hope, optimism, and creating new opportunities for inclusive growth that will make Canada stronger today and for the long term.

In fact, one of the first actions we took as a government was to introduce our middle-class tax cut. Today, nearly nine million Canadians are benefiting from lower taxes on every paycheque. By reducing the second personal income tax rate to 20.5% from 22%, a 7% reduction, our middle-class tax cut represented a major first step in our commitment to strengthen the middle class, but it is no means the last.

Budget 2016 advanced our vision of a stronger middle class with the introduction of the Canada child benefit.

For families in Oakville North—Burlington, the tax-free Canada child benefit means more money to spend on things that matter, things like new winter clothes, or healthier groceries, or sports programs. The Canada child benefit is particularly significant in providing enhanced support for low-income families, including many single parents. In fact, about 65% of families receiving the maximum Canada child benefit are single parents, the majority of whom are single mothers. This makes the Canada child benefit an effective ladder out of poverty for hundreds of thousands of Canadian children.

With this new support, it will be easier for them to stay healthy as they grow, to succeed in school, and to succeed in life. Our kids will have more opportunities available to them to go on to raise their own families in a country that is more prosperous and fair. This is just one of the many things we are doing for Canadians.

These investments in Canada's middle class are already paying dividends, not just for Canadians but for our overall economy.

The International Monetary Fund, for example, projects that Canada will be among the fastest-growing economies in the year ahead. This remarkable performance is being driven, in part, by the middle-class tax cut and the introduction of the Canada child benefit, not to mention our historic investments in infrastructure. These investments are the foundation upon which we are building a better and fairer Canada in which all have the opportunity to not only succeed, but to share in our success.

If we are going to speak about young people and keeping them healthy and active, as the member of Parliament for Oakville North—Burlington, I am working with my community members to encourage investments and the use of active transportation, such as bike lanes. These investments are good for our economy, our health, and our environment.

Oakville's Crosstown Heritage Trail will receive a significant upgrade, thanks to funding from the Canada 150 community infrastructure program. The important investment in the trail and its pedestrian and cycling facilities is part of the federal government's activities to honour Canada's 150th anniversary in 2017.

The Canada 150 community infrastructure program will preserve and improve our community infrastructure so Canadians and their families can enjoy moments of culture, sport, recreation, and leisure for years to come. I am proud to see my community benefit from this program.

Thanks to the Canada 150 funding, residents in Oakville North—Burlington will soon be able to stop and read first nations information stations in Bronte Creek Provincial Park and along the Sixteen Mile Creek trails. The Oakville Community Foundation will be partnering with our indigenous community members to share aboriginal stories, verses, and culture revolving around the land, water and sky.

In honour of Canada's 150th birthday, I will be participating in many active and healthy events in my riding. ParticipACTION has created an ultimate play list to get Canadians moving, 150 activities that define our land and people, from sledge hockey to lacrosse, walking, cycling, skating, and more.

On my website, it is possible to sign up for my e-newsletter at MPDamoff.ca or visit my social media sites to find out what I will be doing and join me. I encourage all Canadians to go to participaction.com to check out the list, try as many activities as they can, and track their activities.

● (1300)

Canada's public health care system is an example of what Canadians can accomplish when given the opportunity. It is a source of great pride that not only sustains our health, well-being, and prosperity, but defines us as who we are. I am proud that our government is working with our provincial and territorial counterparts to finalize a new health accord.

In my community, the auto industry is critical, and the Government of Canada's innovation agenda will deliver on an ambitious automotive policy agenda to attract investment and position Canada as a leader in innovation in developing the car of the future. I am looking forward to working with my fellow MPs and colleagues from Oakville and Burlington on transit, and I know we will be sharing information about more investments very soon. We are also working together with our municipal partners on phase two of our infrastructure investments to improve our communities, create jobs, and grow the economy.

In my riding, I am fortunate to have many young people, who will become leaders in the community in the near future. When I speak with their parents, I hear the concern about their children finding good jobs. Each year, the Canada summer jobs program helps employers create valuable summer job opportunities for full-time students in Oakville North—Burlington while strengthening local economies and communities across Canada.

Employers in my community know how important it is for students to gain much-needed skills and experience and contribute to our community. Our government doubled funding for the Canada summer jobs program, and last year 97 students were employed across Oakville North—Burlington. Groups like Habitat for Humanity Halton Mississauga employed 12 students, who assisted with everything from family intake to producing videos for volunteer and donor recruitment; it was a win-win for both the employers and the students. I have been working with non-profit agencies and small business to grow this program in my community, and I am looking forward to another successful summer this year.

All Canadians deserve to find meaningful employment and earn a decent wage, including those with disabilities. This is an issue that I am very passionate about, and I have been working with my colleagues in Parliament to change the culture in our country so that people of all abilities are able to contribute to our economy and receive a fair wage for their work. Our government is committed to improving inclusivity in employment.

In budget 2016, the federal government committed to a full review of the Canadian tax system, looking specifically at tax expenditures, to ensure tax fairness for the middle class and to simplify the tax code. This is a critical exercise for our government.

The residents of Oakville North—Burlington and Canadians from coast to coast to coast recognize that the environment and the economy go hand in hand. They know that to succeed in the new economy, we must be well placed to take advantage of the growing renewable energy sector. This sector will be creating jobs for our young people and ensuring our prosperity for years to come.

I am proud to be part of a government that is looking to the future, not the past. Our government is creating jobs, growing the middle class, and protecting our environment. This is what Canadians expect from us, and this is what we are delivering.

● (1305)

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Mr. Speaker, we can tell that the member is very attuned to her constituency and being very active. I think that is an excellent thing for any member of Parliament to do in this place. However, I have some concerns.

She talked about the government's plan on infrastructure and growth. So far, we have not seen the growth that was expected. In fact, the finance committee heard from the Bank of Canada that it continues to downgrade, in many cases, projections for Canada's growth.

Part of the government's major pillar in the last election was to run on a growth strategy around infrastructure. We find out today that the Office of the Parliamentary Budget Officer has made considerable effort to link the announced budget measures to the underlying infrastructure projects, but there is still a gap between what has been announced and the value of the projects currently identified by departments:

> PBO data show that of the $13.6 billion for the fiscal years 2016–18 announced in Budget 2016, departments have identified [only] $4.6 billion worth of projects.

I added the word "only". Again, the concern is that about a third of the money has actually been identified for real projects.

Is the member not concerned that the government seems to be dragging its feet on something that is so core to its election promises?

Ms. Pam Damoff: Mr. Speaker, as a former municipal councillor, I take infrastructure very seriously. I have been working with my communities of Oakville and Burlington to ensure they are receiving the infrastructure funding they are looking for, for the community.

While I was back in my riding, I attended the Oakville Chamber of Commerce RBC economic outlook breakfast. I just want to share some of the statistics that were shared at that breakfast. They are forecasting the unemployment rate to drop from 7% in 2016 to 6.6% across Canada in two years, and in Ontario, it has continued to fall since we were elected in 2015, from 6.8% to 6.5% this past year. By 2018, it will fall to 6%; so I think we are creating jobs, and we are doing exactly what we promised to do in terms of getting jobs created, especially for our young people.

Ms. Linda Duncan (Edmonton Strathcona, NDP): Mr. Speaker, I appreciate the member's comments about supporting the middle class. The concern that I share with my colleagues is about those who aspire to be in the middle class.

The member's government put out a trial balloon saying it might think about taxing medical and dental benefits. There are a lot of Canadians who do not even have basic access to medical services or dental services, particularly a lot of our first nation communities. Her government promised that it would deliver on the promise so that there would be comparable services for indigenous families and children, and it broke that promise.

We cannot take the word of the Liberals on the promises of electoral reform. They already broke their promises about basic services to indigenous families. What else can we expect the government might be bringing forward? Will it or will it not be taxing the services? Will it or will it not be finally delivering on the opportunity for equal access to basic dental and medical services?

● (1310)

Ms. Pam Damoff: Mr. Speaker, I do not think we have broken our promises. We are not taxing health and dental benefits. That was clear from the Prime Minister's comments yesterday. Having said that, when we talk about our indigenous communities, there is always more we can be doing for them.

We are investing billions of dollars, but we can and we must do more to ensure that the children living in these communities do have access to health and dental services. I know that our Minister of Health and Minister of Indigenous and Northern Affairs are working hard to ensure that those children receive the same opportunities as children who are living in my riding, because they deserve it.

Ms. Filomena Tassi (Hamilton West—Ancaster—Dundas, Lib.): Mr. Speaker, I know the hon. member is engaged with her constituents. She is holding town hall meetings regularly. She is knocking on doors on a regular basis and is proud of that, and that keeps her connected to her constituents.

It is unfortunate that a member of the official opposition referred to the Prime Minister's town hall meetings as a travelling road show. On this side of the House, we call that engaging with Canadians, and I know that this member is very proud to engage with Canadians.

The member spoke about focusing on the middle class and being proud of those things: middle-class tax cuts, child benefits, and summer jobs. Could she share with this House the impact and the effect that has had on members and constituents in her own community?

Ms. Pam Damoff: Mr. Speaker, I have been out talking to the residents in my riding, and I have held town hall meetings. They have told me that what we have done is critically important, in particular, when it comes to youth employment and the impact that the Canada summer jobs program had.

I think probably I have heard more from residents about the importance of jobs, particularly for young people, and that is something we are delivering on and will continue to deliver on.

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, I appreciate this opportunity to participate in a debate for the first time in 2017.

May I say, first, that normally I like to stick to the motion. The motion did read:

> That, given the average middle class Canadian is already overburdened with taxes, the House call on the government to abandon any plans it may have to in any way tax health and dental care plans.

That was a good motion about this time yesterday. However, during question period, the Conservatives had an oops moment when the Prime Minister announced that this particular tax expenditure was not under review.

Just as a point of information, there are about 180 tax expenditures that are in the tax code. As budget 2016 announced—so it is hardly a secret—all of those tax expenditures are under review. Most tax expenditures are put in for perfectly good reasons. They are trying to achieve some sort of social good of one kind or another. However, sometimes they do not work the way they are supposed to work, and sometimes they create a whole other level of inequities.

Let me just use the one that we were supposed to be debating today, which we are now not debating today, namely the health and dental issue, as kind of an example of where there is an inequity that was probably unintended by the original drafters. If I am an employer with an employee and I have a health and dental plan, I can deduct the cost of that plan as an employer, and on the other hand, the employee does not have to declare that benefit as income, and therefore it is tax-free. However, if I as the employer say to my employee, "Here is $1,000 to go and buy a health and dental plan", it is deductible in my hands as an employer, but it is taxable in the hands of the employee.

Therefore we see that there is an inequity that is immediately set up; hence the government's desire to review all expenditures on a continuous basis because of unintended consequences. Those unintended consequences create real inequities for Canadians. For Canadians who are fortunate enough to work for an employer who has a health and dental plan, versus one who does not, there is an inequity that is created there.

However, we are talking gossip, and the motion yesterday was founded on mainly gossip. It does seem kind of regrettable that the Conservatives would even introduce a motion based on gossip. The Conservatives have now amended their gossipy motion to read "such as taxes on carbon, savings, payroll, small businesses and children's arts and sports programs".

The taxing of carbon is largely done by provinces. About 80% to 90% of the population already, one way or another, pays a price for carbon pollution, so it is hard to know what the Conservatives are talking about there, other than anticipated gossip. I have no idea what they are talking about with savings, payroll, or small businesses. Let me just go on to talk about the children's arts and sports programs, which on the face of it is a good idea, encouraging children to participate in sports and arts programs. However, it may well be that individuals either do not have a child so it is not beneficial to them, or if they have children, they would like to put them in a tutoring program or a reading program or something else that might actually cost money. Those individuals would not actually qualify under a sports and arts program. Therefore there may be a better way to achieve a social benefit by the review of a tax expenditure such as that.

● (1315)

The second inequity is that people in the upper tax brackets can afford sports and other programs for their children, but people in the lower tax brackets frequently cannot. Again, an inequity is created among Canadians based upon their income.

Therefore, what exactly are we talking about today, other than the Conservative posturing that would have us believe that they are the only ones capable of managing the economy and the fiscal framework. The mantra usually has something to do with taxes and hard-working Canadians.

The presumption of the motion is that somehow or another the Harper Conservatives were absolutely brilliant with their tax brackets, but if we compare the tax brackets between 2015, the last year of the Harper regime, and 2016, the first year of this Liberal government, we can note that on the first bracket, which is 15%, both brackets remain the same and are quite comparable, however, the threshold has moved up $500 under the Liberals. In effect, people have to earn $500 before they leave that 15% bracket.

The second bracket, and this is where the dramatic change is, under the Conservatives was 22%, but under the Liberals it is 20.5%, a significant change in the bracket, which is inaccurately referred to as the middle-class bracket. In addition to the drop of 1.5 points between the percentages, people have to be earning a further $1,000 before they leave the bracket under the Liberals. It is a double benefit.

The 26% bracket, which is the third bracket, remains the same, as does the 29% bracket, but there is a new bracket that is created under the Liberals that taxes income over $200,000 at 33%. It is a major initiative, and it is an attempt to offset some of the costs of lowering the brackets in the lower brackets so that there is not a huge hit on the fiscal framework.

The second major initiative was under the Canada child tax benefit on which the tax was eliminated to the benefit of nine out of 10 Canadians, including my own grandchildren. The rhetoric does not match the rates.

Then we can look at the fiscal situation that was passed on to the Conservatives back in 2006. Prime Ministers Chrétien and Martin reduced the national debt by $90 billion. Under the Harper regime, that was not only reversed but increased by a further $60 billion. So, $90 billion down by Chrétien and Martin; $150 billion up by Harper.

The Conservatives would like us to believe that this was all due to economic circumstances, such as in 2008. Actually, it was a self-inflicted wound, because, foolishly, against every advice given by every economist in the country, the Conservatives cut the HST. That was $14 billion a year, right out of the fiscal framework. The reason they did that was political rhetoric and nonsense. Hence, the difficulties we are now faced with, having to increase the national debt by a mere $150 billion.

As I finish up here, we are basing our discussion on gossip. I cannot support a motion that is based on gossip. I cannot support a motion that is based on amended gossip. The motion does not seem to understand the difference between taxes, tax rates, and tax expenditures. The proponents of the motion have no credibility on tax rates, on deficits, or accumulated debt.

● (1320)

Mr. Colin Carrie (Oshawa, CPC): Mr. Speaker, I listened quite carefully to my colleague's speech, and the revision of history is amazing. When I hear Liberals talk about what happened in 2008 with the world economic downturn, the member was part of the party, and was here in the House calling for more borrowing and more spending. We emerged from that in the best shape of any country in the G8. Also, if we look at job creation, there were over one million net new jobs. Under the current government, in just one year, there are 30,000 fewer full-time employed people.

We have heard the wishy-washy answer by the Prime Minister yesterday, and I was in the House. He sort of said he was not going to be taxing this type of benefit, but he really was not very clear about it, and then the follow-up question to the finance minister was very wishy-washy.

Knowing that we are getting $1.5 trillion into debt, I would ask the member what the Liberals are going to cut next. Is it the pension income splitting, the public transit tax credit for students, volunteer firefighter tax credits, or tax credits for charitable donations? They can only balance the budget one way. What are they going to cut, or are they just going to raise taxes?

Hon. John McKay: Mr. Speaker, I just finished my speech by saying that I could not support a motion based on gossip, and then up pops the member asking what we are going to do next based entirely on figments of his imagination.

However, the facts do not lie. When the Martin government gave way to the Harper government, there was a $14-billion surplus, and thereafter it was just downhill. The record deficit was in 2009-10, which on an adjusted basis was almost $62 billion, the next year $36 billion, the next year after that $27 billion, the year after that $18 billion, the year after that $5 billion.

The Conservatives were singing and dancing in the streets, because they might have handed off a slight surplus at the last election. However, it was $150 billion that this government had to dig out from underneath that fiscal mess.

● (1325)

[*Translation*]

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Mr. Speaker, I thank my colleague for his speech, and I have to say it was much more focused on the subject than what we have heard from most of his colleagues, who were rehashing the Department of Finance talking points. He stuck to the motion that is before us today.

He talked a lot about tax expenditures, a subject we could discuss at great length. Fortunately, the government has undertaken a review of a lot of tax expenditures, about 180 of them, as my colleague said. One of the major problems that makes things sometimes unfair is that most tax credits are non-refundable. That certainly does not improve the fairness of the tax system, since people who do not pay income tax do not have access to those tax credits. In addition, as my colleague said, most people who have the lowest incomes do not have the resources to enrol their children in sports, or cultural, or arts activities, and so they do not benefit from those tax credits in any way.

When the Liberals set about reviewing tax expenditures, are they considering making more tax credits refundable?

[*English*]

Hon. John McKay: Mr. Speaker, I appreciate the hon. member's question, and it is a good question. I agree that it would be very useful to spend this day on a focused debate, possibly on those 180 tax expenditures, and see whether there is some review that is appropriate. A lot of these expenditures were initially created with the best of intentions to achieve a certain social goal, but they do leave a lot of people behind.

One of the inequities the member has mentioned is the difference between refundable and non-refundable. I, as a relatively wealthy individual, get the full benefit of the tax expenditure, where someone who is not as affluent does not. This is in itself an inequity.

I do not know the extent and nature of the commitment in the budget to a review, but I commend the government for at least having the chutzpah to put those 180 tax expenditures under the microscope.

Hon. Michelle Rempel (Calgary Nose Hill, CPC): Mr. Speaker, I would like to divide this speech into two components. The first component is that the Liberals have raised taxes significantly for Canadians, and have done that while increasing spending to unsustainable and crazy levels. The second component is that they have more to come. That should be of great concern to any of our constituents, because we know that Canadians are having a harder time making ends meet, and certainly the people in the province of Alberta, who are facing a severe job crisis. Enough is enough. That is what this motion today is about.

We know that the Liberals have raised taxes. Canadian families are probably paying about $2,200 more this year per household because the Liberals have increased the CPP premium. That means $2,200 right off of their paycheques because of that tax hike. Small businesses are saying that that tax hike will cause them to decide whether or not they hire another employee or let one go.

With respect to the carbon tax, not only is it a tax that affects every part of something like the food delivery chain, it affects everything. It will not materially reduce greenhouse gas emissions. The Liberals have not been able to show any price elasticity data showing that the demand would decrease at the price they have set. All they have done is increase the cost of everything for Canadian families. We estimate that to be another $2,500 per household. Therefore, we are at about $5,000 per household so far.

The Liberals cancelled the arts and fitness tax credit, so for anyone wanting their kids to play hockey this year, that tax credit is gone.

Mr. Speaker, I will be sharing my time with the member for Sherwood Park—Fort Saskatchewan.

What is also interesting is that the Liberals have cancelled the education and textbook tax credits. There are people in my life who are going to school and asking me why this universal tax credit, which helped everyone, was cancelled by the Liberals. That is costing roughly about $440 per person for those who are in university or studying a trade.

The Liberals also cancelled the family tax cut, which is about $2,000 per family.

Therefore, we know that through the cancellation of all of these tax credits, and the imposition of the carbon tax, the Liberals have significantly raised taxes. Regardless of one's political stripe, when we do the math to figure out how much that impacts our family, the Liberals have a lot of explaining to do because they have increased their spending on the other end of that, and for what? We are looking at deficits that we have never seen before in this country. This is not short-term targeted infrastructure spending for one particular project to get people back to work in a region. There is no intent on the part of this government to get back to balance. There is no intent on the part of the government to have any sort of fiscal sustainability.

I will say this. Canadian families or small business listening to this today are saying, “I have to balance my budgets and spend within my means.” All the government seems to understand is how to take more money out of the pockets of Canadians and spend it on bureaucracy. Regardless of one's political stripe, Canadians are saying that is enough.

Why is it so important for the government to vote for this motion to say that it will give Canadians some assurance that it will not raise their taxes? It was noted in the Liberal campaign platform that the Liberals would review all tax expenditures. This came up during the campaign. What does that mean? What is this platform commitment? What are the Liberals doing? I would say this was a hidden agenda, except it is right there in their platform. They are looking at ways to eliminate tax credits, those things that Canadians depend upon to make ends meet. Not only was it in their platform, the Minister of Finance made an announcement that he would do this review. We know that he contracted a third-party agreement in secret, because the Liberals have not released the report that was done. There was a secret panel that looked at all of these tax expenditures, and now there is a list of all of these things to cut, which will raise taxes for Canadians. They want to do that so that they can take taxpayer money and put it into the hands of bureaucrats. That does not help Canadian families at all. That is math that I can do, and it is very bad math.

● (1330)

What are some of the things we think the government is looking at given its campaign platform and the finance minister's announcement? Is the government going to eliminate pension income splitting? We are fairly certain that was in the review. What about the tax credit for employee stock options, the public transit tax credit, the Canada employment tax credit, the foreign employment tax credit, the volunteer firefighter tax credit, and the non-taxation of capital gains on principal residence tax credit?

Then of course there is the dental and health benefit tax credit. There may be those who are watching who would say, “Come on. The Liberals could not seriously be cutting all of this stuff. They could not seriously be raising my taxes.” When this issue came up two months ago that this report looked at dental and health benefits, it came out in a *National Post* article. I received hundreds of emails almost instantly saying that the government cannot be serious about this.

It was only after intense political pressure across party lines from average Canadians saying that enough is enough, the government sheepishly said that maybe it would not. I think the Prime Minister even qualified his answer in question period yesterday. Why did it take them so long to deny that they were not going to do it? It is because they were considering it.

What else was in that report? Why are the Liberals hiding it? The Liberals know they have spent into oblivion, that they have spent our grandchildren's future away, so they are trying to think of how to pay for this. They are not looking at balance. They are just trying to make sure that they can potentially get re-elected down the road with some semblance of order. This is what the Liberals are doing. They are looking to take their mismanagement of Canada's finances and mismanagement of government and put it on the backs of average, hard-working Canadians.

The people in my riding who are out of work because of the Liberals' ideological opposition to the energy sector are saying, “Enough is enough. First of all, you are impeding our access to jobs. You are taking away investment and certainty in the energy sector and so many sectors across this country. You are mishandling trade files. You are not doing anything to retain skilled workers in the province and now you are going to raise my taxes for nothing? Come on. Enough is enough.”

Why did we put this motion forward today? It gives the government an opportunity to stand and say, “Canadians are right. Forget one party or another; Canadians are right that we do not need more tax hikes right now.” Here is my guess. The government is going to say it knows what is in that report and what is going to be in the budget at some point this month, and it is going to be a large amount of tax increases for Canadians. I bet we will see many tax credits cancelled. That would have a huge impact on Canadians at a time when Liberals have no plan for creating jobs in this country. We have seen nearly 200,000 jobs in the energy sector disappear under their watch.

If the government wants to see government revenue increase, I suggest it look at the opposite side of the equation and grow our economy. If Liberals want to see more revenue come in through things like job-creating companies that are paying their share of taxes, then allow a fiscal environment where companies can grow and invest. Do not put more pressure on them through things like a carbon tax that will not work, or CPP premium increases. Allow people to have the fiscal space to take risks and to invest and be confident in this country. Right now, consumer confidence, the confidence of average Canadians that things are going to get better for them is at an all-time low. Why? It is because the government keeps increasing taxes and making it more uncertain for businesses to work here in Canada. That is just wrong. That is the opposite of what the government should be doing, but because the Liberals are so self-interested in their own projects and expanding government, I think they have forgotten what really matters.

● (1335)

The Liberals are so entrenched in the Langevin Block that they have forgotten what matters and that is the people of this country.

Mr. Matt DeCourcey (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.): Mr. Speaker, my colleague across the way invited members on this side of the floor to speak to Canadians across the country who are watching. I am only too happy to accept her invitation to do so to remind her and Canadians watching that the very first thing this government did when assuming office was to cut taxes for almost nine million Canadians.

Our government then introduced a Canada child benefit that was more generous for nine out of 10 families. In the province I have the honour of living and the riding I represent there are families, some 112,000 children, who are now benefiting more through that child benefit program that will deliver upwards of $600 million back into the regional economy in its first two years of existence.

These are the sorts of measures this government has taken to reduce taxes for the middle class in addition to not moving ahead with the taxation of health and dental plans.

I thank my colleague for the invitation to address Canadians.

Hon. Michelle Rempel: Mr. Speaker, anybody watching at home will notice that my colleague opposite forgot the other side of the equation. It is like reverse Robin Hood. A carbon tax on everything will cost taxpayers at least $2,500 per household, if not more. There is the Canada pension plan payroll tax hike. The Liberals cancelled the arts and fitness tax credit, the textbook tax credit, income splitting, and the list goes on and on.

Who do the Liberals think Canadians are? Canadians know what the bottom line on their chequebook is and reverse Robin Hood over there clearly does not.

● (1340)

[*Translation*]

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Mr. Speaker, I thank my colleague for her speech, in which she mentioned that the government is generating unprecedented deficits, and that she has never seen this in the history of Canada.

Deficits built up steadily under Prime Minister Mulroney, who was leading a Conservative government, not to mention the $150 billion added under Mr. Harper's government.

My colleague is trying to portray the tax credits for physical or cultural activities, for example, as tax breaks. In fact, she is talking about the tax credit for sports activities, for example, and saying that if it were eliminated, that would amount to a tax increase.

Could the member clarify her party's view, or her own? To me, eliminating a tax credit does not amount to a tax increase. It is simply taking a way of paying less taxes away from taxpayers. I think she is confusing the two.

[*English*]

Hon. Michelle Rempel: Mr. Speaker, if in the last fiscal year an individual claimed the education and textbook tax credit and that person paid $440 less in taxes, that is $440 more in the pocket of that individual. This year, if that was cancelled, the same individual would have $440 less to spend. That would be a tax increase because the individual would have less money. That math is also simple.

I grew up in Manitoba and I do not think the NDP in Manitoba ever conceptualized the idea of balancing a budget.

I will leave this comment with the House. When the Conservative government left office, Canada's net debt-to-GDP ratio was the lowest in the G7 and the federal tax burden was the lowest level on families in over 50 years. We left a surplus. Now under the Liberals we are looking at however many billions of dollars in deficit. We are seeing increases in taxes. Canadians can do this math.

I do not really care about socialism or Liberals or whatever political stripe. I want to work. I want more money in my pocket. It is my money, not the Liberal government's money.

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Mr. Speaker, it is a pleasure for me to rise and address this important motion, and more broadly the issues around it in terms of the government's tax policy.

We are having this discussion at an interesting moment in light of what the government is doing. I am a relatively young member. I am the youngest member of the Conservative caucus. I know many young people actually voted for the government with high expectations based on promises made and based on the Prime Minister's effort to strike an optimistic tone, yet we are seeing through the actions of the government on the economic front and other fronts the real cynicism of the Prime Minister and the government in the shameless way in which they are throwing promises over the side. They are throwing out their commitments. They are defending that as if it were not a problem, not a big deal at all.

The Prime Minister said in question period yesterday that he was going to do what he perceived to be in the national interest, not just act to tick a box on a platform. That shows quite a bit of disdain and disregard not only for the platform the Liberal Party ran on, but also for the Canadians who voted based on what was in that platform. We see the cynicism with which the Prime Minister has thrown the electoral reform question over the side, and the cynicism of the government's budgetary policy commitments. It made clear commitments to run $10 billion deficits for three years and then to return to a balanced budget, and yet there are massive deficits that far and away exceed those commitments, with no plan to balance the budget for decades into the future. That is real cynicism coming from the government, and it is hard to take.

The government also promised cuts to taxes for the middle class, and yet people making less than $45,000 a year, certainly the middle class and those working hard to join it, are suffering because of new taxes imposed by the government.

The Liberals' platform promised to lower the small business tax rate to 9%. The first budget said, "Well, we do not need to do that. It is not in the national interest and we are not going to be bound to checking boxes on the platform." The impact of effectively raising taxes on small business does not just have an impact on business owners, but it also has an impact on people who work for small businesses. Most Canadians work for small businesses. It has an impact on Canadians who are unemployed, who might otherwise have the opportunity to get jobs working for small businesses.

The government also did away with the small business hiring credit. It passed legislation to raise payroll taxes. In so many ways, we see the government introducing the worst possible kinds of taxes: taxes on jobs, taxes on people of modest means who are working, who now will have a harder time retaining their job or finding a new job because of these taxes.

The government lowered the amount a person can invest in a tax-free savings account. The data show that those who use tax-free savings accounts are more likely to be of relatively modest means, likely because of the relative advantage of saving in a TFSA versus an RRSP for those who are of relatively modest means.

We have all these different areas in which the cynicism of the government is on display. We see how much disdain the Liberals have for their own platform and for Canadians who voted based on that platform.

It is ironic, because we hear often from the Prime Minister in particular about getting young people involved in politics. When we see these cynical actions of the government, it really can be discouraging to young people who may have volunteered, or who voted thinking they were getting one thing from the government and in fact what they are getting is the opposite. They are getting effective tax increases for those in the middle class and those of relatively modest means. They are also getting a complete denial of commitments the Liberals made with respect to electoral reform and other areas.

● (1345)

What we are talking about in this opposition motion is the fact that we have seen all of these efforts of the government to indirectly, but, at the same time, in a very concrete, practical, and impactful way, increase the taxes that people pay. Thank goodness we have a very effective opposition here, because up until yesterday, the government was musing about the possibility of introducing a significant tax on health and dental benefits.

Canadians may not know all of the procedural mechanics of this place. When the opposition proposes an opposition day motion, it puts that on notice a couple of days before. Today is Thursday. On Tuesday, Conservatives put notice of a motion forward that on Thursday there would be a debate about the government's plan to increase taxes on health and dental benefits. Then, all of a sudden, on Wednesday, the Prime Minister announces in question period that the government is not moving forward on that. If we had more opposition days, think of how well we would be doing, but, alas, we only have so many days allotted.

While we are having this discussion, let us recognize the reality of the timing of what the government did. I wish that was all it took to make this a great budget. We have improved the budget a little, but I suspect that there will still be issues in the budget that Conservatives take issue with. Perhaps the government will take their advice again and actually check that box in the Liberal platform by following through on the tax reduction for small businesses. Maybe it will restore the hiring credit to help people in my province, especially those struggling with high levels of unemployment, and across the country get back to work.

Let us hope that maybe it will reverse course on some of these major tax increases it has brought in. Maybe it will reverse course even on the carbon tax, a punitive tax against those who would like to heat their homes, a punitive tax against the mother in my riding who actually cannot walk to the grocery store because she has two little kids. These are the people who are suffering because of the carbon tax that has now been imposed in Alberta and that the government wants to force a subsequent provincial government, which some people are looking forward to, not to do away with. That is a real problem on all of these different fronts: the government looking to impose new taxes to raise taxes.

I want to draw the attention of members as well to the fact that over the summer the Minister of Finance asked people to do a review of what are often called tax expenditures. Effectively, these are the mechanisms in the tax code that allow people to reduce their taxes by claiming different deductions. Experts have proposed all kinds of so-called tax expenditures to eliminate. We need to know what the government is actually planning to do, because I know a lot of people are concerned about it. They are concerned that there may be changes with respect to tax credits on charitable donations.

The Conservative government brought in a volunteer firefighter tax credit to encourage people to be involved in their communities and do what they can to be part of fighting fires in their communities. One of the recommendations from the experts has been to get rid of that. There is the public transit tax credit. Here is an idea. When we are trying to improve the environment, instead of levying a tax on people to improve the environment, let us cut their taxes in order to improve the environment. That was the approach that Conservatives took, to have a green tax cut instead of a so-called new green tax. In fact, when the current government thinks green, all it is thinking about are ways of taking more money from Canadians.

There was a proposal with respect to pension income splitting from one of the experts. I hope the government does not go down the road of eliminating pension income splitting. Of course, Liberals said during the election campaign that they would not, but maybe 2015 was the last election in which the Liberals said they would not get rid of income splitting for pensioners. Maybe that is what we will be hearing later on, because checking boxes on their platform just does not seem to matter to the Prime Minister or the government anymore.

● (1350)

Canadians are suffering because of tax increases, and they are suffering because of the shameless cynicism of this Prime Minister. Thank goodness the opposition was able to make a difference on this health and dental plan issue. Hopefully the government will start to listen to us on other measures as well.

Mr. Wayne Long (Saint John—Rothesay, Lib.): Mr. Speaker, I thank the member across for his speech and his version of economics. Again we hear how the Conservative Party is such a great steward of the economy, a party that had recession after recession that left us in a deficit situation.

I have a question for the member opposite. I have asked this question many times, and no one on the opposite side can answer this question. The member opposite again brought up the beloved tax-free savings accounts, and how the Conservatives wanted to double them. However, 93% of Canadians, and this is a fact, had no benefit of the doubling of the tax-free savings accounts.

Why double the tax-free savings account when only 7% of Canadians could benefit from that doubling?

Mr. Garnett Genuis: Mr. Speaker, there is maybe too much there to address all of it at once.

The member notes the recession that Canada went through in 2008-09, as if he is under the impression that that was the result of Canadian policy. I have never heard anyone suggest that before. Maybe this member knows something that I do not.

He said that the Conservatives left a deficit for the Liberals. Well, the department of finance disagrees, the parliamentary budget officer disagrees, and even the NDP disagree with that. The only people who think the Liberals received a deficit are the Liberals. Let me say, they tried hard to spend as much as they could when they took office to obscure the record, but, again, the parliamentary budget office and the department of finance have been very clear on this point.

With respect to the question on tax-free savings accounts, the member thinks that only 7% of Canadians have TFSAs available to them. I invite him to visit fin.gc.ca, which explains how tax-free savings accounts are available to anybody who wants to put money aside, tax-free. That is the reality.

● (1355)

[*Translation*]

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Mr. Speaker, my colleague talked about the carbon tax in part of his speech. I do not know whether he is aware of this, but a large majority of the Canadian population lives in a province where there is some form of carbon pricing. If I recall correctly, nearly 90% of Canadians live in one of those provinces. I would therefore like to ask him a very simple question.

At what point does the member foresee the apocalypse and the collapse of the economy of all the provinces that already have a carbon tax?

The Conservatives always scare people by telling them that a carbon tax would cause the Canadian economy to collapse. At what point, then, does the member foresee that those provinces will collapse and there will be an economic apocalypse?

[*English*]

Mr. Garnett Genuis: Mr. Speaker, this is an interesting criterion the NDP applies to decision-making: If it does not cause the apocalypse, then it is okay. My position on carbon taxes is that they will not cause the apocalypse but that they are still bad.

We have a carbon tax in Alberta, a carbon tax that the current provincial government did not discuss during the election. It may be that many jurisdictions across the country have carbon taxes. I suspect that we will not have one in Alberta in three years, but who is counting?

Mr. Mark Gerretsen (Kingston and the Islands, Lib.): Mr. Speaker, I thank my colleague for his speech a few minutes ago, and in particular his comments about how this motion got on the floor. He said that this was put on the floor a few days ago, and that somehow this side of the House caught wind of it and was reacting.

In reality, what really happened is the opposition could have put a whole bunch of motions on the floor but they had the obligation to submit which one they were going to actually use by 2:00 p.m. yesterday. Then they had up until 9:00 a.m. this morning to change that. Yet knowing the information that they learned yesterday, they still chose to bring this opposition motion forward, and are essentially wasting the time of this House today.

I wonder if the member could comment on that.

Mr. Garnett Genuis: Mr. Speaker, if that member thinks talking about the government's plan to raise taxes is a waste of time, then he can defend that position to his constituents. I can say that what my constituents want us to talk about is exactly the government's plan to raise taxes, and we will take every opportunity to draw attention to it.

Statements by Members

STATEMENTS BY MEMBERS

[*English*]

TAIBU COMMUNITY HEALTH CENTRE

Mr. Shaun Chen (Scarborough North, Lib.): Mr. Speaker, February is Black History Month, a time for us to recognize the remarkable contributions of Canadians of African descent.

In my riding of Scarborough North, the Taibu Community Health Centre opened its doors in 2008 as a joint effort between the Black Health Alliance and the Ontario Ministry of Health. Taibu is a unique community-led organization that provides primary health care to the black community in the greater Toronto area as its priority population. The centre also serves as a community hub, instilling self-esteem in adolescent girls through the Step Up girls group, and engaging local students in its LEARN-After School program.

Congratulations to executive director, Liben Gebremikael; board president, Debra Wight; and the entire team of staff and volunteers whose efforts have earned Taibu its well-deserved reputation.

Taibu is a Kiswahili greeting that means "be in good health". As we celebrate Black History Month, may we all be blessed with good health in the months and years to come.

Taibu. Merci beaucoup.

* * *

● (1400)

2016 PRINCE ALBERT CITIZEN OF THE YEAR

Mr. Randy Hoback (Prince Albert, CPC): Mr. Speaker, I rise today to congratulate Ms. Sheryl Kimbley, 2016 Prince Albert Citizen of the Year. Sheryl was nominated for the award in appreciation of her commitment to Prince Albert youth and for her unending promotion of the Prince Albert community.

Sheryl serves as the Prince Albert Grand Council special events coordinator. She coordinates such events as Remembrance Day services, fall trapper events, Winter Festival, and the Prince Albert Grand Council's fall assembly.

Outside of her position with the PAGC, Sheryl also sits on the organizing committee of the Prince Albert Winter Festival, serves as the vice-president of the Prince Albert Council for the Arts, sits on the Prince Albert tourist board, and has helped organize and host a long list of local fundraising initiatives.

What drives Sheryl is the love of her children and the love for her community. Her personal goal is to leave behind a healthy community. To Sheryl, being involved feeds her soul. It shows our children how to give back. She could not be more right.

A banquet in Sheryl's honour is being held on February 4 to recognize her outstanding contributions to the city.

Congratulations to Sheryl. On behalf of all members, I thank her for her commitment to our community.

CHES PENNEY

Mr. Ken McDonald (Avalon, Lib.): Mr. Speaker, today I rise to recognize the life of Mr. Ches Penney, a constituent, friend, and prominent business leader in Newfoundland and Labrador.

Mr. Penney passed away last Thursday and leaves behind his loving family, friends, business associates, and a legacy as one of the most successful business leaders of his time.

As a young man, Mr. Penney was a true entrepreneur, successfully building the tremendous Penney Group and playing a pivotal role in the construction, auto sales, energy services, and real estate sectors.

He was not only a great businessman, but a champion of all that our province stands for. In recognizing his contribution, Ches was awarded the Order of Canada, the Order of Newfoundland and Labrador, and an honorary doctorate from Memorial University.

While Ches has passed, his name, memory, and legacy will live on for generations. After a full and busy life, may Ches rest in eternal peace.

* * *

[*Translation*]

JEAN-GUY ST-ONGE

Ms. Anne Minh-Thu Quach (Salaberry—Suroît, NDP): Mr. Speaker, today I would like to take a moment to pay tribute to a great man who spent his life taking care of the people around him. Jean-Guy St-Onge died unexpectedly on January 23 at the age of 73.

It was as a member of Parliament that I first met Mr. St-Onge five years ago. He was a municipal councillor in Saint-Stanislas-de-Kostka. He served his district for 30 years until the day he died. He was part of everything going on in his community, of which he was very proud. He was involved in the amalgamation with Hungry Bay, in the Municipalité amie des aînés program, which promotes the social inclusion of seniors, and in protecting Lac Saint-François.

I should also mention Mr. St-Onge's five years with SABEC in Godmanchester, which, every year, helps hundreds of people without cars get to medical appointments.

We have lost an admirable and caring man, a dear friend. My condolences to his partner, Nicole, his family, and the people of Saint-Stanislas-de-Kostka and the Upper St. Lawrence.

Rest in peace, Mr. St-Onge.

[*English*]

SURREY CENTRE

Mr. Randeep Sarai (Surrey Centre, Lib.): Mr. Speaker, I rise today to honour two men with very differing paths but very similar hearts. Chandra Bodalia immigrated to Vancouver in 1976 and started his career as a photojournalist. In four decades, he documented the South Asian community's memories through more than three million pictures and shared them with all without asking for anything in exchange.

When things took a turn for the worse, the community stood up. Thousands gathered from all over B.C. and opened their cheque-books, as they saw Chandra as a brother in need.

In that crowd was none other than the giant Bruce Kehler, a lumber tycoon but better known as the Desi Santa, a title affectionately given to him because of his giving heart and his affection for the South Asian community.

He challenged the crowd that, if they matched it, he would give $100,000, as no one else had done so much to document the history of the community than Mr. Bodalia, and did the crowd respond? Over $300,000 was collected that night, and two giants showed us all what passion, dedication, and most of all, being human is all about.

* * *

ALZHEIMER'S DISEASE

Hon. Rob Nicholson (Niagara Falls, CPC): Mr. Speaker, I am pleased to rise in this chamber today prior to the third and final reading of my private member's bill, Bill C-233, an act respecting a national strategy for Alzheimer's disease and other dementias.

I wish to sincerely thank my colleagues on this side of the House and members across the aisle for their support of this important legislation on behalf of the 747,000 Canadians living with this terrible disease.

Many of us have had to endure the very painful long goodbye to a loved one without the benefit of having a coordinated strategy.

I want to especially thank my colleague, the member for Don Valley West for his backing in seeing that Bill C-233 becomes a reality.

The non-partisan collaboration from all parties is a shining example of what we can accomplish in this House when we work together for the greater good of all Canadians.

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● (1405)

P. DEREK LEWIS

Mr. Nick Whalen (St. John's East, Lib.): Mr. Speaker, the Hon. P. Derek Lewis, lawyer, senator, and exceptional wit, passed away on January 19.

Derek was born in St. John's in 1924, where he practised law until October of last year, a full 69 years since he was first admitted to the Newfoundland bar. He was among the world's most senior lawyers, and his dry wit belied a lifetime of confidences well kept.

He was a living embodiment of hard work, and so it was no wonder when prime minister Pierre Elliot Trudeau appointed him to the Senate in 1978. *Hansard* is replete with evidence of his grace, humour, and humility.

He is survived and mourned by his wife of 55 years, the amazing Grace, and by his law partner and clerk of 60 years, David C. Day, Q.C.

Please rise with me to say thanks and bid adieu to Senator Lewis.

* * *

[*Translation*]

PUBLIC TRANSIT

Mr. Ramez Ayoub (Thérèse-De Blainville, Lib.): Mr. Speaker, I rise in the House today to talk about the collective action spearheaded by the Thérèse-de-Blainville chamber of commerce by way of a petition that I am sponsoring in Parliament to add dedicated transit lanes to Highway 15 and to complete Highway 19 with dedicated lanes. This is about quality of life and economic development for the entire Lower Laurentians region and greater Montreal area.

For the first time, federal, provincial, and municipal elected officials, as well as economic and community stakeholders, have all rallied to support this petition, because our patience has been tested to the limit. Urgent action is needed, as BAPE has said.

It is high time that the Government of Canada provided some financial support for public transit infrastructure projects. I invite all Canadians to sign our petition.

* * *

[*English*]

GROUNDHOG DAY

Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC): Mr. Speaker,

Seven hours west of here in Bruce—Grey—Owen Sound,
Is beautiful Wiarton, proud to call my home town.

There's a famous groundhog named Wiarton Willie,
He comes out February 2nd, sunny or chilly.

He is not your regular, plain brown woodchuck,
A weather predictor, it's definitely not luck.

Drop by and see Willie, you'll be impressed,
Willie don't charge cash for access.

His glistening fur coat of ivory white,
Fills all regular "hogs" with fear and fright.

Shubenacadie Sam and Balzac Billy, they're just fakes,
and Punxsutawney Phil, probably a Liberal on the take.

Mr. Speaker, this government, so lost in a snow storm,
Willie wouldn't have backtracked on electoral reform.

This morning in Wiarton right at 8:07,
The sun did not shine from the heavens.

With chants of Willie, Willie from the crowd,
His prediction came out clear and loud.

Across the nation his words did ring,
I, Wiarton Willie, predict an early spring!

* * *

HIGH-SPEED INTERNET

Mrs. Deborah Schulte (King—Vaughan, Lib.): Mr. Speaker, I rise today to share the good news that more residents in my riding will have access to fibre optic broadband, thanks to a significant investment by the Government of Canada.

On January 23, I was thrilled to announce, on behalf of the Minister of Infrastructure and Communities, $825,000 in funding to expand the fibre optic broadband network in King Township. Access to better, more reliable broadband will provide residents with new opportunities to participate in the digital economy.

In partnership with communities, service providers, and other levels of government, we are working toward providing every family, farmer, senior, and student with access to a broadband service, increasing the potential for innovation and economic development.

[*Translation*]

Our government recognizes that investing in infrastructure is essential in order to give our municipalities the basics that they need.

* * *

● (1410)

[*English*]

CANADIAN ARMED FORCES RESERVES

Mr. Peter Fragiskatos (London North Centre, Lib.): Mr. Speaker, it is an honour to pay tribute to the reservists of the Canadian Armed Forces. These groups of dedicated individuals play an integral role in support of the regular force, both in international and domestic operations.

I would like to especially highlight the 1st Hussars, a regiment of the Canadian Army and a part of the 31 Canadian Brigade Group. Based in London and Sarnia, this historic group is composed of dedicated and skilled soldiers and officers. It also has a thriving association of retired members, friends, and families.

Under the command of Lieutenant Colonel Bernie Scheid, and supported by Honorary Lieutenant Colonel Barry Hogan and Honorary Lieutenant Colonel Larry Myny, the 1st Hussars are tied to D-Day landings, various peacekeeping operations, and supporting the mission in Afghanistan. I would be remiss if I did not mention Joe Murray, who is a passionate defender of London's military history. Their motto is "Today not tomorrow".

I ask everyone in this House to show appreciation today for the work our reservists do in supporting our regular force to ensure we enjoy a peaceful, prosperous, and free tomorrow.

* * *

BLACK HISTORY MONTH

Ms. Rachael Harder (Lethbridge, CPC): Mr. Speaker, February marks Black History Month. During this time, we pause to honour the legacy of black Canadians. We celebrate the many contributions that have been made by black Canadians throughout the years and the contributions that will be made in our future.

One of my closest friends came to Canada only a few years ago from Tanzania. She has enriched the lives of all those who are fortunate enough to know her. Her joy and her smile are contagious.

However, simply talking about Black History Month seems to be too broad a brushstroke. It fails to capture the diversity within the black community. With so many nationalities, cultural traditions, and family histories, the diversity of the black experience is matched only by the diversity of our country, Canada, our home.

We thank the black community in Lethbridge, and in all of Canada, for adding to the mosaic that we call home and for enriching our community.

* * *

KINGSTON AND THE ISLANDS

Mr. Mark Gerretsen (Kingston and the Islands, Lib.): Mr. Speaker, I rise today to recognize an outstanding citizen from my riding of Kingston and the Islands, Mr. Jamshed Hassan.

Jimmy, as he is more commonly known in Kingston, was born and raised in Pakistan. Many years ago, he chose to leave his life there in search of something new. After eventually settling in Kingston, Jimmy quickly became known for his outspoken love of our city and, more importantly, his ongoing pursuit of making Kingston an even better place to live.

Three years ago, Jimmy started hosting a diversity dinner, where he brings together people from all cultural backgrounds to share our experiences and learn from each other's cultural richness. This year, Jimmy brought together Kingstonians representing a vast array of countries including Ukraine, Russia, China, Japan, the Philippines, and of course his homeland of Pakistan, to name a few.

Jimmy has been a light in the Kingston community and knows that diversity is our strength. We thank Jimmy for choosing Kingston. We are stronger because of him.

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DEMOCRATIC REFORM

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, it is Groundhog Day again, but when it comes to Liberals breaking promises, Canadians have seen this movie and they are not laughing.

Canadians, in the last election, chose hope over experience with the Liberal Party. They said this Liberal leader was different, not like the other Liberals who would say anything and do anything to get elected, but then once he got in office would just arrogantly break those promises, like his promise on electoral reform.

There is an old story of the frog and the scorpion. There is a great flood. The scorpion says to the frog, "Let me jump on your back to cross the river; I won't sting you". The frog says, "How can I trust you, when you're a scorpion?" "Why would I sting you? It would only be to my own harm", says the scorpion. The frog says, "I'll trust you one more time", and he jumps on his back. Halfway across the river, the scorpion stings him. As they are drowning, the frog says, "Why did you do that?" The scorpion says, "It's my nature; I'm a scorpion".

When it comes to Liberals, we can always count on the nature of Liberals to look after Liberals, and it is only Canadians who end up getting stung.

* * *

[*Translation*]

SUICIDE PREVENTION WEEK

Mr. Jacques Gourde (Lévis—Lotbinière, CPC): Mr. Speaker, this is the 27th Suicide Prevention Week, and its theme is "Suicide is not an option".

People in distress contemplating suicide are turning increasingly to the web. Suicide is an issue that is of particular concern to me. This additional platform makes it possible for us to more quickly provide support for our youth, parents, work colleagues and friends.

I invite everyone in my riding and in Quebec to join this movement and to tell their friends and family that suicide is never an option and that they are there for them.

I would like to thank the Association québécoise de prévention du suicide and all organizations and stakeholders working in our ridings throughout the year. If you are worried about someone you know, do not hesitate to ask for help by calling 1-866-APPELLE.

* * *

● (1415)

[*English*]

WILLIAM W. TURNER

Hon. Andrew Leslie (Orléans, Lib.): Mr. Speaker, it is with profound sadness that I rise today to mark the passing of Brigadier General William W. Turner, a decorated veteran and a family friend.

Canada has seen the passing of a living legend.

A native of Victoria, British Columbia, General Turner served his nation as an artillery officer in World War II, as a peacekeeper, as commandant of his beloved Royal Military College, and in later life as the colonel commandant of the Royal Regiment of Canadian Artillery.

Throughout his career, he was known as a gentleman of rare high intellect, who would invest great efforts into passing on his vast knowledge to the next generation. I, and thousands just like me, owe General Turner a great debt of gratitude for his service to not only the army, the Canadian Forces, but indeed to Canada.

I extend my deepest sympathies to his wife of 65 years less two days, Hope, to his sons, John and Bill Turner, both distinguished soldiers themselves and close personal friends of mine, and to his daughter, Hope, who herself married a combat veteran.

Rest in peace.

ORAL QUESTIONS

[*Translation*]

INTERNATIONAL TRADE

Hon. Denis Lebel (Lac-Saint-Jean, CPC): Mr. Speaker, when he was elected, the Prime Minister said that his mandate letters were his ministers' bible.

After reading the mandate letters for the Minister of International Trade and the Minister of Foreign Affairs, it seems that international trade is not really important to the Prime Minister because there is no mention at all of the softwood lumber agreement, the TPP, or bilateral agreements with countries that were in the TPP.

Why has the Prime Minister not shown us that he believes it is important to open borders?

Hon. Chrystia Freeland (Minister of Foreign Affairs, Lib.): Mr. Speaker, our government has an outstanding record on serving Canadians well when it comes to international trade.

Canada signed CETA this past October. In December 2015, the current government had the U.S. labelling law, known as COOL, repealed. We have obtained greater access to the U.S. and Chinese markets for beef. We have also obtained greater access in China for canola producers, including my father.

We will continue to work tirelessly to grow the middle class, and I will vigorously defend our interests together with my dear colleague.

[*English*]

Hon. Denis Lebel (Lac-Saint-Jean, CPC): Mr. Speaker, this is not reassuring.

How can those members stand over there with a straight face and tell Canadians they believe in free trade? The minister's mandate letters make no mention of the softwood lumber agreement or trade with Asia-Pacific nations that were in the TPP. Canadian workers need the Liberal government to work in their best interests.

When can we expect a new softwood lumber agreement and new markets for our exporters?

Hon. François-Philippe Champagne (Minister of International Trade, Lib.): Mr. Speaker, more trade is more growth and more growth is more jobs for Canadians. That is why this government will be relentless. We will have an ambitious trade agenda to create jobs for Canadians, to open markets, so Canadians and their families can be better in our country. We have an ambitious trade agenda and we will put it forward.

* * *

[*Translation*]

EMPLOYMENT

Hon. Denis Lebel (Lac-Saint-Jean, CPC): Mr. Speaker, the evidence shows that the Liberals' policies were ill-advised from the start. The group that represents Canadian manufacturers had this to say: "Right now, Canada is not a competitive location for investment. Add this to the rapidly changing business environment in the US—a primary competitor for investment—with increased protectionism...and Canada's situation will only worsen".

The Liberals can keep kidding themselves with their plans that do not work, but we are reporting facts.

What steps will the Prime Minister take to defend jobs here in Canada?

[*English*]

Hon. Navdeep Bains (Minister of Innovation, Science and Economic Development, Lib.): Mr. Speaker, I would like to remind the member opposite that when it comes to taking concrete steps, we extended the automotive innovation fund in the 2016 budget. Not only did we extend that fund, but we changed the terms. Because of that, we attracted a $500 million investment in the Honda plant in Alliston. That will secure 4,000 jobs. That is taking concrete action. That is bringing investment to Canada. That is securing good quality jobs for the middle class.

We will remain focused on growing the economy and creating good quality jobs for Canadians.

* * *

● (1420)

JUSTICE

Hon. Candice Bergen (Portage—Lisgar, CPC): Mr. Speaker, the call from a Liberal member of Parliament to legalize all drugs is very troubling. The Liberals are going to be legalizing marijuana, but parents are concerned they may be considering legalizing even more dangerous drugs.

Unfortunately, the Prime Minister was not clear on this yesterday, so I wonder if the Minister of Justice could tell us, after the Liberals legalize marijuana, what will be the next drug they plan on legalizing?

Hon. Jane Philpott (Minister of Health, Lib.): Mr. Speaker, the approach of this government to drug policy is evidence-based, compassionate, collaborative, and comprehensive.

When it comes to the matter of cannabis, we have made it very clear that we are going to legalize access to cannabis, but we are going to do so in a strict regulatory regime to keep marijuana out of the hands of children and the profits out of the hands of criminals.

Hon. Candice Bergen (Portage—Lisgar, CPC): Mr. Speaker, the Liberal member for Beaches—East York is on record calling for the legalization of all illegal drugs. Yesterday the Prime Minister refused to denounce that position.

Will the Minister of Health have the courage to stand today, denounce that position of that Liberal member of Parliament, and state for the record that the only drug the Liberals will be legalizing is marijuana, and please be clear for all Canadians?

Hon. Jane Philpott (Minister of Health, Lib.): Mr. Speaker, as I have just said, our approach to drug policy is evidence-based. We have made it very clear that we have plans to legalize access to cannabis and to strictly regulate it. We have plans to legalize no other substances.

We will work together to address the opioid crisis in a manner that is comprehensive, evidence-based, and responds to the needs of Canadians.

* * *

[*Translation*]

DEMOCRATIC REFORM

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Mr. Speaker, during the election, the Liberals promised to reform our electoral system, which is archaic, outdated, and ineffective. All of the Liberal candidates promised electoral reform. Once elected, the Prime Minister repeated dozens of times that there would be electoral reform. He reiterated it in the House, the Speech from the Throne, the minister's mandate, and even the committee's mandate. We believed him. That was a big mistake. The lesson learned is that one should never believe the Liberals because they will go back on their word, just like that.

If they are breaking promises about our democracy, what is next?

Hon. Karina Gould (Minister of Democratic Institutions, Lib.): Mr. Speaker, our electoral system is the foundation of our democracy. We respect the views of Canadians, and we consulted extensively with them on this important issue. Canadians are proud of our democracy. We have always been clear. Major reforms to the electoral system should not be made if they lack the broad support of Canadians.

I look forward to working with all Canadians and to continuing to strengthen our democracy.

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Mr. Speaker, you wake up in the morning and you feel like you are living the same day over and over again. Another Liberal 180, another prime ministerial flip-flop, another letdown, another broken promise. Sure feels like *Groundhog Day*. Oh right, it is Groundhog Day.

The consensus is clear: 90% of the experts and the witnesses were in favour of proportional representation. That was the committee's majority opinion and the opinion that emerged from citizen assemblies. Even the people who did the Liberals' survey want political parties to work together.

Consultation is all well and good, but why not listen to people? Why are the Liberals making choices that benefit only themselves?

Hon. Karina Gould (Minister of Democratic Institutions, Lib.): Mr. Speaker, we listened to Canadians. We were clear: no change of this magnitude should go ahead without the broad support of Canadians. We consulted extensively with Canadians. MPs organized public meetings. The special all-party committee produced a comprehensive report. Over 360,000 Canadians weighed in at MyDemocracy.ca.

My job is to strengthen and protect our democratic institutions. That is exactly what we are working toward together with—

The Deputy Speaker: The hon. member for Skeena—Bulkley Valley.

[*English*]

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, what the Liberals are saying is simply not true. It is the exact opposite of the truth. In fact, it is one of those "alternative facts" of which they have suddenly grown so fond.

There was a consensus. It was the Liberals who just simply refused to listen to it. Ninety per cent of experts and Canadians who came before us and testified said that they wanted a proportional representation system. The recommendation from the Bloc, the Greens, the Conservatives, and the New Democrats called for a plan to bring in proportional representation.

There was actually one party that stood in the way of that consensus, and that was the Liberal Party of Canada. It is a bit rich when the Liberals claim there is no consensus. It is only Liberals standing in the way of that very consensus.

● (1425)

Hon. Karina Gould (Minister of Democratic Institutions, Lib.): Mr. Speaker, our government will continue to act to strengthen our democracy.

While we did not hear a consensus on a particular electoral system to replace the one we have now, Canadians were clear that we could do more to improve our democratic institutions. What we did hear was that Canadians were proud of our democracy.

That is why my new mandate letter includes protecting the integrity of our democracy by making our system less vulnerable to hacking, and improving transparency by making parties' political fundraising more open than ever before.

We will always work to ensure our democracy represents the values of Canadians.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, the minister keeps talking about her mandate, but I do not actually think she understands what the word fully means.

The mandate of a government does not come from some piece of paper handed to them by the Prime Minister. The mandate comes from the democratic will expressed by the voters of our country.

Let me quote the Prime Minister, who said just a few months ago, "Over 60% of Canadians voted in favour of parties that promised to change the current voting system". That, in fact, is true. That is the minister's mandate. That is the government's mandate.

Is the Prime Minister so arrogant that he believes he can change, with the flick of a pen, the mandate that was given to him by millions of Canadians?

Hon. Karina Gould (Minister of Democratic Institutions, Lib.): Mr. Speaker, there is nothing more foundational than how we choose to govern ourselves as Canadians.

We respect the views of Canadians, and we consulted extensively with them on this important issue. We listened to Canadians. We heard that Canadians were proud of our democracy. We have been clear. Major reforms to the electoral system should not be made if they lack the broad support of Canadians.

I look forward to working with Canadians to continue to strengthen our democracy.

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[*Translation*]

FINANCE

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Mr. Speaker, a few hours before Christmas, on December 23, the Department of Finance published a document that stated two very alarming things for Canada's future. If nothing changes, we are heading toward an accumulated debt of $1.5 trillion by 2050 and a return to balanced budgets in 2055. This does not make any sense. To fix the problem, the government has two choices: either it gets its spending under control, or it increases taxes.

Can the Minister of Finance assure us and tell Canadians that he is finally going to regain control over public finances?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, we have a real plan for improving the situation in the future. That plan is not in the finance department's report. We are going to invest in our country's future. That means investing in infrastructure and innovation. By doing so we will have more growth and be better positioned in the future. It is about having more work for Canadians and an economy that works for everyone.

TAXATION

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Mr. Speaker, the Liberal plan is not working. The Liberals have been in power for 15 months, and the economy has been stagnating ever since. Even worse, we are headed toward a huge deficit and colossal debt. It is unacceptable. The minister refused to say that he plans to regain control of public finances, so I will reach out to him once again. Can the minister tell us this time that the Liberal government will not impose any new taxes on Canadians in the next budget?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, what I can say is that we started by cutting taxes for the middle class. That is the first thing we did. What is interesting is that the member and his party decided to vote against those measures. We plan to continue with our program to improve the lives of middle-class Canadians by leaving more money in their families' pockets.

* * *

[*English*]

INDUSTRY

Hon. Pierre Poilievre (Carleton, CPC): Mr. Speaker, while the Prime Minister has broken his promise on deficits and electoral reform, he is keeping his promise to "transition away from manufacturing-based employment". Yesterday's Manufacturers and Exporters' report said, "Right now, Canada is not a competitive location for investment".

Increases in business taxes, regulatory demands, and energy costs are making it more difficult and costly to do business in Canada, and there are new carbon and payroll taxes to come.

Why is the government taxing 1.7 million manufacturing workers out of their jobs?

● (1430)

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, I want to just keep repeating the fact that we are actually the government that reduced taxes on middle-class Canadians. We know we have a competitive corporate tax rate in this country. We know that it is important to continue to make investments in innovation in our economy. We know it is important to continue to focus on how we can help Canadians get the skills they need in our economy.

That is our intention, and I am very much looking forward to budget 2017 to continue that message to Canadians.

Hon. Pierre Poilievre (Carleton, CPC): Mr. Speaker, I am not sure if the minister heard, but the question was actually about manufacturing. It is an industry that employs 1.7 million Canadians. He might have also noticed that yesterday, the association that represents those jobs indicated that Canada is moving from the seventh most favourable environment in which to manufacture to tenth, while the Americans are moving from third to first, and that is before the new payroll and carbon taxes the government is introducing. South of the border, they are cutting taxes and regulations to unleash the potential of free markets.

When will the government realize that if we do not get down to business over here, the Americans are going to eat us for lunch?

Hon. Navdeep Bains (Minister of Innovation, Science and Economic Development, Lib.): Mr. Speaker, when it comes to the harmonization of regulations and reducing barriers, this has been a key priority for our government, and that is why I have been working with my provincial and territorial counterparts to sign a Canada free trade agreement. We have an agreement in principle. We announced that agreement in July. We will provide the details of that agreement, and that will create an environment for our manufacturers to grow and expand in Canada so they can compete globally and create good, quality jobs. That is how we are delivering for our manufacturing sector. On those 1.7 million jobs, we will make sure we will continue to grow and expand that industry.

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INFRASTRUCTURE

Ms. Dianne L. Watts (South Surrey—White Rock, CPC): Mr. Speaker, this morning, the parliamentary budget officer released a report called "Following the Money", stating that the Liberals' infrastructure plan has no way to measure performance, has virtually no transparency on how the money is being spent, and has shortchanged communities by $9 billion for local infrastructure. The Liberal plan to stimulate the Canadian economy has failed.

Will the minister commit to flowing the $9 billion to communities before spring construction begins?

Hon. Amarjeet Sohi (Minister of Infrastructure and Communities, Lib.): Mr. Speaker, we appreciate the work of the Office of the Parliamentary Budget Officer to monitor spending as well as inform Canadians and Parliament.

Since taking office, our government, in partnership with the municipalities and provinces, has approved 1,200 projects, with a combined investment of $14 billion. These investments are helping the design and planning work for Ottawa's LRT, Edmonton's LRT, and Calgary's LRT. As a matter of fact, in the member's own city of Surrey, planning work is being done with these resources to expand the LRT work in her own municipality.

[*Translation*]

Mr. Alain Rayes (Richmond—Arthabaska, CPC): Mr. Speaker, the parliamentary budget officer's report on infrastructure indicates that the Liberals risk not achieving their objectives for economic growth. Contrary to what the minister stated, $4.6 billion for projects has been approved.

In the wake of our Prime Minister's out-of-control deficits, tax increases, broken promises, and conflicts of interest, we are now learning that the Liberal's infrastructure plan is simply not working.

What is the Minister of Infrastructure waiting for to release the funds, the missing $9 billion, that would allow projects to move forward in every municipality in Canada?

[*English*]

The party is over.

Hon. Amarjeet Sohi (Minister of Infrastructure and Communities, Lib.): Mr. Speaker, since the introduction of budget 2016, we have concluded bilateral agreements with each province and territory within a very short amount of time. Since doing that, we have approved 1,200 projects, with a combined investment of $14 billion. We have approved more projects in one year than the previous government did in five years. That is our track record, and that is exactly what we are delivering on.

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IMMIGRATION, REFUGEES AND CITIZENSHIP

Ms. Jenny Kwan (Vancouver East, NDP): Mr. Speaker, the Prime Minister claims he is a defender of human rights, yet he will not speak up against Trump's racist ban. What is worse, once rejected by the U.S., those refugees cannot make a claim in Canada because of the safe third country agreement. So much for #welcometoCanada. Canadians no longer have confidence that the U.S. is a safe haven for refugees. If we do not suspend the agreement, Canada will be complicit in this discriminatory ban.

Will the government immediately suspend the safe third country agreement, yes or no?

● (1435)

Hon. Ahmed Hussen (Minister of Immigration, Refugees and Citizenship, Lib.): Mr. Speaker, Canada continues to remain a compassionate and generous country. We have one of the most compassionate and generous refugee systems in the world. The safe third country agreement with the United States enables both countries to better handle asylum claims. The executive order has no impact on asylum claims made in either country. We will continue to monitor the situation, and we will continue to be a country that is open to refugees and protected persons.

[*Translation*]

Ms. Hélène Laverdière (Laurier—Sainte-Marie, NDP): Mr. Speaker, it would seem as though the minister and the government are not aware of last week's events and that hiding one's head in the sand may not be the solution.

For example, how can they claim that they are convinced that refugees will be treated properly and with respect in the United States following the President's immigration order?

Will the government immediately suspend the Canada-U.S. safe third country agreement, yes or no?

[*English*]

Hon. Ahmed Hussen (Minister of Immigration, Refugees and Citizenship, Lib.): Mr. Speaker, the member opposite should know or ought to know that the safe third country agreement pertains to domestic asylum seekers and has no relevance to resettled refugees. Having said that, Canada has a system in place that is considered to be the most generous and compassionate in the world. We in Canada and the United States view the safe third country agreement as a proper system to handle local asylum seekers, and we will continue to be an open and generous country to those seeking protection and refuge.

STATUS OF WOMEN

Ms. Rachael Harder (Lethbridge, CPC): Mr. Speaker, the primary responsibility of the Minister of Status of Women should be providing vulnerable women with the resources they need, many of whom are forced to seek shelter or refuge in women's shelters across Canada, which, of course, are desperate for resources. In his mandate letter to the minister, the Prime Minister said, "It is important that we acknowledge mistakes when we make them".

Will the minister now admit that spending over $1 million on luxury offices to make her more comfortable is a mistake and a betrayal of vulnerable women?

Hon. Maryam Monsef (Minister of Status of Women, Lib.): Mr. Speaker, our government has made gender equality a key priority with the appointment of a historic gender balanced cabinet and the first-ever full Minister for Status of Women.

Previous ministers responsible for the Status of Women were also ministers of departments that already had offices. Being located in the same building as the department, as is the standard across government, will ensure that departmental and ministerial operations run more efficiently.

I look forward to working with the member opposite to further the opportunities for women and girls in this country.

[*Translation*]

Mrs. Sylvie Boucher (Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix, CPC): Mr. Speaker, we are tired of hearing talking points; we want real answers today.

The former minister of status of women spent the tidy amount of $1.1 million renovating her office. Many organizations that help women could have really used that money.

Can the Minister of Status of Women explain why her priority was renovations rather than women who are very short of money?

[*English*]

Hon. Maryam Monsef (Minister of Status of Women, Lib.): Mr. Speaker, I appreciate the opportunity to reiterate that this is the first time there has ever been a full Minister for Status of Women. In previous governments, the minister responsible for Status of Women had another place to work within.

That said, let us talk about what the minister before me and the team have been working on since we formed government. We are working and have engaged with experts, academics, and those with lived experience to bring forward the first-ever federal strategy to address gender-based violence. We are expanding the services of Status of Women across the country, and more.

I look forward to working with the member opposite.

● (1440)

Ms. Marilyn Gladu (Sarnia—Lambton, CPC): Mr. Speaker, Status of Women did not have enough money in its budget for office renovations, but started them anyway and then had to get $900,000 from supplementary estimates for the $1.1 million project.

Would the minister describe this as responsible management of the budget and of taxpayers' money?

Hon. Maryam Monsef (Minister of Status of Women, Lib.): Mr. Speaker, the construction was completed on time, within budget, and follows the government's workplace standards to optimize office space accommodation.

As the first government to introduce a full minister responsible for Status of Women, I am looking forward to working with the member opposite as the chair of the committee responsible for this work. We have restored advocacy to the scope of activities that can be supported by the women's program, the granting body, and we believe it will help make better decisions and impact.

We are committed to ensuring that a full gender-based analysis is done across policies and programs to ensure that women and girls are at the heart of all our efforts.

Ms. Marilyn Gladu (Sarnia—Lambton, CPC): Mr. Speaker, starting to build before knowing how many people are going to be in the office is what we call bad project management.

Canadians expect that when the minister goes back to taxpayers for additional emergency funding, it will be used for such things as emergency shelters for vulnerable women, but no, to these Liberals, an emergency is building luxury offices to make themselves more comfortable.

In those same supplementary estimates, can the minister confirm how much funding the Liberals requested for women's shelters in Canada?

Hon. Maryam Monsef (Minister of Status of Women, Lib.): Mr. Speaker, after 10 years of neglect by the previous government, we are finally making progress to ensure that women and girls thrive in—

Some hon. members: Oh, oh!

The Deputy Speaker: Order, please. A question has been asked. The hon. minister is in the process of answering. I am sure there are members in the House who would like to hear the answer. We will give the minister the floor and continue on.

The hon. Minister of Status of Women.

Hon. Maryam Monsef: Mr. Speaker, we are finally working to ensure, and are making progress, that all women and girls have an opportunity to thrive in our country. We are investing in shelters, transitional homes, and affordable housing to allow women to be safe. We are also developing the first-ever federal strategy to address gender-based violence. This is a cause that transcends party lines and departments.

I am looking forward to working with all members to ensure that we reach our common goal.

INTERNATIONAL TRADE

Ms. Tracey Ramsey (Essex, NDP): Mr. Speaker, hundreds of thousands of Canadian jobs depend on trade with the United States, but the Liberals' silence on their priorities for NAFTA renegotiations is deafening. Canadians want fair trade that benefits all Canadians, not just a few at the top. The government's first priority must be protecting Canadian jobs in trade-dependent industries, like softwood lumber, auto, steel, agriculture, and dairy.

Today the U.S. has started the clock on renegotiations, so when will the Liberals come clean to Canadians about what is on the table?

Hon. Chrystia Freeland (Minister of Foreign Affairs, Lib.): Mr. Speaker, I want to start by commenting on Tuesday, which was a historic day in this House. I did not have a chance to speak then, and I had no questions yesterday. Therefore, I want to quickly thank the member for Saint-Laurent and the member for Markham—Thornhill for their decades of service to their constituents. We all honour them, and I am looking forward to working with them in their new roles.

As for the question, it is incorrect that the clock was started today by the U.S. That has not happened. Of course, our priority is jobs for Canadians.

[*Translation*]

Ms. Ruth Ellen Brosseau (Berthier—Maskinongé, NDP): Mr. Speaker, Quebec dairy producers are concerned about the Liberals' plan to renegotiate NAFTA.

That is completely understandable given the government's inaction on the diafiltered milk issue. This American product is threatening our supply management system and costing our producers millions of dollars, as is the loophole in the Canada-Europe trade agreement.

We know that the Prime Minister's promises do not mean anything, but will he confirm to Canadians today that he will defend our supply management system in the renegotiation of NAFTA?

Hon. Chrystia Freeland (Minister of Foreign Affairs, Lib.): Mr. Speaker, when I was the international trade minister, I worked closely with Quebec ministers St-Pierre and Anglade, Quebec companies such as Bombardier, the forestry industry, and Quebec unions in the context of CETA.

I am very aware of the interests of Quebec and Canada, and I will defend all of our interests, all of our workers, and all of our farmers, as always.

* * *

● (1445)

REGIONAL ECONOMIC DEVELOPMENT

Mr. David de Burgh Graham (Laurentides—Labelle, Lib.): Mr. Speaker, access to reliable broadband Internet is crucial to participating in today's economy.

Rural and remote areas, like my region of Laurentides—Labelle, do not have the necessary infrastructure to support broadband services. My constituents were therefore happy to hear about the government's budget 2016 promise regarding broadband Internet access.

[*English*]

Can the Minister of Innovation, Science and Economic Development provide the House with an update on this critical issue for all of rural Canada?

[*Translation*]

Hon. Navdeep Bains (Minister of Innovation, Science and Economic Development, Lib.): Mr. Speaker, I thank the member for Laurentides—Labelle for his question.

[*English*]

Access to broadband is essential for living, working, and competing in a digital world. For Canadians in rural and remote regions, access to high-speed Internet can unlock tremendous economic potential. That is why we launched a $500-million program called "connect to innovate", to provide high-speed broadband Internet connectivity across Canada in various communities. We want to make sure that this will help 300 rural and remote communities. We want to ensure that as many Canadians as possible benefit. That is why we are extending the application deadline to April 20.

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ETHICS

Mr. Blaine Calkins (Red Deer—Lacombe, CPC): Mr. Speaker, the Prime Minister's good friend and lobbyist Tim Barber of Canada 2020 was posting pictures on Twitter earlier this week and bragging that Canada 2020 has new space "in the Parliamentary Precinct." I cannot make this stuff up. I wish it was fake news, but sadly it is real. Will the Prime Minister commit today to end taxpayer support for his friends at Canada 2020 and ensure that no government department or agency contributes any more money to this partisan Liberal organization?

Hon. Bardish Chagger (Leader of the Government in the House of Commons and Minister of Small Business and Tourism, Lib.): Mr. Speaker, I appreciate the opportunity to answer the member's question. I can assure all members and Canadians that when we work as a government we work in the best interests of Canadians, and we will make decisions that will help us advance the work that they have elected us to do. We will ensure that we make investments that will help grow the economy and create new jobs to support Canadians.

Mr. Blaine Calkins (Red Deer—Lacombe, CPC): Mr. Speaker, that is a no. The money will keep flowing to his friends.

The Prime Minister gives special access to billionaires and lobbyists at cash-for-access fundraisers. He awards his friends at Canada 2020 with government contracts, taxpayer money for conferences, and lavish island vacations.

The Prime Minister promised Canadians that he would defend their interests, but it seems the only interests he is concerned about are his own, and his Liberal friends and insiders. Will the Prime Minister commit today to dictate to each and every one of his ministers to cut funding to Canada 2020?

Hon. Kirsty Duncan (Minister of Science, Lib.): Mr. Speaker, our government values science and the important work our scientists do. The Social Sciences and Humanities Research Council has a mandate to share and promote research to Canadians.

As I have said, a granting council is an arm's-length organization. It is able to issue contracts below a certain dollar amount. This contract fell below the amount, and the decision was made by the granting council.

[*Translation*]

Mr. Jacques Gourde (Lévis—Lotbinière, CPC): Mr. Speaker, in order for an organization to be considered arm's length, it must not be linked in any way to any political party. In the case of Canada 2020, clearly, given that the president of the think tank Canada 2020 happens to be married to the president of the Liberal Party of Canada and is a childhood friend of the Prime Minister, that organization is definitely not arm's length.

Here we are once again with a case of the Prime Minister thinking he is above the law and showing a lack of ethics and poor judgment.

Will the Prime Minister stop funding Canada 2020, an organization that belongs to his buddy, who is married to the Liberal Party president?

[*English*]

Hon. Kirsty Duncan (Minister of Science, Lib.): Mr. Speaker, again, our government values scientists and the important work they do. The opposition members are trying to manufacture a scandal where one does not exist and, frankly, I think Canadians see right through this.

The Social Sciences and Humanities Research Council is an arm's-length body. It has the ability to issue contracts below a certain dollar amount. This contract fell below that amount and the granting council made a decision.

[*Translation*]

Mr. Luc Berthold (Mégantic—L'Érable, CPC): Mr. Speaker, yesterday the Minister of Science said that Canada 2020 was an arm's-length organization. Everyone knows that science is based on facts, so let us look at the facts.

First of all, the president of Canada 2020 is married to the president of the Liberal Party of Canada. Second, the president and his wife were on vacation with the Prime Minister over the holidays. Third, Canada 2020 organized an event in Washington for the Prime Minister and was paid $15,000 in public funds.

Does the Minister of Science agree with me that 1 + 1 + 1 = 3, and that funding to Canada 2020 must stop?

● (1450)

[*English*]

Hon. Kirsty Duncan (Minister of Science, Lib.): Mr. Speaker, I do not think my hon. colleague heard the answer. The Social Sciences and Humanities Research Council is an arm's-length organization. Its mandate is to share and promote research with Canadians. As I said, the granting council has the ability to issue contracts below a certain dollar amount. This contract fell below that dollar amount and the granting council made a decision.

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INDIGENOUS AFFAIRS

Ms. Georgina Jolibois (Desnethé—Missinippi—Churchill River, NDP): Mr. Speaker, the chief of Black Lake, Saskatchewan fears for the lives of the young members of our community. In the last six weeks, 30 young people have attempted suicide. Last week, one young person succeeded. These young people cannot afford more broken promises. Words are meaningless and action is needed now.

There are fewer mental health services available and there are more cuts. Will the Prime Minister urgently increase funding for the Athabasca Health Authority for Black Lake and other communities in the area?

Hon. Jane Philpott (Minister of Health, Lib.): Mr. Speaker, the roots of the suicide crisis in indigenous communities are deep and complex. We are working hard with our partners in those communities to address this crisis. In fact, we have provided an additional $69 million in mental wellness funding. This means 24 new mental wellness teams. There are already three new crisis intervention teams at work in various parts of the country, and there is a 24-7 Hope for Wellness Help Line which is available in five languages. We will continue to do the good work to provide hope for these communities.

[*Translation*]

Mr. Romeo Saganash (Abitibi—Baie-James—Nunavik—Eeyou, NDP): Mr. Speaker, guess what? Just one day after announcing that the government was finally putting an end to all Sixties Scoop litigation, the government was in court to argue against the case of Marcia Brown.

My question is very simple: will the minister immediately put an end to the government's legal defence and recognize that Canada has, and has always had, a duty to protect the cultural identity of indigenous children?

[*English*]

Ms. Yvonne Jones (Parliamentary Secretary to the Minister of Indigenous and Northern Affairs, Lib.): Mr. Speaker, we as a government have said again and again that we would prefer negotiation over litigation at any time. It is our preferred route to settle differences, especially those of historic wrongs with indigenous people in this country.

That is why our government has launched negotiations toward a national resolution to the Sixties Scoop litigation. That is why as well we feel that these are important resolutions to have if we are able to move forward with reconciliation with all indigenous people in Canada. We will keep working toward that goal and that path.

FOREIGN AFFAIRS

Mr. James Bezan (Selkirk—Interlake—Eastman, CPC): Mr. Speaker, yesterday it was revealed that the new Minister of Foreign Affairs was given different instructions from her predecessor. Specifically, troop deployments will now be based solely on Canada's national interest. It makes us wonder what they were based on before.

For months we have been asking the Liberals to explain how their intention to send our troops on a UN mission in Africa serves our national interest.

Can the minister confirm that the previous peacekeeping plans are now on hold, or have the Liberals abandoned them completely?

Hon. Chrystia Freeland (Minister of Foreign Affairs, Lib.): Mr. Speaker, I thank the member opposite for his question and I do look forward to working with him. We have done a lot of work together in the past.

I agree strongly with the member opposite that of course it is absolutely correct for all of the actions of the government to be in the national interest, and as Minister of Foreign Affairs that will be my north star.

When it comes to peacekeeping, Canada is a determined peace-builder. We believe in peace and we believe in our role in multilateral organizations.

As to specific missions, that is something which the government is currently considering.

[*Translation*]

Mr. Pierre Paul-Hus (Charlesbourg—Haute-Saint-Charles, CPC): Mr. Speaker, the Prime Minister gave the Minister of Foreign Affairs new instructions. Now, any deployment of Canadian troops abroad must align with Canada's national interest. That is exactly what we did in the past.

In light of this new vision and the Prime Minister's eagerness to deploy 600 soldiers on a peacekeeping mission in Africa where there is no peace to keep, can the minister explain to us how this African mission aligns with Canada's national interest?

● (1455)

Hon. Chrystia Freeland (Minister of Foreign Affairs, Lib.): Mr. Speaker, I thank the member for his question. I answered the question in English, but it is my pleasure to try answering it in French.

As Minister of Foreign Affairs, it is my privilege to defend the national interest, and that is what I will try to do. As a determined peace-builder, Canada will re-engage in peacekeeping. Our government is committed to restoring Canada's role in peacekeeping missions, and we are currently considering our options in that regard.

[*English*]

Hon. Peter Kent (Thornhill, CPC): Mr. Speaker, it has become clear this week that Vladimir Putin is testing resolve of western democracies and the new American president. The Russian-backed war in eastern Ukraine continues to intensify, pushing some communities to the brink of humanitarian disaster. Yesterday, as Ukraine assumed the rotating presidency of the UN Security Council, the permanent council member sponsoring the war had the temerity to urge restraint.

The Liberals say they are considering options. How about some action?

Hon. Chrystia Freeland (Minister of Foreign Affairs, Lib.): Mr. Speaker, as I am sure the member opposite is aware, I am watching the situation near Avdiivka very carefully, and I have been in close touch with our excellent ambassador, Roman Waschuk, in Kiev.

It is an issue of utmost concern, and we condemn the actions of the Russian-backed separatist forces there.

As I have said earlier this week, we are working closely together with my colleague, the Minister of National Defence on Operation Unifier, which I think has done excellent work thus far.

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INFRASTRUCTURE

Ms. Karen Ludwig (New Brunswick Southwest, Lib.): Mr. Speaker, I hear a lot about infrastructure needs from citizens and municipalities in my riding of New Brunswick Southwest. Citizens want better roads, access to public transit, clean drinking water, and affordable housing.

Our municipalities want to offer all of these things while also leading the way fighting climate change. Municipalities are pleased with our government's commitment to invest in infrastructure, but they want to know how the federal government will help them to plan for the future.

Could the minister tell this House how the government will support our municipalities in this important goal?

Hon. Amarjeet Sohi (Minister of Infrastructure and Communities, Lib.): Mr. Speaker, first I would like to convey that our thoughts are with the people of New Brunswick as they recover from the ice storm there.

Today our government and FCM announced two new programs. These programs will raise awareness about asset management practices, making small, long-term infrastructure decisions. These programs will also help municipalities fight climate change and transition to our low-carbon communities.

I urge all members to tell their communities about these two initiatives. We are proud of our partnership with the Federation of Canadian Municipalities and cities from coast to coast to coast.

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HEALTH

Mr. Colin Carrie (Oshawa, CPC): Mr. Speaker, the Liberals are playing politics with the lives of Canadians.

Oral Questions

Yesterday the Conservatives agreed to unanimously support portions of Bill C-37 to ensure that important lifesaving measures could be implemented immediately. We asked that the controversial elements of forcing communities to accept heroin injection sites without proper consultation be further debated so Canadians could have their voices heard.

Will the Liberals stop playing politics and allow portions of the bill, which have all-party support, to be adopted in the House today?

Hon. Jane Philpott (Minister of Health, Lib.): Mr. Speaker, that question gives me an opportunity to share with all members of the House some very good news. This is not a political matter. This is a very serious matter, a matter of saving lives. I am very happy to report that not only with the support of the vote that took place yesterday to pass second reading, all parties agreed today in committee to expedite the passage through committee of Bill C-37 to save lives and get the work done.

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[*Translation*]

TRANSPORTATION

Mr. Pierre Nantel (Longueuil—Saint-Hubert, NDP): Mr. Speaker, the Liberals made huge election promises, including when it comes to electric transportation. They even promised to have charging stations installed at federal building parking lots across the country, and people believed them. We are still waiting. It is not just about keeping a promise. It is about climate urgency.

I am truly proud to be the NDP critic for electrification of transportation. That said, I wonder who will be my counterpart across the way.

Can someone please tell us that this government is going to keep its promise and when?

● (1500)

[*English*]

Ms. Kim Rudd (Parliamentary Secretary to the Minister of Natural Resources, Lib.): Mr. Speaker, our government continues to support innovation around things like electric charging stations and electric vehicles. Indeed, I personally had the opportunity to test drive an electric vehicle while I attended the conference in Montreal.

We know they are the next version of some of the energy-saving opportunities we have around carbon, reducing our carbon footprint. We continue to support those innovators who are moving this forward.

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HOUSING

Mr. Wayne Long (Saint John—Rothesay, Lib.): Mr. Speaker, homelessness is a terrible, preventable situation lived by too many Canadians. I was proud to see our government increasing the homeless partnering strategy funding by $111.8 million.

Could the Parliamentary Secretary to the Minister of Families, Children and Social Development (Housing and Urban Affairs) give us an update on our government's work on this very important file?

Mr. Adam Vaughan (Parliamentary Secretary to the Minister of Families, Children and Social Development (Housing and Urban Affairs), Lib.): Mr. Speaker, I would like to thank the member for Saint John—Rothesay for his concern and advocacy on this issue, and in particular his strong support for the Outflow and Coverdale shelters in his riding.

Homelessness affects all of our communities, and all of us have a role to play in ending it. Yesterday, we announced the call for nominations to establish an advisory council of experts and stakeholders to help the government as it reviews and renews the homeless partnership strategy.

This committee, which I will chair, will have members chosen through an open and transparent process. Canadians with lived experience and people with knowledge of the program and who deliver front-line services will be encouraged to apply. I would also stress that indigenous and Inuit voices must be heard through this process. People can check Canada.ca for information.

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[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC): Mr. Speaker, if the Liberal government had not imposed arbitrary deadlines on the Connect to Innovate program, and if it had listened to the regions in Quebec and Canada, there would be no need to change the dates today as it just did. By all accounts, the minister from Toronto knows very little about Canada's regions.

Will he extend the deadline by another two or three months, since the municipalities are unable to submit plans under the current program?

We had also asked for more money to build cellphone towers in our regions because of the significant problems we have in Canada.

Can the minister tell us when we can expect to have that money?

[*English*]

Hon. Navdeep Bains (Minister of Innovation, Science and Economic Development, Lib.): Mr. Speaker, I would like to thank the member for again talking about the connect to innovate program.

We had extensive consultations with municipalities and stakeholders when we designed the program. We actually announced the program in our 2016 budget, so people are well aware of this initiative and our government's commitment to deal with that digital divide and make sure we invest in our rural and remote communities.

This is a significant investment. When leveraged with the private sector, it has the potential of a billion-dollar investment. This is significant for our regions. We are listening to our regions. That is why we extended the date to April 20.

[*Translation*]

INTERNATIONAL TRADE

Ms. Monique Pauzé (Repentigny, BQ): Mr. Speaker, I will be very brief, but very clear.

Will the government honour Quebec's requests and formally undertake to fully compensate the losses of our dairy producers before, with the emphasis on "before", the vote on the free trade agreement with Europe?

[*English*]

Hon. Lawrence MacAulay (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I think my hon. colleague is fully aware that this government has been consulting dairy farmers right across the country, including in Quebec. With that consultation, we put a program in place that involved $350 million to make sure the dairy farmers and processing sector were innovative.

We have worked with the supply management sector, particularly the dairy sector, and we will continue to work in support of the dairy sector.

[*Translation*]

Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ): Mr. Speaker, the European free trade agreement could help promote Quebec. We have an opportunity to build a bridge between Europe and America. However, we will not abandon our people. We will not support the agreement if the government sacrifices our agricultural and dairy producers. Canada-Europe relations must not be forged by creating hardship for the families in our regions.

Will the government fully compensate Quebec producers and, ultimately, not deem them to be collateral damage?

● (1505)

Hon. François-Philippe Champagne (Minister of International Trade, Lib.): Mr. Speaker, my colleague knows very well that CETA is in the national interest and that we have listened to all Canadians. I can guarantee one thing: trade brings growth and growth brings jobs to ridings across Canada. We will continue to listen to our agricultural producers and we will continue to have a trade vision that includes the entire country.

* * *

[*English*]

BUSINESS OF THE HOUSE

Hon. Candice Bergen (Portage—Lisgar, CPC): Mr. Speaker, I want to ask the government about the business for this week and next week. However, you may recall that before we rose for the Christmas break, I asked the government if it would consider a take-note debate regarding the job situation in Canada and, specifically, the job losses in the energy sector.

Again, I ask the House leader if she would please let us know the business for this week and next week, and when we will be able to have that important take-note debate.

[*Translation*]

Hon. Bardish Chagger (Leader of the Government in the House of Commons and Minister of Small Business and Tourism, Lib.): Mr. Speaker, this afternoon, we will continue the debate that we began this morning on the Conservative Party's motion. Tomorrow, we will begin the report stage debate of Bill C-30 on the Canada-European Union comprehensive economic and trade agreement. Monday, we will resume debate of that bill.

[*English*]

Next week, we will also continue the second reading debate of Bill C-36, an act to amend the Statistics Act, and Bill C-31, an act to implement the Free Trade Agreement between Canada and Ukraine.

Next Thursday, February 9, shall be an allotted day.

Last, there have been consultations among the parties and I believe you would find agreement for the following motion. I move:

> That a take-note debate on the subject of job losses in the energy sector take place, pursuant to Standing Order 53.1, on Wednesday, February 8, 2017, and that, notwithstanding any Standing Order or usual practice of the House, (a) any member rising to speak during the debate my indicate to the Chair that he or she will dividing his or her time with another member; and (b) no quorum calls, dilatory motions, or requests for unanimous consent shall be received by the Chair.

The Deputy Speaker: Does the hon. government House leader have the unanimous consent of the House to propose the motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

(Motion agreed to)

The Deputy Speaker: The Chair has received notice of a question of privilege from the hon. member for Red Deer—Lacombe, and we'll go to that now.

The hon. member for Red Deer—Lacombe.

* * *

PRIVILEGE

ALLEGED USE OF OFFICE SPACE IN PARLIAMENTARY PRECINCT

Mr. Blaine Calkins (Red Deer—Lacombe, CPC): Mr. Speaker, I rise on a question of privilege regarding a tweet by Canada 2020 advertising that it was opening offices in the parliamentary precinct. The tweet, dated January 27, 11:47 a.m., states, "@Canada2020 almost there! New floors next week - 2100 Sq ft of meeting space #canada2020 in the Parliamentary precinct #cndpoli".

Section 79.51 of the Parliament of Canada Act with respect to the Parliamentary Protective Services, defines the precinct as follows:

> parliamentary precinct means the premises or any part of the premises, other than the constituency offices of members of Parliament, that are used by the following entities or individuals or their officers or staff, and that are designated in writing by the Speaker of the Senate or the Speaker of the House of Commons:
>
> (a) the Senate, House of Commons, Library of Parliament or Parliamentary committees;
>
> (b) members of the Senate or House of Commons who are carrying out their parliamentary functions;
>
> (c) the Senate Ethics Officer or the Conflict of Interest and Ethics Commissioner; or
>
> (d) the Service.

On the Public Works website, it defines the parliamentary precinct as "home to Canada's federal legislature and is an iconic symbol of our country's commitment to democracy and peace."

As you know, Mr. Speaker, Canada 2020 cannot take up shop in the home of our federal legislature, and the only commitment it can boast of is receiving largesse from the Liberal government. Apparently, it is not good enough for Canada 2020 to be an entity of the Liberal Party of Canada; it now wants to give the impression that it is part of the parliamentary precinct.

My question of privilege touches on two points: one, the misrepresentation of Parliament; and two, the breach of subsection 80(1) of the Parliament of Canada Act.

A prima facie case of privilege was found on May 6, 1985, when the appearance of a newspaper advertisement identified as a member of Parliament someone other than the sitting member. Canada 2020 tweeted out that it was part of the parliamentary precinct, misrepresenting itself as part of the parliamentary family. I would argue that this misrepresentation constitutes an affront to the House and to members of Parliament.

In the Ontario legislature, Speaker Stockwell dealt with a question of privilege concerning a pamphlet that was issued by the Minister of Municipal Affairs and Housing regarding the government's program for reforming municipal government in metropolitan Toronto. On January 22, 1997, Speaker Stockwell ruled the matter to be a prima facie question of privilege since the pamphlet gave the impression that passage of the required legislation was not necessary.

Simply put, no one or organization, even the government itself, can misrepresent what Parliament does or who is a member of Parliament, or as Canada 2020 is attempting to do, misrepresenting its role in relation to Parliament.

Further, and this is my second point in relation to the use of such references as Canada 2020 tweeted, the principle of Canada 2020's offensive tweet can also be explained in subsection 80(1) of the Parliament of Canada Act:

> Notwithstanding anything contained in any Act of Parliament or regulation made thereunder, no person shall use the words "Parliament Hill" in combination
>
> (a) to describe or designate a property, place, site, or location in the National Capital Region described in the schedule to the National Capital Act other than the area of ground in the City of Ottawa bounded by Wellington Street, the Rideau Canal, the Ottawa River and Kent Street;
>
> (b) to identify any goods, merchandise, wares, or articles for commercial use or sale; or
>
> (c) in association with a commercial establishment providing services.

No one would be surprised if Canada 2020 advertised the opening of a new office in the Liberal Party's headquarters, for example, and as I said in my opening remarks, no one is surprised that Canada 2020 is essentially an entity of the Liberal Party, but it is an affront for Canada 2020 to be passing itself off as an entity of Parliament. It is there where it has crossed the line.

Mr. Speaker, if you find this to be a prima facie question of privilege, I am prepared to move the appropriate motion.

● (1510)

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I think what we will do is take this as notice from the member and if we have something to add, we will do it at a future time. I am a bit reluctant at this point to add further comments. Suffice to say, beyond the social media, I suspect there are all sorts of entities and individuals and so forth that might make reference to the sense of pride they have for our parliamentary precinct and the Parliament Buildings and so forth.

Without reading too much into it, if there is a need for us to respond to it, we will in time.

The Deputy Speaker: I thank the hon. member for Red Deer—Lacombe for his intervention and the background on his question of privilege. I also note that the parliamentary secretary to the government House leader has indicated to come back at some time in the near future and address the question.

Accordingly, we will take the matter under advisement and get back to the House in due course.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

The Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-2, An Act to amend the Motor Vehicle Safety Act and to make a consequential amendment to another Act, to which the concurrence of the House is desired.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

OPPOSITION MOTION—TAXES ON HEALTH AND DENTAL CARE PLANS

The House resumed consideration of the motion, and of the amendment.

Mr. Greg Fergus (Hull—Aylmer, Lib.): Mr. Speaker, I wish you and your family a happy 2017. This is the first time that I have had a chance to address you in the House.

I am very pleased to participate in today's debate on taxation. I will be sharing my time with the hon. member for Rivière-des-Mille-Îles, who will contribute to the debate in her own way.

First, I would like to assure the member for Louis-Saint-Laurent that the government does not intend to tax health and dental benefits, as the Prime Minister indicated in the House yesterday. I must admit that I am a little puzzled by the motion moved by the hon. member for Louis-Saint-Laurent since we have already made a commitment in this regard. He said that he was concerned about the middle class, but he and his colleague have made decisions in the past that have been harmful to the middle class.

For example, in December 2015, the Government of Canada took an important first step to strengthen the middle class by cutting taxes for nearly nine million Canadians. The member for Louis-Saint-Laurent and his Conservative Party colleagues voted against that measure.

Next, we raised taxes on the richest 1% of Canadians, those whose taxable income exceeds $200,000 per year, to finance the Canada child benefit. Again, the member for Louis-Saint-Laurent and his Conservative colleagues voted against that measure.

We stayed on course with budget 2016, which invested in Canadian families by replacing the old child benefit with the new Canada child benefit, a simpler, more generous, better targeted, completely tax-free benefit. As I said, the Conservatives voted against it.

In budget 2016, we also indicated the importance of enhancing the integrity of Canada's tax system to protect the nation's tax base for us all. What did the member for Louis-Saint-Laurent and his colleagues do? They voted against it.

In contrast, the Liberal government knows that the middle class is the very foundation of a strong economy. That is why our number one priority is building an economy that works for Canadians and their families. A stronger middle class means that hard-working Canadians can enjoy a good standard of living and a better future for their children. Who could find fault with that? The answer is: the member for Louis-Saint-Laurent and his Conservative colleagues.

We on this side of the House know that when the middle class is doing well, everyone does well. We believe that investments are needed today in order to strengthen and grow the middle class, help young Canadians succeed, and support anyone who needs help to get ahead.

Not only did we make those decisions, but we also thought of ways to strengthen Canadians' desire to follow the rules. We all know that Canadians have no respect for people who break the rules and that they expect their government to crack down on people who do not play by the rules. That is why our government is committed to combatting international tax evasion and aggressive tax avoidance. To achieve that, we presented an action plan that strengthens existing efforts at home and abroad and includes new measures that were announced in budget 2016.

That is what we are doing. The Minister of National Revenue announced a series of measures that the Canada Revenue Agency will take to fight tax avoidance and tax evasion thanks to a dedicated investment of $444.4 million in budget 2016.

● (1515)

This funding will allow the Canada Revenue Agency to hire additional auditors, develop a robust data collection infrastructure, increase audit activities, and improve the quality of investigations in Canada.

With this additional staff, the CRA will be able to increase the number of audits of high-risk taxpayers by 400%. Furthermore, the government will streamline its efforts by including lawyers on its investigative teams so that cases can be quickly brought before the courts.

We have taken measures to hire auditors to ensure that we can address these issues and to see whether people are avoiding paying their fair share of taxes along with all Canadians. We are also taking measures to streamline this process so that cases can be brought before the courts as soon as possible.

We are also looking beyond our borders. That is why Canada was a very active participant in international efforts to fight tax evasion. All these changes prove that we are doing something about this.

I will come back to the question from the hon. member for Louis-Saint-Laurent. What did he do to support these measures? Did he vote in favour of the budget to improve our system and ensure that people pay their fair share of taxes? No, he voted against the budget. Did he vote in favour of reducing taxes for the middle class? No, he voted against that. It is ridiculous.

I am puzzled by the debate proposed by the member for Louis-Saint-Laurent. He is a very experienced politician, having been a member of the National Assembly of Quebec, the province where I was born. I must say that it is rather odd that such an experienced man has moved this motion for debate when he and his colleagues did nothing to lighten the tax burden for the middle class. We, the Liberals, have done our part.

I will continue talking about our international efforts to reduce tax avoidance for a few minutes, because I know that is of interest to the hon. member for Louis-Saint-Laurent and all my colleagues in the House.

We cut budget 2016 by $221 million thanks to the elimination of unnecessary government travel, government advertising, and excessive consulting fees. These cuts were made because we saw that the former Conservative government needlessly spent a lot of money on partisan advertising. It spent three quarters of a billion dollars on advertising between 2006 and 2015. That is incredible. Among other things, $750 million was spent on partisan signs for the economic action plan.

That money could have been used to implement measures to ensure that Canadians pay their taxes. A good portion of that money could have been used to improve the lives of middle-class Canadian families, particularly families with children. That money could have been used to fund tax cuts for the middle class.

● (1520)

Canadians are not stupid. They cannot be taken for fools. Canadians saw things clearly during the 2015 election. They voted for the Liberal Party. They voted for measures to help the middle class. Since we took office, they have known that our main goal is to always help the middle class.

I am very proud of that. I know that all of my colleagues on this side of the House are very proud of the fact that we are helping the middle class. I am sure that we will continue to do so with these measures. We will ensure that middle-class Canadians are well treated.

In closing, it is an unbelievable waste of time to have the House debate something that was already decided yesterday when the Prime Minister announced that he did not intend to tax health benefits.

● (1525)

[*English*]

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Mr. Speaker, I want to note that we have heard the Prime Minister say many things over the course of the election and over the last number of years, whether it be on electoral reform or many other areas. Then, of course, he has done the opposite.

Having a vote would be very comforting for the many Canadians who are concerned about what might be happening with not only this but perhaps some of the other tax grabs they are looking at.

My question is more focused. The member talked a lot about the so-called middle-class tax reduction. I want to know two things. When he was campaigning, did he tell his constituents that it would benefit people who made around $180,000 or $190,000 the most? Did he also reiterate the promise that it would be revenue neutral, when it ended up costing billions of dollars? It was a very bad math mistake.

I would really like to hear what the member said to his constituents about that.

Mr. Greg Fergus: Mr. Speaker, I can say that I had a great time meeting with Canadians, knocking on doors, and talking to them about what we would do if we had the opportunity to form government. One of the very solid promises we made to Canadians was that we were going to come to the aid of Canada's middle class, and that is exactly what we did.

Our first measure in the House of Commons as a government was to reduce taxes for middle-class Canadians.

I find it a little odd that the hon. member and members of her party, who claim that they are so concerned about those things, voted against that measure. It is a simple measure. It is not a partisan measure. It is a good measure that would have helped out all Canadians, yet they voted against it.

If we are going to be talking about comforting ideas, one thing that left me very uncomfortable was seeing those members vote against a good—

The Deputy Speaker: Questions and comments, the hon. member for Courtenay—Alberni.

Mr. Gord Johns (Courtenay—Alberni, NDP): Mr. Speaker, I would like to read a bit of a letter written by Debi Daviau, who is the president of the Professional Institute of the Public Service of Canada. She wrote this letter to the Minister of Finance. She said:

> If anything, the government should be looking at ways to incentivize all employers to offer employer-sponsored health care benefits and improve access for all Canadians, which we believe would generate net savings to the government through decreased reliance on publicly funded medicare.
>
> We instead encourage the government to explore other ways to boost federal revenues through, for example, reinvestments in the staff and structure needed at the Canada Revenue Agency to recoup unpaid taxes from international tax havens and harder-to-investigate cases, and/or by eliminating other tax deductions or credits that primarily benefit high-wealth individuals or corporations. Curbing costly and wasteful outsourcing of public services would be another effective way to save on government expenditures.

Does the member realize that implementing the Liberals' tax cut, which they inaccurately claimed would help the middle class, is a far more regressive tax policy than the health and dental benefits exemption they claim to be targeting as a loophole for the rich?

Mr. Greg Fergus: Mr. Speaker, indeed, I enjoy having the opportunity to work closely with my friend here.

I thank him for quoting that letter from Debi Daviau, who is doing a wonderful job as head of PIPSC, the union for public sector professionals in our government. I might add that she is a constituent of mine in Hull—Aylmer, a recent constituent, and I am glad to have her there.

For her to say that she wants to increase human resources over at the Canada Revenue Agency, well, that is exactly what we have done. That is exactly what we did in the last budget. We made an allocation of $444 million.

[*Translation*]

I would like to mention auditors. Public servants were hired to do research and verify whether people are avoiding paying their share of taxes in Canada or abroad. We therefore support the desires and wishes of Ms. Daviau and the union she represents.

● (1530)

Ms. Linda Lapointe (Rivière-des-Mille-Îles, Lib.): Mr. Speaker, I am very pleased to rise for the first time this year. My greetings to everyone here, and a happy new year to all.

As we all know, the government has a bold and broad-ranging plan to help the middle class and those working hard to join it. Yesterday, our Prime Minister made it clear that we are not planning to introduce a new tax on health and dental benefits.

Rather, our plan includes significant tax cuts to restore hope and optimism while creating new opportunities for inclusive growth that will strengthen Canada now and in the future. These tax cuts will result in a better, fairer Canada in which everyone has the opportunity to succeed and be part of our success as a society.

That is why one of the first things we did was lower taxes for the middle class. Now, nearly nine million Canadians are paying less tax on every paycheque.

Cutting the personal income tax rate for the middle class by 1.5 percentage points, from 22% to 20.5%, was our first big step toward keeping our promise to strengthen the middle class.

The next step was to introduce the Canada child benefit, or CCB, in budget 2016. The CCB is bringing us closer to our vision of a stronger middle class by giving families more money to spend on what matters to them, such as new winter clothing, healthier food, sports activities, or back-to-school supplies.

The CCB is especially important because it provides more support to low-income families, including many single-parent families. In fact, about 65% of the families who receive the maximum CCB amount are single-parent families. In most cases, they are single mothers. For hundreds of thousands of Canadian children, the CCB represents a crucial and effective step towards getting out of poverty.

Indeed, this new support will help them stay healthy as they grow up, so that they can do well in school and work towards building a successful career. With this support, they will be able to build better lives for themselves, their families, their communities, and their country.

In order to ensure that the value of the CCB does not drop over time through inflation, the government took action to index the CCB beginning with the 2020-21 benefit year. By indexing the benefits to inflation, we will preserve the gains Canadians will have made thanks to the CCB and we are investing in a better Canada for the years and decades to come.

In my riding, in the northern suburb of Montreal, 10,300 families are receiving more as a result of the CCB. In fact, 18,870 children are benefiting from it. On average, families in Rivière-des-Mille-Îles are getting monthly payments of $530. This help is very much appreciated and, let us not forget, it is tax-free.

A key aspect of our effort to build a better Canada is to provide health care to Canadians. We all know that Canada's public health care system is a source of pride to Canadians. The idea that health care should be based on need and not on the financial means of the individual is a fundamental part of our identity.

We are working openly with the provinces and territories in order to guarantee that our health care system is there to meet the needs of Canadian families. Our approach thoroughly considers and respects the roles and responsibilities of all levels of government, and it will deliver tangible, positive results for Canadians and provide them with better health care.

At the meeting of finance and health ministers held December 19, the federal government offered to pay $11 billion over 10 years to the provinces and territories, beginning in 2017-18, to support home care and mental health initiatives. I hear about these issues all the time in Rivière-des-Mille-Îles.

To date, we have reached agreements with New Brunswick, Newfoundland and Labrador, Nova Scotia, Yukon, the Northwest Territories, Nunavut, Saskatchewan, and Prince Edward Island for new funding over 10 years for these new investments in home care and mental health care.

● (1535)

According to the terms of these funding agreements, each province will receive its respective share of $11 billion for home care and mental health care offered by the federal government at the health and finance minsters' meeting held December 19. These investments will help provide Canadians with better health care and also support positive change in these priority sectors.

What is more, new investments in home care and mental health care funded by these agreements are in addition to existing funding through the Canada health transfer under the Canada Health Act. These amounts will continue to grow in the future from $36.1 billion in 2016-17 to a projected $43.1 billion in 2021-22.

With these agreements, governments will work together to develop performance indicators and annual reporting mechanisms, and also detailed plans indicating how these funds will be spent on existing programs.

The governments will work together, like Canadians want them to, to hammer out the details of their agreements' reporting requirements and ensure they are consistent with the pan-Canadian approach provided for in the December 19 offer of federal financing.

We expect these agreements will lead to improved access to mental health care services for children and youth. We also expect the number of patients in hospitals to decrease since some people will be able to be looked after at home and will receive better care there. People are happier when they can get care at home with their families.

Given this enormous potential, the Government of Canada is keeping its commitment to implement agreements with the remaining provinces in order to make it easier for Canadians to get the health care services they need when they need them.

Those are just a few of the areas in which the government's investments in Canada's middle class are paying off, not only for Canadians but for Canada itself.

We will work tirelessly to make Canada even more prosperous, inclusive, innovative, and fair for present and future generations.

However, as I clearly indicated at the beginning of my speech, our government does not intend to impose a new tax on health and dental benefits.

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Mr. Speaker, I listened closely to my colleague's speech. We have been colleagues before. Well, not really, because when I was elected to the National Assembly, the member had just finished her term in office. I am sure that, on March 26, she will be celebrating the 10th anniversary of her first election to the National Assembly.

Back then, we were members of the ADQ, a party whose rigorous approach to the management of public funds and opposition to debt and deficit was unprecedented in Quebec. It was really something.

The member just talked about how, yesterday, the Prime Minister confirmed that there will be no tax on dental and health benefits. I heard him say that too, but I also heard the Prime Minister say two weeks ago that the voting system was going to change whereas now he says that it is not. The Prime Minister was voted in on a promise of a small $10-billion deficit, but the deficit has now reached $30 billion.

The member is also well aware that, during question period earlier today, I gave the Minister of Finance two opportunities to say that there will be no tax hikes and that he will regain control of the public purse. He was not forthcoming.

Fine, we will take the minister's word for it that there will be no tax hikes. He gave his word. We will see at voting time. Can the member assure us that her government will not touch the tax credits for charitable giving, volunteer firefighters, and public transit?

● (1540)

Ms. Linda Lapointe: Mr. Speaker, I am also very pleased to see my colleague once again. Although we did not serve at the same time, we often saw one another in the National Assembly when he was a journalist and I was a member there.

Now we have different reasons to be pleased to see each other. He is on one side of the aisle, and I am on the other, the government side. I understand his concern. What I am saying is that there is nothing in our plan that raises or creates a new tax on health care or dental care. That is not part of our plan.

[*English*]

Mr. Gord Johns (Courtenay—Alberni, NDP): Mr. Speaker, Liberals often talk about the middle-class tax break and how they have done Canadians a great favour, but anybody who earns $45,000 a year, $23 an hour or less, some 17.9 million Canadians, will get nothing. They have identified that nine million Canadians get a benefit, and we know that 17.9 million Canadians will get nothing. Now they are going to implement this tax on 13.5 million working Canadians.

So many people are being left behind by the Liberals' promises and their commitment to help the middle class, which they have not identified, but I will help them. Someone earning $31,000 a year, which is the median income in our country, will get nothing. That is the median income for Canadians.

The purpose of this exemption of private health and dental insurance benefits is to encourage employers to offer them to their employees. The government's proposal goes against this. Liberals are going against working Canadians on their middle-class tax break. They are going against Canadians with this idea to tax their benefits and discourage them from getting coverage.

I want to hear from the member what she is going to do for the 17.9 million Canadians who were left behind on the middle-class tax break and why those people, who got nothing from the Liberals' false promise, are going to be taxed.

[*Translation*]

Ms. Linda Lapointe: Mr. Speaker, I thank my hon. colleague for his question.

We share these concerns about taxes and the middle class. Nine million Canadians are going to pay less tax, and that is a lot of people.

As I was saying earlier, in my riding, the Canada child benefit is helping 10,300 families and 18,860 children. Those people receive an average of $530 tax-free every month. This all helps people buy things, play sports, participate in various activities, and buy healthier food or winter coats.

Clearly, this is helping people, and together, we will make Canada more prosperous.

[*English*]

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Mr. Speaker, I would like to note that I am going to be sharing my time with the member for St. Albert—Edmonton.

Certainly the debate we are having today is absolutely critical. The role of the government is to ensure its own fiscal health, deliver important programs and services, while being very cognizant of the burden on families, communities, and taxpayers. There is a growing concern that the government is failing miserably at that very important balance.

I would like to note what Michael Smyth said today in *The Province*. He noted the problem for our Prime Minister is that, while he promised to eventually balance the budget, he is spending like a drunken sailor and racking up deficits instead.

The reason we have this issue before us today is that my office had an onslaught of emails and phones calls from people who are horribly concerned about the thought that there might be a tax on their dental benefits or health benefits. We did hear very vague responses from the finance minister for a long time, and it was not until yesterday that there was perhaps a slight bit of reassurance that it is not going to happen. However I am thinking that the reassurance only came as Liberals realized the absolute outrage that Canadians had when they thought that someone who made $45,000 a year would be looking at an extra thousand dollars in their tax bill.

It is important to really understand the concerns that are expressed in the motion. We need to reflect on the current fiscal situation, which is really driving the Liberals zest for their tax grab. Most Canadians are not economists, myself included, but most Canadians understand the basic principles of a household budget. It is not really all that different for government. A federal budget adds a whole lot of zeros and has a lot more line items, but the idea of a balanced budget is something that we all have to deal with from households, to municipalities, to provinces. Actually municipalities are limited, at least in British Columbia, in how much they can actually borrow, because they realize that they cannot keep borrowing. Therefore the legislation for municipalities places limits.

We all know that sometimes Canadians borrow for a car or a house, but the proper way to do that is to know they are able to cover the payments as they go. If people live on credit cards for groceries, gas, or electricity—increasingly in places like Ontario—they know they are heading down a path that is absolutely unsustainable. The government has that same kind of responsibility. At times, borrowing for infrastructure is appropriate, but that is infrastructure. That is not borrowing to pay for the gas or food.

I cannot see citizens going to their employers and saying they need more money because they need to spend more money and would really like a raise. I think we could understand what most employers would say to anyone who came to them with that kind of request. However, the government is in a unique position. Liberals are saying they are spending more money, so they are going to take more money from Canadians. They really have a position that they have to treasure and be so careful about what they are doing, and again that very important budget.

Sixteen months ago the Liberal government took office, and it has been confirmed by the parliamentary budget officer that they were left with a surplus. In spite of their trying to indicate otherwise, that is very clear and it has been documented.

The election commitment Liberals made was a very tiny $10 billion and they would get back to balanced budgets. That was the commitment they made to Canadians. We know now that it is wrong. They made some very obvious big mistakes. They talked very proudly about middle-class tax cuts, but we know they mis-estimated that by billions of dollars. They talked about the child benefit—and for some families the universal child care benefit was very important—but they did not budget it properly, so it was another one. They changed eligibility for the OAS. Every time they travel they seem to be announcing money for new programs and services, in other countries.

● (1545)

We have been really concerned, at least I have been very concerned as I have been watching what has been happening. The finance department, on December 23, really confirmed what were my worst suspicions. We could sense it. We heard about different things the government was spending money on and thought that we were heading down a bad path.

We were on a trend to actually start paying down the debt, but what we know now, and we have heard many times today, is we are not going to get back to a balanced budget until 2055. We will have an accumulated debt of $1.5 trillion by 2050. That is very frightening to me.

Perhaps the Liberals do not want to listen to what the Conservatives have to say about this, because the Liberals have this idea that they have a better way to deal with things. However, maybe they should listen to a former Liberal finance minister, John Manley. In a written letter to the current finance minister, he warned that the government's acceptance of long-term deficits will hurt the Canadian economy by weakening business and consumer confidence. That is from a former Liberal finance minister. He also described Finance Canada's latest projections as ominous. Again, if the Liberals are not going to listen to us today, they should take heed of their former finance minister.

Clearly, the Liberals have a really big spending problem, and they are desperately looking for revenue sources instead of looking to revenue sources in terms of creating an environment where businesses can grow and thrive.

One of the Liberals' broken promises was actually raising business tax for small businesses. They are saying that they gave them a little money with the middle-class tax cuts, but it was really bizarre because the people who benefited the most were those in the over $150,000 range. The Liberals said they gave them a little money, but they are trying to find a way to pluck it out. If we look at the people who are in that $45,000 to $100,000 range, they are the ones who are going to be suffering the most.

The Liberals, under the guise of tax fairness, have this medical and dental piece. We know that they are out there looking at all these different ways to get money, under the guise of tax fairness.

Going back to the household analogy, this is not the way to do things. The government has to look at what it is doing and create the environment for success for revenue, and not keep picking the taxpayers' pockets.

I also want to note some very scathing comments. They are more general, but they do sort of reflect what the government is doing. This is from Andrew Coyne's article today:

> But that is because you are still, even at this late date, investing some literal meaning in the prime minister's words, as if what he said and what he intended bore any relationship to each other. But if there is anything that you should have learned by now, after the two deficits of $10 billion that turned into 40 years of deficits as high as $30 billion — and the non-combat mission against ISIS that turned into troops on the ground firing and being fired upon; and the open competition to replace the F-35 that turned into another sole source contract; and the Saudi arms deal and the "revenue neutral" tax cut and all the rest — it is that you have no business believing a word that comes out of this prime minister's mouth....

That is a horrific thing to hear, that the most solemn promises, however unequivocal and however often repeated, are to him and other people around him, mere bait for the gullible. That is an absolutely horrific thing to hear.

I had an email today from a constituent who said that he does not agree with deficit spending right now as our country is not in a recession and only has pockets of economic issues. He has no problem paying taxes, as long as they are not wasted.

Most Canadians feel that when the government wants more money, it just invents another tax. I think that is what we might be seeing here. To summarize, the government needs to get its spending under control as opposed to increasing its revenue through tax grabs from hard-working Canadians.

● (1550)

Hon. Judy A. Sgro (Humber River—Black Creek, Lib.): Mr. Speaker, clearly the member is quite concerned with the direction in which our government is going. I want to assure her that we are very prudent fiscal managers. In case she or the members have forgotten, when we came into office in 1993, we were left with millions of dollars in deficits, and when the Conservatives came into power we had left them with a surplus. We are very experienced on this side of the House at being able to make the right decisions, and we are very committed to ensuring that Canadians will be better off at the end of the four-year term we are serving.

I want to assure the member that she need not worry so much, as she clearly has, because I think Canadian citizens are in very good hands. We have a proven track record, one that is far better than that of the previous government.

Mrs. Cathy McLeod: Mr. Speaker, I will give the former Liberal government credit for balancing the budget, which it did on the backs of the provinces and not through looking at its own fiscal situation, but the current Liberal government is a very different beast indeed.

It is also important to note that we had a global recession, and that Canada's record was well looked at by the rest of the world.

Most important, this is not the Liberal government of the Martin days, which at least showed some semblance of attempting to balance the budget. We have regularly asked the current government when it will balance the budget, and we have not received an answer. To suggest that perhaps the current government is like the government of old when we cannot get a simple answer to when it will balance the budget I think speaks for itself.

● (1555)

Mr. Gord Johns (Courtenay—Alberni, NDP): Mr. Speaker, my colleague from British Columbia and I know how hard people in the forest sector in our province work for every dollar they earn. Forestry workers in British Columbia earn, on average, $60,000 a year, and with family coverage they would pay more than $1,000 because of this tax that is being brought forward. People earning $60,000 would probably get about $150 through the Liberal middle-class tax break. When we combine those two, they would see a net loss.

I received a note from Mike Maddison, who is a mill worker in Port Alberni, who said that the government wants to "once again take away from our benefits; benefits that were once fought [for] and some even died to get for the working men and women of Canada. Union and non-union alike are able to have healthy families, productive, safe and happy children. It helps support the base of what we hold dear in Canada, and that's our right to be healthy."

We should be looking for policies that will increase coverage for Canadians, not this proposal that will cost Canadians, and lead to lower health and dental coverage.

I look forward to hearing the member's comments.

Mrs. Cathy McLeod: Mr. Speaker, the member makes a good point with respect to the importance of medical and dental benefits, and what this tax grab would cost. However, he also brought something up that is even more important.

In my speech, I talked about creating an environment for businesses to be successful. In our province, the softwood lumber agreement is absolutely essential for the forestry workers. If they did not have those jobs, they would not have medical and dental benefits. That agreement expired a long time ago. The Prime Minister and the former U.S. president said that they would get the deal done. We were very optimistic. Obviously, they failed. I am becoming increasingly concerned about getting a proper softwood lumber deal done, and ultimately about those jobs in the forestry sector in British Columbia.

Mr. Michael Cooper (St. Albert—Edmonton, CPC): Mr. Speaker, I am very pleased to rise to speak to this most timely motion as this tax-and-spend government sets to increase taxes even more on hard-working middle-class Canadian families.

The Prime Minister talks a lot about the middle class. He talks a good game about the middle class. During the last federal election, the Liberals boasted that they would bring back fairness for middle-class Canadians. They have been in office now for 15 months, and the question arises, what exactly have they delivered for middle-class Canadians? What have they done to restore fairness to middle-class Canadians? It seems that the only thing the government has done for middle-class Canadians is increase taxes on middle-class Canadians.

Let us look at the record over the last 15 months.

Let us start with the children's arts tax credit of $250 per child. It is gone, eliminated, taken out of the pockets of middle-class Canadian families. What about the children's fitness credit of $1,000 per child? It has been rolled back to $500 and is scheduled to be eliminated next year. That is $1,000 gone, eliminated, taken out of the pockets of hard-working middle-class Canadians by the government. There is the universal child care benefit, which has been eliminated by the government, taken out of the pockets of hard-working middle-class Canadians. In many cases it is thousands of dollars which have been taken out of Canadians' pockets.

What about hard-working families who benefited from income splitting? They can forget about it with these Liberals, because that too has been eliminated.

What about the textbook tax credit to help students and parents pay for the cost of post-secondary education? That is done like dinner, just like many other tax reductions which our previous Conservative government brought in, and the Liberal government has rolled back.

Just when we thought it was getting bad, and perhaps when we thought it could not get worse, guess what? It did. Last fall, the Liberal government brought forward two massive tax hikes that disproportionally impact middle-class Canadians, starting with a massive CPP tax grab, taking some $2,200 out of the pockets of the average family.

Not to be outdone by their massive CPP tax hike, the Liberals then introduced the mother of all tax increases, a tax on everything, a massive carbon tax, which is going to take $2,600 a year out of the pockets of the average Canadian family. Let me repeat that: $2,600 a year. It is taking some $38 billion out of the pockets of Canadians each and every year. Premier Brad Wall called the Liberal carbon tax one of the largest tax increases in Canadian history. Premier Wall is exactly right.

The Liberals say, “Don't worry, be happy. Help is on the way.” Help is on the way by way of the Liberal so-called middle-class tax cut. It all sounds pretty good, a middle-class tax cut. Who could be against that?

● (1600)

Like anything, the devil is in the details. When we look at the details, we see there is much wanting in the so-called Liberal middle-class tax cut. Take, for example, someone earning between $62,000 and $78,000 a year. How much would they save under the so-called Liberal middle-class tax cut? The answer is $117. Is that $117 a week or maybe $117 a month? No, it is $117 a year. What a joke. That works out to about $2.25 a week. Let me put that in some perspective.

Every morning I go to Tim Hortons and buy an extra large black coffee. That costs me $2.10. This so-called middle-class tax cut to Canadians earning between $62,000 and $78,000 a year is the equivalent of an extra large cup of coffee at Tim Hortons per week, plus a bonus of 15¢ to pocket or spend on whatever one can buy for 15¢ these days.

What about someone who earns $31,000, someone who earns the equivalent of the median income, someone who is smack dab in the middle of the middle class? How much would that person save under the so-called Liberal middle-class tax cut? The answer is a big fat zero. I have said it before, and I will say again, that the Liberal middle-class tax cut is nothing more than a Liberal middle-class tax cut fraud. That is what it is.

While the Liberal government is increasing taxes on hard-working Canadian families, the government is increasing Canada's deficit and national debt. We know the Liberal government inherited a $1 billion Conservative surplus and, in a year, turned it into a $30 billion deficit. As bad as that is, it gets even worse because there is no end in sight to the red ink.

During the last election campaign, the Liberals said they would run what they characterized as modest deficits in 2016, 2017, and 2018, but by budget 2019-20, the budget would be balanced. We know this promise happens to be like so many other promises from the government: another Liberal promise made and another Liberal promise broken. The budget will not be balanced in 2019. It will not even be balanced in 2029 or 2039, or 2049. According to the Department of Finance, it will not be balanced until 2055.

I would characterize this Liberal fiscal policy as a fiscal policy of generational theft. It is a policy of fiscal vandalism. That is what it is.

It is not surprising that this is coming from a Prime Minister who said, after all, that budgets balanced themselves. As the Liberal government and the Prime Minister wait for the budget to magically balance itself, Canadians are left to ask, as a result of the comprehensive review that the government asked the Department of Finance to take, just how many more taxes will go up. How much more is the government going to take out of the wallets of hard-working Canadians?

The government has a spending problem that has resulted in higher taxes and Canadians cannot take it anymore. They cannot afford the Liberal government anymore.

● (1605)

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, it is interesting. If we listen to the member, we get the impression that the Conservative Party supports tax cuts, when, in fact, the record will clearly show that not only the Conservative Party but the member as well voted against the tax cut for Canada's middle class. Imagine, nine million-plus Canadians benefit from the middle-class tax cut, whether they are farmers, factory workers, teachers, or health care workers.

One would think, listening to the member across the way, that the Conservatives would vote for that. However, the member and the Conservative caucus voted against that tax cut. Why did the Conservative Party vote against tax cuts for firefighters, factory workers, teachers, and other private sectors that warrant that tax cut?

Mr. Michael Cooper: Mr. Speaker, the Liberal so-called tax cut gave middle class Canadians precisely zero in tax reduction. By contrast, our government cut taxes in all shapes and sizes. We cut personal income tax. We cut small business tax. We reduced taxes on Canadians to the lowest level in more than 50 years. We continue to fight for lower taxes for working families against the tax-and-spend policies across the way.

Mr. Gord Johns (Courtenay—Alberni, NDP): Mr. Speaker, I thank the member for St. Albert—Edmonton for his straight shooting on calling the so-called middle-class tax cut by the Liberals a fraud. It is just that. In my riding, the median income is $25,000. Less than one-quarter of the people in my riding benefit from the so-called middle-class tax cut.

We know the Conservatives proposed this motion, and we share their reservations. We do not share their position, maybe, on taxation, as presented in the preamble to the motion, but the motion shows the adverse effects of the Liberals looking to save $2.9 billion on the backs of Canadians. That we share with the member and with the Conservatives.

In my riding in British Columbia and on Vancouver Island in southwestern B.C. we are facing a housing crisis. I just received a note from a mill worker who says he may have to leave our community because he cannot afford to buy a house. To add more tax to him, to take away more of his benefits, will make it even more difficult for him.

Is not the purpose of the exemption of private health and dental insurance benefits to encourage employers to offer them to their employees? Could the member address that and how can we really benefit the middle class by protecting this, because it is necessary?

● (1610)

Mr. Michael Cooper: Mr. Speaker, it is absolutely essential that health and dental benefit rebates remain in effect. It was good news to hear that yesterday the Liberals reversed their policy of planning to remove those tax credits. The consequences of eliminating those tax credits would be very significant.

The province of Quebec, for example, moved forward with legislation and it caused employers to drop about 20% of employees who had previously been covered. People who had been covered suddenly were not covered.

The effect of such a reduction or elimination of those tax credits would mean another hit in the wallet of about $1,000 to the average Canadian. That is why it is time for the government to come clean and tell Canadians just which taxes will go up in the next budget.

* * *

PRIVILEGE

ALLEGED USE OF OFFICE SPACE IN PARLIAMENTARY PRECINCT

Mr. David de Burgh Graham (Laurentides—Labelle, Lib.): Mr. Speaker. In response to the question of privilege brought up by the member for Red Deer—Lacombe, I would like to keep my comments brief.

It is not for the government to comment on the veracity of Tweets emanating from private organizations. Moreover, it is our understanding that the building to which the member refers is privately owned and, while it does exist in downtown, it does not form part of what is officially the parliamentary precinct.

SPEAKER'S RULING

The Deputy Speaker: I thank the hon. member for Laurentides—Labelle for his intervention on the matter. I am prepared to rule on this issue at this moment.

In the second edition of *House of Commons Procedure and Practice*, at page 145, it states:

> In deliberating upon a question of privilege, the Chair will take into account the extent to which the matter complained of infringed upon any Member's ability to perform his or her parliamentary functions or appears to be a contempt against the dignity of Parliament.

In my view, the issue at hand, as presented by the hon. member for Red Deer—Lacombe, does not in fact rise to the threshold required for the Chair to find a prima facie question of privilege.

* * *

BUSINESS OF SUPPLY

OPPOSITION MOTION—TAXES ON HEALTH AND DENTAL CARE PLANS

The House resumed consideration of the motion, and of the amendment.

Mr. Don Davies (Vancouver Kingsway, NDP): Mr. Speaker, I will be splitting my time with the member for Desnethé—Missinippi—Churchill River.

The subject matter before the House today is not only of pivotal interest to just about every Canadian from coast to coast, but it is of profound importance to members of the House because it fuses together two subjects that are of fundamental importance to the operation of the government and to the lives of Canadians, and that is tax policy and health policy.

For Canadians who are watching this or are interested in this issue, the motion before the House concerns the proposal by the current Liberal government to examine the possibility of ending the tax-exempt status of the extended health plans of Canadians, which include their dental plans, their prescription plans, their vision plans, their chiropractic and massage plans, any kind of extended benefit they may enjoy as a result of extended health care plans provided by their employers.

Currently, and for a significant amount of time in our country in just about every province except Quebec, which I will talk about in a moment, the provision of extended health plans to employees enjoys tax-exempt status, and there is a fundamentally sound reason for this. This represents a very considered approach of government to encourage the provision of these necessary and essential health services by employers to their employees and to ensure these very important parts of our health care program are incentivized and delivered to Canadians. The fact that this is very successful is borne out by the fact that some 13.5 million Canadians currently enjoy extended health plans from their employers and benefit from the tax-exempt status.

Canada's New Democrats believe that the proposed health benefits tax is a symptom of a government not only with the wrong priorities for health care, but also early on in its mandate displaying a rank incompetence in its ability to manage the finances of our country. This measure would do nothing to expand or improve services in health care. It would jeopardize coverage for millions of employees. It directly contradicts the Minister of Health's own mandate, which is “improve access to necessary prescription medications”.

Health policy analysts estimate that the proposal to tax Canadians' prescription, dental, and vision benefits would cost the average middle-income earner over $1,000 annually. Additionally, data show that Quebec, the only province that currently taxes these benefits, saw a 20% reduction in the number of employers offering extended health plans to their employees after the tax was introduced in 1993.

The government often claims to want to make decisions based on evidence. We have a very solid piece of evidence from a major province that shows that the result of this policy is very predictable. It would result in employers not offering extended health care plans to their employees. One out of five Quebeckers lost that benefit when this proposal was introduced in that province.

If imposed, this proposal would levy a heavy tax on 13.5 million working Canadians, result in lost benefits for millions of Canadians, and represent a tax grab of some $2.9 billion by the federal government.

In the view of the New Democrats, the goal of tax policy should be to encourage positive economic activity and promote social progress. The purpose of tax-exempting health benefits is to incentivize the provision of extended health benefits by employers to their employees. Clearly, taxing these benefits would remove this incentive and result in decreased coverage for Canadians. That is a lose-lose proposition.

I want to pause for a moment and think about what government would possibly do this. Why would any government possibly consider adopting a measure, like the Minister of Finance has repeatedly said is being considered right now by the government, that it knows would cost employees their benefits, cost the average worker making $45,000 a year an extra $1,000, and jeopardize the provision of necessary health services to Canadians? Why would a government do that?

● (1615)

I think we have 30 billion reasons for that. As Canadians will know, this week we saw an example of the government and the Prime Minister breaking yet another pivotal, clear, campaign promise to Canadians when he announced that the government was abandoning his solemn pledge to Canadians that 2015 would be the last election with first past the post.

Canadians will also remember, in that same election, after promising Canadians that he would balance the budget, right through July 2015, that suddenly, in September, he did an about-face and told Canadians that no, his government would run deficits. Specifically, the Liberal government, if elected, would run three successive $10-billion deficits and then balance the budget, magically somehow, because the Liberals never explained how, in the fourth year of their mandate. That was the promise.

What happened? In the Liberal government's first budget tabled in this House, it tabled a budget that indicated that the first deficit would be $29 billion. The Liberals also tabled in that document six successive years of estimates that showed that they would run deficits in every one of the next six years, totalling $120 billion in deficits over six years.

Actually, I correct myself. There are not 30 billion reasons why the government is considering grabbing $2.9 billion in taxes from ordinary working Canadians and jeopardizing their health benefits in the process. There are actually 120 billion reasons why, because the government, with its fiscal incompetence and its dishonesty during the campaign, is now scrounging, looking for tax revenue to cover up the fact that it misled Canadians and is mismanaging the Canadian economy.

Rather than imposing new taxes on workers who have been able to negotiate group insurance plans, the Liberal government instead should heed the call from New Democrats, medical experts, health economists, and concerned citizens to renew our public health care system for the 21st century.

Of course, in extended health care benefits, one of the most important aspects of benefits, besides vision care and dental care, is prescription coverage. I will focus on that for a moment.

Canada is currently the only country in the world that provides medicare for all while excluding universal prescription drug coverage. This has effectively created a health care system that will cover a doctor to diagnose the ailment, but not the medication to treat it.

Canadians also currently pay among the highest prescription drug prices in the industrial world, second only to the United States. Compounding this, 20% of Canadians, 7.5 million Canadians, are walking the streets of Canada today effectively with no prescription care coverage whatsoever. Consequently, nearly one in four Canadian households report family members who struggle and neglect to fill prescriptions due to cost.

Here is an opportunity to have a clear contrast between the NDP and the Liberals. The Liberals are actively considering a proposal to remove health care extended benefits from Canadians and tax Canadians, whereas New Democrats are working on a universal prescription drug plan that would actually look to expand health care coverage for Canadians to make sure that every single Canadian in this country has access to the medicine they need when they get sick.

The Conference Board of Canada study, I have a few figures here, suggests that someone earning $45,000 in full-time employment in this country, with family coverage, would pay an extra $1,167 in tax, were the Liberal proposal to go ahead. Those earning $60,000 would pay an additional $1,043, while workers earning $90,000 would pay $1,277 more. These numbers are reasonably consistent across the country, except maybe in Quebec, of course, where already this proposal is in place. Obviously, if two wage earners in the same family have coverage, the amount will double.

The New Democrats will stand against this ill-thought-out proposal by the Liberal government. We will make sure that Canadians know that the Liberals are considering taxing their health care benefits, and we will stand in this House and fight tooth and nail against this ill-conceived policy that will not only hurt Canadians' health care but will take money out of the pockets of hard-working Canadians at a time when they can least afford it.

● (1620)

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I would say that it is dishonest to tell Canadians something that members know is boldly untrue. The Prime Minister and this government have been very clear. There is not going to be a tax on health and dental plans. Opposition members know that, yet they like to try to stir the pot, and there is absolutely zero merit in it.

The member says he wants this for health care and that for health care, when at the end of the day, there was a very clear election platform from the New Democrats saying that they would not run a deficit. That means they would have had to cut billions of extra dollars to fulfill that election promise. They have not been exploring where they would be cutting. All I have heard from New Democrats in the last year is how they would spend billions and billions more if they were in power. They are inconsistent in what they are advocating.

The Liberal government has advocated for a reformed health care accord. The Liberal government has provided tax breaks for Canada's middle class and those who are aspiring to be part of it. When will the NDP members be consistent with their thoughts and policies?

Mr. Don Davies: Mr. Speaker, I can tell my hon. colleague that he will have an opportunity to see a New Democratic government, and actually a government Canadians can see actually keeps its election promises and does what it says it is going to do not just during the campaign but after the campaign.

It is flabbergasting that any Liberal, especially today, would stand in the House and lecture anyone in the House about keeping promises. During the election campaign, the Liberals misled Canadians about the deficits they were going to run. They told Canadians they would not approve pipelines under the old environmental assessment process but would redo them under new processes. They broke that promise and then approved the Kinder Morgan pipeline in my province. The government told Canadians it would not adopt the health accord escalator clause that had been imposed by the previous government but would negotiate with the provinces, then it came into office and immediately imposed that exact same standard on the provinces.

I will take no lessons from the member opposite about integrity in politics. In fact, what he should do is take the weekend coming up and reflect on why his government is violating that concept so regularly.

● (1625)

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Mr. Speaker, the member spoke about broken promises. I just read a piece in the *Huffington Post* by the member for Beaches—East York, who recognizes and apologizes for the government breaking its promise on the issue of electoral reform.

Returning to the topic of the so-called middle-class tax cut, we and the NDP have said that people making $45,000 or less definitely belong in the category of either, depending on their income, the middle class or those working hard to join it, yet they do not benefit from the government's tax proposals, and they will suffer under all the changes being contemplated with respect to tax expenditures.

Would the member agree with me on that? Would he also comment on the Liberals' review of tax expenditures, which are actually going to, in perhaps a less direct or public way but in a very real and impactful way, raise the taxes of Canadians?

Mr. Don Davies: Mr. Speaker, I agree fundamentally with the premise of my colleague's question and the aspects he raised. Our analysis of the Liberal government's so-called middle-class tax cut is that it gives precisely nothing, not a penny, in tax relief to those earning under $45,000 a year.

I do not know what the definition of middle class is for the Liberals, but in my riding, individuals earning $40,000 or $45,000 a year consider themselves middle class, and they did not get a nickel from the government. In fact, the proposal of the Liberal government skews higher. The more people make, if they get $90,000, $100,000, $110,000, $120,000, or $130,000 of income, the more they actually benefit disproportionately from the tax cut. That is not a middle-class tax cut to me at all.

To my hon. colleague's question about the matter at hand here, the Conference Board of Canada, hardly a left-wing organization or a biased one or partisan, has very clearly indicated that the proposal under consideration by the Liberal government to tax the health care benefits of Canadians would result in $1,000 coming out of the pocket of an individual earning $45,000. It is a lose-lose situation. They do not get the benefit of any tax cut. Instead, they actually lose $1,000. That is a devastating problem in an economy like ours, where people are struggling right now with affordability issues.

Might I just conclude by saying that the finance minister, when this issue has been brought up, has repeatedly confirmed that this was actively under consideration by the Liberal government right up until a day or two ago, when the NDP and Conservatives started bringing focus and attention to this issue in the House.

Ms. Georgina Jolibois (Desnethé—Missinippi—Churchill River, NDP): Mr. Speaker, I stand here today to speak about the Liberal government's plan to tax Canadian workers' private health and dental plans.

This is very concerning, as 75% of working Canadians, 22 million Canadians in total, have access to a health care benefit plan and would be affected by this policy. The people who will be affected the most will be the people in my riding.

This change would particularly affect the coverage of preventive care and services, such as prescription drugs, mental health care, and musculoskeletal care. This will result in medical insecurity and a lack of follow-up if these changes are implemented.

What we New Democrats want is health care coverage for all Canadians, regardless of their income and regardless of their social status. We want more coverage, not less. This is at the very core of our values. We do not want to jeopardize the coverage that already exists.

As members know, Quebec is the only province that taxes private coverage. Statistics show that since this tax was introduced in 1993, we saw 20% of employers drop their coverage, including 50% of small and medium-sized businesses.

I am proud to represent Desnethé—Missinippi—Churchill River. It is an honour for me to stand in the House of Commons and pay tribute to the thousands of constituents who wake up every day to go to work and make a living to take care of their families and communities. However, hardship also exists in my riding. If we impose this tax on working Canadians, it will result in the loss of coverage for millions of Canadians.

The way I see it, the federal government is trying to take with one hand what is given with the other. This is particularly disturbing to me, as many of my constituents are already having a hard time making ends meet.

A recent report called "Child and Family Poverty in Saskatchewan", put together by professors at Regina University, Paul Gingrich, Garson Hunter, and Miguel Sanchez, states that 160,000 people in the province of Saskatchewan were living in poverty in 2014, and 64,000 of those people were children. The report showed that the situation for first nation families appeared worse, with a child poverty rate in 2010 of 59%. In 2010, of the 55,000 poor children in Saskatchewan, 31,000 were from first nation or Métis families. The report also showed that 69% of indigenous children on reserve are living in poverty, which is more than two of every three and much higher than the provincial average.

These numbers are staggering. It shows that there is a collaborative failure of the federal and provincial governments to address the social shortfalls that these communities live with every day. Instead of laying the path for deterring people from acquiring medical and dental health care, the federal government ought to find ways to bring good jobs to regions like my riding. This would combat the startling high unemployment rate and encourage employers to offer medical and dental coverage.

Access to health services is a huge challenge in northern Saskatchewan. Already we have long waiting periods to see dentists. Many people of all ages suffer from the effects of infections and other dental-related issues, because they cannot afford to get the medical care or prescription they require.

Once more, it is no secret that the suicide rate is three times the national average in Saskatchewan. Issues such as systemic poverty, addictions, high unemployment, and loss of language and culture are the accumulated and intergenerational effects of residential-school abuse.

Now I ask that action be taken to redress the legacy of residential schools and advance the calls to action for Canadian reconciliation, as recommended by the TRC. Further to this, Canada must sign the indigenous declaration of human rights as a step in good faith toward concrete action, showing that the Canadian government respects and will ensure that for the first peoples of this nation, treaty and human rights are implemented to improve people's lives.

In the north, constituents resort to drastic measures, because they cannot get the health services they require on time. Many constituents travel and drive hours to attend southern emergency departments, hoping to get the care they require.

● (1630)

One of my constituents attended two or three southern walk-in and emergency centres within a short period and was dismissed each time. If not for his tenacity he could have had his whole leg amputated, instead of his foot, due to the spread of gangrene related to his diabetes. I cannot wonder if his foot could have been saved if our northern emergency departments were not so completely overwhelmed.

In northern Saskatchewan, elders, veterans, youth, pregnant women, and even babies struggle to acquire the health services they need. People are dying from preventable illnesses.

Consider how the staggeringly high HIV/AIDS infection rates in northern Saskatchewan are impacted by this issue. The HIV infection rate in Saskatchewan is 13.8 per 100,000 population, almost double the national average of 7.8 per 100,000. On reserves, the infection rate is 64 per 100,000. Medication, medical care, mental health, addictions, and prevention services must be more accessible, not less.

In my riding, those who will be affected by this added tax are teachers, nurses, RCMP officers, paramedics, construction workers, and everyday workers. These are hard-working Canadians we depend on for the well-being of our communities. The government's move to tax medical care coverage and dental coverage will only deter employers from offering it and further fuel the medical crisis that currently exists in my riding.

In her mandate letter, the Minister of Health is asked to ensure that health care is accessible as much and as widely as possible.

The Keewatin Career Development Corporation reported that northern Saskatchewan lags behind other regions significantly in income. The median income for northern Saskatchewan was $16,860 compared to $28,792 for Saskatchewan, and $27,334 for Canada. The low-income cut-off, known as the poverty line, was $14,454 for people living in small communities in Canada. There is not enough information to determine the number of northern Saskatchewan individuals and families living below the poverty line in northern Saskatchewan, but it is likely to be significant, given that the median income for individuals is so close to the low-income cut-off.

It is because of the lack of a diversified northern economy that we have seen an increase in job losses in the mining sector and forestry industry. Why is this important in today's debate? For one, northerners' income is painfully insufficient, limiting access to food, fuel, heat for their homes, transportation to go to work, or to reach the facilities to acquire the medical help they need. Further than that, homelessness is on the increase in my riding and people are forced to make decisions between food or fuel to heat their homes.

Northerners of all ages experience difficulties in different ways. For instance, I recently brought up the reality of young women and girls who have been missing school because of how expensive feminine hygiene products are in the north. Let me just take a moment to thank all Canadians from Saskatchewan, Manitoba, Alberta, and Ontario who helped these young women and girls by donating these products. Their generosity has touched me and is very much appreciated.

I would like to conclude by saying that the government's responsibility is to protect its citizens. Universal health care is the core of Canadian values. No one should be left behind. Wherever they are in Canada, accessible health care should be non-negotiable. The Liberal approach would force low-income and middle-income families to make an impossible choice and deter them from seeking preventative medical care. This is not what constituents of Desnethé—Missinippi—Churchill River want.

● (1635)

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Mr. Speaker, I would like to again ask my colleague to reflect on what the government is doing in terms of the impact the tax changes are having on those who are of relatively modest means. It has not lowered taxes for those making less than $45,000 a year. In fact, it has raised them through the carbon tax and the lowering of the amount an individual can contribute to a tax-free savings account. People in my riding are very concerned about the impact of higher carbon taxes which they have to pay as a result of the actions of provincial and federal governments.

I wonder if the member can reflect on the impact on those of modest means and how we can help those who need the help the most by lowering their taxes.

Ms. Georgina Jolibois: Mr. Speaker, every day I hear from my constituents in the Desnethé—Missinippi—Churchill River riding. I hear from RCMP officers, paramedics, teachers, everyday workers, and low-income earners who struggle every day to make ends meet. I think every Canadian across Canada can reflect on those words and can understand the impact of not having enough money to buy food and to cover other expenses. It is the same thing across Canada as it is in my riding. Any tax which, by its nature, takes away from hard-working Canadians is not cool, because it makes it very difficult for Canadians to make ends meet.

I wish the Liberal government would understand how its taxes, its policies, and its broken promises are impacting everyday Canadians in my riding and across Canada.

● (1640)

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am sure that many of the constituents who the member represents appreciate the tax cuts they are receiving. There is the additional child care money that is being given over and above what was there previously, and the additional dollars that are going into the pockets of some of the most vulnerable seniors, many of whom live in the member's riding.

I want to take a different approach with the member. She has raised a number of issues. Indigenous people are a very high priority for this government, right from the Prime Minister's Office to the minister responsible, and we have seen that.

Today we are debating a motion dealing with taxes on health and dental benefits. The Prime Minister has been clear that there is no tax on those benefits. No matter how much the Conservatives and New Democrats talk about that issue, it is not there.

I think it would have been a far more productive day had the member lobbied her colleagues with respect to some of the thoughts that were given in her speech. Maybe these are the types of issues she could raise in an opposition motion next week or when the NDP is afforded the opportunity, because we agree on the importance of the issues being experienced in the communities of indigenous peoples, such as food-related and health care issues. They are all important issues that I think would be wonderful to see debated.

Ms. Georgina Jolibois: Mr. Speaker, I would like to thank the Liberal government for the chance to answer that.

How could the Liberal government be so condescending and continually lie to my constituents and all Canadians? I would invite the Liberals to come to my riding to see some of the poverty and the circumstances my constituents live in. Farmers are struggling with finding ways to attract young people to farming communities so that it can be sustainable. The Liberals should visit the indigenous municipalities. My constituents include hard-working RCMP officers, teachers, paramedics, and other everyday workers. I invite the government to meet with these constituents, to listen carefully to them, and not break any more promises to assist them.

I will believe the government when the time comes and this tax does not occur. However, to be lectured to by the Liberal government about the constituents in my riding who struggle every day, like all Canadians, is very insulting and condescending.

The Deputy Speaker: I would remind the hon. member that the use of the words that she used reflecting on the dishonesty of the subject of her remarks is something that we stay away from and frown upon. In the House, the use of the word “lie” is not considered to be in keeping with parliamentary language, even when it is referred to in a broader sense.

That is something for the member to keep in mind for the future. I am not going to ask the hon. member to retract it at this time, but perhaps pass along a caution for another time and for the benefit of all other hon. members. It is a boundary that we try to guard in the House of Commons.

[*Translation*]

Before resuming debate, it is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for North Island—Powell River, Telecommunications; the hon. member for Beauport—Limoilou, Public Services and Procurement; the hon. member for Peace River—Westlock, the Environment.

● (1645)

[*English*]

Resuming debate, the hon. member for Oshawa.

Mr. Colin Carrie (Oshawa, CPC): Mr. Speaker, I will be sharing my time with the member for Barrie—Springwater—Oro-Medonte.

Today we are debating the Liberals' irresponsible spending, leading to higher taxes for all Canadians. The promise of a modest $10 billion deficit has become an out-of-control borrowing scheme leaving no one but the taxpayer to pick up the tab, not only this generation but future generations to come.

The Liberals can repeat themselves like a broken record that they care about the middle class, but since being elected they have accomplished nothing for Canadians. We found out this past week that the finance minister does not even know what the middle class is.

I do, however, think that we could all agree that simplifying the tax system is a good thing, but improving the tax system should not mean more tax hikes to take money out of the pockets of families, workers, and of course, our job creators. Simplifying the tax system should not punish Canadians. It should assist them in making life more affordable.

We are here to debate the Liberals' attempt to tax absolutely anything they can, even our air, with their mandatory carbon tax. The Conservatives brought forward this motion to be the voice of the taxpayer and call the government out on its attempts to unfairly punish hard-working Canadians.

It is thanks to our Conservative Party that just yesterday we saw the Prime Minister apparently back away from his attempt to tax Canadians' health care and dental benefits. We stood up for 13.5 million Canadians who would have likely lost their benefits, all so the Liberals could generate $2.9 billion in revenue to pay for their reckless spending. While $2.9 billion in revenue may seem like a huge loss, this is in comparison to the $23 billion in needed health care delivered directly to Canadians.

I want to elaborate a bit on exactly what taxing these benefits would mean for Canadians. To start with, it would mean that workers who currently receive these benefits would be stuck with over $1,000 per year in taxes. It would mean a dramatic cut in employer health and dental coverage. Since 1990, we have seen an almost 30% increase in coverage by employers.

In contrast, if implemented, this new tax would see a decrease in employer coverage the same way Quebec saw a 20% decrease. This tax would not only have a huge impact on Canadians but also put pressure on the public health care system. Canadians would cancel their benefits due to high costs, thereby negatively affecting their overall health. This would lead to people no longer being able to afford their prescriptions and their dental and doctor checkups, because they would be forced to pay the high cost directly out of their own pockets. This means Canadians who need prescription drugs, mental health services, treatment for back pain and other musculoskeletal conditions, dental care, and preventive care would no longer be covered. As a chiropractor, I know how important it is for Canadians to have access to employer health insurance. Services that are not covered by the provinces, essential life-saving services, would become impossibly unaffordable for the average Canadian.

Liberals cannot be trusted when it comes to their budgets. The Liberals in Ontario promised not to cut health care but went ahead and cut benefits for chiropractors and physiotherapists. This affected patients of mine, patients who suffered.

It is clear to see that taxing health and dental benefits would have no benefits. It is not the way to address fairness and equality. All it would do is target the most vulnerable and add pressure on provincial health care systems.

When it was leaked to the public, the outrage was immediate. I received many calls and emails directly to my office. We brought this up in the House more than 20 times, and the Prime Minister waffled and the finance minister refused to answer. That was until yesterday. That is why we are ensuring they are clear with Canadians and making them vote on our motion.

Liberals have a credibility problem when they talk about balancing the budget. They promised a $10 billion a year deficit, and now we are looking at a $30 billion a year deficit. They promised to balance the budget by 2019, and unbelievably, that will not happen until 2055. Canadians know Liberal history.

The health and dental tax is just the cherry on top of all the other taxes the Liberals have implemented and all the benefits they have already cut. They put in a carbon tax. Look at the CPP. They removed income splitting for families. They also removed the children's art and fitness tax credit as well as the education and textbook tax credits.

● (1650)

They implemented new mortgage rules, making it harder for young people to buy their first homes. They reduced the tax-free savings account contribution amount, they cancelled small business tax credits, and they have eliminated hiring tax credits. This has taken place in one budget. Canadians are justified in asking, and rightly so, what is next. Now Canadians are preparing for another wave of new tax hikes in budget 2017, and Conservatives, as the only voice of the taxpayer, are calling on the Liberals not to raise taxes on working Canadians who cannot afford them.

I worry. I worry that the government is making Canada less competitive on the world stage. I am the member of Parliament for Oshawa and have been for 14 years. Oshawa is the home of GM Canada, which depends on our ability to compete for products internationally. I am proud of our auto manufacturing community, and everyone can rest assured that I will stand up for my constituents and all manufacturing communities across the country.

Irresponsible actions taken by the Liberals, like increasing the CPP and implementing a mandatory carbon tax at a time when the United States is putting its jobs and products first, is going to force businesses out of communities like mine and send them to the United States or Mexico. Recently, there were 600 job losses at the CAMI Assembly plant in Ingersoll because it is moving production to Mexico. The provincial and federal Liberals continue to negatively impact Ontario's auto sector with their risky economic policies, and it is only expected to get worse, unfortunately.

Yesterday's report from Canadian Manufacturers & Exporters stated, “Right now, Canada is not a competitive location for investment”. My gosh. “Increases in business taxes, regulatory demands, and energy costs...are making it more difficult and costly to do business in Canada”. There is a new carbon tax and more payroll taxes to come.

Canada went from the seventh most favourable manufacturing environment to the 10th. This is what is going to really kill us, while America is moving from third to first. Something is wrong. I have listened to the finance minister and his parliamentary secretary say that they are reviewing the tax structure. This is code for, “We are looking for ways to increase our revenue by making you pay out of pocket”. This is their hidden agenda.

With budget 2017 coming up, there is a list of tax credits the Liberals are likely to target, a list that I know many of my colleagues have already shared today, but I will share with the House to remind everyone of the damage that could be done. The list is as follows: non-taxation of employer dental and health benefits; pension income splitting; tax credits for employee stock options; a public transit tax credit for students; the Canada employment tax credit; the foreign employment tax credit; the volunteer firefighter tax credit; non-taxation of capital gains on principal residences; the dividend gross-up and tax credit; partial inclusion of capital gains; the mineral exploration tax credit; and tax credits related to charitable donations. They could go after charitable donations.

This list directly targets working and vulnerable Canadians. It is their pockets that will be emptied, meaning less money for groceries, mortgage payments, and savings. This is a $1 trillion debt in just 15 years, with no plan to return to a balanced budget until 2055. My daughter is 15 years old. That means under the irresponsible Liberal government, she will be paying off their debt until she is 53 years old. Is that fair? This should raise red flags for all Canadians, especially parents and youth.

The Prime Minister has appointed himself the voice for our youth, the minister of youth; so why is he making it impossible for them to get a job, to save for their future, and to buy a home? The impacts will be felt into the future, but they are already having negative impacts today. Taxes are already going up, and well-paying jobs are getting harder and harder to find. As a member of the only party that stands up for taxpayers by calling out reckless, irresponsible, and unnecessary spending, I ask the following question for the government. Will it prove to Canadians that it can, in fact, keep a promise, and support the Conservative motion to not implement another burdensome tax on Canadians?

● (1655)

Mr. Greg Fergus (Hull—Aylmer, Lib.): Mr. Speaker, I did not know that my hon. colleague not only is a member of Parliament who represents his riding well but also is a bit of a stand-up comedian. He kept saying that the Conservative Party is the only party that stands up for taxpayers, if I have it correct. That is a funny way of showing it.

I am certain the hon. member would like to let me know how he stood up for Canadian taxpayers in December of 2015 when there was a government bill to reduce taxes for the middle class. How about this? What about helping nine out of 10 Canadian families by agreeing to some of the changes to the Canada child tax credit. Is this funny, because it certainly does not seem to be based on reality?

I would ask my hon. colleague to help me out.

Mr. Colin Carrie: Mr. Speaker, it is always a pleasure to help a Liberal out.

My colleague should note that the Liberals seem to be what a colleague earlier called them, the reverse Robin Hood. Yes, last year they put a little bit of money into Canadians' pockets, but they are clawing it back.

This is the problem, because the Liberals actually think it is funny. They are smiling about it. They are talking about balancing a budget that their Prime Minister says balances itself.

We are finding out now that the Liberals' budget will not balance until 2055. It will put us $1.5 trillion more into debt. For me, that is not funny. For my 15-year-old daughter, that is not funny. For the next generation, that is not funny. When we are losing jobs, losing our competitiveness, that is not funny.

This is serious business. This is not a job that the Prime Minister should be learning as he goes. He should know what he is doing. This is totally irresponsible, and we are the only party that is standing up for Canadians and Canadian taxpayers.

[*Translation*]

Ms. Marjolaine Boutin-Sweet (Hochelaga, NDP): Mr. Speaker, when I was a child, my family was not exactly rich. For us, going to the dentist was not something we could do because it was too expensive. I think I was in my early thirties before I saw a dentist for the first time. It was only because I had a dental plan through my employer that I was able to go. Fortunately, I have good teeth.

Today, my colleagues have probably heard that 82% of people with dental insurance have better dental health than the 58% of the population without. They probably also heard that ever since Quebec decided to tax health care plans, the rate of employers who provide coverage decreased by 20%. This type of tax prevents low-income families from getting preventive medical care.

I do not get it. Does my colleague understand how the Liberals can say that helping the middle class is one of their priorities, when they come up with a tax plan like this that is going to hurt the middle class?

[*English*]

Mr. Colin Carrie: That is a great question by my colleague from Hochelaga, Mr. Speaker, and she is not unusual. In our generation many people did not have benefits. I remember my father being in the armed forces. We were not rich, but we did have benefits, luckily, and we were able to see dentists and different professionals, and we did have that. It was fortunate.

In the last few years, we have seen an over 30% increase in Canadians having benefits, so when the Liberals start talking about the middle class, I agree with my colleague. They have no idea what the middle class is when they talk about their tax benefits. As my colleague said earlier today, most of the people who benefit are wealthy Canadians who make over $100,000 up to $200,000 under their plan, because they think that every Canadian is like them, and they are not. Canadians do not make money like that.

We all have to stand up and understand that the government has no money. It is taxpayers' dollars, and we are sent here to be responsible for it.

I want to thank my colleague from Hochelaga because she is a real person and she understands the real middle class. That is who we all should be working for, and we want to hold the government to account. Let us make sure we work together to make sure that future generations are benefiting from the policies we make and that we do not let this government lead it out to 2055 before it balances the budget.

Mr. Alexander Nuttall (Barrie—Springwater—Oro-Medonte, CPC): Mr. Speaker, I have had the opportunity to be here now for close to a year and a half and have witnessed tax after tax brought forward by the Liberal government. These taxes have been wide-ranging. They have included, obviously, the payroll taxes and carbon taxes and removing tax credits for recreation, hockey, soccer, organized sports, the arts, piano lessons, drama, many other activities, and taking care of loved ones at home.

What we have seen to date is Canada becoming less competitive. Canada is behind the rest of the world, while things are obviously changing south of the border in the other direction, where there is a reduction in regulations and taxes taking place.

Every opportunity I get to stand in this House I like to go back to where we started and what brought us here. On November 20, the government was sworn in, and on December 4, the Liberal government put its throne speech out. I would like to quote a few paragraphs from that throne speech to give some context to the speech I am giving today:

> [Canadians] want leadership that is focused on the things that matter most to them. Things like growing the economy; creating jobs; strengthening the middle class, and helping those working hard to join it.
>
> [Canadians] want to be able to trust their government.

This is not a speech on electoral reform, so I will leave that to the side today. However, certainly, I would question whether the policies the government is putting forward are actually doing the things it set out in the throne speech.

Is this increased taxation helping people join the middle class? Is this increased taxation helping the middle class that is working hard? Is this increased taxation creating prosperity in Canada?

Further on in the throne speech, there is an entire section called "Growth for the Middle Class". I would like to read a little out of that as well:

> First and foremost, the Government believes that all Canadians should have a real and fair chance to succeed. Central to that success is a strong and growing middle class.
>
> The Government will, as an immediate priority, deliver a tax cut for the middle class.
>
> This is the fair thing to do, and the smart thing to do for Canada's economy.

> The Government has also committed to provide more direct help to those who need it by giving less to those who do not. The new Canada Child Benefit will do just that.

It later goes on to talk about creating and supporting "economic growth, job creation and economic prosperity" and "significant new investments". It talks about "a more secure retirement" and the EI system. In the last paragraph of "Growth for the Middle Class", this is the one that stands out for me:

> The Government will undertake these and other initiatives while pursuing a fiscal plan that is responsible, transparent and suited to challenging economic times.

Canadians are asking this today: Is it responsible for the government to create a deficit of $30 billion when it promised a $10-billion deficit and for that deficit to continue up to 2050? Is it responsible for the Liberal government to leave our children and their children paying for the decisions it is making today? Is it responsible for the government that promised to invest $10 billion a year in new infrastructure spending, matching the $10 billion deficit it promised, to deliver only half of that, only half the economic activity that was promised with this increased deficit?

What the Prime Minister heard day in and day out when he was doing his tour across the country is that it is not. It is not responsible what the government is doing. It is not only hurting Canadians today, it is not only hurting jobs today, it is hurting Canadians of tomorrow, my children, my grandchildren, and the jobs that will not exist because of the increased spending the government is doing.

● (1700)

The second part of that was transparency. When we were first elected, we knew that there was a carbon tax that would be coming down. The Minister of Environment and Climate Change went to Paris with, I think, 300 people and communicated to the Canadian public and to Parliament that there would be a carbon tax brought forward. This House subsequently had a motion putting a $50 per ton carbon tax in place. The bill is yet to be received, but the motion has been adopted by this House.

As Conservatives, we call a tax a tax. Unfortunately, my friends across the way in the Liberal government cannot seem to figure that out, so they called it a "price on carbon". Then they realized that, hold on, Canadians understand that a carbon tax and a price on carbon are the exact same thing. So they said they are going to call it a "revenue lever", and they used that for two days, but all of the media held them to account on it and so did the Conservative members and New Democratic members across the way.

We came back after the break for Christmas and we resumed our parliamentary sitting, and it is no longer called a carbon tax, nor a price on carbon, nor a revenue lever. The government is now calling the carbon tax a "pan-Canadian strategy on a clean environment and carbon footprint". This is because Canadians know that a carbon tax is bad for the economy. It is Orwellian. It is completely changing and whitewashing what the government is doing, and trying to change the channel. However, we know a tax is a tax is a tax. We know that this carbon tax exists. Therefore I question how this throne speech, which clearly says the Liberals are going to be transparent, lives up to the words that were spoken on December 4, 2015.

The third part of that was suited to the challenging economic times. I am not sure that the government members understand what is going on. Last year, we went month by month seeing changes in jobs, with months when more than 30,000 entrepreneurs closed their doors. At the end of the year, we had this as the picture from Stats Canada: more than 20,000 people in the natural resources sector were without jobs this year; more than 19,000 people in the agricultural industry were without jobs this year; more than 70,000 entrepreneurs closed their doors last year; more than 53,000 manufacturing jobs left our country last year.

These are the wealth creators. These are the sectors of our economy that help Canada be a prosperous and free country. At the same time, in Canada last year there were more than 71,000 new public-sector jobs, meaning fewer people paying tax into the system and more people taking taxes out of the system.

It is clear that the current government's policies last year were not suited to the economic times, and introducing a $50 fee per ton of carbon is not suited to these economic times. Who pays the most? It is those who can least afford it.

Many members in this House know that I grew up with very little, in government housing. Quite frankly, there were things that we did without, like a car, many times. However, I can say this. Those who are struggling to make ends meet, who have a job and who are working day in and day out just so they can provide for their families, will be hit hardest by this carbon tax. It will make it harder for them to get the gas to go to work and home. It will make it harder for them to put food on the table as inflation kicks in and the costs are increased. It is going to be more difficult for those who can afford it the least, for those who need the most help to survive.

Therefore what our Conservative Party is doing today is requesting the government to actually have a heart and understand that the taxes it is introducing, whether it is the payroll tax, the carbon tax, or any of the cancellations of tax credits, are affecting Canadians and affecting lower-income Canadians the most.

As members can tell, I love to speak and I could speak all night, but I know my time is coming to an end, so I will end with this. I would ask the government to change its policies, to get in line, and create prosperity in this great country.

● (1710)

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Mr. Speaker, was it the right thing for our government to introduce the Canada child benefit, which will see approximately $9 billion of net new money flow to families across Canada? Was it the right thing for us to cut taxes for middle-class Canadians, which will benefit nine million Canadians over a five-year period and provide $20 billion of tax relief? Was it the right thing for our government to come to a historic agreement to enhance and strengthen the Canada pension plan for this generation and for generations to come, including my two daughters, Eliana and Natalia?

Mr. Alexander Nuttall: Mr. Speaker, it seems that all the people of Barrie—Springwater—Oro-Medonte know where Vaughan—Woodbridge is it is just 45 minutes away. I hope the member knows where Barrie—Springwater—Oro-Medonte is.

I know the government's heart was in the right place when it brought forward this policy. I am not debating whether Liberals are trying to do the wrong thing. I am telling them they are doing the wrong thing. When they say to people that here is a little bit back, or here is a little more because people are in a situation that is challenging economically and financially and then charge them more for gasoline, for food and for everything they need in their lives to survive, it just does not work.

We need to focus on reducing costs for families. We need to focus on ensuring that Canada is competitive going forward, especially in these times where we have a regime south of the border that is reducing regulation and taxes. We need to ensure that Canada is not just competitive with the United States, but better.

Mr. Gord Johns (Courtenay—Alberni, NDP): Mr. Speaker, we hear the Liberals say that they want to strengthen the middle class and help lift those out poverty to join the middle class, although they cannot identify the middle class. They say that they are going to base all their decisions on evidence-based decision-making.

Today, I have heard from people from the Professional Institute of the Public Service of Canada. They are saying that this is going to do the counter of what the intention is. It is going to hurt health and dental plans. We heard from the business community. People are going to negotiate for higher wages and give up their plans, so it is going to hurt the health of employees. We heard from mill workers who cannot afford to buy houses, and this will increase costs for them.

We are hearing the opposite. Is there any evidence that this will strengthen the middle class, or help lift those out of poverty to join the middle class, which they have not identified? Has the member heard of any evidence-based decision-making that this will improve the health of Canadians?

Some hon. members: Oh, oh!

The Assistant Deputy Speaker (Mr. Anthony Rota): I want to remind hon. members that there is a process. One person speaks at a time and shouting across the floor does not really accomplish much. I just wanted to point that out in case anyone forgot that those are the rules.

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

Mr. Alexander Nuttall: Mr. Speaker, I would implore my colleagues across the way to show the respect for the New Democratic member that he deserves, being a member of this place and elected by his constituents.

Going back to the question, what the government is doing is taking let us say $10 from a family, then giving them a little back, and then taxing them far more. It does not matter whether it is the health benefits, or a carbon tax, or payroll taxes, there will not be a Canadian, after the government has finished raising all of these taxes, who will get more back than he or she has given.

The Liberals are making us less competitive, and harder for entrepreneurs, young people, and those who are fighting day in and day out to make ends meet. They are making it harder for everyone to be successful, to be prosperous. That is why we need a change in direction. It is time to change course, and I implore my colleagues to do so.

[*Translation*]

The Assistant Deputy Speaker (Mr. Anthony Rota): It being 5:15 p.m., pursuant to order made earlier today, all questions necessary to dispose of the opposition motion are deemed put and a recorded division deemed requested and deferred until Tuesday, February 7, 2017, at the expiry of the time provided for oral questions.

● (1715)

[*English*]

Hon. Deepak Obhrai: When I participated in the debate in Quebec City, I tried very hard to speak French. A lot of people had a lot of comments on that, so I am going to try one more time to speak in French.

[*Translation*]

Mr. Speaker, if you seek it, I think you will find unanimous consent to see the clock at 5:30 p.m.

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

Some hon. members: Agreed.

The Assistant Deputy Speaker (Mr. Anthony Rota): It being 5:30 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

CRIMINAL CODE

The House resumed from November 22, 2016 consideration of the motion that Bill C-305, An Act to amend the Criminal Code (mischief), be read the second time and referred to a committee.

Mr. Murray Rankin (Victoria, NDP): Mr. Speaker, I am pleased to rise in strong support of Bill C-305, an act to amend the Criminal Code regarding mischief. I want to thank the member for Nepean for bringing this bill forward.

Bill C-305 would make small but significant changes to the way we handle hate-motivated crimes against communal spaces. There are many things we can do to stand up to discrimination and make our communities safer for all of us. This bill is one good step in that direction, so I hope we can all work together to see it debated, improved, and passed into law.

Canada is thought of, at home and abroad, as an inclusive nation, a place that welcomes all people, regardless of culture, language, or religion, with equality and respect. It is a country where diversity is not just accepted but celebrated. We strive to make Canada a nation free from racial intolerance and xenophobia, but recent events remind us that we still have more work to do.

Here in Ottawa, right here in the nation's capital, we have seen mosques, synagogues, and a Jewish community centre vandalized. We have seen discrimination in communities right across Canada, and in Quebec City this weekend, we saw where hatred can lead.

In Canada, racial and ethnic discrimination motivates about half of all police-reported hate crimes. Another quarter of these crimes are driven by prejudice towards religion, and that number, sadly, is rising. In just the last three years, hate crimes against Muslim Canadians have more than doubled. These statistics should not cause us to despair. They should call us to action.

Bill C-305 would expand the protection we give to communal spaces against vandalism driven by hate and discrimination. As it stands, the crime of mischief in our Criminal Code is punishable by up to two years' imprisonment, but where that mischief is motivated by "bias, prejudice or hate based on religion, race, colour or national or ethnic origin", it becomes punishable by up to 10 years behind bars. This is only the case, however, when the crime is committed against religious property. It does not apply to other community spaces.

Bill C-305 would extend these legal protections to more communal places, including daycare centres, seniors' homes, schools, town halls, and sports arenas, granting them the same protected status as places of religion.

Let us be clear. This is not just some arcane criminal law question. It is about our values. It is about supporting Canadians' right to live without fear of discrimination and to enjoy spaces free from hateful vandalism. It is about making it clear that hate-fuelled vandalism is a hate crime, regardless of where it is committed.

A second benefit of Bill C-305 is that it would expand the list of discriminatory motives for hate crimes to include "gender identity" and "sexual orientation".

Ten years ago, New Democrats pioneered legislation calling for the inclusion of gender identity as a prohibited basis for discrimination under federal human rights law. I want to acknowledge the incredible hard work and dedication of my colleague for Esquimalt—Saanich—Sooke, who advanced the cause this far. I want to thank all members from all parties who have joined that cause along the way. Because of the efforts and advocacy of thousands of Canadians, that cause succeeded in passing Bill C-16 recently, which is a milestone in Canada's commitment to inclusion and protection for all.

However, as it stands, the wording of Bill C-305 before us today is inconsistent with Bill C-16 in that it includes gender identity but does not include gender expression. Therefore, for the sake of clarity and consistency, I would propose that both be included and protected by this bill.

● (1720)

We know that one in six hate crimes in Canada is motivated by discrimination toward sexual orientation, gender identity, or gender expression. These are not the most common hate crimes, but they are the most likely to be violent.

I believe an amendment at committee to mirror the language used in Bill C-16 and change "gender identity" to "gender identity or expression" would strengthen the bill and affirm our policy of zero tolerance for transphobic discrimination.

These and other amendments can be considered at committee. However, I want to thank, again, the member for Ottawa West—Nepean for opening the door for much-needed conversation on hate crimes in Canada.

Better laws can counteract these offences. However, changing laws is obviously not enough. We need to teach empathy in our schools, tolerance in our workplaces, and openness and inclusivity in our community centres and spaces. We have a responsibility, now more than ever, to stand up to discrimination. The roots of prejudice are in lack of understanding, and that is within our power to change.

We know that Canada is not immune to the disturbing trends we see south of the border and across Europe. We have seen how playing with the fire of fear and division can spark violence. However, we have also seen acts of great strength. We have seen citizens speaking up for their friends, for their colleagues, or for complete strangers, refusing to let differences divide them. Now is the time when we must look to that strength and reaffirm our commitment to building a safe, resilient, and welcoming Canada for all.

We know what happens when we fail to stand up to those who seek to divide us.

This week, six Canadians were murdered in a mosque, targeted because of their faith. That act of violence shook our country and triggered an outpouring of support for our Muslim friends and neighbours, as Canadians gathered in vigils across the country to remember the victims. However, we cannot ignore that the hatred that led to a gunman in a mosque in Sainte-Foy, Quebec, is not so different from what drives a teenager to spray a swastika on a door in Ottawa or a commuter to hurl racial slurs on a streetcar in Toronto.

It is critical, now more than ever, that we condemn, not only these acts, but also the divisive rhetoric that inspires them.

At a time when so many are fearful, we can lead by example. We can do more to protect the diversity we are so quick to call our greatest strength.

Every individual in Canada has the right to live without fear of persecution. This bill would be one more step to ensuring that right is protected. I urge every parliamentarian to commit to that cause and support the bill.

[*Translation*]

Mr. Luc Berthold (Mégantic—L'Érable, CPC): Mr. Speaker, first of all, I would like to acknowledge the effort made by my colleague, who just advanced the clock in the House. I am very pleased that you heard the right time when he said it because it was a praiseworthy effort and it was very kind of him to speak to all of us in the House in French.

I am usually very happy to rise in the House to speak to different bills, whether they are government or private members' bills, as is the case this evening with the member for Nepean's Bill C-305. I will be very clear. I am unhappy to rise today not because of the substance of the bill, but because we have to pass a bill such as this one.

Sunday's tragic events in Quebec remind us that it is important to protect everyone living in this country from hate crimes. It is our role as parliamentarians to take action, as the member for Nepean is doing, so that we can intervene when such crimes occur.

Bill C-305 seeks to amend section 430 of the Criminal Code, which criminalizes the commission of mischief motivated by hate toward a group and targeting a religious property, be it a church, synagogue, temple or cemetery. Bill C-305 goes further, proposing to expand the scope of section 430 of the Criminal Code to include other types of property such as schools, other educational institutions, cultural or sports centres, seniors' residences and other institutions.

As has been said, the bill could not be more welcome. It aims to fill a gap in section 430 of the Criminal Code. The fact is that, if a person motivated by hate against a particular group commits mischief against a religious property such as a place of worship, that person could be charged, prosecuted, and found guilty under section 430 of the Criminal Code. If the person is convicted he or she could be sentenced to a maximum of 10 years in prison.

On the other hand, if that same person, being motivated by the same hate against the same group, should commit the same mischief, but against a school, a recreational facility, or a residence for seniors, that person could not be charged under section 430 of the Criminal Code and would not be liable to a maximum prison term of 10 years. That person would probably be prosecuted under the general mischief provisions of the Criminal Code, and be liable to a maximum sentence of two years.

Later in my speech I will describe one very specific case where the person was not given a prison term for an act of hatred such as this. The sad fact is that certain hate crimes are committed on a regular basis. According to Statistics Canada, nearly 1,300 hate crimes were reported in 2014. These were just the crimes that were reported. Statistics Canada informs us that the vast majority of hate crimes are not reported. People would rather not report them. They would rather not draw attention to this sort of crimes, not make them public knowledge, not deal with them, with the result that the intolerable is tolerated, to the point that acts that are even more violent are unfortunately committed. In 60% of cases, the crimes reported involved mischief.

I would like to read some excerpts from an article published on *l'Actualité*'s website on January 31 following the tragic events in Quebec City. The title of the article is "Hate Crimes Targeting Religion on the Rise in Quebec".

The article says:

> ...since Sunday, the Centre for the Prevention of Radicalization and the Montreal police service have been receiving more calls than usual. Quebec's public safety ministry logged 93 hate crimes against all religions in 2014 compared to just 70 in 2010. Many of the crimes were mischief, which includes vandalism. The ministry was able to provide details about crimes against Muslims, but only for the past two years. It began keeping track of details about religion-related hate crimes in 2013 and reported that there were 20 hate crimes against Muslims that year. In 2014, that number increased by 15 to 35. According to Montreal police, hate crimes linked to religion are also on the rise. The police logged 55 in 2016 compared to 24 in 2013...

● (1725)

The article does not specify which religions were targeted, but I do not think that is what the debate is about. Whether they target a religion or a group, all such actions are totally unacceptable today. As I said, while many crimes or wrongdoings may not have been reported to police, not all wrongdoings that were reported led to criminal convictions.

The Montreal police service also indicated that it had received a number of calls early in the week from people denouncing hateful or Islamophobic comments on social networks like Facebook and Twitter. Some of those comments were even criminal in nature, including threats for example.

The good news is that since Sunday, people are paying more attention. People are reporting those comments; they are no longer tolerating them. Whether on Twitter or Facebook, on a church or a school, such comments should never be tolerated.

During that same period, the Centre for the Prevention of Radicalization Leading to Violence reported 14 hate incidents—targeting, for example, ethnic origin or sexual orientation—and 16 cases of Islamophobia, for a total of 30 cases. Of that number, only half were reported to police. Many people do not report hate crimes. "They are uncomfortable or nervous", regrets the centre's director.

In Sherbrooke, in 2014, a local man committed hateful acts against a mosque and a store that sells halal products. He got a $500 fine for putting up signs that said, "no to Islam and yes to the charter". He was referring to the Quebec government's proposed charter of values under then premier Pauline Marois. Worse yet, bullet holes were found in the windows of a grocery store owned by a Muslim in Sherbrooke. The individual was given a $500 fine and two years' probation.

More attention should have been paid to those incidents. They are indicative of a deep malaise and serious societal dysfunction. Those are things that need to be addressed. Each of these incidents is important because we need to prevent them from escalating into a tragedy like the one that occurred on Sunday in Quebec City.

I rarely do this, but I would like to quote one of my colleagues opposite. The comments he made this week touched every member of the House. I would like to share the words of the member for Louis-Hébert with my constituents in Mégantic—L'Érable. His remarks were so eloquent that I will quote him directly. He said:

> Today, I also want to ask their forgiveness, forgiveness for watching while, over the past few years, they were ostracized and stigmatized, while fear, mistrust, and hatred took root in the hearts of my fellow human beings. I did my best to do something about it, but I ask their forgiveness for not doing enough. Words have consequences, but so does silence.

● (1730)

I commend my colleague from Louis-Hébert for those remarks. As members of Parliament, we need to take note of what he said. Silence has consequences. As parliamentarians, failure to act in these situations also has consequences.

I am very pleased with the private member's bill introduced by my colleague from Nepean because it breaks that silence. It helps us, as parliamentarians, do what we can to put an end to the hateful acts that are occurring in our country.

Bill C-305 adds to what we, as parliamentarians, can do to counter hate crimes. That is why I want to commend my colleague and tell him that I fully support this bill.

● (1735)

[*English*]

Mr. Bill Blair (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I am also pleased to join in the second reading debate of Bill C-305, an act to amend the Criminal Code concerning mischief, which was introduced in the House on September 27 by the member for Nepean.

I would like to begin by thanking the member for Nepean for bringing this important issue before the chamber to give this Parliament an opportunity to speak to it.

I also want to thank and commend the member for Victoria and the member for Mégantic—L'Érable for their remarks, which were very timely and appropriate as well.

We have been tragically reminded of the impact that hate in all of its manifestations can have on our society. The horrific attack on the Centre Culturel Islamique de Québec on Sunday night, the hate-inspired acts of terror which occurred that evening taking six of our fellow citizens' lives, injuring so many, and tragically traumatizing a community and a nation must deepen our resolve to confront and prevent hate in all of its manifestations.

In my experience, the issue of hate does not immediately manifest itself in acts of terror and murder, but far more often is expressed in acts of mischief. Our failure as a society to confront and deal appropriately with these acts, to denounce them in our strongest forms, and to resolve them through appropriate serious consequence can have the effect of encouraging them through complacency. We are reminded of the importance of dealing with this issue.

As parliamentarians I believe we could all agree that hate crimes in all of their forms cannot be tolerated in our country. They are a fundamental attack on our values and our principles and on each and every one of our citizens. A crime of hate against any Canadian citizen is a crime of hate against all Canadian citizens.

Our charter of rights and freedoms guarantees that everyone in Canada has a right to equal protection and equal benefit of the law without discrimination and our government is committed to protecting that right. The amendments proposed by this bill would strengthen the message that hate crime will not be tolerated in Canada.

I would now like to turn briefly to where the current law stands in Canada. Currently, there is a specific hate crime of mischief committed against property primarily used for religious worship which is found in subsection 430(4.1) of the Criminal Code, mischief relating to religious property. It is a hate crime because the offence is only committed when such mischief is committed out of bias, prejudice, or hate based on religion, race, colour, national or ethnic origin. The maximum punishment for this offence is 10 years' imprisonment. Subsection 430(4.1) of the Criminal Code was enacted as part of the Anti-terrorism Act of 2001, which was also known at that time as Bill C-36.

Today, hate crime is restricted to property that is primarily used for religious worship, such as churches, mosques, and synagogues, and also includes cemeteries. However, during the committee hearings on Bill C-36, some witnesses, while approving of the creation of a specific hate crime of mischief, argued that the crime should be broader in scope, and if I may, I will cite some examples.

David Matas, lead counsel for B'nai Brith Canada, in his testimony at that time, argued that sex should be added to the list of hate motivations and also that the crime should be expanded to cover schools, organizational buildings, and cemeteries.

As well, on November 6, 2001, before the same committee, Mr. Ed Morgan, who was at that time chair of the Ontario region of the Canadian Jewish Congress, testified that all religious property should be protected by the hate crime mischief offence. He said:

> Not just sanctuaries, not just synagogues or churches, but all religious structures, religious centres, religious schools, religious community centres, cemeteries—which are a particular target for hate crimes and desecration—ought to be covered as well.

He also argued at that time, and again I quote from his testimony:

> ...the grounds of group identification ought to be expanded to include, for example, hate crimes against groups identified by sexual orientation or gender. Gay-bashing is a hate crime, as would be an attack on a women's centre, every bit as much as on a religious community centre.

As a result, subsection 430(4.1) was amended by the House of Commons committee to add cemeteries to the list of properties primarily used for religious worship, but not the other kinds of properties that had been cited in the testimony, such as schools or community centres.

As well, a proposed amendment to add sex as a ground of hate motivation was rejected at that time, because it was seen as not relating logically back to the purpose of the hate crime mischief offence, which was to protect places of religious worship, unlike other hate motivations of race, colour, religion, or ethnic or national origin.

● (1740)

Bill C-305 proposes to add to this mischief offence additional kinds of property. These are buildings or structures used for educational purposes, for administrative, social, cultural, or sports activities or events, or as residences for seniors. As well, the list of hate-motivating criteria would be expanded by adding two new ones: sexual orientation and gender identity.

I wholeheartedly support the principles behind the bill that our criminal law should clearly denounce all hate-motivated mischief. However, it does bring forward some questions about the potentially broad scope of the proposed crimes in this section, which were previously discussed during the first hour of second reading by my colleague and the member for Charlottetown.

The private member's bill in its current form could potentially capture numerous unintended buildings and spaces such as sports arenas or coffee shops. These buildings or structures are currently protected by the general offence of mischief. Additionally, in order to ensure consistency with the existing hate speech provisions in the Criminal Code as well as those amendments proposed under Bill C-16, gender identity, which is currently before the Senate, we need to look more closely at this proposed legislation.

Therefore, the government will support Bill C-305 with a view to amendments to address the potential overbreadth and consistency with other provisions of the Criminal Code. We believe that Bill C-305 should receive second reading and be sent to committee for further study.

I would like to take this opportunity to once again thank the member for Nepean for his commitment in bringing this matter forward. It is a timely piece of legislation. It is work that demands our closest attention.

Mr. David Sweet (Flamborough—Glanbrook, CPC): Mr. Speaker, everybody has alluded to the tragic terrorist event that happened in Quebec City just days ago. I hope that you and all of my colleagues in the chamber will allow me this opportunity to mention the names of those people who are no longer with us: Khaled Belkacemi, Azzedine Soufiane, Aboubaker Thabti, Abdelkrim Hassane, Ibrahima Barry, and Mamadou Tanou Barry.

It is also important to note that five of these six men were fathers. According to the research, which I hope is accurate, and we have done all we can to find that out, 15 children have now been left without fathers. Therefore, it is poignant that we are debating this bill tonight.

Out the outset of my remarks on Bill C-305, I would like to remind the House of the words of Martin Luther King Jr., who said, “Hate cannot drive out hate; only love can do that”.

Bill C-305 seeks to amend the section of the Criminal Code that applies to hate crimes. As we debate the merits of this bill, we should bear in mind that the antidote for hate is not merely legislation. Indeed, it is love. However, as members of Parliament, we cannot legislate that citizens love one another, although as leaders we often have the opportunity to encourage our constituents to be tolerant, accepting, and compassionate. Furthermore, it is our responsibility to ensure that the legal framework is in place so that those who commit acts motivated by hate are held to proper account.

Last weekend we marked International Holocaust Remembrance Day as we remembered the six million Jews who died in what the Jewish people call the Shoah. I was reminded of my recent visit to Israel, where I toured Yad Vashem, the museum of the Holocaust. If we were to go there, we would enter a building that shows the timeline of anti-Semitism, how it grew, how it became socially acceptable, and how that paved the way to allow the Nazis to take over Germany and to come up with what they called the “final solution”.

As we look back at this time in our collective history, it is clear that any kind of racism, when allowed to brew, when allowed to fester, when allowed to grow, can turn into these kinds of atrocities that all of us despise and all of us would condemn. It is incumbent upon us to enact legislation that would help extinguish hate before it metastasizes into a more virulent form, which is what this bill seeks to address.

In the wake of the terrorist attack on Sept. 11, 2001, misinformed individuals firebombed the Hindu Samaj temple located in my riding, a temple meant for worship and prayer. This destructive act was meant to send a message of hate to Muslims, although it actually hurt the innocent Hindu community that gathers there. This is the type of act we should seek to avert before it happens by teaching and demonstrating tolerance while ensuring that measures in the Criminal Code are in place that could target the early signs of this type of behaviour.

Before I delve into the details of the bill before us, I would like to offer one further reflection.

I have been afforded the opportunity to serve as a member of the Subcommittee on International Human Rights for almost 11 years. This role has opened my eyes to what hate looks like unchecked when taken to its extreme. Hate has ravaged lives in the Middle East, South America, Africa, and virtually every corner of the globe. It has taken the form of genocide, sexual slavery, torture, kidnapping, and other horrific acts. In Canada, hate does not often take these extreme forms, but these tragic events abroad should also serve as a stark reminder that hate must not be allowed to take root. In fact, it must be given no oxygen whatsoever in the public square.

With these reflections in mind, I would like to thank the member for Nepean for bringing this bill forward. He has identified a gap in our statutes respecting hate crimes and has proposed Bill C-305 in response.

Presently, the Criminal Code provides for a penalty of up to 10 years for mischief related to religious property based on bias or prejudice against a certain race, religion, or some other identifiable group. In legal terms, “mischief” broadly refers to destroying, disfiguring, or damaging property or rendering property dangerous or of no use. In plain language, houses of worship are legally protected from damage or disfiguring brought about by hate.

● (1745)

In contrast, if a similar act of hate is committed against a university, a day care centre, a community centre, or a seniors' residence, charges would be laid under the general mischief section of the Criminal Code, but would only carry a sentence of up to two years.

Bill C-305 seeks to close this gap by extending the legal protection afforded to houses of worship to a wide variety of other property critical to our community lives.

It is my view that the Criminal Code should be consistent and tough as it relates to hate crimes. If a person inflicts damage upon a building to propagate a message of hate, such offenders should bear the weight of our criminal justice system, wherever it is.

For this reason, Bill C-305 is deserving of our support at second reading in order to send it to committee where it should receive due consideration, including a robust inquiry of witnesses and a thorough examination to ensure that any unintended consequences are avoided.

This work should also be done in a timely fashion in light of the recent events. The horrific attack at the mosque in Quebec City this past weekend is the latest example that hate still plagues our nation. On Monday, many members of the House gathered by the centennial flame in honour of the victims and to stand in solidarity with the Muslim community. These events should serve as a reminder to us as legislators that we ought to redouble our efforts to root out hate.

Additionally, at the end of 2016 in Ottawa, three synagogues, a mosque, and a church were spray-painted with racist graffiti.

I have every confidence that these actions and others like them are being met with the vigilance of our law enforcement officials. Meanwhile, we must ensure the law responds to these acts appropriately, no matter where they take place, be it a university campus, a high school, or seniors' home. This bill would give our police forces the tools they need to combat hate in all of its forms, everywhere.

Indeed, if we support Bill C-305, we will send the message that hate will not be tolerated in Canada. I look forward to supporting the bill when it comes up for a vote.

Ms. Sonia Sidhu (Brampton South, Lib.): Mr. Speaker, I am pleased to rise in the House to speak on Bill C-305, an act to amend the Criminal Code (mischief), and even more pleased that I will be seconding the bill that my colleague, the member for Nepean, has put forward. I have had the pleasure of working with my colleague in the past, through parliamentary friendship groups and discussing a number of other issues. I have seconded the bill for many other reasons as well though. The bill is a strong response to hateful acts, like the tragic shooting in a Quebec City mosque this past weekend.

As a mother of three, my children were taught that Canada is a country of multiculturalism and acceptance. Multiculturalism and religious freedoms are core parts of Canadian identity, although there are those who have a different world view.

Multiculturalism and pluralism are still challenged today. There are those who believe they can scare people into falling backward into the past. I know that at this time some leadership candidates for the Conservative Party are promoting ideas that would only divide Canadians. I have long been proud that multiculturalism has stood in the face of that view. It has been part of our national fabric for decades.

Multiculturalism is why people move to Canada. It is a country of harmony where people can freely start new lives and raise families. It is at the core of what attracts people from other countries to want to build a life here in Canada. In my riding of Brampton South, my office often gets calls from people all over the world asking us how they can move to Canada.

While countries in other parts of the world try to shut down their borders to Syrian refugees, Canada has opened its borders and homes to let them in, and we worried about how fast we could take them in. Never forget that our inclusive, remarkable country today was only possible because of immigrants. Canada is the nation of multiculturalism. It is not just a country of tolerance, but a country of acceptance. Acceptance is important, where those of different faiths, cultures, and ethnicities can coexist with one another without any fear of discrimination.

The acts we have seen recently do not make a difference, despite how the offenders hope they might. These acts do not reflect the Canada that Canadians know and love. Some of the recent heinous acts we have seen in various communities have been committed by youth, under the age of 18. I am baffled to see that there are people, particularly youth, that are getting the message that it is okay to promote messages of hate and racism at synagogues, mosques, and schools. I do not want my children to live in a world where they cannot feel safe in their country because of their cultural and religious background.

I want to tell a quick story about one of my volunteers, who is also a constituent of my riding. Stephanie identifies herself as a Canadian of Chinese Vietnamese descent. As a child, she was a target of bullying and racism among her peers in day care and elementary school, simply because she was the only student who did not look like them. She hated going to school because she felt that she was not safe, at a place where she should feel safe. She told me it all started to turn around when their class had a day where they learned about each other's cultures and really grasped multiculturalism. Over time, most of her peers started to treat her better. There are always a few outliers who do not change.

Bill C-305 understands that we need to be conscious and respectful, and to defend our brothers and sisters of different ethnicities, religions, and various backgrounds.

People are not born racist or hateful. It is taught, and people can unlearn it as well. I come back to it because these recent acts in the region sadden me, hearing that messages of hate are being spread in a country where people should be free to be who they are away from intolerance, bias, and hatred. Hate speech and hate-motivated mischief is the line between our right to freedom of speech and unfiltered hatred.

This should not be tolerated in Canada. These acts have used the symbols of hateful regimes of the past to scare people. In Canada, such a great, welcoming, open, free country, our citizens should not walk in fear in our communities.

● (1750)

It causes fear in communities such as my own, and it means that parents have to explain to their children very difficult things about what is going on. Kids are told sometimes to be vigilant for people who might want to hurt them just because of their identity and how they pray. We have seen this hate before, and we must work together to combat it. This is why this bill would take the next step, in focusing on the next issue.

Bill C-305 expands the definition of mischief to also include other places as well, particularly buildings established by a religious community, which were previously not included. This would ensure the equal protections and equal benefit of the law without discrimination. These are the principles—particularly freedom of religion and protection of that freedom by the government—echoed within the Canadian Charter of Rights and Freedoms. We need to firmly state the message that hate crimes such as ones in the vein and spirit of what we have recently seen in Quebec City will not be tolerated in Canada.

These institutions, gathering places, and places of worship that we would protect in this bill are the fundamental backbone places in each of our communities. In each of our ridings, we can point to places that make a real difference in bringing together our various communities: a park where communities gather, like Chinguacousy Park in my community; an educational institution like Sheridan College in my riding; or any number of landmarks we can point to.

We need to stand up for those groups who are being discriminated against and the culture of fear overall. In a world where many live in fear, Canada can be a beacon. This government stands up against that fear and that approach. This optimistic spirit drives our ministers and our Prime Minister to be more open. We cannot stand idly by. This is our opportunity to stand up and speak out. We are not making false choices like pitting safety and free speech against one another; we are making a choice where everyone wins.

I am glad to see support from around this House so far on this bill. I would like to commend all the groups who were involved in working on this bill. For years, the discussion around safe space has been happening, and this bill would make a real step forward on this. This bill has been supported by a number of important groups, and I want to take a moment to recognize them:

The Centre for Israel and Jewish Affairs; the World Sikh Organization of Canada; Coalition for Progressive Canadian Muslim Organizations; Canada India Foundation; Canadian Rabbinic Caucus; Association of Progressive Muslims of Canada; Baha'i Community Canada; Multicultural Council for Ontario Seniors; Ukrainian Canadian Congress; Ghanaian Canadian Association of Ontario; Presbyterian Church in Canada; Ahmadiyya Muslim Jama'at Canada; Armenian National Committee of Canada; Canadian Polish Congress; Jamaican Canadian Association; Reconciliation Canada; Anglican Diocese of New Westminster; Roman Catholic Archdiocese of Vancouver; Vivekananda Vedanta Society of British Columbia; Temple Sholom, B.C.; International Society for Krishna Consciousness, Vancouver; and Akali Singh Sikh Society, Vancouver.

This bill speaks up in favour of those whom some would want to silence. This bill is something I think this Parliament should be very proud to pass into law. Again, I want to commend the author of this bill on his work to advance this discussion. Together, we can make a real difference for Canadians by voting for this. I encourage all my colleagues to think of those places in their community that they want to protect when they cast their ballot on Bill C-305. I know I will when I stand and vote yea on this bill.

● (1755)

The Assistant Deputy Speaker (Mr. Anthony Rota): Before resuming debate, I just want to remind the hon. members that there is debate taking place in the room, and there just seems to be a slow rumble that kind of gets louder. Whispering is fine. It is nice to see everybody getting along. It must be something with the new year. We had two bills go with unanimous consent. We have people talking, but we do have to listen in on the next speaker.

The hon. member for Nepean.

Mr. Chandra Arya (Nepean, Lib.): Mr. Speaker, it is an honour to rise once again to speak to Bill C-305. I do so with a very heavy heart in light of the recent horrific attack at a mosque in Quebec City. It pains me to see such a hate-motivated act taken against our fellow Canadians. Hate such as this has absolutely no place in Canada. Bill C-305 is one of the small steps we can take to eliminate hate-motivated crimes in Canada.

I would like to thank my colleagues from all parties for their interest and contribution to this debate.

I would like to quote Martin Niemöller, the prominent Protestant pastor who emerged as an outspoken public foe of Adolf Hitler and spent the last seven years of Nazi rule in concentration camps. He stated:

> First they came for the Socialists, and I did not speak out —
> Because I was not a Socialist
> Then they came for the Trade Unionists, and I did not speak out—
> Because I was not a Trade Unionist.
> Then they came for the Jews, and I did not speak out—
> Because I was not a Jew.
> Then they came for me—and there was no one left to speak for me.

Bill C-305 would recognize that hate motivated by bias based on gender identity and sexual orientation would carry the same weight as crimes committed against religion, race, colour, national or ethnic origin. The bill would expand it to include schools, day care centres, colleges or universities, community centres, seniors' residences, and cultural centres. The impact felt by victims of hate crimes cannot be limited to just places of worship.

The public properties proposed to be included have either all been subject to hate crime or are vulnerable to being a target of hate crime. Whether it is places of worship or other property, the negative impact of hate crimes on the community remains the same. Also, under this criminal subsection, if a person is found guilty of an offence, there are stiff prison terms. While I agree education is the best long-term solution, I also believe a strong law and punishment act as major deterrents.

At this point, I would like to quote Dr. Martin Luther King on the interaction between positive law, morality, and culture. He stated:

> It may be true that morality cannot be legislated, but behaviour can be regulated. It may be true that the law cannot change the heart, but it can restrain the heartless. It may be true that the law can't make a man love me, but it can restrain him from lynching me...So while the law may not change the hearts of men, it does change the habits of men. And when you change the habits of men, pretty soon the attitudes and the hearts will be changed. And so there is a need for strong legislation constantly to grapple with the problems we face.

It is very important that we have a strong and robust law for hate crimes. Again, I agree education is important, but I am equally confident that good law is also required.

It is heartening to note the near-unanimous support I have received from all sections of society. I would like to recognize and thank the Centre for Israel and Jewish Affairs for its ongoing support and its efforts to mobilize other stakeholders.

Bill C-305 takes a strong step to making our neighbourhoods and communities safer places to live. Think of the strong message we would be sending to all Canadians: that not select people but all people of Canada can feel safer knowing that Parliament has taken concrete and strong measures to protect them. I ask my fellow members support this important bill.

● (1800)

[*Translation*]

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And five members or more having risen:

[*English*]

The Assistant Deputy Speaker (Mr. Anthony Rota): Pursuant to Standing Order 93, a recorded division stands deferred until Wednesday, February 8, immediately before the time provided for private members' business.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

● (1805)

[*English*]

TELECOMMUNICATIONS

Ms. Rachel Blaney (North Island—Powell River, NDP): Mr. Speaker, on October 25, I asked the Minister of Innovation, Science and Economic Development about the broadband funding and the challenges of high-speed Internet in a rural riding, such as the one I represent, North Island—Powell River. Today I am glad to have the opportunity to follow up on this issue.

As members know, high-speed connection remains very expensive, and the speed and access are inconsistent across my riding of North Island—Powell River. This unfortunate reality is common outside large urban centres. Whether it is the backbone or the last mile missing, it is a strain on our economy and restricts many opportunities.

I am pleased to hear that the minister has rolled out a new federal funding opportunity, connect to innovate, with $500 million over five years, starting in 2016-17. I am hopeful this will truly extend and enhance broadband service in rural and remote communities. I have invited all prospective applicants from my riding to take advantage of this source of funding and am pleased to see that the deadline has been extended.

This funding was supposed to invest only in backbone infrastructure. The problem is that many rural and remote residences cannot connect due to the last mile issues. I was glad to hear that the minister heard our concerns and decided to include funding opportunities for the last mile, as well as backbone infrastructure in this new funding program. I also want to applaud the regional districts in my riding which have taken a leadership role on this file by studying the gaps and making a strong case for improved telecommunication in our region.

I recently had the pleasure to meet with local telecom providers in my riding. They painted a very grim portrait of broadband in rural and remote regions and are hoping to feel some meaningful support from the government. For decades it has been the local providers that have managed to be innovative in providing the services to a difficult marketplace, and this was not done without risk. They are committed to providing a service to communities. They provide good jobs, and they are important jobs to ridings like mine.

I rally the Minister of Innovation, Science and Economic Development to recognize that the betterment of broadband cannot solely be done by one-time funding. Smaller operators need wholesale resources to help fund services on the edge. They need spectrum and access to land for relay sites at affordable rates, and meaningful, unobstructed access to wholesale resources. In short, they need the support of government at all levels, and those of Industry Canada and the CRTC. Will the minister listen and commit to helping them?

Recently, I sent a mail-out to the members of North Island—Powell River on broadband, and I was pleased by the level of feedback. I want to thank my constituents for sharing all their stories. People in my riding are dismayed by the price gouge. I also heard from local businesses that could expand, bringing much-needed jobs into our riding, but they require better high-speed connections to do so. Others attested that the most remote and rural first nations communities are severely impacted by marginal access to the Internet, especially for the important online learning that they need.

Many of my constituents are concerned that this new federal funding will end up in the pockets of the large telecoms exclusively. They want to see real solutions on the ground to their homes and to their businesses, and a collaborative effort from all stakeholders to create more accessible broadband. How will the minster ensure that this happens?

[*Translation*]

Mr. David Lametti (Parliamentary Secretary to the Minister of Innovation, Science and Economic Development, Lib.): Mr. Speaker, I am pleased to respond to the remarks made earlier by the hon. member for North Island—Powell River on the importance of broadband service for the rural regions of Canada.

Broadband networks are the very foundation of the competitive digital economy we are building. This broadband infrastructure affords access to digital tools, global markets, and employment opportunities. This same infrastructure opens new avenues of education and training, spreads our Canadian culture throughout the country and the world, and, lastly, connects us to our friends and families.

We are therefore in full agreement with the hon. member on the importance of broadband service. It is a critical service for the digital future of Canada. It is essential that the rural regions and remote communities have their full place in that future.

During our consultations on support for the program an inclusive innovation agenda: the state of play, Canadians emphasized the importance of upgrading high-speed broadband coverage.

New statistics published last October show a permanent improvement in Canada's broadband networks: 96% of Canadians now have access to Internet service at speeds of five megabits per second or more; 75% of Canadian households have Internet access at speeds of 100 megabits per second or more. The private sector is also announcing investments in its gigabit network that will literally transform our digital landscape.

While these statistics are encouraging, they also underscore the digital divide between the rural regions and the rest of Canada, which can only be deplored. However it is true that the economic barriers to the distribution of digital service are far greater in rural and remote regions than in the urban regions. These difficulties are compounded by the far greater needs of rural communities.

For some of our more remote rural regions and communities, which lack medical facilities and educational institutions and do not have a solid labour market, the business opportunities for digital solutions are limitless. That is why we feel that our government has a role to play in collaborating with private sector partners and other levels of government to improve the community.

The connecting Canadians program is an initiative that can bridge the digital divide. Projects announced in 2015 and 2016 will benefit 300,000 households in the rural and remote regions of Canada. In December, our government was pleased to launch a new program known as an inclusive innovation agenda: the state of play, which will provide up to $500 million to build high-quality broadband networks in underserved regions.

In co-operation with partners all across Canada, we are investing to bring transformative change to our rural and remote communities.

● (1810)

[*English*]

Ms. Rachel Blaney: Mr. Speaker, just recently, the CRTC decided to deem access to the Internet as an essential service. This is a major step in Canadian telecommunication history. I suspect this will have some profound consequences on our infrastructure and services over the next decade. This makes sense as Internet usage is growing across our country and its practical applications are increasingly varied.

The job market and services are more and more web-dependent. Like many resource-based economies trying to expand and diversity, our riding's local economy needs broadband access to adapt.

The CRTC decision to make the Internet an essential service is a step in the right direction, but we need a target and a plan.

My constituents need to know how this will specifically impact rural regions and the many smaller providers in those regions. When can we expect details on how this new ruling will be shared?

[*Translation*]

Mr. David Lametti: Mr. Speaker, we all have a role to play in building Canada's digital future and ensuring that remote communities have their place in that future. We are well aware of the decision declaring high-speed Internet an essential service. The private sector, provincial and territorial governments, and federal departments can and are making significant efforts in this area.

Consider, for example, the federal and provincial contribution of $180 million for high-speed Internet services in southwestern Ontario, a project led by the Western Ontario Warden's Caucus and supported by our government and the Government of Ontario. That is an example of what we can do when we work together to identify the challenges—

● (1815)

The Assistant Deputy Speaker (Mr. Anthony Rota): The hon. member for Beauport—Limoilou.

PUBLIC SERVICES AND PROCUREMENT

Mr. Alupa Clarke (Beauport—Limoilou, CPC): Mr. Speaker, I am honoured to take part in this evening's proceedings. I want to begin by congratulating the member for Gatineau on his new role. I look forward to working with him on the many issues related to the Department of Public Services and Procurement.

First of all, I would like to talk about the fiasco that is the Phoenix pay system for those watching us. It began in February 2016 when the Liberal government decided to approve the implementation of a new pay system, that is a new computer system meant to ensure that all public servants receive their pay properly on a given date, in other words every two weeks.

It was a huge change, especially considering the more than 300,000 public servants in the system, and the fact that the previous pay system had been in place for over 40 years. Thus, it was considered a huge change, one that had been planned by the previous Conservative government. In 2016, we were not there to assess its effectiveness and operational readiness.

Last February, the government, through the Minister of Public Services and Procurement, gave the go-ahead to implement the system. A month later, government workers began to notice major problems. Some of them were not getting paid, which is pretty serious. Some of them were not getting their employment benefits, such as maternity leave or a pay raise following a promotion. Others were not getting the correct pay. Some were getting too much, which made no sense to them, and others too little. As the months passed, the situation got worse and worse. The problem ballooned from a few thousand public servants having trouble with their pay to tens of thousands of cases. By July 5, 2016, there were 80,000 cases.

At that point, after three months of pressure from the Standing Committee on Government Operations and budget forecasts by the opposition parties, both Conservative and NDP, the government acknowledged the situation and said it would take action. The minister held a press conference on July 5. She stated that there was a backlog of 80,000 cases of people with the kinds of pay problems I mentioned. She said that the backlog would be cleared by October 30. It is now February 2017, five months later, and there is still a 13,500-case backlog.

The problem is not the government's process. The problem is the lack of accountability. The minister says she was not made aware of the Gartner report that was submitted to her department in February which said that the Phoenix pay system was not ready to be implemented. The minister says she did not see that report, but approved the system anyway.

Accordingly, the deputy minister did not respect the minister's responsibility and worse, if the minister did indeed see the report, which is my personal opinion, then she went ahead knowing that the system was not ready to be implemented.

Mr. Steven MacKinnon (Parliamentary Secretary to the Minister of Public Services and Procurement, Lib.): Mr. Speaker, I thank my hon. colleague for his kind words and his speech.

First, we agree on one thing, probably. It is completely unacceptable that federal government employees are not getting paid what they are owed. Public servants deserve much better. As the member for Gatineau, it goes without saying that many of my constituents were directly affected by the failures in this system. We are living this every day and I am listening to them very closely.

I want to come back to a few things the member across the way said. First, the Phoenix problems did not start in February 2016. They started when the previous government banked on saving $70 million, put that money in the budget as though it were a done deal, and dismissed hundreds of pay advisers. The previous government left us in this unacceptable situation without the former pay system. We had to trust the development of the Phoenix system. We had no choice but to implement it.

Although we did not cause this, we have accepted the responsibility for fixing the problems caused by the previous government. We take these problems very seriously. We are working hard to help federal employees and to resolve their pay issues. That is why timely processing of pay requests is a top priority for the Department of Public Services and Procurement. I am proud to be the parliamentary secretary for that department.

The goal is to process pay requests in accordance with the established service standard, which is 20 days for most changes, based on when the requests arrive at the Public Service Pay Centre.

This is what has been done. The backlog of cases is 7,000, and not 12,500 as claimed by the member, and as it clears the Public Service Pay Centre compensation advisers are assigned to process new requests. Reassigning resources means that pay requests are processed more quickly, wait times are reduced, and late payments are resolved. Requests for parental leave and disability are the priority, as requested by the unions.

● (1820)

[*English*]

With more resources and increased efficiency at the pay centre, government employees will notice that their pay transactions are being handled much faster.

Finally, new transparency measures, a lot more transparency measures than were contemplated under the previous government, are being introduced to keep employees informed of the progress being made. Starting very soon, monthly information about pay performance will be posted online. This will let employees see how well the pay centre is meeting its service standards.

Finally, as tax season approaches, there is an added focus on addressing overpayments so that employees' earnings are reported as accurately as possible.

Employees are being reminded to call the call centre to ensure that any overpayments are handled as a priority.

With more resources and increased efficiency at the pay centre, government employees will notice that their pay transactions are being handled much faster. Employees will also soon have access to detailed information online about all payments they received in 2016. This will help them verify whether the taxable earnings stated on their tax slips are correct.

[*Translation*]

We continue to work closely with all our partners, the Canada Revenue Agency, and the Treasury Board Secretariat. The department also continues to work with the unions on several issues in order to help them solve pay problems.

Our government is aware of the important—

The Assistant Deputy Speaker (Mr. Anthony Rota): The hon. member for Beauport—Limoilou.

Mr. Alupa Clarke: Mr. Speaker, it is unbelievable. My colleague is talking about new transparency measures, but we know what happened this morning. We learned from a journalist that 150 employees who are currently having problems with the Phoenix pay system have turned to the Access to Information Act to find out what is happening with their pay, when it will be resolved, and what errors have been made. They had to turn to the Access to Information Act. I do not know what these new measures are, but they are obviously not working.

I would like to come back to what I was saying earlier. The real problem here is the minister's lack of accountability. It very much seems like she is not managing her department. First, she approved the activation of the Phoenix pay system in February when three reports, including the Gartner report, indicated that the system was not ready—

The Assistant Deputy Speaker (Mr. Anthony Rota): The hon. parliamentary secretary.

Mr. Steven MacKinnon: Mr. Speaker, the member opposite is talking about accountability when, every two weeks, we send the deputy minister to give an update and talk to public servants, to everyone affected, to everyone who wants to know what progress is being made and what the new statistics are. New statistics are generated every two weeks. We can see that progress is being made.

I cannot believe that a member of the party across the floor is asking us questions about the Phoenix pay system when his party is responsible for replacing a system that was working with a flawed system without giving us the option of reverting back to the old system. Phoenix is a poorly designed system with many flaws. We have made a commitment to fix that. That is what we are going to do. Our public servants will see progress and results in the coming weeks and months.

● (1825)

[*English*]

THE ENVIRONMENT

Mr. Arnold Viersen (Peace River—Westlock, CPC): Mr. Speaker, I rise this evening to question the Minister of Environment to get a clear answer on my question from my December 2, 2016 exchange.

I like to call my riding "the promised land". It is a land flowing with milk and honey to some degree. It is also a land filled with promise. It is one of the youngest ridings in the country and it has a very vast landscape. It is about half the size of Norway. It is about the size of Iceland. It is three times the size of the Netherlands and has a population of 100,000. Many of the people are employed in primary industries such as logging, agriculture, and the oil field.

The implementation of the new carbon tax has had some significant impacts in northern Alberta with respect to jobs, and I will focus my remarks on the forestry sector. I had the opportunity over the Christmas break to ride along with my cousin in his logging truck for a day. It was a real opportunity. We drove out into the bush, loaded 45 tonnes onto a logging truck, and hauled it 120 kilometres into Whitecourt, where we unloaded it at the big sawmill. I saw some huge equipment in action and participated in a little of the banter that was happening on CB radio. It was fascinating to see all that heavy equipment in action and all the people it took so we could buy a two-by-four at the Home Depot for $4.50. It was fascinating to watch.

I also had an opportunity to meet with folks from ANC, the Alberta Newsprint Company. It operates a large paper factory in Whitecourt. I also took a tour of the La Crete Sawmills in La Crete, Alberta. All of the people I met told me that this was an industry that operated on very slim margins and it was commodity-based. Unlike a lot of other businesses, they do not have the opportunity to pass the new expenses on to their consumers. The price of a pound of paper is the price of a pound of paper. The price of a board length is the price of a board length. They are subject to those prices because they are international prices. They have said that when the carbon tax comes in, it will make a significant cut into their profitability and also the jobs.

It would be one thing if this were the only thing that was happening to the forestry industry in northern Alberta, but it is not. Electrical rates are changing significantly in northern Alberta. The softwood lumber agreement has not come into play, so people are worried about that.

We also have a caribou range plan. I have contacted the minister's office a couple of times about this issue as have stakeholders from my riding. We are looking to the environment minister to give us a reprieve on not only the carbon tax, but also the caribou range plan initiative. I know there is a hard date of October of this year for that range plan. We are looking for a reprieve on that date so we can get a good range plan in place, especially in light of the new carbon tax coming into play.

Ms. Kim Rudd (Parliamentary Secretary to the Minister of Natural Resources, Lib.): Mr. Speaker, our government is committed to creating a cleaner, more innovative economy that reduces emissions and protects our environment, all while getting our natural resources to market through pipeline approvals and while creating well-paying jobs for the middle class and those working hard to join it.

Unlike the Harper government, we understand that the environment and the economy must not be competing interests but, indeed, shared priorities. After a decade of complete inaction, our government has put in place the measures required to reduce emissions, grow our economy, and create good middle-class jobs.

These actions include accelerating the phase-out of coal, developing a clean fuel standard, taking action on short-lived climate pollutants, and yes, putting a price on carbon pollution.

In December, first ministers met to finalize the pan-Canadian framework on clean growth and climate change. This plan identifies actions that will allow us to meet or exceed our greenhouse gas emissions reduction target of 30% below 2005 levels.

After 10 years of the previous government only talking about targets, our government took action. Informed by consultations with Canadians across the country, indigenous peoples, and industry, this plan will create the clean-growth economy necessary for the collective health, prosperity, and security of this generation of Canadians and the next.

To address the heart of the question, a price on carbon pollution has not just been endorsed by some of Canada's largest employers but by labour, people of all political stripes, and many other corners of Canadian society. For example, Mark Cameron, the former policy adviser to the prime minister, said, "Federal carbon price plan looks like a good start".

I could not agree more. The president of the Canadian Labour Congress commented that the "carbon pricing announcement is an important and necessary step for our government to take towards meeting our Paris commitments".

He is right. As the Prime Minister has said, "you cannot make a choice between what's good for the environment and what's good for the economy." The choice between job creation and environmental protection is a false one.

In today's world, world economic development and environmental sustainability must go hand in hand. Strong environmental policies, including a price on carbon pollution, are crucial for generating the type of support that is required for major projects, and ultimately, for Canada as a whole to get resources to market in an efficient and sustainable way. Our focus is on taking real, concrete, and lasting action to reduce our emissions, grow our economy, and create good-paying middle-class jobs.

● (1830)

Mr. Arnold Viersen: Mr. Speaker, I am pleased that they are taking real, concrete action.

One of the real, concrete actions I would appreciate is a meeting between the minister and stakeholders from my riding. We have been advocating for this for quite a while. I would really like to see this.

Twenty thousand people in my riding are directly involved in the forestry industry. The spinoff jobs that come from it are about 173,000 jobs in northern Alberta. It is a huge part of our economy, and it is imperative that we get what we need done in terms of a plan that works for everybody.

I do not deny that the environment and the economy go hand in hand. That is why in northern Alberta, we have what we call forestry management areas, and those areas have a 100-year plan in order for them to harvest the trees in a sustainable manner, taking into account the species that live within those forests. We have a good plan in place. We just need to ensure that we do not get a top-down approach from the federal government.

Ms. Kim Rudd: Mr. Speaker, I agree with my colleague opposite that the forestry sector is indeed a very important part of our economy.

I want to say that we are focused on supporting middle-class Canadians and their families at every stage of their lives. Not only did the Conservatives vote against the Paris Agreement, but when it comes to middle-class Canadians, they opposed our government's reducing taxes for nine million Canadians and a Canada child benefit that helps nine out of 10 Canadian families and will help raise 300,000 children out of poverty.

That is not all. They also voted against enhancements to student loans that will help 250,000 Canadians. Our government is focused on both protecting our environment and growing our economy while helping the middle class and those working hard to join it.

The Assistant Deputy Speaker (Mr. Anthony Rota): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6:34 p.m.)

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